

June 2016

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. Discuss National Income and differentiate between GDP and NDP.
2. Describe Say's law of markets and discuss its limitation also.
3. Explain meaning of money and discuss RBI classification of money.
4. Define inflation. Write types of inflation. Discuss various measures to control inflation.
5. What do you mean by Non-Banking Finance Companies? Discuss also process of credit creation.
6. Write short notes on :
(a) Stock Market.
(b) Types of Insurance.

Section B

7. Analyze the open ended case given below. Also identify the basic problems of the case and give suitable solutions for problems :

In 1984, Government of India and Suzuki motors from Japan, formed a joint venture and launched Maruti 800 popularly known as "Peoples' Car", which went on to become one of the highest sold car, and created a new segment in the automobile market. Since 1998, the South Korean carmakers - Hyundai with its Santro line up and Daewoo with its Matiz - ushered in variety and vigor to the Indian small car market segment. However, year 2009 proved to be the year of small cars in India, for, apart from the historical launch of world's cheapest car - Tata's Nano - the year also saw the launch of 40 new models of small cars. The year 2009 also, as many industry pundits argue, has been a watershed year for global automobile industry forcing many changes and thrusting quite a few strategic redirections amongst many global

auto majors the prime strategic reorientation; the focus being small cars. Added to that, almost all the companies stated the intent of making India as their production base for small cars. All these developments lead to an important question : Can India become the hub for small cars ? The necessity of knowing the reason why the small car segment is lucrative and also why there is interest shown by all global automobile giants in investing in Indian car industry. The other reason for discussion is the support provided by government agencies and the challenges which need to be addressed, quickly, if India has to become the global small car hub.

