GLOBAL COLLEGE INTERNATIONAL

PRE-BOARD EXAMINATION 2023

BACHELOR OF BUSINESS ADMINISTRATION (BBA)

SEMESTER – II

Name: …………………………………………………….……………………….…. Section: …………………….

Subject: Macro Economics Course Code: MGT 425

Full Marks: 100 Time: 3 Hours

SECTION A: MULTIPLE CHOICE QUESTIONS (1 × 15 = 15 MARKS) / (TIME: 15 MINUTES)

*Tick the best answers.*

1. Why consumption function curves always originate from a point of Y- axis?

1. Marginal propensity to consume (MPC)
2. Disposable income
3. Autonomous consumption
4. Over production

2. What is the main cause of unemployment according to Keynes?

1. Interest and price
2. Deficiency of aggregate supply
3. Rigidity in wages
4. Deficiency of aggregate demand

3. Macro static analysis shows

1. the relationship between macroeconomic variables obtained at a single equilibrium point
2. Compares the relationship between macroeconomic variables obtained at two equilibrium points
3. time path of macroeconomic variables
4. non of the above

4. An economic system in which goods are exchanged for goods without using money is called ….

1. Open economy
2. Barter economy
3. Close economy
4. Market economy

5. In Keynesian consumption function MPC is,

a) rising b) falling c) remain constant d) None of above

6. Tax multiplier with tax function is,

a) $\frac{1}{1-b}$ b) $\frac{-b}{1-b}$ c) 1 d) $\frac{-b}{1-b(1-t)}$

7. Stagflation refers to the ,

1. Increase in price and increase in employment b) Increase in price level and increase in unemployment

c ) Decrease in price and decrease in employment d) decrease in price level and decrease in unemployment

8.The formula of super multiplier is

1. 1/1-b b) 1/1-b+m c) -b/1-b d) 1/1-b-v

9. Simple multiplier is

1. $\frac{∆C}{∆Y}$ b) $\frac{∆S}{∆Y}$ c) $\frac{∆I}{∆Y}$ d) $\frac{∆Y}{∆I}$

10. Inflationary gap occurs when

a) Aggregate income increases

b) Aggregate supply decreases

c) Aggregate demand increases at full employment

d) Aggregate demand increases

11. Which one of the following shows LM – Curve ;

1. Positive relationship between interest rate and income
2. Inverse relationship between interest rate and income
3. Inverse relationship between demand for money and interest rate
4. Positive relationship between demand for money and income

12. When AD decreases, it shifts

1. the IS curve rightward
2. the IS curve leftward
3. the LM curve rightward
4. the LM- curve leftward

13. General equilibrium requires;

a) AD = AS b) Md = Ms c) S = I d) a and b

14. Unemployment at wish :

a) voluntary unemployment b) Seasonal unemployment,

c) Open unemployment d) disguised unemployment

15. Which one of the following is related to fiscal policy:

a) budget b) tax c) Cash reserve ratio d) a and b both