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BBMBMC 208

**Credit Based Third Semester B.B.M. Degree Examination,
October/November 2013
(2012-13 Batch Onwards) (New Syllabus)
BUSINESS ECONOMICS**

Time : 3 Hours

Max. Marks : 80

Instruction : Answer all the questions.

SECTION – A (One mark each)

1. Answer any ten in one or two sentences each : (1×10=10)

- a) Mention any two limitations of macro economics.
- b) Pointout any two instruments of fiscal policy.
- c) What do you mean by autonomous investment ?
- d) Name any two limitations of index number.
- e) Define deflation.
- f) What do you mean by demand pull inflation ?
- g) Define the concept of average propensity to consume.
- h) What is meant by 'regressive taxation' ?
- i) Name any two effects of public expenditure on production.
- j) Mention any two advantages of deficit financing.
- k) Define specific tax.
- l) Mention any two issues discussed at Doha conference.

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MANGALORE - 575 003

SECTION – B (Five marks each)

Answer any five in not more than 2 pages each : (5×5=25)

2. Write a note on circular flow of money.
3. What are the objectives of monetary policy ?

P.T.O.



4. Define index number. How are they constructed ?
5. Pointout the merits and demerits of indirect taxes.
6. Explain the advantages of Value Added Tax.
7. What are the limitations of deficit financing ?
8. Briefly explain the impact of W.T.O. on Indian business.

SECTION – C (15 marks each)

Answer the following in **not** more than **6** pages **each** :

(15×3=45)

9. Explain the major issues and importance of macro economics.

OR *

Discuss the principle of effective demand.

10. Explain the various sources of public revenue.

OR

Discuss the effects of globalisation on Indian economy.

11. Define Trade cycle. What are the different phases of trade cycle ?

OR

Discuss the causes and effects of inflation.
