

Name:
Enrolment No:



UNIVERSITY WITH A PURPOSE

UNIVERSITY OF PETROLEUM & ENERGY STUDIES

End Semester Examination (Online) – July, 2020

Program: BBA-ABD & FBE
Subject/Course: Macro Economics
Course Code: ECON1014

Semester : II
Max. Marks: 100
Duration : 3 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.

	Answer any five of the following questions	Marks	COs
Q.1	(a) Critically explain Keynes Liquidity Preference Theory of Interest. (b) Money supply plays an important role in an economy.....justify the view point with the measures of money supply. Also give your views on credit creation with suitable examples.	10+10	CO2,CO3
Q.2	(a) Whether Inflationary Gap is related to Inflation. If so, explain how? (b) What are the causes for both demand and supply side inflation and how it can be controlled?	10+10	CO3
Q.3	“Effective demand plays a major role in increasing the aggregate demand which ultimately leads to full employment in the economy” which theory is this statement related to? critically explain the theory	20	CO2
Q.4	Fiscal Policy can play a major role in the economy..... Justify the statement with the help of measures of fiscal policy.	20	CO4
Q.5	(a) Whether cost push inflation is good or bad for the economy? Explain. Also elaborate cost push inflation theory. (b) Supply Creates its own demand----elaborate the statement.	20	CO2
Q.6	Classical or the Keynesian theory of income and employment, which is better in the context of underdeveloped country.... Give proper justification for your answer and role of the theory in underdeveloped economy.	20	CO4

ANSWERS