

Name:

Enrolment No:

UNIVERSITY OF PETROLEUM AND ENERGY STUDIES
End Semester Examination, June, 2021 (ONLINE MODE)

Course: BBA
Program: FAS
Course Code: ECON 1002

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

Instructions: Attempt All Questions. **Section A** (each carrying 5 marks); **Section B** (each carrying 10 marks). **Section C** (carrying 20 marks)

SECTION A

S. No.	True or False	Marks	CO
Q1	Reduction in repo rates can cause inflation	5	1
Q2	Exchange rate is determined by markets forces.	5	1
Q3	According to Keynes, government has no role to play in economic development	5	1
Q4	Marginal propensity to consume is greater than 0 and less than 1	5	1
Q5	The balance of payments is a system of recording transactions that happen between countries	5	2
Q6	Real GDP is a measure of a country's gross domestic product that has been adjusted for inflation	5	2

SECTION B

S. No.		Marks	CO
Q1	<p>“Reserve Bank of India (RBI) can slash its key policy rates to stabilize the financial system and tackle the economic fallout from the ongoing nationwide lockdown to contain the spread of the coronavirus pandemic.”</p> <p>How does reduction in repo rates reduce unemployment and induce growth?</p>	10	3
Q2	Explain different phases of business cycles. Also discuss some of the initiatives by government to stabilize economy	10	3
Q3	Explain disguise employment. How is it affecting economic growth of India?	10	3
Q4	What are the determinants of Investment? Elaborate with suitable examples.	10	3

Q5	Explain in detail the concept of globalization and the developments it brought over the years.	10	4
SECTION C			
S. No.		Marks	CO
Q1	<p>“Keynesian economics was developed by the British economist John Maynard Keynes during the 1930s in an attempt to understand the Great Depression. Keynesian economics is considered a "demand-side" theory that focuses on changes in the economy over the short run”.</p> <p>I. Explain consumption function as explained by Keynes. Also elaborate on the components of consumption function like “autonomous consumption” and “marginal propensity to consume”.</p> <p>II. How is the Keynesian consumption function different from Life-cycle hypothesis theory of consumption?</p>	20	4