

Duration: 2 1/2 Hrs

E43A23BE

Marks:- 75

Note:- 1) All questions are compulsory.

2) Figures to the right indicate maximum marks.

Q1. (A) Choose the correct alternatives: (Any 8)

(8)

1. Macro Economics is derived from the Greek word _____. (R,U,AP,AN,CO1,PO1)
 - a. Mikro Economics b. Micro Economics c. Macro Economics d. Makro Economics
2. National income is the flow of goods & services produced in an economy in course of _____. (R,U,AN,CO,PO)
 - a. A Year b. A Month c. Six Month d. Four Month
3. Cyclical fluctuations are _____ in nature. (AP, AN, CO1,PO3)
 - a. Rare b. Recurrent c. Long term d. Short term
4. Consumption demand depends upon the _____. (R,U,CO2,PO2)
 - a. Level of consumption b. Level of income c. Level of expenditure d. Level of savings
5. Foreign direct investment is included in _____. (R,U,AP,CO2, PO3)
 - a. Trade account b. Current account . C. Capital account d. Trade & Current account
6. During recession, RBI will _____ CRR. (AN, CO3,PO2)
 - a. Decrease b. Increase c. Remain Same d. Increase or Decrease
7. Demand for transaction and precautionary motive is interest _____. (A,CO2,PO2)
 - a. Elastic b. Unit Elastic c. Inelastic d. Income Elasticity
8. The difference between revenue receipts and revenue expenditure is known as _____ deficit. (U,CO3, PO1)
 - a. Revenue b. Budget c. Primary d. Fiscal.
9. Ricardian theory ignores _____. (AN,CO4,PO3)
 - a. Demand b. Full employment c. Supply d. Unemployment
10. Fixed exchange rate system was _____. (AP,CO4,PO3)
 - a. More Stable b. Stable c. Less Stable d. Unstable.

Q1. (B) State whether the following statements are true or false: (Any 7)

(7)

1. Subsidies increase the circular flow of income. (AN,CO1,PO2)
2. Classical school believed in full employment. (E,CO1,PO)
3. The cash transaction approach was developed by J.M.Keynes. (AN,CO2, PO2)
4. During inflation the government repays the debt to control Inflation . (R,U,CO2,PO1)
5. Fiscal policy is formulated by central government. (AN,CO3,PO2)
6. Income terms of trade indicates a country's Capacity to import. (AP,CO4,PO3)
7. Income & Consumption are inversely related. (R,U,CO1,PO2)
8. Money is what money does. (R,U,AP,CO2,PO3)
9. Foreign capital helps us to promote economic development. (R,U,E, CO4,PO3)
10. Government of India budget is presented on the first day of February. (R,AN,CO3, PO3)

Q2. Answer the following:

1. Explain the features of trade cycle . (AN,AP,CO2,PO3) (8)
2. Explain circular flow of two sector economy. (AP,CO1,CO2,PO2) (7)

OR

3. Explain the importance of national income. (R,U,CO2,PO2) (8)
4. Define macro economics what is its scope. (R,U,CO2,PO3) (7)

Q3. Answer the following

1. Explain the effects of inflation. (R,U,AN,CO2,PO2) (8)
2. Explain the demand pull & cost push inflation. (AP,CO3PO3)) (7)

OR

3. What is monetary policy? Discuss the objectives of monetary policy. (AN,AP,CO2,PO2) (8)
4. Discuss the Cambridge cash balance approach to the quantity theory of money. (AN,CO3,PO2) (7)

Q4. Answer the following

1. Discuss the significance of the public expenditure. (R,U,CO1,PO3) (8)
2. Discuss the various factors influencing incidents of taxation. (AN,AP,CO3,PO3) (7)

OR

3. Explain the instrument of fiscal policy. (AN,CO2,PO2) (8)
4. What are the source of public revenue? (R,U,AP,CO2,PO1) (7)

Q5. Answer the following

1. Explain the concept of balance of payment. (AN,E,CO2,PO3) (8)
2. Explain the role of Multinational Corporation. (R,U,AP,CO1,CO3,PO3) (7)

OR

Q5. Write Short note on : (Any 3)

(15)

1. Circular flow of four sector economy (AP,CO1,CO2,PO2)
2. Stagflation (U,AN,PO2,CO2)
3. Cost push inflation (AP,CO3,PO3)
4. Incidence of taxation (AN,AP,CO2,PO2)
5. Source of revenue. (R,U,AP,CO2,PO1)
6. Causes of public expenditure. (R,U,An,CO3,PO3).

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