Bachelor of Commerce 2<sup>nd</sup> Semester (2042)

## **BUSINESS ECONOMICS-II**

Paper: BCM-204

Time Allowed: Three Hours

[Maximum Marks: 80

Note: This question paper consists of three parts. Attempt four questions from Part-A, each answer will carry 5 marks and attempt two questions each from the other Parts, each answer will carry 15 marks.

## PART-A

- 1. Factors influencing consumption function
- 2. Effective demand
- 3. Types of investment
- 4. Modern theory of interest
- 5. Neo classical theory of interest
- 6. Quasi rent

## PART-B

- 7. Critically explain the Ricardian theory of rent.
- 8. Briefly explain the liquidity preference theory of interest.
- 9. Explain the theories of profit.
- 10. Critically explain the marginal productivity theory of wages.

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## PART-C

- Critically explain the Keynesian theory of income, output and employment.
- 12. Explain the Keynes Psychological law of consumption.
- 13. Critically explain the investment multiplier.
- 14. What is the importance of investment in a developing nation?
  Suggest measures to increase investment.