B.BA / Integrated (MBA) 2nd Semester Examination  
June 2013  
Business Economics  
Subject Code: MSL -104  

Time Allowed: 03 hours.  
Maximum Marks: 100

Before answering the question paper the candidate should ensure that they have been supplied the correct question paper. Complaints in this regard, if any, shall not be entertained after the examination.  

Note: Attempt any five questions and all questions carry equal marks.

Section – A

1. (a) Explain the concept of Macroeconomics. What are the importance and scope of Macroeconomics? (15)  
   (b) What are the various conditions to be a normal resident of a country? (5)

2. What are various means to calculate national income? Briefly explain the Income method of measuring National income. (20)

3. (a) Explain Keynesian theory of employment with its theoretical and practical significance. (15)  
   (b) Briefly explain the determinants of Effective Demand (5)

Section – B

4. (a) Explain the working of the multiplier through comparative static analysis and dynamic analysis. (15)  
   (b) Draw a schedule showing consumption function. (5)

5. (a) What is meant by money supply in India. Discuss its various Components. (10)  
   (b) Explain the various reasons of Keynesian demand for money. Why the Classical approach criticized for money demand. (10)

6. (a) Critically examine the effect of inflation on economic development. Mention the measures to control inflation. (15)  
   (b) What should be the taxation policy and Government expenditure policy during deflation? (5)