

2207M062

**MBA**  
**Subject: Business Environment**  
**Subject Code: MGM-809**  
**Semester: Second**  
**July 2022**  
**Theory (External): 70 Marks**  
**Time: 03 Hours**

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**Instructions to the Students**

1. This Question paper consists of two Sections. All sections are compulsory.
2. Section A comprises 10 questions of objective type in nature. All questions are compulsory. Each question carries 2 marks.
3. Section B comprises 8 essay type questions out of which students need to do any 5. Each question carries 10 marks.
4. Read the questions carefully and write the answers in the answer sheets provided.
5. Do not write anything on the question paper.
6. Wherever necessary, the diagram drawn should be neat and properly labelled

**Roll Number**

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**SECTION –A (SHORT/OBJECTIVE TYPE QUESTIONS)**  
(10x2=20 Marks)

- A. Write benefits of opening up economy for a developing country like India?
- B. List out the instruments of fiscal policy.
- C. What are the different stages of business cycle?
- D. Elaborate the concept of crowding out.
- E. What is the relevance of key macroeconomic variables for the business?
- F. What are the parameters of economic growth?
- G. Write the relevance of AD/AS framework.
- H. Define liquidity trap.
- I. Write the ways to convert negative balance of payment into positive balance of payment.
- J. What is balanced growth path?

**SECTION –B (ESSAY TYPE QUESTIONS)**

(5x10=50 Marks)

1. What does increased rate of GDP indicates? Explain the problems faced during measurement of GDP.
2. Explain in detail the applications and usage of Solow model. What are the factors that affect total factor productivity?
3. Define real business cycle. How AD/As model is used to illustrates phases of business cycles.

4. Write a detailed note on the methods/ policies adopted by central bank to control money supply in an economy.
5. What is the relevance of exchange rate regimes? What are the different types of exchange rate regimes? Differentiate between Nominal and real exchange rates.
6. What do you understand by transition dynamics? What lessons should be learned by developed countries and developing countries as an effect of transition dynamics?
7. 'Inequality, inflation and unemployment can be controlled by adopting proper measures and by framing proper policies by the Government' Justify by giving relevant examples.
8. Considering yourself as a policy maker, suggest ways to increase GDP and control inflation in India.

==END OF PAPER==