

Q 6502

M.B.A. DEGREE EXAMINATION, MAY/JUNE 2006.

First Semester

BA 1602 – ECONOMIC FOUNDATIONS OF BUSINESS ENVIRONMENT

(Regulation 2005)

Time : Three hours

Maximum : 100 marks

Answer ALL questions.

PART A — (10 × 2 = 20 marks)

1. What do you mean by inflation? -4
2. Define the term Gross Domestic product (GDP). -4
3. List out the different phases of business cycle. -4
4. What is accelerator model? -4
5. State the importance of money supply. -5
6. What is meant by money market equilibrium? -5
7. How foreign exchange rate is determined? -X
8. What do you understand by "Phillips Curve"? -5
9. Write a short note on foreign trade multiplier. -4
10. Bring out the features of EXIM policy 2002-07. -X

PART B — (5 × 16 = 80 marks)

11. (i) State and explain the precautions to be considered while measuring the national income through income method. -4
- (ii) Enumerate the role of Indian economic planning. - General

12. (a) Describe how national income is determined by simple two-se economy. -4

Or -5

(b) Illustrate the various objectives of fiscal policy in the advanced developed economies.

13. (a) Elucidate Keynes' theory of demand for money. -4

Or -5

(b) What are the various measures available to estimate the money supply? Discuss them in detail.

14. (a) Examine the effects of Inflation on output and distribution of income. -5

Or -5

(b) Discuss in detail the causes of unemployment in the Indian economy.

15. (a) Explain the gains from free trade for a developing country like India. In view of these gains from free trade, explain why various countries put various barriers to free trade. -X

Or

(b) Critically evaluate India's trade policy since 1991 in relation with import liberalisation and export orientation. -X

