

Mid-West University
Examinations Management Office
Birendranagar, Surkhet
End Semester (Alternative/Physical) Examination-2078
Bachelor of Business Administration (BBA)
Semester - II

Subject: Macroeconomics

Course Code: MGT 325

Full Marks: 50 Pass Marks: 25

Time: 3:00 Hours

You are required to answer in your own words as far as applicable.

Attempt all of the following Questions:

5×10=50

1. Explain money market and labor market equilibrium under classical economics. [5+5]
2. i) In an economy, investment expenditure is increased by Rs. 200 core. The marginal propensity to consume is 0.5. You are required to:
 - a. Calculate coefficient of multiplier. [2]
 - b. Calculate total increase in income. [1.5]
 - c. Calculate total increase in consumption. [1.5]ii) Derive tax multiplier mathematically and calculate coefficient of tax multiplier if MPC= 0.8 [5]
3. How is equilibrium interest rate and income determined under IS–LM model? [10]

OR

- Explain the various anti-inflationary measures of inflation. [10]
4. Define monetary policy. What are its objectives? [2+8]
5. Explain how income as well as output is determined less than a three sector economy. [10]

OR

- Define business cycle. Explain the different phases of business cycle. [2+8]

The End