



Roll No: .....

**UNIVERSITY OF PETROLEUM  
AND ENERGY STUDIES**

**End-term Semester Examination, December 2017**

**Program: BBA, LLB. Corporate Laws**

**Semester – III**

**Subject (Course): Business Economics-II (Macro)**

**Max. Marks : 100**

**Course Code : BBCE 111**

**Duration : 3 Hrs**

**No. of page/s : Three (3)**

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**Section A**

**Answer all questions (Total marks 10=10×1)**

1. Devaluation makes -----costlier.  
A. Import  
B. Export
2. Foreign Direct Investment is a component of -----in Balance of Payment account.  
A. Capital account  
B. Transfers
3. Deficit or surplus arise in current account in the Balance of Payment is adjusted through--  
-----.  
A. Capital account  
B. Unilateral transfers
4. After the implementation of New Economic Policy, Reserve Bank of India has no rule in intervening the exchange rate.  
A. Correct  
B. Wrong
5. Unilateral transfer comes under----- in the balance of payment account.  
A. Current account  
B. Capital Account
6. WTO was set up in 1995 succeeding-----.

- A. GATT
  - B. UNCTAD
7. Disinvestment is a concept of-----.
- A. Liberalization
  - B. Privatization
8. Head quarters of WTO located in-----.
- A. Switzerland
  - B. USA
9. Labour force participation rate is computed per ----- population.
- A. 1000
  - B. 100
10. Open Market Operation to curb inflation is a-----measure.
- A. Monetary
  - B. Fiscal

### Section B

(Answer any five: Total marks 20=5×4)

#### Define the following:

1. Real wage rate
2. Hyper inflation
3. Unilateral transfers
4. Economic development
5. Privatisation
6. Open inflation
7. Frictional unemployment

### Section C

(Answer any four: Total marks 20=4×5)

1. Difference between balance of payment and balance of trade.
2. Difference between devaluation and depreciation.
3. Discuss the major benefits of flexible exchange rate.
4. Difference between semi inflation and pure inflation.

5. What is structural unemployment?
6. Difference between unemployment rate and proportion unemployed.

### **Section D**

**(Answer any four: Total 50 marks =4×12.5)**

1. Discuss the current account and the capital account in the balance of payment account and reveal how total credit is always equal to debit in an accounting statement.
2. Discuss the types of disequilibrium in balance of payment and measures required to curb the disequilibrium.
3. What is fixed exchange rate and flexible exchange rate, and how the flexible exchange rate is determined by the market forces?
4. What is new economic policy and discuss the benefits incurred to India after the implementation of new economic policy.
5. (a) What are the features of a Underdeveloped country; and  
(b) Discuss how economic growth is different from economic development.
6. Highlight the features, objectives and functions of the World Trade Organisation.
7. Discuss the theory of absolute cost advantage and comparative theory in international trade.
8. (a) State the meaning and types of Inflation; and  
(b) Discuss the methods to control Inflation.

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**Semester – II**

**Max. Marks : 100**

**Duration : 3 Hrs**

**Section A**

**Answer all questions (Total Marks 10=10×1)**

10. Depreciation helps for -----promotion.  
C. Import  
D. Export
11. Unilateral transfer is a component of -----in Balance of Payment account.  
C. Capital account  
D. Current Account
12. Imbalances in the current account are adjusted through the ----- in the Balance of Payment.  
C. Capital account  
D. Unilateral transfers
13. Under the international trade regime, Indian Currency (Rupee) is -----.  
C. Partially Convertible  
D. Fully Convertible
14. Transactions of Gift come under----- in the balance of payment account.  
C. Unilateral transfers  
D. Capital Account
15. WTO was set up in 1995 succeeding-----.

- C. GATT
- D. UNCTAD

16. Disinvestment is a concept of-----.

- C. Liberalization
- D. Privatization

17. Head quarters of WTO located in-----.

- C. Switzerland
- D. USA

18. Labour Force Participation Rate is computed per ----- population.

- C. 1000
- D. 100

10. Rising Repo Rate to curb inflation is a-----measure.

- C. Monetary
- D. Fiscal

### **Section B**

**(Answer all: Total Marks 20=8×2.5)**

**Define the following:**

- 8. Labour Force
- 9. Hyper inflation
- 10. Capital Account
- 11. Economic Growth
- 12. Liberalisation
- 13. Open inflation
- 14. Investment
- 15. Exchange Rate

### **Section C**

**(Answer any five: Total Marks 20=5×4)**

7. Difference between Usual Principal Status (UPS) and Usual Principal and Subsidiary Status (UPSS) Approach used for measuring employment.
8. Difference between balance of payment and balance of trade.
9. Difference between devaluation and depreciation.
10. Discuss the major demerits of Pegged Exchange Rate.
11. Semi inflation: cause and meaning
12. What is frictional unemployment?
13. Causes of disequilibrium in BOP?

### **Section D**

**(Answer any four: Total Marks 50=4×12.5)**

9. (a) Discuss the balance of payment account is a double entry book-keeping; and  
(b) Reveal how total credit is always equal to debit in an accounting statement.
10. (a) What is Pegged exchange rate and Floating exchange rate; and  
(b) How the Floating exchange rate is determined by the market forces?
11. Discuss the New Economic Policy as a measure of economic turnaround for Indian economy.
12. (a) Discuss the characteristics of a Underdeveloped country; and  
(b) How economic growth is different from economic development.
13. Highlight the features, objectives and functions of the World Trade Organisation (WTO).
14. Discuss the theory of absolute cost advantage and comparative theory in international trade.
15. (a) State the demand pull inflation and cost push Inflation; and  
(b) Discuss the monetary measures to control Inflation.