Name:

**Enrolment No:** 



## UNIVERSITY OF PETROLEUM AND ENERGY STUDIES End Semester Examination, December 2022

**Course: Business Economics – II** 

Program: BBA LLB

**Course Code: ECON 2025** 

Semester: V Time: 03 hrs.

Max. Marks: 100

## **Instructions:**

## SECTION A 10Ox2M=20Marks

S. No.		Marks	COs
Q 1	<ul> <li>What would be the overall effect on aggregate output if there is an increase in the planned investment spending?</li> <li>a) The aggregate output will increase by an amount that is less than the change in investment spending</li> <li>b) The aggregate output will increase by an amount that is greater than the change in investment spending</li> <li>c) The aggregate output will increase by an amount that is equal to the change in investment spending</li> <li>d) The aggregate output will decrease by an amount that is less than the change in investment spending</li> </ul>	2	CO 1
Q 2	Which of the following statements gives a true picture of the central problem of an economy?  a) How to produce b) How to distribute the produced goods c) What to produce d) All of the above	2	CO 1
Q 3	Which of the following activities is not included in the calculation of the national income of a country?  a) A maid working for a family on a full-time basis b) A lawyer conducting their law practice c) A housewife performing housework chores d) A dispensary rendering medical services	2	CO 1
Q 4	Which of the following statements is accurate about the two-sector economy?  a) The two-sector economy consists of firms and the government b) The two-sector economy consists of firms and foreign sector c) The two-sector economy consists of households and government d) The two-sector economy consists of households and firms	2	CO 1
Q 5	Macroeconomics is concerned with:  a) The level of output of goods and services b) The general level of prices c) The growth of income d) All the above	2	CO 1
Q 6	Which of the following is NOT considered a factor income?  a) Rent	2	CO 1

