

# SHREE NARAYANA COLLEGE OF COMMERCE

## AHMEDABAD

Name of the Department: ECONOMICS

Subject: Macro Economics – II

Class & Semester: BSBA Sem. – II

Faculty Name: Dr. Jignesh Kauangal & Dr. Ashutosh Pandey

## ASSIGNMENT

### SECTION – 1 (UNIT – 1)

- 1) Define macroeconomics with its importance.
- 2) Discuss the scope of macroeconomics.
- 3) Define the concept of GDP & GNP.
- 4) Define Circular Flow of Income – Two Sector Model.
- 5) Discuss different methods of estimating National Income in brief.
- 6) Define the usefulness of National Income estimation.
- 7) Explain different problems of National Income estimation.

### SECTION – 2 (UNIT – 2)

- 1) Define the Consumption and Saving Function.
- 2) Define Multiplier.
- 3) State and explain Pigou's Wage Cut Theory in detail.
- 4) Define Investment Function.
- 5) Discuss the concept of Investment Multiplier in detail.
- 6) Write a detailed note on "Say's Law of Market".

### SECTION – 3 (UNIT – 3)

- 1) Define the Business Cycle with its phases.
- 2) Define Inflation with its effect.
- 3) Define Deflation with its effect.
- 4) Define causes of Inflation.
- 5) Explain different reasons contributing to Stagflation.

### SECTION – 4 (UNIT – 4)

- 1) What is Fiscal Policy? Discuss its Instruments.
- 2) Define Budget and explain different types of Deficits in the Government Budget.
- 3) What is Monetary Policy? Explain its Objectives.
- 4) Write a detailed note on Quantitative Instruments of Credit Control
- 5) Define Repo Rate & Reverse Repo Rate.

## SECTION – 5 (REVISION & PRACTICE)

### Multiple Choice Questions

- 1) Who used the term macroeconomics for the first time?
  - a) Irving Fisher
  - b) Adam Smith
  - c) J. M. Keynes
  - d) Ragnar Frisch
  
- 2) Which of the following indicates National Income?
  - a) GDP (MP)
  - b) GDP (FC)
  - c) NDP (FC)
  - d) NNP (FC)
  
- 3) Difference between GDP(MP) & NDP(MP) is \_\_\_\_\_
  - a) NIT
  - b) NFIA
  - c) Depreciation
  - d) None
  
- 4) Supply creates its own demand- who gave this law?
  - a) J. S. Mill
  - b) J. M. Keynes
  - c) J. B Say
  - d) Adam Smith
  
- 5) When did the great depression begin?
  - a) 1928
  - b) 1929
  - c) 1930
  - d) 1933
  
- 6) Which of the following is a consumption function?
  - a)  $S = f(c)$
  - b)  $C = f(y)$
  - c)  $C = f(s)$
  - d) None
  
- 7) How many phases does a business cycle have?
  - a) Four
  - b) Five
  - c) Seven
  - d) Eight
  
- 8) Who introduced the concept of inflationary gap?
  - a) Keynes
  - b) Pigou
  - c) Marshall
  - d) None
  
- 9) Which of the following is an instrument of Monetary Policy?
  - a) CRR
  - b) Tax
  - c) SLR
  - d) Repo rate

- 10) When \_\_\_\_\_ is deducted from Fiscal deficit we obtain primary deficit.
- a) Taxes
  - b) Subsidies
  - c) Net exports
  - d) Interest Payments
- 11) What does macroeconomics primarily deal with?
- a) Individual Consumer Behaviour
  - b) Management Principles
  - c) Economy as a Whole
  - d) Study of a Firm
- 12) Which of the following is a method of estimating National Income?
- a) Statistical Method
  - b) Experimental Method
  - c) Income Method
  - d) Logical Method
- 13) What does GDP stand for?
- a) Gross Domestic Product
  - b) General Development Plan
  - c) Government Development Program
  - d) Global Domestic Price
- 14) Classical economists believed that the economy always operates at full employment (True / False)
- 15) Keynesian economics supports government intervention during economic downturns. (True / False)
- 16) The great depression proved that Classical economic ideas worked perfectly. (True / False)
- 17) What happens during Inflation?
- a) Prices goes down
  - b) Prices stay the same
  - c) Prices goes up
  - d) Unemployment becomes Zero
- 18) Define CRR.
- 19) Define SLR.
- 20) Define Bank Rate.