



THE ANSWERS MUST BE ATTEMPTED ON THE ANSWER SHEET PROVIDED

Q.1. Answer the following short questions: (6x5=30)

- 1. Discuss Tobin's Q theory of investment.**
- 2. Discuss Philips curve.**
- 3. Discuss Keynesian Law of consumption.**
- 4. Discuss inflationary and deflationary gaps.**
- 5. Discuss quantity theory of money.**
- 6. Discuss concepts of full employment and under employment.**

Q.2. Answer the following questions (3x10=30)

- 1. What is LM curve? Derive LM curve and discuss factors affecting the position and slope of LM curve.**
- 2. Discuss instruments of credit control and the role of central bank.**
- 3. Discuss remedial measures to combat inflation and unemployment.**