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Question Paper Code : 15033

M.B.A. DEGREE EXAMINATION, NOVEMBER/DECEMBER 2016.

First Semester

BA 7103 — ECONOMIC ANALYSIS FOR BUSINESS

(Regulations 2013)

Time : Three hours

Maximum : 100 marks

Answer ALL questions.

PART A — (10 × 2 = 20 marks)

1. Explain Production Possibility Frontier.
2. Do externalities influence economic efficiency?
3. Explain 'economies of scale'.
4. Briefly explain the concept of cross elasticity of demand with an example
5. What is firm equilibrium'?
6. Define market efficiency.
7. How do you calculate GDP?
8. Differentiate fiscal policy from monetary policy.
9. Explain Phillips curve.
10. Explain Okun's Law.

PART B — (5 × 13 = 65 marks)

11. (a) Explain the role of government in promoting economic growth and stability.

Or

- (b) Explain in detail Micro Economics and Macro Economics. how do they differ.

12. (a) State the Law of Demand and explain the scenarios that cause movements along the demand curve and shifts in the demand curve.

Or

- (b) Explain the relationship between production function and cost function.

13. (a) 'Perfect Competition is more efficient than monopoly'. Do you agree?

Or

- (b) Differentiate monopolistic and oligopolistic market structure.

14. (a) What is aggregate demand? What are its components?

Or

- (b) Explain in detail the importance of monetary policy. Also explain the components of monetary policy.

15. (a) Distinguish demand side Vs supply side policies. Which do you think governments prefer? Why?

Or

- (b) "A reduction in unemployment is desirable". Do you agree with this statement? Provide reasons.

PART C — (1 × 15 = 15 marks)

16. (a) "The Indian economy has been facing several economic constraints in the recent years. The national government and the Reserve Bank of India have implemented numerous policies to stabilize the economy and control inflation. However, economists say "What is wanted is not inflation or deflation but price stability". What do you think is the role of the government in bringing in price stability in the country? Suggest some policies that would help achieving price stability.

Or

- (b) Business and governments always think only of positive externalities while negative externalities are ignored. How do you think this will impact the growth of a firm/economy in the long-term? Provide appropriate examples.