

Name:
Enrolment No:



UNIVERSITY OF PETROLEUM & ENERGY STUDIES
End Semester Examination (Online) – July, 2020

Program: BBA (FINANCIAL ANALYSIS & SERVICES)
Subject/Course: Business Economics II
Course Code: ECON1006

Semester: II
Max. Marks: 100
Duration : 3 Hours

IMPORTANT INSTRUCTIONS

1. The student must write his/her name and enrolment no. in the space designated above.
2. The questions have to be answered in this MS Word document.
3. After attempting the questions in this document, the student has to upload this MS Word document on Blackboard.

	Answer all the questions.	Marks	COs
Q.1	Explain the effects of increase in government expenditure on equilibrium output and interest rate. What happens to both output and interest rate when there is a decrease in government expenditure?	20	4
Q.2	Explain the circular flow of income and expenditure in a four-sector economy, which includes households, firms, government and external sector.	20	3
Q.3	Explain the causes and consequences of inflation. Is hyperinflation good for the economy?	20	3
Q.4	Discuss the methods of measuring gross domestic product (GDP) of a country. What are the challenges in measuring GDP?	20	3
Q.5	Is expansionary monetary policy effective to increase output when the economy is in liquidity trap? Explain your answer.	20	4

ANSWERS