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- 9 "Distribution of income in the indian economy is highly inequitable". Elaborate the statement giving the causes and measures to overcome the problem. 10

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B.B.A. (I.B.) (Semester-II)

Examination, 2015

Economics for Management

Time Allowed : Three Hours] [Maximum Marks : 70

Note : Answer five questions in all. Question No. 1 is compulsory. Attempt one question from each unit. Question No. 1 carries 30 marks and other questions carry 10 marks each.

1. Write short notes to the following: 3×10=30
 - (a) Objectives of Macro Economics
 - (b) Measures to raise propensity to consume
 - (c) Problems in measurement of national income
 - (d) Phases of Business Cycle

(2)

- (e) Objectives of Five Year Plan
- (f) Capital Output ratio
- (g) Leakages of multiplier
- (h) Slope of IS-LM Curve
- (i) Difference between induced investment and autonomous investment
- (j) Difference between national product and domestic product

UNIT-I

- 2 (a) Whether micro economics principles can be applied to a macro-economic situations? Support your answer with reasons. 5
- (b) How do we calculate personal income, disposable income and discretionary income? Explain with imaginary figures. 5
- 3 Explain the Classical Theory of Employment. What are the basic premises of this theory? Elaborate. 10

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Unit-II

4. Explain Friedman's Permanent Income Hypothesis. Also discuss the relationship between permanent income and permanent consumption. 10
- 5 What is an accelerator? How does it determine investment level in an economy? Explain with illustration. 10

Unit-III

6. Define inflation. Discuss the difference between demand pull and cost push inflation with the help of suitable diagram. 10
7. What is business cycle? explain the innovation theory of business cycle given by Schumpeter. 10

Unit-IV

- 8 Define the terms 'Saving' 'Investment' and 'Capital'. Explain the role of saving in the process of development of underdeveloped countries. 10

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P.T.O.