

Name:	 UPES UNIVERSITY WITH A PURPOSE
Enrolment No:	

UNIVERSITY OF PETROLEUM AND ENERGY STUDIES
Online End Semester Examination, May 2020

Course: B.com BMI Program: Business Economics-II Course Code: ECON1006	Semester: II Time 03 hrs. Max. Marks: 100
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SECTION A

1. Each Question will carry 5 Marks
2. Instruction: Complete the statement / Select the correct answer(s)

S. No.	Question	COs												
Q 1	For a closed economy having no foreign trade which one of the following is correct? (a) GDP=GNP (b) GDP>GNP (c) GDP<GNP (d) None of these	CO1												
Q2	The Consumption Function of an Economy is: $C = 20 + 0.8 Y$ (Amount in ₹ Crores). Determine that Level of Income Where Average Propensity to Consume Will Be One. (a) 200 (b) None of the above (c) 250 (d) 300	CO4												
Q3	Which is the correct sequence of the following? 1. Uruguay Round Talks 2. WTO's Seattle Meet 3. Establishment of GATT Select the correct answer using the codes given below: Codes: (a) 1,2,3 (b) 3,2,1 (c) 3,1,2 (d) 2,3,1	CO1												
Q4	Calculate Gross Disposable Income from the following data <table style="width: 100%; margin-left: 20px;"> <tr> <td style="width: 60%;">Items</td> <td style="width: 40%;">Rs. Crores</td> </tr> <tr> <td>NDP_{FC} =</td> <td>1200</td> </tr> <tr> <td>Net factor income from abroad</td> <td>-40</td> </tr> <tr> <td>Net Indirect Taxes</td> <td>130</td> </tr> <tr> <td>Consumption of fixed capital</td> <td>70</td> </tr> <tr> <td>Net current transfer from abroad</td> <td>50</td> </tr> </table> Select the correct option from below: (a) 1270 (b) 1389 (c) 1290 (d) 1365	Items	Rs. Crores	NDP _{FC} =	1200	Net factor income from abroad	-40	Net Indirect Taxes	130	Consumption of fixed capital	70	Net current transfer from abroad	50	CO4
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Q5	Which of the following pair is not correctly matched? (a) Monetary Policy- Bank Rate (b) Law of Absolute Cost advantage- David Ricardo (c) Psychological Law of Consumption- J. M Keynes (d) Fiscal Policy- Tax Rate	C01
Q6	Depreciation means (a) When the exchange rate of a domestic currency is cut down by its government against a foreign currency. (b) When domestic currency loses its value in front of a foreign currency in a market driven situation. (c) Devaluation and depreciation a can be used interchangeably. (d) None of the above	C02
SECTION B		
1. Each question will carry 10 marks 2. Instruction: Write short / brief notes		
Q 7	Discuss briefly the causes of Unemployment in India. Explain the policies to reduce unemployment.	C02
Q 8	Critically explain the Theory of Absolute Cost Advantage with suitable example OR Critically explain the Comparative Cost Advantage theory with suitable example.	C04
Q 9	Describe critically Hawtrey’s Monetary Theory of The Trade Cycle OR “Liberalization, Privatization and Globalization is much needed in India.” Explain the point along with the meaning and importance of LPG model.	C03
Q 10	Write down short note on- (a) Economic Growth and Economic Development (b) WTO	C02
Q 11	Critically explain the Demand Pull and Cost Push Inflation along with suitable diagram.	C04
Section C		
1. Each Question carries 20 Marks. 2. Instruction: Write long answer.		
Q12	Critically discuss the Harrod- Domar Model of Economic Growth. OR Explain briefly the causes of disequilibrium in the balance of payment. Briefly discuss the measures to correct disequilibrium in the balance of payment.	C03