

Reg. No. :

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**Y 4041**

M.B.A. DEGREE EXAMINATION, MAY/JUNE 2008.

First Semester

BA 101 — ECONOMIC FOUNDATIONS OF BUSINESS ENVIRONMENT

(Regulation 2002)

Time : Three hours

Maximum : 100 marks

Answer ALL questions.

PART A — (10 × 2 = 20 marks)

1. State the meaning of Balance of Payment (BOP). - X
2. Define the term Gross Domestic Product (GDP). - 4
3. How long does depression in business cycle stay? - 4
4. What is accelerator model? - 4
5. How does Keynesian perspective affect estimation of National Income? - 4
6. What is 'money market equilibrium'? - 5
7. What is 'Forward market'? - X
8. Write a short note on 'Foreign Trade Policy'. - X
9. What are the key indicators of external sector? - X
10. What is meant by import dynamics? - X

PART B — (5 × 16 = 80 marks)

11. (a) State and explain the precautions to be considered while measuring the national income through income method. - 4

Or

- (b) Enumerate the role of Indian Economic Planning. - X

12. (a) Examine the pattern of business cycle in both pre and post liberalization era.

Or

(b) Illustrate the two fiscal methods of fiscal policy to get the economy out of recession.

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

Or

(b) Discuss in detail the role of monetary policy for the growth of business in Indian perspective.

14. (a) Explain the effects of inflation on output and distribution of income.

Or

(b) Describe the role of economic policies and its impact on industrialization in the liberalized economic scenario.

15. (a) How do the international trade regions associate in terms of trade policy? Discuss any two regions of international importance.

Or

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

