

END TERM EXAMINATION

SECOND SEMESTER (BBA) MAY-JUNE 2017

Paper Code: BBA-104

Subject: Business Economics II

BBA(B&F)-104

BBA(TTM)-104

BBA(MON)-104

Time: 3 Hours

Maximum Marks: 75

Note: Attempt any five questions. All questions carry equal marks.

- Q1 Write notes on the following:-
(a) Leakages and injections in an economy.
(b) Precautions in the estimation of national income.
(c) Total Expenditure method of National Income measurement.
- Q2 What do you understand by the circular flow of income? Discuss the circular flow of income in a three sector economy.
- Q3 (a) Explain the relevance of marginal efficiency of capital in investment decision making.
(b) What do you understand by Full Employment? Is full employment a Myth?
- Q4 What is multiplier? Explain the process of income propagation with the help of multiplier process.
- Q5 Define inflation. What are its various types? Explain the various economic effect of inflation with the help of examples.
- Q6 Critically analyse the Milton Friedman theory of demand for money.
- Q7 Explain the equilibrium of product and money market with the help of ISLM model.
- Q8 Write notes on the following:-
(a) Liquidity trap.
(b) Limitations of fiscal policy of Indian economy.
(c) Impact of demonetization on Indian economy.

P.