

[This question paper contains 4 printed pages.]

**4142**

*Your Roll No. ....*

**M.COM. : SEMESTER – II (OC)      G**

Paper No. – 6202

Business Environment

*Time : 3 Hours*

*Maximum Marks : 100*

*(Write your Roll No. on the top immediately  
on receipt of this question paper.)*

*Attempt All questions.  
Each question carries equal marks.  
Label figures properly.*

1. (a) Show the impact of income tax cut by the government using IS-LM model under two assumptions, (i) the government keeps interest rates constant through an accommodating monetary policy, (ii) the money stock remains unchanged. Explain the difference in results. (20)

**OR**

P.T.O.

- (b) What do you understand by globalization and liberalization? How has globalization and liberalization impacted business environment in India since 1991? (20)
2. (a) Explain the different objectives of long run growth policy versus short run growth policy. (10)
- (b) What do you understand by stagflation? Discuss different conditions under which the economy can suffer from stagflation. (10)
- OR**
- (c) 'Liberalization of economy may lead to demise of small and medium enterprises'. Give your views in favor and against this statement. (10)
- (d) Describe the short run and long run effect of a positive IS shock in IS-LM and AD-AS framework. (10)
3. (a) What are common law remedies available for an individual against the polluter of an environment? (10)

- (b) Explain why the slope of IS curve is a factor in determining the working of monetary policy ? (10)

**OR**

- (c) How would the LM curve look like in a classical world ?  
If this really were the LM curve that we thought best characterized the economy, would we lean toward the use of fiscal or monetary policy ? (10)

- (d) Discuss the provisions of Law of contract relating to consumer protection in India. (10)

4. (a) What do you understand by real business cycle ?  
Discuss impact of real business cycles on changes in government spending, technology and productivity. (20)

**OR**

- (b) Is the importance of spillover effects larger or smaller under flexible exchange rates, as opposed to fixed exchange rate. Is macroeconomic management easier under one regime than the other ? (20)

P.T.O.

5. Write short note on any **two** of the following :

(a) Environmental Audit

(b) Unfair trade practices

(c) Foreign exchange markets

(d) Expectations and economic behaviour (2×10)