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BACHELOR OF BUSINESS ADMINISTRATION (B.B.A.)

EXAMINATION: MAY - 2025

SEMESTER - IV

Sub.: Macro Economics (BBA22-413)

Date : 22/05/2025

Total Marks : 60

Time: 2.00 pm to 4.30pm

Instructions: 1) All questions are compulsory.
 2) Figures to the right indicate full marks.

Q. 1. Choose the most appropriate option. (05)

1. The saving function is derived from:

a) Consumption function	b) Investment function
c) Production function	d) Money supply
2. The Phillips Curve represents the relationship between:

a) Inflation and unemployment	b) Inflation and money supply
c) GDP and interest rates	d) Demand and supply
3. Life insurance is mainly used for:

a) Investment and risk protection	b) Controlling the stock market
c) Managing credit risk	d) Increasing consumer demand
4. A tariff is a:

a) Tax on imports	b) Tax on exports
c) Subsidy on domestic production	d) Loan given by the government
5. An increase in a country's exports will generally lead to:

a) A trade surplus	b) A trade deficit
c) Higher inflation	d) Lower employment

Q. 2. State True / False (05)

1. Free trade always benefits all participating countries equally

a) True	b) False
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2. The stock market provides a platform for trading company shares.

a) True	b) False
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3. Hyperinflation refers to a rapid and uncontrollable rise in prices

a) True	b) False
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4. National income includes all monetary transactions in an economy

a) True	b) False
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5. Non-Banking Financial Companies (NBFCs) can accept demand deposits

a) True	b) False
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Q. 3. Write Short Notes on (Any Three) (15)

1. Limitations of macroeconomics
2. What are the different forms of money?
3. What is Friedman's approach to money demand?
4. Absolute advantage theory of trade.
5. Balance of payments and its components

Q. 4. Answer in detail (Any Two) (20)

1. Describe the four-sector model of the circular flow of income. How do leakages and injections influence it?
2. Define inflation and explain the different types of inflation with examples
3. Explain the concept and significance of Non-Banking Financial Companies (NBFCs) in an economy.
4. Discuss the various measures taken by governments to correct a Balance of Payments deficit

Q. 5. Case study (15)

Case Study on Foreign Direct Investment (FDI):

A multinational company sets up manufacturing plants in a developing nation.

Questions:

1. How does this impact employment and GDP?
 2. What are the challenges associated with FDI?
 3. How can governments attract more FDI?
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