

Duration :- 2 ½ Hours

Maximum Marks :- 75

Note :- All Questions are compulsory

Figures to the right indicate full marks.

Q.1A) Choose the correct Alternative (Any8)**(8m)**

- 1) In a circular flow economy firm supply _____ (R,4,Ab, Co1,Po2)
a) Labour b) Goods and Services c) Land d) Capital
- 2) _____ indicates the measures of national income distribution (R4,Co.,Po1)
a) GDP b) GNP c) NNP d) Per Capital Income
- 3) The level of unemployment is very high during _____ (R,4, Co1, Po1)
a) Depression b) Recession c) Prosperity d) Boom
- 4) When income increase consumption will increase in a _____ proportion (R,4, Co2,Po1)
a) More b) lesser c) fewer d) More or less
- 5) Incidence of taxation means _____ (An Ap, Co3, Po2)
a) Initial burden b) Final burden c) Shifting d) Impact of a tax (An, Ap, Co3, Po2)
- 6) Repo rate is the interest paid by _____ (An, Co3, Po1)
a) Financial institution b) Commercial bank c) Central bank d) people
- 7) Public expenditure is important for _____
a) Balanced regional development b) Health facilities c) Infrastructural development
d) Balanced and Infrastructural development (a ,Co1, Co3,Po3)
- 8) FRBM Act was passed in the year (u, Co1, Co3, Do3)
a) 2004 b) 2001 c) 2000 d) 2003
- 9) Ricardian theory of international trade is beneficial under _____
a) Comparative cost. b) Absolute Cost c) Equal differences in cost
d) Comparative and Absolute Cost (A, Co4, Do2)
- 10) FDI stands for _____
a) foreign direct investment b) Foreign development programme
c) Follow on Public Offer d) Federal Direct Loan (E, Co4, Po3)

Q1B) State Whether the following statements are True or False (Any 7)**(7m)**

- 1) An open economy is one which has no foreign trade (R, u, Co1, Po1)
- 2) Saving increase with a rise in income (R,4, An, Co1, Po3)
- 3) Economics is concerned with real investments (Co1, Po2, R, 4, AP)
- 4) The cash balance approach considers money as a store of value (An, Co2, Po1)
- 5) Deflation is worse than inflation (R,4, Co2, Po2)
- 6) Perfect Competition always ensures optimum, use of resources (R, 4, Ap, Co3, Po3)
- 7) During recession government increase its expenditure (An, Co3, Po2)
- 8) The burden of a direct tax cannot be shifted (R,4, Co3, Po2)
- 9) The government of India always has a surplus budget (An, Co4, Po1)
- 10) Modern theory rejects the Ricardian theory of international trade (An, E, Co4, Po2)

Q2) Answer the following

A) Define Macro economics What is the scope (R,4, Co1, Po3)

(7m)

B) Explain the Importance of National Income (R,4, (D1,Po2)

(8 m)

OR

A) Explain the Aggregate Demand Function and Aggregate supply function
(R, 4, An, Co1, Po3)

(7m)

B) Enumerate the phases of trade cycle (4AP, Co2, Co1, Po3)

(8m)

Q3) Answer the following

A) Explain different types of Inflation (Ap, Ah, Po2, Co2,)

(7m)

B) Explain the instruments of monetary policy (An; Co2, Po2)

(8 m)

OR

A) How does the demand for money is influenced by Keynes liquidity preference theory
(An,Co2,Po2)

(7m)

B) Explain the determinants of monetary policy (An, Co2, Po3)

(8M)

Q4) Answer the following

A) Explain the factor causing market failure (Ap,E, Co1, Po3, (07)

(7 m)

B) Explain objectives of fiscal policy (An, Co3, Po2)

(8 m)

OR

(7m)

A) Explain the cannons of Taxation (Ap, Co2, Po3)

(8m)

B) Explain the structure of Union budget (An Co3, Po2)

Q5) Answer the following

(7 m)

A) What are the factors affecting terms of trade (U,R Co4 ,Po3,) (07)

(8 m)

B) Explain the Ricardo Theory of comparative cost (An, E, Co, Po1)

OR

(15 m)

Q.5) Write short note on (Any 3)

1) Sources of taxation

(R,4,Ap, Co3, Po1)

2) Incidence of taxation

(An, Ap, Co2, Po2)

3) Demand pull inflation

(R, Ap, Co2, Po3)

4) Circular flow of two sector economy

(An, Co1,Po1)

5) Effects of inflation

(An, E, Co2, Po2)

6) Green GDP,

(An, Co1, Po1)

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