



Institute of Management
JK Lakshmipat University
Jaipur
END TERM EXAMINATION, May
2022

BBA Sem II
MM: 40 Marks

Course: Economics-II
Time: 2 Hours
Subject code: EP1102

Instructions: Attempt all questions.

Q1. How would you explain the concept and process of 'Investment Multiplier'? If the MPC changes from 0.6 to 0.8, what would be the value of multiplier? How would you illustrate the various leakages of multiplier in an underdeveloped country such as India?

(Marks 3+2+3)
(LO1, 3)

Q2. How would you graphically present different stages of the Business Cycle and also depict all major troughs and peaks in Indian context by referencing the incidents and reasons behind it.

(Marks 4+4)
(LO5, 6)

Q3. How would you explain the three motives of demand for money? How would you graphically illustrate the Liquidity Preference Theory of Interest given by Keynes?

(Marks 4+4)
(LO4)

Q4. Discuss the following.

- Features of Indian economy
- Difference between nominal exchange rate and exchange rate at PPP.

(Marks 4+4)
(LO7, 8)

Q5. How would you show your understanding for the following?

- Fisher's version of Quantity theory of Money
- Difference between measurements of Inflation in India (CPI&WPI)

(Marks 4+4)
(LO4, 6)