

(70 & A-17)

SEAT No. \_\_\_\_\_

No. of Printed Pages : 1

**SARDAR PATEL UNIVERSITY**  
**B.B.A (Honours) (ITM) – (4 Year) SEM-II EXAMINATION**  
**MACRO ECONOMICS**  
**UM02CBB105**

**Date: 05-04-2018, Thursday**  
**Time: 02: P.M. to 04:00 P.M.**

**Total Marks: 60**

- Q. 1** Define the circular flow of National Income and explain various difficulties in measuring National Income. [15]

**OR**

- Q. 1** Discuss the features, merits and demerits of Capitalist and Socialist Economic system [15]

- Q. 2** What is Consumption function? Explain various factors affecting consumption function. [15]

**OR**

- Q. 2** Explain in detail Keynes Liquidity Preference Theory of Interest. [15]
- Q. 3** Explain the functions of Commercial Bank with special emphasis on Credit Creation Function. [15]

**OR**

- Q. 3 (A)** What are the Functions of Money? [08]
- (B)** Write a short note on Balance of payment. [07]
- Q. 4** What is Inflation? Explain various causes and effects of Inflation. [15]

**OR**

- Q. 4** What are the Merits and Demerits of Direct Tax and Indirect Taxes? [15]

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