

# END TERM EXAMINATION

SECOND SEMESTER [BBA] MAY-JUNE 2013

Paper Code: BBA/BBA(B&I/TTM) 104/MOM-104 Subject: Business Economics-II  
Time : 3 Hours Maximum Marks :75

Note: Attempt any six questions. Q. No. 1 is compulsory.

## Section - A

(1) Write short notes on any five: -

(5x5 = 25)

- (a) Quantity theory of Money
- (b) Liquidity Trap
- (c) GDP and Net National Income
- (d) Circular flow of income
- (e) Fiscal policy and Crowding out
- (f) Functions of money

## Section - B (Answer any five)

(5x10 = 50)

- (2) Distinguish between Micro economics and Macro economics.
- (3) What are the major concerns of macroeconomics?
- (4) Discuss the meaning and importance of multiplier.
- (5) What are the primary motives for holding money? Indicate how important each one is to your own money holding behaviour.
- (6) What are the economic and social impacts of inflation? Explain various control measures utilized by central bank to control inflation.
- (7) What is equilibrium interest rate? Graphically show the impact of expansionary monetary policy on the position of LM curve and interest rate.
- (8) What are the shortcomings of GDP as an indicator of economic growth?

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