

SVKM's NMIMS University
School of Distance Learning

Subject: Economic Environment for Business / Macro Economics

Date: 14.12.2007
Time: 11.00 to 2.00

Marks: 100

- Note: (1) Attempt any four questions only.
(2) All questions carry equal marks.
(3) The total number of questions set in this paper is seven (07) only.

Q 1 What is the difference between GDP and GNP?
Calculate the following based on the values given in the table below:

- a) GDP at Market Prices
- b) GNP at Market Prices
- c) NNP at Market Prices
- d) NNP at Factor Costs

Items	Rs. Crores
Value of all final consumption and capital goods	4200
Depreciation Allowances	500
Value of Import	300
Subsidies	150
Value of Exports	250
Commodity Taxation	300
Net Income from abroad	25

- Q 2 Explain the structure of Balance of Payment Statement and examine in detail the recent trends observed in the BOP in India.
- Q 3 Explain the recent trends in Fiscal Deficit of Government of India. What is the impact of and the long-term solution for Fiscal Deficit in India.
- Q 4 (a) What is Monetary Policy and what is the need for Monetary Policy?
(b) What is Money supply and how is it measured?
(c) What is Money Multiplier?
(d) Why is there Demand for Money?
(e) What are the tools of Monetary Policy?
- Q 5 What are the Roles and Functions of World Trade Organization? How is WTO expected to promote India's exports?

Q 6 Explain the following terms in brief:

- (a) Tariff and Non-Tariff Barriers
- (b) Corporate Governance
- (c) Currency Convertibility
- (d) Causes and Effects of Inflation
- (e) GNP Deflator

Q 7 Write Short Notes on any two of the following

- (a) Porter's five forces Model
- (b) SWOT Analysis for a business firm
- (c) Four Generic forms of Entry into an Industry
