

Seat Number: - \_\_\_\_\_

Duration: 2 1/2 Hrs

340CB1- Eco- D410A23BE (04)

Marks:- 75

Note:- 1) All questions are compulsory.

2) Figures to the right indicate maximum marks.

Q.1A) Choose the correct Alternative (Any 8)

(8m)

- 1) National income comes under the scope of \_\_\_\_\_ ( R,Ap, An-Co1,Po1)  
a) Mixed economy      b) Open economy      c) closed economy      d) Macro Economy
- 2) Green accounting can play a crucial role in the \_\_\_\_\_ ( U, Ap, Co1,Po1)  
a) Economic development      b) Rural development      c) Sustainable development  
b) Urban development
- 3) During \_\_\_\_\_ consumer purchases decline slowly (Ap, An,Co1,Po3)  
a) Prosperity      b) Recession      c) Recovery      d) Recovery and Prosperity
- 4) Aggregate demand and aggregate supply determine \_\_\_\_\_ ( R,U, AP,Co2,Po3)  
a) Effective supply      b) Effective demand      c) Effective consumption      d) Effective saving
- 5) A balanced budget was favoured by \_\_\_\_\_ ( An,Co2, Po3)  
a) A.P. Lerner      b) F.H. Knight      c) Classical economists      d) J.K. Keynes
- 6) Inflation targeting is a \_\_\_\_\_ where the central bank sets as specific inflation rate as the target or goal  
a) Monetary policy      b) Fiscal Policy      c) Administrative policy  
d) Monetary and Fiscal Policy ( An, Co2, Po1)
- 7) Public expenditure refers to the \_\_\_\_\_ expenditure (u, Co1, Co3, Po, Po3)  
a) Private      b) Government      c) Partly Government Partly Private  
d) Not private or Government
- 8) FRBM Act has \_\_\_\_\_ major objectives ( An, Co3, Po1)  
a) 7      b) 4      c) 3      d) 5
- 9) Income terms of trade tells increased capacity to \_\_\_\_\_ ( AP,AN, Co4, Po3)  
a) Import      b) Export      c) Investment      b) Expenditure
- 10) Portfolio investment are included in \_\_\_\_\_ ( An;E, Co4, Po3)  
a) Trade balances      b) Current account balance      c) Capital account balance  
b) Trade and current

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,U, An, Co1, Po3)
- 3) Economics is concerned with real investments ( Co1, Po2, R, U, 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, U, 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 (15 m)**

A) Explain circular flow of three sector economy. (Ap, Co1, Po2) (8m)

B) Explain importance of macroeconomics ( R,u, AP , Co1 Po1) (7m)

OR

A) Explain Green GDP ( An, Co1, Po, ) (8M)

B) Explain the Aggregate Demand Function and Aggregate supply function ( R, U, An, Co1,Po3) ( 7M)

**Q3) Answer the following (15 m)**

A) Explain determinates of money supply ( Ap, An, Co2, Po3)

B) Explain criticism of Cash transaction approach ( Ap, Co2, Po1) (7m)

OR

A) Explain different types of inflations (An, Co2, Po,Po3)

B) Explain stagflation ( 4, An, Po2, Co2) (7)

**Q4) Answer the following (15m)**

A) What are the objectives of fiscal policy ( Ap, An, Po2, Co3) (8m)

B) Explain the causes of Market failure ( Ap, E, Co3, Po3) (7m)

OR

A) What are the sources of public revenue (R, U, AP,Co3, Po1) (8m)

B) Explain the canons of taxation (Ap, Co3,Po1)

**Q5) Answer the following (15 m)**

A) Explain the role of multinational corporation (R,U, AP, Co, Co4, Po3) (8m)

B) Explain the structure of Balance of payment ( An, E, Co4, Po2) (7m)

OR

**Write Short note on (Any 3) (15m)**

1) Demand pull inflation ( R, AP, CO2, PO3)

2) Types of public dept ( Ap, An, Co3, Po1)

3) Circular flow of two sector economy (An, Co1,Po1)

4) Effects of inflation ( An, E, Co2, Po2)

5) Phases of trade cycle ( U, Ap, Co1, Co2, Po3)