

UNIVERSITY OF BOLTON
INSTITUTE OF MANAGEMENT
BSc (HONS) BUSINESS MANAGEMENT
SEMESTER 2 EXAM 21/2022
BUSINESS ENVIRONMENT
MODULE NO: BMP4003

Date: Monday 16 May 2022

Time: 1.00 – 3.00pm

INSTRUCTIONS TO CANDIDATES:

This is a 2 hours closed book exam:

You must hand in this exam paper with your answer booklet and answer both section one and section two.

Section 1: Answer **FIVE** different questions

Section 2: Answer **TWO** different questions

There are 10 'short answer' questions, **you need to answer only 5 of them**. You can choose any 5 questions out of these 10 questions. All questions are worth equal marks

(10 marks each)

Total: 50 marks

PLEASE TURN OVER

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SECTION 1

- 1) Explain the four stages of the 'Economic Cycle' illustrate using a diagram.
- 2) Explain the different tools of fiscal & monetary policy.
- 3) How can a government promote long term economic growth?
- 4) Using a diagram analyse the circular flow of income?
- 5) Explain the transmission mechanism that makes interest rate policy effective?
- 6) Illustrate how an increase in tax could influence aggregate demand.
- 7) Discuss supply-side policies that the government can use to reduce unemployment?
- 8) Briefly explain the different types of unemployment.
- 9) Discuss the role of the Monetary Policy Committee (MPC)?
- 10) The UK national debt has doubled during the recent Covid-19 pandemic, discuss the implications of this.

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SECTION 2

Answer any **two** questions from the following, all questions are worth equal marks
25 marks each: **Total: 50 marks**

- 1) Discuss and explain the likely **macroeconomic effects** 'Brexit' has had on the UK economy.
(25 Marks)
- 2) '*International trade in all cases leads to increasing living standards*'. Discuss this statement.
(25 Marks)
- 3) The UK energy supply was owned by the state and has been privatised, discuss the rationale from different viewpoints including the benefits and drawbacks.
(25 Marks)
- 4) '*Economic growth always improves welfare*'. Discuss this statement from different viewpoints.
(25 Marks)

END OF QUESTIONS