


Name:			
Enrolment No:			
UPES End Semester Examination, December 2024			
Course: Business Economics II Program: BBA-LLB-H-V-B1 & B2 Course Code: ECON3024_3		Semester: V Time : 03 hrs. Max. Marks: 100	
Instructions:			
SECTION A (5Qx2M=10Marks)			
S. No.		Marks	CO
Q 1	What is the GDP Deflator, and why is it important in measuring economic activity?	2	CO1
Q 2	Define Aggregate Supply in the context of macroeconomics.	2	CO1
Q 3	Explain the liquidity trap in Keynesian theory.	2	CO1
Q 4	What is the difference between nominal GDP and real GDP?	2	CO1
Q 5	Mention two causes of inflation in an economy.	2	CO1
SECTION B (4Qx5M= 20 Marks)			
Q 6	Describe the circular flow of income in a three-sector economy.	5	CO2
Q 7	Explain the concepts of demand-pull inflation and cost-push inflation. How do each of these types of inflation occur in an economy	5	CO2
Q 8	Explain the psychological law of consumption and its significance in the Keynesian system.	5	CO2
Q 9	Discuss the measurement of unemployment in the Indian economy	5	CO2
SECTION-C (2Qx10M=20 Marks)			
Q 10	Analyze the different methods of GDP measurement, highlighting their rules, limitations, and relevance in macroeconomic studies.	10	CO3
Q 11	Discuss the role of central banking and monetary policy in controlling inflation and ensuring economic stability.	10	CO3
SECTION-D (2Qx25M=50 Marks)			

Q 12	Explain the classical theory of income determination. Discuss the concepts of aggregate supply and demand, factor market analysis, and the role of wage-price flexibility in determining output and employment. How does the classical view address the relationship between inflation and unemployment?	25	CO4
Q 13	Explain the Keynesian theory of income determination. In your answer, focus on the role of aggregate demand, the consumption function (psychological law of consumption), and the impact of government spending on output and employment. How does the Keynesian view address inflation, unemployment, and the trade-off between these two?"	25	CO4