

# END TERM EXAMINATION

SECOND SEMESTER [BBA/(B&I)/(TTM)/MOM] MAY-2010

Paper Code: BBA/ (B&I)/(TTM)/MOM 104

Subject: Business Economics-II

Paper ID: 18/19/50104

Time : 3 Hours

Maximum Marks : 75

*Note: Attempt any five questions.*

- Q1. What do you understand by the concept of National Income? Discuss the significance of the estimates of National Income? (15)
- Q2. Explain the circular flow of income in all the four sector economy. Draw a relationship between leakages and injections in circular flow. (15)
- Q3. What are the various methods of estimating National Income data? Which method is being followed in respect of estimation of National Income of India? Can you make some suggestions in making more accurate data for estimation of National Income in India? (15)
- Q4. (a) Discuss the usefulness of Keynes theory of employment. (7)
- (b) What is the role of consumption function and investment function in National Income determination? Support your answer by diagram and citing some practical examples. (8)
- Q5. Explain the theory of determining price-level. Do you agree that inflation is better than deflation? (15)
- Q6. Critically examine and compare the theories of Keynesian and Friedmanian. (15)
- Q7. What do you understand by the concept of money market and product market? Give some suggestions to improve the working of money market in India. (15)
- Q8. Write short notes on any two of the following:- (15)
- (a) IS-LM Model
- (b) Demonstrator; effect
- (c) Induce Investment
- (d) Liquidity Trap