

Name:  
Enrolment No:



**UNIVERSITY OF PETROLEUM & ENERGY STUDIES**  
**End Semester Examination (Online) – Dec., 2021**

**Program: BA (LLB)**  
**Subject/Course: Business Economics II (Macro)**  
**Course Code: ECON-1006**

**Semester: III**  
**Max. Marks: 100**  
**Duration: 2 Hours**

**IMPORTANT INSTRUCTIONS**

1. The student must write his/her name and enrolment no. in the space designated above.
2. The questions have to be answered in this MS Word document.
3. After attempting the questions in this document, the student has to upload this MS Word document on Blackboard.

Q.No	Section A (All are compulsory)	Marks	COs
1	The General Theory of Employment, Interest, and Money' is the monumental work of..  (a). J. M. Keynes.  (b). Robert Sahhlas.  (c). Wassily Leontief.  (d). Paul Krugman.	4	CO1
2	The tax has..  (a). Negative effect on AD.  (b). No effect on AD.  (c). Positive effect on AD.  (d). All of the above.	4	CO2
3	Who implements monetary policy in India?  (a). Gramin bank.  (b). State Bank of INDIA.  (c). NABARAD.	4	CO1

	(d). Central Bank of India.		
4	The consumer price index is the measure of.. a). Investment cost. (b). Living cost. (c). Expenses cost. (d). All of the above.	CO2	4
5	Which is the sign of good health of the economy? (a). Very high inflation rate (b). Negative inflation rate (c). Moderate inflation rate (d). Cannot say	CO2	4
<b>Section B (All are compulsory)</b>			
1	Write short notes on any THREE; 1) GDP Deflator 2) Consumer Price Index 3) GDP 4) GNP 5) Circular Flow of Income 6) Real GNP	5	CO1
2	What is the basic difference between classical and Keynesian model? Explain the consumption and saving functions with the help of graphs.	5	CO3
3	Illustrate the terms “Budget Surplus” and “Budget Deficit” and their relevance in macroeconomic analysis.	5	CO3
4	Illustrate various methods of National Income Accounting. Also explain the relevance of each of these methods in measuring the economic output of any country.	5	CO3
<b>Section C</b>			
1	When does crowding out effect occur?	10	CO4
2	Assume yourself as an entrepreneur wishing to open a manufacturing unit in African continent . What factors would you consider before taking the final decision for the location? Analyze .	10	CO4
3	“One of the oldest surviving economic doctrines is the quantity theory of money, which in its simplest and crudest form states that changes in the general level of commodity prices” Analyze the statement using example?	10	CO4

	Or		
	Critically explain the role of injections and leakages in the economy ? If you are asked to repair the economy, which is operating below the potential as a result of the pandemic , which measures would you suggest ? Critically explain in the framework of injections and leakages.		
<b>Section D</b>			
1	“Monetary policy and fiscal policy can hugely impact the shape of any economy” Analyze the statement as per your understanding.	15	CO5
	Explain various schools of thought in macroeconomics.		
2	Or		
	What are the static and dynamic impacts of regional trading blocs? Is it advisable for developing countries to pursue the regional route for globalization? Critically discuss with the help of graph.	15	CO5

### ANSWERS