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| **C:\Users\ADMIN\Desktop\j.png** | **JAIPURIA INSTITUE OF MANAGEMENT, INDORE**  Post Graduate Diploma in Management |
| **Course Title: Emerging Economic Environment, (Course Code:40402)**  **Improvement Examination, Term – II (Batch 2021-23) (2nd March 2023)** | |
| **Time Duration: 2 Hours Total Marks: 40** | |

***General Instructions*:**

1. *Answer the questions as directed. The break-up of the marks is given wherever necessary.*
2. *Marks against each question is indicated to its right.*
3. *Answers should be brief and to the point.*
4. *Do not write on the question paper except your roll number.*
5. *Non-scientific calculators are allowed.*

**Q. 1A** Critically examine the Russia – Ukraine war and how is it affecting the global economy with special reference to India.

**Q: 1B** China has been flexing its geopolitical muscles over last so many years. Cite your understanding on this by either explaining China’s moves in South China Sea or the Belt and Road Initiative of China. Explain the possible economic outcomes of China’s aggression on India.

**[5 + 5 = 10 Marks]**

**Q. 2** An economy is characterized by the following equations- **[4 + 2 + 3 + 1 = 10 Marks]**

Consumption Function = 50 + 0.5Yd; Investment = Rs. 100 Crores; Tax = Rs. 70 Crores; Government Expenditure = Rs. 50 Crores; Exports = Rs. 100 Crores; Imports M = 25 + 0.1Y

1. Calculate the national income at equilibrium
2. Comment if there is trade deficit or surplus
3. Suppose the GDP of the country is to be increased by Rs. 100 crores, then how much new investment should be attracted in the country?
4. Is there a budget deficit or surplus as per the given information?

**Q. 3 Comment, on the likely outcomes with sufficient arguments [ 2.5 \* 4 = 10 marks]**

1. Impact on investments when interest rates have gone up in the country.
2. Impact on current account, if there is a huge demand of wheat grown in India in overseas market.
3. Impact on exchange rate when FPIs in the country increase
4. Impact on aggregate demand if rupee depreciates against dollar.

**Q. 4A** Comment on few monetary policy tools which may help in fighting inflation. Can inflation also be combated with the help of fiscal policy?

**Q. 4B**  Assess what happens to the output, employment and prices in different phases of business cycle. **[5 + 5 = 10 Marks]**

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