

TION

Q. 1 Explain the following terms:

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- 1) Deflation
- 2) Capital expenditure
- 3) Productive and unproductive expenditure
- 4) License fees
- 5) Budget deficit

Q. 2 A) Explain the circular flow of income in an open economy.

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B) Determine the simultaneous equilibrium in the goods market and the money market.

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OR

C) Explain how increase in money supply leads to a shift in the LM curve.

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D) State the impact of monetary policy on the rate of interest and national income.

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Q. 3 A) Explain the functions of Financial Market.

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B) Write a note on Regulatory System of India.

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OR

C) Give a brief account on quantitative measure of financial development ratio.

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D) Define the financial system and state its function.

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Q. 4 A) Explain the meaning and types of public debts.

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B) State the non-discretionary fiscal policy of automatic stabilizers.

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OR

C) Define public revenue and mention the various sources of Public Revenue.

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D) Elaborate the various concepts of Deficits.

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Q. 5 A) Explain the meaning and cause of disequilibrium in the Balance of Payment.

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B) State the measure to correct disequilibrium in the Balance of Payment.

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OR

C) "The balance of payment always balance". Explain.

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D) Explain the meaning and types of disequilibrium in the balance of payment.

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