



6/10/22 6

Time: 2½ hrs.

Note:

1. All questions are compulsory with internal options.
2. Figures to the right indicate full marks.
3. Draw neat diagram wherever necessary.

Marks:75

Q. 1 (A) Fill in the blanks with the correct answer from the alternatives given below. (Attempt any 8) (08)

- (1) Inflation is a state in which the value of the money is.....
(Constant, Rising, Falling, None of the above)
- (2) Terms of trade are favourable, if the current index in comparison to the base year index is.....
(Less, More, Same, None of the above)
- (3) During consumer purchases decline slowly.
(Prosperity, Recession, Recovery, All of the above)
- (4) Cyclical fluctuations are..... in nature.
(Recurrent, Rare, Long term, Short term)
- (5) Macroeconomics is derived from the Greek word.....
(Mikros, Makros, Micro, Macro)
- (6) Which of the following measurements indicate how national income is distributed?
(GDP, GNP, Per capita income, NNP)
- (7) is the leakage in the circular flow of income.
(Expenditure, Saving, Export Earning, Government Purchase)
- (8) The objective of monetary policy is to reduce _____ of income and wealth.
(Equalities, Inequality, Growth, Stability)
- (9) The marginal efficiency of capital is ordinarily called _____.
(Expected rate of profit, Expected rate of interest, Actual profit, None of the option)
- (10) FRBM Act has major objectives.
(7,5,4,3)

(B) State whether the following statements are true or false. (Attempt any 7) (07)

- (1) Gross Domestic Product is the money value of final goods and services produced with in the domestic territory of the country during a given period of time.
- (2) Foreign exchange refers to exchange of gold and currency
- (3) In an open economy, $GDP = C + I + G + (X - M)$.
- (4) Objective of monetary policy is full employment
- (5) Macro Economics is the study of Individual unit of an Economy.
- (6) During inflation losers are Common man
- (7) In trade cycle an economy enters into prosperity from depression
- (8) Arbitrage takes place because of difference in exchange rate at difference places.
- (9) Repo rate is the rate of interest paid by commercial bank
- (10) At peak point prosperity begins.

- Q.2 (A) Describe the phases of Trade cycle in detail. (08)
(B) What is effective demand? Show that by explaining Aggregate demand and Aggregate supply curves. (07)

OR

- Q.2 (C) Write down all the factors affecting Consumption functions. (08)
(D) Explain the Scope matter of Macro- Economic in detail. (07)

- Q.3 (A) Write a note on Velocity of circulation of money. (08)
(B) Explain Fisher's Equation of exchange in detail. (07)

OR

- Q.3 (C) Define Inflation and explain the causes of inflation. (15)

- Q.4 (A) Explain the principles of taxation in detail. (08)
(B) Discuss the different types of public debt. (07)

OR

- Q.4 (C) Discuss the objectives of Fiscal policy. (08)
(D) Explain the features of federal responsibility and budget management act (FRBM Act), 2003. (07)

- Q.5 (A) Explain the advantages and disadvantages of Multinational corporations. (15)

OR

- Q.5 Write short notes on (Attempt any 3) (15)
(1) Three sector Economy
(2) Public Goods
(3) Marginal efficiency of capital.
(4) Types of disequilibrium in balance of payment
(5) Arguments for Free Trade.

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