

II Sem BA Macro Economics Question Bank 2020

Part – A - Objective Type (2 marks)

1. Define Macro Economics.
That branch of Economics which studies the Economy as a whole. It gives the Bird's Eye View of the Economy.
2. What is Aggregate Economics?
Since Macro Economics studies aggregates like National Income, general price level, total consumption, Investment, etc which gives overall view of the Economy, Macro Economics is also called Aggregate Economics.
3. Mention two components of Macro Economic Policy.
Monetary Policy and Fiscal Policy.
4. Write any three objectives of Macro Economic Policy or Monetary Policy or Fiscal Policy.
Full Employment, Price stability, Economic Growth or Development, equitable Distribution, etc.
5. Define monetary policy.
It is the policy of the central bank with regard to the management of money supply or credit. It is also called credit policy.
6. What is Fiscal Policy?
The Policy of the government or the budgetary policy which include income and expenditure of government is called Fiscal policy. It also includes deficit financing, public debt and financial administration.
7. Give the meaning of GNP and NNP.
An aggregate money value of all final goods and services produced in a country in a year is called GNP. $GNP - depreciation = NNP$.
8. $Y = C + S$ elucidate.
 Y = income, C = Consumption, S = Savings. It is also called Siamese twins.
9. What is Say's Law of Markets?
"Supply creates its own Demand".
10. What is Pigou Effect?
It is also called Cash Balance Effect, where by the people take out old savings to spend more when there is fall in prices due to wage cut. This further increases demand and Employment. It is called Pigou Effect.