

Reg. No. :

Z 4502

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

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 is called as Involuntary Unemployment? - 4
2. Define "flexible exchange rate system". - 4
3. Define Accelerator. - 4
4. Mention the two types of fiscal policy. - 4
5. What is speculative Demand for Money? - 5
6. What are the four tools considered for a monetary policy? - 4
7. What is known as wage push inflation? - 4
8. What is a indication, we can understand from Philip curve? - 5
9. What is called as Protective tariff? - X
10. Define "Quota" in International Trade? - X

PART B — (5 × 16 = 80 marks)

11. (a) Discuss the role of Economic planning in India. - 4

Or

(b) Explain the any two Methods of Measuring National Income.

12. (a) Explain the Keynesian concept of aggregate demand. How is the Keynesian aggregate demand function different from the classical demand function? - 3 4

Or

(b) Analyse and suggest a suitable Measures to encounter a stages of Business cycle. List out the features of Business cycles. - 4

13. (a) (i) What is Meant by Money Market equilibrium? - 5 (4)

(ii) How is the rate of interest determined by equilibrium in the Money Market? - 5 (12)

Or

(b) Discuss the instrumental tools utilized for a Economic Stabilization. +

14. (a) Explain the effects of inflation and suggest the Government Measures to reduce the inflation. - 4

Or

(b) Discuss the New Economic Policy of India in the recent Competition. - 4

15. (a) Critically examine the following arguments in support of protection

- (i) Infant Industry argument.
- (ii) Employment argument
- (iii) Balance of payment argument.
- (iv) Promotion of swadeshi.

Or

(b) Critically evaluate India's current trade policy of "Import Liberalisation for export promotion".

