

Bus. Eco. II

SEAT NO: _____
Marks:-75

Duration:- 2 1/2 Hours

337161024

Note:- A)All the questions are compulsory.
B)Each question carries equal marks.
C)Figures (Diagrams /Charts) indicate full marks.

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|-------|---|-------------------------|-----------------------|-----|
| Q.1 | Answer any two: | | CO1 | 15M |
| 1. | Analyse the circular flow of income and expenditure in an open economy | | U | |
| 2. | Discuss the scope of macroeconomics. | | R | |
| 3. | How is effective demand determined? | | U | |
| Q.2 | Answer any two: | | CO2 | 15M |
| 1. | Explain the demand pull inflation with the help of suitable diagram | | U | |
| 2. | Enumerate the Quantitative techniques of credit control. | | R&U | |
| 3. | Critically evaluate fisher's equation of exchange. | | U | |
| Q.3 | Answer any two: | | CO3 | 15M |
| 1. | What are the various canons of taxation | | U | |
| 2. | Describe the classification of public debt. | | U | |
| 3. | Elaborate the Instruments of fiscal policy. | | R | |
| Q.4 | Answer any two: | | CO4 | 15M |
| 1. | Explain the concept and structure of balance of payments | | U | |
| 2. | Examine advantages and disadvantages of MNCs in developing countries. | | U | |
| 3. | Bring out the differences between Ricardian and Hecksher - Ohlin theories of trade. | | U | |
| Q5. A | Conceptual Questions: (Any 4 out of 6) | | (CO1 to CO4)
(R&U) | 8M |
| 1. | Constituents of money supply | | | |
| 2. | Foreign Investment | | | |
| 3. | Phases of Trade Cycle | | | |
| 4. | Union Budget | | | |
| 5. | GDP | | | |
| 6. | Public Expenditure | | | |
| Q5. B | Multiple Choice Questions: (Any Seven) | | (CO1 to CO4) | 7M |
| 1. | There is no beginning or ending point in _____. | | | |
| | a. Per Capita Income | b. National Income | | |
| | c. Circular Flow | d. National Consumption | | |
| 2. | In a three-sector economy, we do not include income expenditure of _____. | | | |
| | a. Firms | b. External Sector | | |
| | c. Households | d. Government | | |
| 3. | GNI in an open economy is equal to _____. | | | |
| | a. $GDP + (X-M) + R-P$ | b. $GDP = C+ I + G$ | | |

c. $GDP + (R-P)$

d. $GDP + (X-M)$

4. Bank rate is the interest charged by the _____
a. Commercial Bank b. Co-Operative Bank
c. Central Bank d. Foreign Bank
5. Impact and incidence of a tax is on the same person in the case of _____
a. Indirect taxes b. Forward shifting
c. Direct taxes d. Backward Shifting
6. Loans taken from Individuals and institutions within the country are known as _____
a. Personal debt b. Internal debt
c. External debt d. Corporate debt
7. FRBM Act was passed in _____
a. 2000 b. 2002 c. 2003 d. 2004
8. The current account of balance of payment does not include.
a. Import of Services b. Foreign Investments
c. Balance of Visible trade d. Unilateral Services
9. Which of the following type of economy deals with the rest of the world?
a. Closed b. Only developed
c. Only developing d. Open
10. Hedging operation helps the participants to _____
a. earn profit b. Sell foreign exchange
c. Purchase foreign exchange d. Cover the risk

“ Economy does not lie in sparing money, but in spending wisely.”