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**Question Paper Code : 95503**

M.B.A. DEGREE EXAMINATION, AUGUST 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 do you mean by national income?
2. State the meaning of Balance of Payment (BOP).
3. What is accelerator model?
4. Define 'Fiscal Policy'.
5. Bring out the meaning of demand for money.
6. Give an account on 'money market equilibrium'.
7. Write a short note on inflation.
8. What are the types of unemployment?
9. What do you understand by foreign trade multiplier?
10. Distinguish between internal trade and international trade.

PART B — (5 × 16 = 80 marks)

11. (a) Explain in detail the circular money flow with saving and investment.

Or

- (b) Describe the objectives of Indian Economic Planning and state its achievements in India.
12. (a) Critically examine the phases of business cycle.

Or

- (b) Examine the role of fiscal policy for the development of a nation.
13. (a) Enumerate and explain the various measures available to estimate the money supply.

Or

- (b) Analyse the role of monetary policy in containing supply of money.
14. (a) Examine the impact of unemployment on the growth of business.

Or

- (b) Illustrate the effects of inflation on output and distribution of income.
15. (a) Describe the criticism on comparative advantage theory of international trade.

Or

- (b) Discuss about the trade deficit of India in recent years.