VCD: 230323 S.Y.B.F.M.(SEMESTER-IV)/BUSINESSCONOMICS/75MARKS/Time:2½ rs.

NOTE: 1. All Questions are Compulsory.

2. Figures to right indicate full marks.

Q1. A) Fill in the blanks with the appropriate terms given below: (Any8) (8)

1. The income terms of trade reflect a country capacity to ________________.
   a) Produce b) Export c) Import d) Distribute
2. John Maynard Keynes is ______________________.
   a) German Economist b) American Economist c) French Economist d) Swiss Economist
3. The duration of trade cycle vary from a minimum of __________________.
   a) 2 to 12years b)3 to 12years c) 1 to 12 years d) 2 to 14 years.
4. Keynesian economist is _________________ .
   a) Micro economics b) Macroeconomics c) Monetary economics d)Welfare economics.
5. Marginal efficiency of capital refers to _______________.
   a) the rate of profit expected b) the rate of investment made
   c) the rate of saving made d) rate of orrowings.
6. Inflation is found ____________
   a) all over the world b) in developed countries c) less developed countries d) remote areas.

7) FRBMS Act became effective from _____________
   a) 5th july 2005 b) 6th july 2004 c) 5th july 2004 d) 6th july 2005

8) During Inflation losers are _____________
   a) Common man b) Debtors c) Creditors d) Businessman

9)___________ implies that the government which spends the least was the best.
   a) unctional Finance b) Private Finance c) Sound finance d) Central government.

10. The chief proponent of the concept of functional finance is _______________.
   a) A.P.Lerner b) J.M. Keynes c) Hugh Dalton d) Jayanti Ghosh

A) State whether the following statements are **TRUE OR FALSE**: (Any 7) (7)

1) Budget Deficit Fiscal Policy is followed during booming period.
2) Canon of equality implies that the burden of taxation must be distributed equally.
3) The tax reduces the purchase power of taxpayer.
4) Public debt is one of the means to finance Government expenditure.
5) All public loans are voluntary.
6) During inflation gainers are creditors.
7) The classical theory of international trade was given by David Ricardo .
8) Modern theory of international trade is based on the assumption of free trade.
9) The income terms of trade reflect a country capacity to Export.
10) Trading in foreign exchange has become fast and simple due to improved technology.

Q.2 A) What do you mean by macro-economic & state its importance (8)
B) What do you mean by Consumption function? (7)

OR

C) Explain the objective factor of consumption function (8)
D) Explain the phases of trade cycle (7)

Q.3 A) What do you mean by money supply& state its measures (8)
B) Explain the assumption and limitation of multiplier (7)

OR

C) What do you mean by CRR(Cash reserve ratio) (8)
D) Examine the classification of Public expenditure (7)

Q.4 A) Explain the various cannons of taxation. (8)
B) Explain the importance of public expenditure. (7)

OR

C)Discuss the various sources of public revenue in detail (8)
D) What are the advantages and disadvantages of indirect tax? (7)

Q.5 A) Write a note on basis of international trade. (8)
B) Explain the structure of balance of payment (7)

OR

Q.5 Write short notes on: (Any 3) (15)
A) Distinguish between public and private goods
B) Advantages of FDI
C) Social security
D) Tools of fiscal policy.
E) SLR (Statutory liquidity ratio)

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