



Name :

Roll No. :

Invigilator's Signature :

CS / MMA / SEM-1 / MMA-104 / 2010-11

2010-11

MANAGERIAL ECONOMICS (MACRO)

Time Allotted : 3 Hours

Full Marks : 70

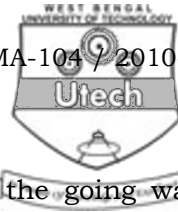
The figures in the margin indicate full marks.

*Candidates are required to give their answers in their own words
as far as practicable.*

GROUP – A

(Multiple Choice Type Questions)

1. Choose the correct alternatives for the following : $10 \times 1 = 10$
 - i) Aggregate supply is the total amount
 - a) of goods and services produced in an economy
 - b) produced by the government
 - c) of labour supplied by all households
 - d) of products produced by a given industry.
 - ii) Inflation is
 - a) a decrease in the overall price level
 - b) an increase in the overall economic activity
 - c) a decrease in the overall level of economic activity
 - d) an increase in overall price level.



- iii) Unemployment means that
 - a) people are not willing to work at the going wage rate
 - b) there is excess demand in the labour market
 - c) at the going wage rate, there are people who want to work but cannot find work
 - d) there are some people who will not work at the going wage rate.
- iv) The marginal propensity to consume equals 1 minus the
 - a) marginal propensity to invest
 - b) marginal propensity to save
 - c) marginal propensity to import
 - d) marginal propensity to pay taxes.
- v) Which of the following are included in autonomous expenditure ?
 - a) Investment
 - b) Government purchase
 - c) Autonomous consumption expenditure
 - d) All of these.
- vi) A decrease in a country's tariffs will
 - a) change its imports or exports as per price elasticities of export and import demand
 - b) increase both its imports and exports
 - c) increase its imports but not its exports
 - d) increase its exports but not its imports.

- ## GROUP – B

Answer any *three* of the following. $3 \times 5 = 15$

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5. Define Monetary Policy. Mention the different instruments of Monetary Policy.
6. Write the causes of demand pull and cost push inflation.

GROUP – C

(Long Answer Type Questions)

Answer any *three* of the following. $3 \times 15 = 45$

7. Define growth and development. Differentiate between growth and development. Describe the ways by which we can measure economic development of a country.
 $3 + 5 + 7$
8. Briefly explain the Life Cycle Theory of consumption and Permanent Income Hypothesis. What is Ratchet effect ?
 $10 + 5$
9. Define “Say’s Law”. According to the classical economists, why cannot an economy face the problem of overproduction or underproduction and unemployment ? What is Classical Dichotomy ?
 $3 + 8 + 4$
10. Write down the absolute advantage of trade and compare it with comparative advantage of trade.
 $6 + 9$
11. Write the difference between Classical theory of employment and Keynesian theory of employment. What is Quantity theory of money and crowding out effect ? $9 + 6$

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