Co   Profit		b) Wage				
Q 7   Domestic factor income is another name for:   a) NDP FC   Discription   Domestic factor income is another name for:   a) NDP FC   Discription   Disc						
Q 7		,				
a) NDP FC   b) NNP MP   c) GDP FC   d) NNP EC   d) Reference onomics is the study of national economy as whole.   e) The study of regional economy as whole.   e) The study of regional economy as whole.   e) The study of regional economy as whole.   e) International economics   d) All of the above.   d) A monopoly market.   e) Monetary policy.   d) Supply-side economics   d) Size of income.   d) Size of income.   d) Size of income.   d) Size of income.   d) None of the above.   d) None	0.7	,				
D   NNP MP   C   GDP FC   d) NNP FC   R   CO 1	Q /					
Column		′	2	CO 1		
d) NNP FC   Microeconomics is the study of a single unit or a single firm whereas the macroeconomics is.   a) The study of regional economy as whole.   b) The study of regional economy as whole.   c) International economics.   d) All of the above.   Q 9   Which one of the following is not a topic within macroeconomics?   a) Fiscal policy.   b) A monopoly market.   c) Monetary policy.   d) Supply-side economics   Q 10   Consumption Function depends on:   a) Size of income.   b) Propensity to consume.   c) Both a and b.   d) None of the above.   SECTION B   AQNSM= 20 Marks   Q 11   Distinguish between final goods and intermediate goods. Why are intermediate goods not included in gross domestic product of country?   Co2 2   CO2 2   Calculate GVA <sub>mip</sub>   Exports   1000   Sales to Firm   500   Sales to Firm   500   Self Consumption   100   5   CO2   Co2   Co2   Co3   Co3		<i>'</i>	<b>4</b>			
Q 8		,				
macroeconomics is     a) The study of national economy as whole.     b) The study of regional economy as whole.     c) International economics.     d) All of the above.	0.8	/				
a) The study of national economy as whole. b) The study of regional economy as whole. c) International economies. d) All of the above.   CO 1	Q o	·				
b) The study of regional economy as whole.   c) International economics.   d) All of the above.   d) Supply-side economics   d) All of the above.   d) Supply-side economics   d) Size of income.   d) Size of income.   d) Size of income.   d) None of the above.   d) Size of included in gross domestic product of country?   d) Sales to Firm   d) Soles to						
C) International economics   d) All of the above.			2	CO 1		
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b) A monopoly market.   c) Monetary policy.   d) Supply-side economics   Consumption Function depends on:   a) Size of income.   b) Propensity to consume.   c) Both a and b.   d) None of the above.   SECTION B   AQx5M= 20 Marks	Q					
Co   Monetary policy.		· · · · · · · · · · · · · · · · · · ·	2	CO 1		
Consumption Function depends on:   a) Size of income.   2			<b>4</b>			
Consumption Function depends on:   a) Size of income.   2   CO 1     b) Propensity to consume.   2   CO 1     c) Both a and b.     d) None of the above.   SECTION B     4Qx5M= 20 Marks     Q 11						
a) Size of income.   b) Propensity to consume.   c) Both a and b.   d) None of the above.	0.10					
b) Propensity to consume.   c) Both a and b.   d) None of the above.   SECTION B	Q 10					
Column		′	2	CO 1		
SECTION B   AQx5M= 20 Marks   Section B   AQx5M= 20 Marks			4	COT		
SECTION B   4Qx5M= 20 Marks   2		,				
Q 11 Distinguish between final goods and intermediate goods. Why are intermediate goods not included in gross domestic product of country?  Q 12 Calculate GVAmp Exports 1000 Sales to Firm 500 Self Consumption 100 5 Closing stock 200 Opening Stock 180 Domestic purchases 60 Intermediate Purchases 90  Q 13 Distinguish between APS and MPS in consumption function? 5 CO 2  Q 14 What are the functions of WTO? 5 CO 2  SECTION-C 3Qx10M=30 Marks  Q 15 How does absolute cost advantage affect trade between countries? 10 CO 3  Q 16 Explain Keynes's theory of employment. How does it differ from classical theory? 10 cO 3  Q 17 Distinguish between demand-pull and cost-push inflation. How can demand-pull 10 CO 3  EXECTION-D 2Qx15M= 30 Marks  Q 18 How will circular income flow in an economy be affected if a country has 15 CO 4		,				
Q 11 Distinguish between final goods and intermediate goods. Why are intermediate goods not included in gross domestic product of country?  Q 12 Calculate GVA <sub>mp</sub> Exports 1000 Sales to Firm 500 Self Consumption 100 Closing stock 200 Opening Stock 180 Domestic purchases 60 Intermediate Purchases 90  Q 13 Distinguish between APS and MPS in consumption function? 5 CO 2  Q 14 What are the functions of WTO? 5 CO 2  SECTION-C 3Qx10M=30 Marks  Q 15 How does absolute cost advantage affect trade between countries? 10 CO 3  Q 16 Explain Keynes's theory of employment. How does it differ from classical theory?  Q 17 Distinguish between demand-pull and cost-push inflation. How can demand-pull inflation be controlled?  SECTION-D 2Qx15M=30 Marks  Q 18 How will circular income flow in an economy be affected if a country has 15 CO 4						
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Calculate GVAmp   Exports   1000   Sales to Firm   500   Self Consumption   1000   Closing stock   2000   Opening Stock   1800   Domestic purchases   600   Intermediate Purchases   900	QII		5	CO 2		
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Q 18 How will circular income flow in an economy be affected if a country has 15 CO 4			10	CO 3		
Q 18 How will circular income flow in an economy be affected if a country has						
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foreign trade transactions?	Q 18	· ·	15	CO 4		
		foreign trade transactions?		554		

Q 19	Explain the following types of unemployment. What factor are responsible for		
	their existence?		
	a) Frictional Unemployment	15	CO 4
	b) Structural Unemployment		
	c) Cyclical Unemployment		