

Name:
Enrolment No:



UNIVERSITY OF PETROLEUM AND ENERGY STUDIES
End Semester Examination, Dec 2019

Course: Business Economics II
Program: BBA- AO
Course code: ECON1006

Semester: III
Time: 3 Hours
Max. Marks: 100

Instructions: Section A (each question carrying 5 marks); **Section B: Attempt any 4 Question** (each carrying 10 marks.); **Section C** (each question carrying 20 marks).

SECTION (Attempt all Questions)

(4 * 5 Marks Each - 20 Marks)

		Marks	CO
1.	Briefly Explain the following terms		
a)	Depreciation of Currency	[5]	CO1
b)	Recession	[5]	CO2
c)	Cost push inflation	[5]	CO1
d)	Equilibrium	[5]	CO1

SECTION B (Attempt Any Four)

(4 * 10 Marks Each - 40 Marks)

1.	Explain in detail the IS and LM model. What causes it to shift?	[10]	CO2
2.	Explain in detail Circular flow of Income.	[10]	CO2
3.	Explain in detail the consumption function as explained by Keynes. Also, explain the relevance of Marginal Propensity to consume and autonomous consumption.	[10]	CO2
4.	Explain Keynes's liquidity preference theory of interest with the help of an example.	[10]	CO3
5.	Explain in detail the role and functions of WTO.	[10]	CO4

SECTION C (Attempt all Questions)

(2 * 20 Marks Each - 40 Marks)

1.	“America’s and China’s prosperity have been built on global free trade. America has profited immensely from access to global markets since its birth. China, since opening up 40 years ago, has lifted millions of its people out of poverty largely through global trade.	20	CO1,C O2,CO 3, CO4
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	<p>Indeed, much of the prosperity enjoyed by people across the world is anchored in our ability to sell goods and services freely across national boundaries.”</p> <p>Discuss how globalization has helped economies to greater prosperity.</p>		
2.	<p>“Faced with an economic slowdown driven by weak consumer sentiment and tepid consumption demand, the Reserve Bank of India on Friday cut its policy repo rate by 25 basis points, or a quarter of 1 percentage point. The fifth consecutive rate cut in the past eight months came with an assurance of an accommodative stance till growth revives, suggesting more cuts down the line, but there was also a bit of downbeat news.”</p> <p>Explain how monetary measures by RBI stabilize economy.</p>	20	CO1,C O2,CO 3, CO4