Satyug Darshan Institute of Engineering & Technology, Faridabad

Department of Management Studies

Academic year 2025-26

Programme: BBA General	**Year & Semester**: 1st & 2nd
Course Name: Macroeconomics	**Course Code:** BBG-108-V
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Unit I

Short answer questions

Q.N.	Question	KL
1	Define macroeconomics and state its scope.	1
2	Explain the meaning of circular flow of income.	2
3	Distinguish between stock and flow variables with one example each.	4
4	Define aggregate demand.	1
5.	Explain the meaning of the trade cycle along with its phases.	2

Long answer questions

Q.N.	Question	KL
1.	Explain the nature and importance of macroeconomics. Also describe its significance in economic policy formulation.	2
2.	Describe the circular flow of income in a two-sector economy with a clear diagram.	2
3.	Explain the methods of measuring national income and discuss the problems involved.	2
4.	Analyze the concept of aggregate demand and aggregate supply and macroeconomic equilibrium.	4
5.	Explain the causes of booms and recessions in an economy.	2

Unit II

Short answer questions

Q.N.	Question	KL
1	Define consumption function.	1
2	Explain the meaning of cyclical consumption.	2
3	State the Absolute Income Hypothesis.	1
4	Define the multiplier.	1
5	Define autonomous consumption.	1

Long answer questions

Q.N.	Question	KL
1	Explain the income–consumption relationship with the help of a clear diagram.	2
2	Explain Absolute, Relative and Permanent income hypothesis.	2
3	Describe the Simple Keynesian model of income determination.	2
4	Explain the concept of multiplier and discuss the factors affecting its size.	2
5	Analyse the role of consumption behavior in determining national income.	4

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Unit III

Q.N.	Question	KL
1	Define fiscal policy.	1
2	Define fiscal deficit.	1
3	State two objectives of fiscal policy.	1
4	Define public debt.	1
5	Define tax incidence.	1

Long answer questions

Q.N.	Question	KL
1	Explain the nature and role of fiscal policy in economic growth.	2
2	Analyze the causes and consequences of fiscal deficits.	4
3	Discuss the management of public debt in a developing economy.	2
4	Explain the role of fiscal policy in price stability.	2
5	Explain business taxes—their types, rationale, and incidence.	2

Unit IV

Q.N.	Question	KL
1	Define money supply.	1
2	Define credit creation.	1
3	State any two instruments of monetary policy.	1
4	Define inflation.	1
5	Define money multiplier.	1

Long answer questions

Q.N.	Question	KL
1	Explain the measures of money supply.	2
2	Describe the process of credit creation by commercial banks.	2
3	Analyze the role of the central bank as a regulator of credit.	4
4	Discuss the types, causes, and effects of inflation.	2
5	Evaluate the effectiveness of monetary policy in controlling inflation.	5