SYBAF Sem - III Oct - 2019

Duration :- 2.30 Hrs **E114OBE19** **Maximum Marks : 75**

Note : 1) Attempt all Questions.
2) All questions carry equal marks.

Q.1. Answer any two: **15M**

1. Analyze the circular flow of Income & Expenditure in an Open economy.
2. What is effective Demand? Show that it is determined by aggregate demand and aggregate supply curves.
3. Discuss the scope of Macroeconomics.

Q.2. Answer any two : **15M**

1) Explain Money Supply and its Constituents.
2) Examine the Keynesian Approach to Demand for Money.
3) Discuss the Instruments of Monetary Policy.

Q.3. Answer any two: **15M**

1) What are the Instruments of Fiscal Policy?
2) Discuss the economic effects of Public Expenditure.
3) Explain shifting and incidence of Taxation with reference to elasticity of Demand & Supply

Q.4. Answers any two : **15M**

1) Examine the Ricardian Theory of Comparative difference in cost.
2) Enumerate the advantages of MNCs in developing countries.
3) What is a Foreign Exchange Market? Who are its participants?

Q.5.A. Conceptual Questions : (Any 4/6) **8M**

1) Fisher 's Equation of Exchange
2) Structure of Union Budget
3) Balance of Payment
4) Phases of Trade Cycle
5) H – O Theory of International Trade
6) Three sector Economy Model

Q.5.B. Multiple Choice Questions : (Any 7) **7M**

1) Which of the following type of Economy deals with the rest of the World?
a) Closed b) Open
c) Only developed d) Only developing

2) At Peak ________________
a) Recession ends b) Prosperity begins
c) Depression ends d) Prosperity ends

3) Transactions Demand for Money is explained by ______________.
a) Classical Economists b) Neo-Classical Economists
c) Post-Keynesian Economist d) All of these

4) Objectives of Monetary Policy are ________________.
a) Price Stability b) Full employment
c) Economic Growth d) All the above

5) Loans taken from Individuals and Institutions within the country are known as ______________
a) Internal Debt b) External Debt
c) Corporate Debt d) Personal Debt

6) Which of the following is not the cause of deficit in the balance of payments?

a) Fall in exports
b) Globalization
c) Increase in Imports
d) Capital Inflows

7) Hedgers enter forward exchange market to ______________.

a) Earn Profit
b) Speculate
c) Cover the Risk
d) Arbitrage

8) Ricardian Theory of International Trade is beneficial under __________.

a) Absolute Cost
b) Comparative Cost
c) Equal differences in Cost
d) None of above

9) Demand for transaction and Precautionary motive is Interest _________.

a) Elastic
b) Unit Elastic
c) Inelastic
d) None of above

10) _______ First developed the Cambridge version of the quantity theory of money.

a) J.S Mill
b) Adam smith
c) Alfred Marshall
d) David Ricardo

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