

**CENTRE FOR DISTANCE AND ONLINE EDUCATION
SRI SRI UNIVERSITY, CUTTACK**

**BACHELOR OF BUSINESS ADMINISTRATION
TUTOR MARKED ASSIGNMENT**

Course Code: BBC 202

Academic Year: 2025-26

Course Name: MACRO ECONOMICS

Session: February 2025

Semester: 2nd

Total Marks: 100

A. Answer any eight questions (essay type). Answer in about 350-500 words each.

(10 X 8 = 80)

1. Define Macroeconomics. Explain the major macroeconomic issues faced by a modern economy.
2. Distinguish between Actual GDP and Potential GDP. Explain their significance in national income determination.
3. Explain the Aggregate Expenditure (AE) approach to the determination of equilibrium level of national income, with the help of a diagram.
4. Discuss the Consumption Function. Explain the concepts of MPC, MPS, APC, and APS and their interrelationships.
5. Explain the Investment Function. Distinguish between autonomous investment and induced investment.
6. Explain the concept of Multiplier. Discuss its working, assumptions, and limitations in an economy.
7. Explain the Aggregate Demand (AD) and Aggregate Supply (AS) model. How is macroeconomic equilibrium determined through AD–AS interaction?
8. Explain the concept and functions of money in a modern economy. Discuss different monetary aggregates.
9. Explain the Quantity Theory of Money. Discuss its assumptions and criticisms.
10. Explain the demand for money. Discuss the liquidity preference theory and determination of the rate of interest.

B. Write short notes on any four. Answer in about 150-200 words each.

(5 X 4 = 20)

1. Monetary Aggregates
2. Liquidity Preference
3. Demand-Pull Inflation
4. Cost-Push Inflation
5. Monetary Policy Instruments
6. Fiscal Deficit