

**July 2013**

Bachelor of Business Administration (BBA) Examination  
II Semester

**Economics II**

Time : 3 Hours ]

[ Max. Marks : 80

**Note :** Attempt any four questions out of six in Section A. Section B is compulsory. All questions carry equal marks.

**Section A**

1. What is National Income ? Define the methods of calculating National Income.
2. What is consumption functions and discuss the factors influencing consumption function.
3. Explain the Fisher's Quantity Theory of Money.
4. What is meant by a Trade Cycle ? Discuss its various phases.
5. Explain the quantitative and qualitative measures to Credit Control.
6. Discuss the functions and importance of Stock Market.
7. Write short notes on any two of the following : (a) NBFCs. (b) Insurance. (c) Personal Income and Disposable Income. (d) MEC.

**Section B**

8. Read the case study and answer the questions given below it :  
Data realised by the Commerce Ministry shows that food inflation showed to 7.78% in current week declining from previous week's 9.93%. Food inflation has been volatile in the past few months and economists say they would be able to get a better picture after the monsoon rains play out. The index for food articles group declined by 0.8% to 189.8 from 191.3 for the previous week due to lower prices of certain food items. Year on year vegetable prices declined 10.08% with pulses prices fell 9.50%. The index for non-food articles group fell 0.4% to 180.4 from 181.2 for the previous week due to lower prices of certain retail items. The annual rate of inflation for fuel and power stood at 12.98% for the week just ended rising marginally from 12.84% for the previous week. The impact of the latest increase is expected to reflect in the coming weeks and is likely to stock inflationary pressure as an increase in diesel prices has a cascading effect across the economy. The RBI

increased interest rates 10 times since the last 15 months and has identified taming inflation as its top policy priority. Economists say the central bank will increase interest rates again when it reviews monetary policy.

**Questions :**

1. Give your assessment of situation.
2. What role R. B. I. is to play ?
3. Identify causes and effect of inflation.
4. Suggest measures to control inflation.

