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**Z 1503**

M.B.A. DEGREE EXAMINATION, FEBRUARY 2009.

First Semester

DBA 1603 — ECONOMIC FOUNDATIONS OF BUSINESS ENVIRONMENT

(Regulation 2007)

Time : Three hours

Maximum : 100 marks

Answer ALL questions.

PART A — (10 × 2 = 20 marks)

1. What is full employment?
2. What is Economic Planning?
3. Differentiate between static and dynamic multiplier
4. What are the phases of business cycle?
5. What is optional money?
6. What are the instruments of monetary policy measures?
7. Explain stagflation
8. How does inflation affect producers?
9. What are the factors, which determine the terms of trade?
10. What is S.D.R.?

PART B — (5 × 16 = 80 marks)

11. (a) Explain the various concepts of national income. (16)

Or

- (b) What are the various methods of measuring national income? What are the difficulties of measuring national income? (8 + 8 = 16)

12. (a) Explain Keynesian theory of national income determination. (16)

Or

- (b) (i) Explain the term investment multiplier and working of it. (6)  
(ii) What is reverse multiplier? (5)  
(iii) Explain the importance of multiplier (5)

13. (a) Explain the post Keynesian theories of demand for money. (16)

Or

- (b) Explain how according to Keynes different monetary policy measures act as an economic stabilisation measure. (16)

14. (a) Explain the derivation of IS-LM curves. What are those factors, which determine the slope and shifting of IS-LM curves? (8 + 8 = 16)

Or

- (b) Explain Philips curve. How it collapsed in 1971-91? Explain natural rate of unemployment. (8 + 4 + 4 = 16)

15. (a) Explain the composition and direction of India's exports and imports in recent years. (8 + 8 = 16)

Or

- (b) (i) Explains the new foreign trade policy (2004-2009) (8)  
(ii) Explain the main features of new exim policy (2002-07) (8)