

Name:	 UPES <small>UNIVERSITY OF TOMORROW</small>
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
10Qx2M=20Marks

S. No.		Marks	COs
Q 1	What would be the overall effect on aggregate output if there is an increase in the planned investment spending? a) The aggregate output will increase by an amount that is less than the change in investment spending b) The aggregate output will increase by an amount that is greater than the change in investment spending c) The aggregate output will increase by an amount that is equal to the change in investment spending d) The aggregate output will decrease by an amount that is less than the change in investment spending	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

	<ul style="list-style-type: none"> b) Wage c) Profit d) Gifts from Abroad 																
Q 7	<p>Domestic factor income is another name for:</p> <ul style="list-style-type: none"> a) NDP FC b) NNP MP c) GDP FC d) NNP FC 	2	CO 1														
Q 8	<p>Microeconomics is the study of a single unit or a single firm whereas the macroeconomics is..</p> <ul style="list-style-type: none"> a) The study of national economy as whole. b) The study of regional economy as whole. c) International economics. d) All of the above. 	2	CO 1														
Q 9	<p>Which one of the following is not a topic within macroeconomics?</p> <ul style="list-style-type: none"> a) Fiscal policy. b) A monopoly market. c) Monetary policy. d) Supply-side economics 	2	CO 1														
Q 10	<p>Consumption Function depends on:</p> <ul style="list-style-type: none"> a) Size of income. b) Propensity to consume. c) Both a and b. d) None of the above. 	2	CO 1														
SECTION B																	
4Qx5M= 20 Marks																	
Q 11	Distinguish between final goods and intermediate goods. Why are intermediate goods not included in gross domestic product of country?	5	CO 2														
Q 12	<p>Calculate GVA_{mp}</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td>Exports</td> <td style="text-align: right;">1000</td> </tr> <tr> <td>Sales to Firm</td> <td style="text-align: right;">500</td> </tr> <tr> <td>Self Consumption</td> <td style="text-align: right;">100</td> </tr> <tr> <td>Closing stock</td> <td style="text-align: right;">200</td> </tr> <tr> <td>Opening Stock</td> <td style="text-align: right;">180</td> </tr> <tr> <td>Domestic purchases</td> <td style="text-align: right;">60</td> </tr> <tr> <td>Intermediate Purchases</td> <td style="text-align: right;">90</td> </tr> </table>	Exports	1000	Sales to Firm	500	Self Consumption	100	Closing stock	200	Opening Stock	180	Domestic purchases	60	Intermediate Purchases	90	5	CO 2
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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 inflation be controlled?	10	CO 3														
SECTION-D																	
2Qx15M= 30 Marks																	
Q 18	How will circular income flow in an economy be affected if a country has foreign trade transactions?	15	CO 4														

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