

BMS

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Duration: 21/2 hrs

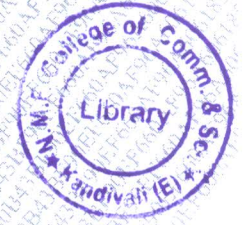
Max Marks: 75

Note: 1. Attempt all questions.

2. All questions carry equal marks.

3. Use of simple calculator is permitted.

4. Draw schedules, graphs and diagrams wherever necessary.



Q1. A Choose the best answer: (ANY EIGHT)

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- i. The consumption function or propensity to consume refers to -----
 - a. income saving relationship
 - b. income investment relationship
 - c. income consumption relationship
 - d. All of the above
- ii. Keynesian Economics is -----
 - a. Micro economics
 - b. Macro economics
 - c. Monetary economics
 - d. Welfare economics
- iii. Marginal efficiency of capital refers to -----
 - a. the rate of profit expected
 - b. the rate of investments made
 - c. the rate of savings made
 - d. None of the above
- iv. During inflation gainers are -----
 - a. Common man
 - b. Debtors
 - c. Creditors
 - d. All of the above
- v. According to Fisher's Equation of quantity theory of money -----
 - a. $MV = PT$
 - b. $MP = PV$
 - c. $MT = PV$
 - d. None of the above
- vi. Money supply M_3 includes -----
 - a. $M_3 = C + DD + OD$
 - b. $M_3 = C + DD + \text{Deposits with post offices}$
 - c. $M_3 = M_1 + \text{Time Deposits with the banks}$
 - d. None of the above
- vii. Budget Deficit Fiscal Policy is followed during -----
 - a. Inflation
 - b. Depression
 - c. Boom
 - d. None of the above
- viii. The debt that is repayable by the government after a fixed period of time is known as -----
 - a. redeemable debt
 - b. Irredeemable debt
 - c. Coercive debt
 - d. None of the above
- ix. ----- introduced the concept of GBTT.
 - a. Adam Smith
 - b. Alfred Marshall
 - c. Amartya Sen
 - d. Taussig
- x. Equilibrium terms of trade according to J. S. Mill is determined by the condition of -----
 - a. Market demand
 - b. Aggregate demand
 - c. Reciprocal demand
 - d. None of the above

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Q1. B. State whether the following statements are true or false: (ANY SEVEN) 07M

- i. The current account of balance of payment does not include Unilateral services.
- ii. Donations, grants, gifts and such other payments which do not have counter obligations are known as unilateral flows.
- iii. Modern theory of International trade is based on the assumption of free trade.
- iv. The chief proponent of the concept of functional finance is J.M Keynes.
- v. Funded debt is a long-term debt for a definite period.
- vi. "Too much of money chasing too few goods" is definition of inflation given by Coulbourn.
- vii. During inflation losers are Common man.
- viii. The term 'the supply of money' is synonymous with 'money supply'.
- ix. The question of tax shifting especially arises in the case of direct taxes.
- x. The monetary policy is concerned with the raising of government revenue and incurring of government expenditure.

Q2. Answer ANY ONE question from the following:

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- a. Discuss the importance of macro economics.
- b. Enumerate the phases of business cycle.

OR

- c. Explain the significance of circular flow of income.
- d. Explain in details the factors affecting velocity of circulation of money.

Q3. Answer ANY ONE question from the following:

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- a. Explain demand-pull and cost-push inflation.
- b. Discuss Keynes's theory of demand for money.

OR

- c. Explain in brief the instruments of monetary policy.
- d. Examine adverse effects of inflation on production.

Q4. Answer ANY ONE question from the following:

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- a. Enumerate canons of taxation.
- b. Explain the factors influencing incidence of taxation.

OR

- c. Discuss the significance of public expenditure.
- d. State the objectives of the FRBM Act.

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Q5. Answer the following questions:

- Explain classical theory of international trade.
- Explain the functions of foreign exchange market.

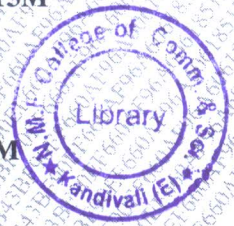
OR

Q5. B. Write explanatory notes on ANY THREE of the following:

- Hedging
- Objectives of fiscal policy
- FDI
- Inflation targeting
- Green GNP and Green NNP

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