

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.

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

- (1) Fixed exchange rate system was.....
(Unstable, more stable, Less Stable, None of the above)
- (2) FRBM Act was passed in which year.....
(2000,2001,2002,2003)
- (3) Debt mobilised from external sources is called..... debt.
(Internal, External, Private, Public)
- (4) Devaluation results in
(Cheaper exports, Cheaper imports, Increase in domestic prices, Fall in exports)
- (5) Which of the following represents Fisher's equation?
($MV=PT$, $M=Kpy$, $V=M/P$, $P= M/ Kt$)
- (6) Demand for speculation motive is referred to as demand for _____.
(Active cash balance, Idle cash balance, Both active and idle cash balance, Cash flow)
- (7) The total supply of currency and demand deposit in a given period is ₹5,000 cr and the transaction conducted are of ₹1,00,000 cr the transaction velocity is _____.
(20, 40, 10, 30)
- (8) GNI Deflator = _____
($\text{Real GNI / Nominal GNI} \times 100$, $\text{Nominal GDP / Real GDP} \times 100$, $\text{Nominal GNI / Real GNI} \times 100$, $\text{Real GDP / Nominal GDP} \times 100$)
- (9) The difference between revenue expenditure and revenue receipts is
(Revenue deficit, Fiscal deficit, Budget deficit, Primary deficit)
- (10) MNC 's may
(Create environmental problem, secure monopoly power, Exploit the host economy for their benefit, All of the above)

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

- (1) Keynes multiplier is a dynamic concept.
- (2) MEC curve is downward slopping.
- (3) Bank rate is the interest charged by the central bank.
- (4) Fiscal policy is the use of government spending and taxation to influence the economy.
- (5) During inflation business are in beneficial position.
- (6) Gross Domestic Product is the money value of final goods and services produced within the domestic territory of the country during a given period of time.
- (7) Foreign exchange refers to exchange of gold and currency
- (8) In an open economy, $GDP=C+I+G+(X-M)$.
- (9) Objective of monetary policy is full employment
- (10) Macro Economics is the study of Individual unit of an Economy.

- Q.2 (A) Describe the phases of Trade cycle in detail. (08)
 (B) Explain three sector model of economy (07)
 OR
- Q.2 (C) Write down all the factors affecting Consumption functions. (08)
 (D) Explain Green Income. (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 significance of public expenditure. (08)
 (B) Discuss the different types of public debt. (07)
 OR
- Q.4 (C) Explain the structure of Union Budget. (08)
 (D) Explain the Fiscal responsibility and budget management act (FRBM Act), 2003. (07)
- Q.5 (A) Explain the structure of Balance of Payment. (15)
 OR
- Q.5 Write short notes on (Attempt any 3) (15)
- (1) Three sector Economy
 - (2) Public Goods
 - (3) Phases of trade cycle.
 - (4) Marginal efficiency of capital.
 - (5) Multinational corporations.

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