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**BBMBMC 208**

**Credit Based III Semester B.B.M. Degree Examination, Nov./Dec. 2015  
(2012 Scheme)  
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)
- What do you mean by effective demand ?
  - Mention any two objectives of monetary policy.
  - Define deflation.
  - What do you mean by induced investment ?
  - Mention any two advantages of deficit financing.
  - Define Advalorem tax.
  - Point out any two methods of disinvestment.
  - Mention any two merits of indirect tax.
  - What do you mean by marginal propensity to save ?
  - Point out any two major issues in macro economics.
  - Define Fiscal policy.
  - Distinguish between internal and external debt.

**SECTION – B**

**(Five marks each)**

Answer **any five** in **not more than two** pages **each** :

**(5×5=25)**

- Explain the importance of macro economics.
- Write a note on circular flow of money.





4. What are the different phases of trade cycle ?
5. Explain the Keynesian concept of inflationary gap.
6. Briefly explain the different sources of public revenue.
7. Explain the importance of public debt.
8. Briefly explain the objectives and functions of W.T.O.

SECTION – C  
(15 marks each)

(15×3=45)

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

9. Explain the Keynesian concept of consumption function. What are the factors determining it ?

OR

Examine the impact of Globalisation on Indian Economy.

10. Explain the reasons for increasing public expenditure.

OR

Define index number. How are they constructed ? What are its limitations ?

11. Discuss the various types of inflation ? Describe the methods of controlling inflation.

OR

Discuss the various canons of taxation.

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