

BMS DEGREE (C.B.C.S.S.) EXAMINATION, APRIL 2018
(2017 Admission Regular, 2016 Admission Improvement/Supplementary &
2015 Admission Supplementary)
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. What is Government Spending?
2. What is two sector model?
3. Describe operating budget.
4. Describe balancing act.
5. What is wage cutbacks?
6. What is sun – Spot theory?

(6x1=6)**PART B****II. Answer any seven questions. Each question carries 2 marks**

7. Describe national income at market price and factor cost.
8. Discuss three expression of National income.
9. What is public finance?
10. What is taxable capacity?
11. What all are the causes of deflation?
12. Define money supply.
13. Explain BOP accounting system.
14. Which of the following transactions are current account transactions and which are capital account transactions in the domestic balance of payments and Why?
 - a) a sale of lumber to Japan;
 - b) a purchase of domestic treasury bills from a foreign resident;
 - c) rental of a hotel room to a tourist from abroad;
 - d) a purchase of a super-computer from a foreign country.
15. Describe Upswing, Upper turning point, Downswing and lower turning point of BC.
16. Discuss advantages and disadvantages of foreign trade.

(7x2= 14)**PART C****III. Answer any five questions. Each question carries 6 marks**

17. Give a detail note on circular flow of income.
18. What is public debt discuss in detail?
19. Explain different types of budgets.

20. What is inflation? Discuss causes, cost and threat from Inflation.
21. Give a note monetary policy.
22. Explain unfavourable BOP and its causes.
23. Describe types of disequilibrium in BOP.
24. Give a detail note on over investment theories.

(5x6=30)

PART D

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

25. Discuss, main Sources of Public Revenue
26. Give a detail note on Fiscal policy of India. Discuss, deficit Financing – need , significance and Limitations
27. Describe components of BOP accounting system in detail.
28. Discuss theories of business cycle.

(2x15=30)