

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

Program: MFM (Batch2017-20), Sem. - III
Subject: Business Environment
(End term Examination)

Maximum Marks: 50

Duration: 3 hours

21/11/2018

Instructions: Attempt any 5 questions. Each question carries 10 marks.

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

- a) Human Development Index for India
- b) The circular flow of national income in open economy.
- c) Philips Curve
- d) Issue of corruption and its impact on economy

Q 2: Discuss the features of Indian economy. How do you see Indian economy by 2030?

Q 3: Explain the role of Infrastructure development in economic growth by giving suitable examples.

Q 4: Do you think there have been enough jobs created in Indian economy? What are the causes and impact of unemployment? Give suggestion to create more jobs with the growth.

Q 5: What are the factors of inflation? Explain the impact of inflation in detail. Analyze RBI's role in controlling inflation.

Q 6: a) Assume U.S. citizens spend 90¢ for every extra \$1 they earn. Further assume that the real interest rate ($r\%$) decreases, causing a \$50 billion increase in gross private investment. Calculate the effect of a \$50 billion increase in I_G on U.S. Aggregate Demand (AD).

b) Analyze the role of FDI in the economy? Explain the factors responsible for it.

Q 7: Explain equilibrium in Goods and money market through IS-LM model in details.

Q 8: Attempt any two of the following:

- a) Real and Nominal GDP
- b) Factors leading to rupee depreciation and its impact on economy.
- c) Fiscal deficit in India

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