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Duration: - 3:00 Hrs. E620100BE (02) Maximum Marks:-100

Note: - 1) Attempt all questions

2) Figures to the right indicate full marks.

3) All questions carry equal marks.

Q 1, A) Explain briefly the following concepts (Any 5) (10 Marks)

1. Circular flow of closed economy
2. macro economy
3. Keynesian approach for demand
4. Consumption function
5. National income
6. Marginal efficiency curve
7. Cost push inflation
8. Green National Income

Q 1. B) Choose the correct answer and rewrite: - (Any 10) (10 Marks)

1. The four sector circular flow economy does not include..............
   a. World economy   b. Financial market
   c. Crude oil reserves in oil wells   d. both World and Financial market
2. The ....is the sum of all income actually received by the people in the country.
   a. Personal income   b. National income
   c. GDP   d. GNI
3. According to Keynes in order to increase employment we have to increase aggregate
   a. Supply   b. Output
   c. Demand   d. Investment
4. MEC curve slopes ....
   a. upwards   b. downward
   c. does not change   d. remain constant
5. Multiplier is ....to MPS
   a. directly related to   b. reciprocal of
   c. not related to   d. equal to
6. Transaction motive of liquidity preference is...............
   a. interest inelastic   b. income inelastic
   c. income elastic   d. interest elastic
7. High powered money includes................
   a. Money with public and central bank
   b. Currency with public, Cash reserves of banks and other deposits with central bank.
   c. Deposits with commercial banks
   d. Money with only public
8. Transaction money for demand is explained by..................
   a. Neo-classical economist   b. classical economists
   c. post-keynesian economist d. modern economists

9. In Fisher's equation .... is exogenously determined.
   a. P   b. T
   c. V   d. M

10. Government budgetary policy during inflation should aim at............
   a. Increasing expenditure   b. decreasing expenditure
   b. Lowering taxes   d. increase in investment

Q 2. Answer the following (Any 2)   (20 Marks)

1. What is inflation and what are the measures to control inflation.
2. What are liquidity preference theory of interest
3. Factors affecting consumption function.

Q 3. Answer the following ` (Any 2)   (20 Marks)

1. What are the circular flow of two sector economy
2. What are the causes inflation
3. What are the features of national income

Q 4. Answer the following (Any 2)   (20 Marks)

1. Explain the money market and LM curve
2. What are the assumption and exception of multiplier.
3. What are the impact of changes in demand for money and supply for money?

Q 5. Answer the following (Any 2)   (20 Marks)

1. Discuss the relevance of Keynesian theory of developing economies.
2. What are the leakages in the working of multiplier?
3. What are the constituent of money supply
4. What are the different phases of the trade cycle?