

**K. J. SOMAIYA INSTITUTE OF MANAGEMENT STUDIES AND RESEARCH,**  
**Vidyavihar, Mumbai- 400077**

**Program: MFM (Batch2018-21), Sem. - III**  
**Subject: Business Environment**  
**(End Term Examination)**

**Maximum Marks: 50**

**Duration: 3hours**

**Date: 20/11/2019**

**Instructions: Attempt any five questions. (10 marks each).**

**Q 1:** Explain the following in detail (any two)

- a) Role of the technology and innovations in economic growth
- b) Demographic dividend in India
- c) Impact of trade war on Indian economy
- d) The role of FDI in economic growth

**Q 2:** Do the PESTEL analysis of India and also compare with any one other country of your choice.

**OR**

Discuss the features of Indian economy. What are the challenges of growth in India? Have the reforms been successful in achieving the development objectives. How do you see Indian economy in near future?

**Q 3:** a) Assume the Indian spend  $\frac{4}{5}$  of their disposable income. Furthermore, assume that the Indian government increases its spending by Rs. 100 trillion and in order to maintain a balanced budget simultaneously increases taxes by Rs. 100 trillion. Calculate the effect the change in government spending and change in taxes on Indian Aggregate Demand.

b) Explain Consumption Function with suitable diagram.

**Q 4:** Currently, the growing unemployment is the major challenge in front of Indian economy. What are the causes of unemployment in India? Do you think that the technology is responsible for shrinking job market or there are other factors also? How to solve the

problem?

**Q. 5:** Explain the currency volatility and the factors associated with it. Explain the impact of rupee depreciation on Indian economy.

**Q. 6:** What are the different phases of business cycles? Analyze the *causes of the present economic slowdown in the Indian economy?*

**Q. 7:** What is role of monetary policy in the economy? Discuss the instruments of monetary policy in details.

**Q. 8:** Explain the following in detail (any two):

- a) Disequilibrium in BOP.
- b) Aggregate supply and aggregate demand curves
- c) Cost push and demand pull inflation
- d) The leakages from and injections into the circular flow

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