

Note: - (1) All questions are compulsory.

(2) Figures to the right indicate full marks

(3) Answer to each question must be on a new page

(4) Draw schedules, graphs and diagrams wherever necessary.

B-R

57BMS

2/4/24



Q.1) A Choose the Correct Alternatives:- (Any 8)

CO2 U,R,An

8M

- i) The ____ theory attributes business cycles to changes in marginal efficiency of capital
a. Monetary b. Multiplier c. accelerator c. Real business d. Investment
- ii) The value of multiplier is inversely related to ____
a. MPC b. MPS c. APC d. APS
- c) Boom is a ____ phase of trade cycle.
a. depression b. expansionary c. no change d. contractionary
- d) Keynesian economics is ____
a. Micro economics b. Macro economics c. Monetary economics d. Welfare economics
- e) Consumption demand depends upon the ____
a. Level of tax b. Level of expenditure c. Level of income and expenditure
- f) Incidence of taxation means ____
a. Final burden b. Initial burden c. Shifting d. Initial and Final burden
- g) Ricardian theory of International trade is beneficial under ____
a. Comparative Cost b. Absolute Cost c. Equal differences in cost d. Comparative and Absolute cost
- h) Equilibrium Terms of trade according to J.S.Mill is determined by the condition of ____
a. Market demand b. Market supply c. Aggregate demand d. Reciprocal demand
- i) FDI stands for ____
a. Foreign Direct Investment b. Foreign Direct Tax c. Foreign Direct Increment d. Foreign Deposit Investment
- j) Portfolio investment are included in ____
a. Trade balances b. Current Account c. Capital Account d. Private account

Q1. B State Whether true or false:- (Any 7)

CO2
U,R,An
Ap

7M

1. Macro economics is a study of individual unit of an economy.
2. Recession is a period of contraction.
3. Income & Consumption are inversely related.
4. Higher the MPC, higher the value of multiplier.

5. Equity investors generally gain during inflation.
6. A mild inflation is good for the economy.
7. During recession Government increases its expenditure.
8. Indirect tax are inequitable.
9. Modern theory begins where the Ricardian theory ends.
10. External public debt by and large is conditional.
- Q.2) Answer Any One question from the following**
- a) What is Green GDP? CO2 U,R **8M**
- b) Explain the circular flow of income in two sector economy. CO2AN **7M**
- OR
- c) Explain different phases of trade cycle. CO2U,R **8M**
- d) Explain Aggregate Demand. CO2 U,R **7M**
- Q.3) Answer Any One question from the following**
- a) How does demand for money is influenced by Keynes liquidity preference theory. CO2An,A **8M**
p
- b) Explain determinants of money supply. CO2U,R **7M**
- OR
- c) Explain Cambridge cash balance approach. CO2 U,R **8M**
- d) What are the different types of inflation? CO2 U,R **7M**
- Q.4) Answer Any One question from the following**
- a) Discuss the significance of public Expenditure. CO2 U,R **8M**
- b) Tax rate and tax base proceeds in detail. CO2 An, **7M**
Ap
- OR
- c) What are the factors influencing incidence of taxation. CO2 **8M**
U,R,An
- d) Explain the different objectives of fiscal policy. CO2 U,R **7M**
- Q5. A) Answer the following:**
- a) Explain the structure of Balance of Payment. CO2 An, **7M**
Ap
- b) Explain the factors affecting terms of trade. CO2 An, **7M**
Ap
- OR
- Q5. B) Write short notes on:- (Any 3)** **15M**
1. Canons of taxation CO2 U,R
2. Role of MNC's CO2 U,R
3. Structure of Union Budget CO2 U,Ap
4. Circular flow in four sector CO2 **7M**
An,Ap
5. Features of trade CO2 Ap
