

TB162910B

Reg. No:.....

Name:.....

**BMS DEGREE (C.B.C.S.S.) EXAMINATION, MARCH 2017
SEMESTER II - CORE COURSE (INTERNATIONAL BUSINESS)
CO2B03TB - APPLIED MACRO ECONOMICS**

Time: Three Hours

Maximum Marks: 80

PART A

I. Answer any six questions. Each question carries 1 mark

1. Define GDP and GNP
2. What is public debt
3. What is cost push inflation
4. Define stagflation
5. What is business cycle
6. What is exchange rate
7. What is deficit financing

(6x1=6)

PART B

II. Answer any seven questions. Each question carries 2 marks

8. In what essential way is a macro economic approach different from a micro economic approach?
9. Discuss the meaning of Personal Income (P.I) and Personal Disposable Income (D.P.I)
10. What is Balance of Payment?
11. Define inflation. What are the various types of inflation?
12. Briefly explain transfer payments
13. Discuss the various effects of International trade.
14. What is Business cycle.
15. What is spot and forward exchange rate
16. Distinguish between deficit budgeting and deficit financing
17. Describe various types of foreign aid.

(7x2=14)

PART C

III. Answer any five questions. Each question carries 6 marks

18. What are the different methods of measuring National income.
19. Explain the importance of Micro economics and Macro economics
20. Explain the functions of public finance.
21. Define Phillips curve
22. Differentiate between the impact and incidence of taxation.
23. What is the difference between Public and Private Expenditure.
24. What are the various methods of securing public debt?
25. What are the phases of business cycle?

(5x6=30)

PART D

IV. Answer any two questions. Each question carries 15 marks

26. How many sectors will contribute to economic activity when there is no contact with any other country? Draw the diagram and explain.
27. Which of monetary and fiscal measures do you think are more effective in controlling inflation?
28. Is there any relation between inflation and business cycles? Discuss.
29. Balance of payment is not always balance. Explain?

(2x15=30)