

S.S.T College of Arts and Commerce
Ulhasnagar-4
Internal Examination - March 2022

Class:- SYBMS / SYBCBI (IV) SUB:- Business Economics -II Duration:- 40 Min Marks:- 20

Q. 1 Choose the correct answer and rewrite the statements : (10 M)

1. Repo rate is the rate of interest paid by _____.
a) People b) Commercial banks c) Central bank d) none of the above.
2. Bank rate is the interest charged by the _____.
a) Commercial banks b) Central bank c) Co-operative bank d) foreign bank
3. During inflation value of money _____.
a) increases b) remains constant c) declines d) rises
4. The following groups suffer during inflation are _____.
a) fixed income earners b) creditors c) fixed income earners and creditors d) none of the above
5. The inverse of price level measures _____.
a) inflation b) value of money c) deflation d) multiplier
6. Demand for transaction and precautionary motive is interest _____.
a) elastic b) unit elastic c) inelastic d) all of the above.
7. The value of multiplier is inversely related to _____.
a) MPC b) MPS c) APC d) APS
8. At peak _____ ends.
a) prosperity b) recession c) depression d) none of the above
9. The total money value of final goods and services produced within the domestic territory of the country during a given year is called _____.
a) GDP b) GNI c) NNI d) none of the above
10. The four sector circular flow economy does not include _____.
a) world economy b) financial market c) crude oil reserves in oil wells d) households

Q 2 Answer in Brief:- (any 2) (10 M)

1. Explain the circular flow of income in a Three sector economy.
2. Explain the effects of inflation on economic activities and different sections of people.
3. Explain various instruments of monetary policy.

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