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Question Paper Code : 85503

M.B.A. DEGREE EXAMINATION, FEBRUARY 2011.

First Semester

DBA 1603 — ECONOMIC FOUNDATIONS OF BUSINESS ENVIRONMENT

(Regulation 2009/2007)

Time : Three hours

Maximum : 100 marks

Answer ALL questions.

PART A — (10 × 2 = 20 marks)

1. What is Macroeconomics?
2. State the meaning of Balance of Payment (BOP).
3. List out the importance of multiplier.
4. What do you mean by accelerator?
5. Give an account on money market equilibrium.
6. Brief out the importance of money.
7. Bring out the meaning of inflation.
8. Name the types of unemployment.
9. Distinguish between internal trade and international trade.
10. Write a note on international trade multiplier.

PART B — (5 × 16 = 80 marks)

11. (a) Describe the various methods of measuring national income. How is a method chosen for measuring national income?

Or

- (b) Enumerate the objectives of economic planning and examine its achievements in India.

12. (a) Explain the different phases of business cycle. How is private business affected during the different phases?

Or

- (b) What do you mean by fiscal policy? Examine the role of fiscal policy for the development of a nation.

13. (a) Discuss the various measures of money supply adopted by RBI. How are these official measures of money supply different from the traditional money supply?

Or

- (b) Describe the instruments of monetary policy. How do they work and what are their limitations?

14. (a) Examine the effects of inflation on output and distribution of income.

Or

- (b) Discuss the causes of unemployment in developing countries like India. What policy measures would you suggest to solve the unemployment problem in these countries?

15. (a) Critically appraise the comparative advantage theory of international trade.

Or

- (b) Examine India's trade policy since 1991 in relation with import liberalization and export orientation.