

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. 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 borrowings.
2. Inflation is found _____.
a) all over the world b) in developed countries c) less developed countries d) remote areas.
3. During inflation gainers are _____.
a) Common man b) Debtors c) Creditors d) Businessman
4. During Inflation losers are _____.
a) Common man b) Debtors c) Creditors d) Businessman
5. _____ implies that the government which spends the least was the best.
a) Functional Finance b) Private Finance c) Sound finance d) Central government.
6. The chief proponent of the concept of functional finance is _____.
a) A.P.Lerner b) J.M. Keynes c) Hugh Dalton d) Jayanti Ghosh
7. Budget Deficit Fiscal Policy is followed during _____.
a) Inflation b) Depression c) Boom d) summer.
8. Surplus Budget Fiscal Policy is followed during _____.
a) Inflation b) Depression c) Boom d) summer.
9. _____ implies that the burden of taxation must be distributed equally.
a) canon of certainty b) canon of equality c) canon of convenience d) canon of elasticity.
10. Incidence means _____ of tax.
a) final burden b) initial burden c) shifting d) reduced

Q.1.B) State whether the following statements are TRUE OR FALSE: (Any 8) (8)

- 1) Budget Deficit Fiscal Policy is followed during booming period.
- 2) Incidence means final burden of tax.
- 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) The income terms of trade reflect a country capacity to export.
- 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 definition (8)
B) Explain the scope of macro-economic in detail. (7)
OR
C) Discuss the circular flow of income in a three sector economy (8)
D) Explain the main features of trade cycle (7)

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(NOT)
- Q.3 A) What are the objectives of fiscal policy? (8)
B) Explain the monetary and fiscal policy. (7)
OR
C) Discuss the different types of public debt. (8)
D) Examine the classification of Public expenditure (7)
- Q.4 A) Explain social security system in detail (3)
B) Explain the burden of internal and external debt. (7)
OR
C) What is a budget? Examine the types of budget. (8)
D) Discuss the various source of Public revenue in India. (7)
- Q.5 A) What do you mean by impact and incidence of taxation (8)
B) Examine the role of direct tax and indirect tax in a country like India (7)
OR
Q.5 Write short notes on: (Any 3) (15)
A) Sound finance
B) Types of Public debt
C) Contra cyclical fiscal policy
D) Wagner's law of public expenditure.
E) Importance of circular flow of income.
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