

**E 8041**

M.B.A. DEGREE EXAMINATION, NOVEMBER/DECEMBER 2005.

First Semester

BA 101 — ECONOMIC FOUNDATIONS OF BUSINESS ENVIRONMENT

Time : Three hours

Maximum : 100 marks

Answer ALL questions.

PART A — (10 × 2 = 20 marks)

1. How is national income measured? - 4
2. Define inflation. - 4
3. What is the indication of broad money? - 5
4. What is recession? - 4
5. What is an aggregate demand? - 3
6. How does commodity market operate? - General
7. What is meant by restrictive trade practice? - General
8. What is the guideline for a linkage model? - out of syllabus
9. How is the change in interest rate decided? - change in syllabus
10. What is the indicator for growth of national economy? - 4

PART B — (5 × 16 = 80 marks)

11. (i) What are the different stages of a business cycle? → out of syllabus (6)
- (ii) Critically examine the factors that determine the short term and long term pattern in each phase of business cycle. (10)
12. (a) What is the soundness of the good monetary policy? What are the different centres of power to draft monetary policy? - 5 (8 + 8)

Or

- (b) Examine the state of supply and demand of different forms of money. How is the equilibrium state observed in monetary terms? - 2 (8 + 8)

13. (a) How is the estimate of national income implemented? Compare the outcome of the national income estimate based on various approaches. (10 + 6)

Or

- (b) Compare the present state of private and public employment. How does theoretical explanation vary with private and public employment? (6 + 10)
14. (a) How is the financial flow of commodity market regulated? Compare and contrast various forms of financial instruments used in the commodity market. (10 + 6)

Or

- (b) What are the ways and means of capital formation? Briefly discuss about the money market in Indian perspective. (8 + 8)
15. (a) How does the international trade differ from domestic trade? What are the different segments of external sector? (10 + 6)

Or

- (b) Discuss about the trade pattern of any two important sectors in the international trade in all the four quarters in a year. (16)

