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ATKT EXAMINATION, FEBRYARY 2017

D - 20/02/2017

Class: SYBAF (Sem. III)

Total Marks: 75

Date:

Time: 2 ½ Hours

Subject: ECONOMICS

Note: 1. All Questions are Compulsory.

2. Figures to right indicate full marks.

Q. 1 A) State whether the following statements are True OR False. (Any 8) (8)

1. National Income refers to the earned income of the people.
2. There are four phases in trade cycle.
3. Rich and poor people demand same amount of money for precautionary motive.
4. Inflation is a micro economic phenomenon.
5. The IS curve slopes upward to the right.
6. Refinance facilities are not linked to the policy repo rate.
7. There is difference between public receipts and public revenue
8. Direct taxation can help to maintain the price level at a stable level.
9. Reciprocal demand does not affect terms of trade.
10. Arbitrage is possible only between the two countries.

B) Fill in the blanks (Any 7) (7)

1. In a four sector economy aggregate demand is equal to _____.
a) $C + I$ (b) $C + I + G$ (c) $C + I + G + NX$
2. The value of multiplier is directly related to _____.
a) MPC (b) APC (c) MPS
3. Transaction demand for money is explained by _____ economists.
a) Neo - classical (b) Classical (c) Post - Keynesian
4. Interest is a price paid for the use of _____.
a) Capital (b) Land (c) Machines
5. The good market equilibrium is shown by the _____ curve.
a) LM (b) IS (c) Income

6. _____ is the merit of indirect tax.
 a) Convenient (b) Uncertain (c) Inflationary
7. According to Ricardo, international trade is beneficial under _____.
 a) Absolute cost (b) Comparative cost (c) Equal difference in cost
8. Income terms of trade tells us increased capacity to _____.
 a) Export (b) Import (c) Investment
9. Gain from trade depends on difference in _____.
 a) Culture (b) Foreign Exchange Rate (c) Price Ratio
10. Hedgers enter forward exchange market to _____.
 a) Cover the risk (b) Earn profit (c) Speculate

Q.2 A) Outline the various methods of estimating national income. (8)

B) Define 'inflation'. Explain its causes. (7)

OR

Q.2C) Discuss the principle of acceleration and its limitations. (8)

D) Describe the qualitative techniques of credit control. (7)

Q.3A) Explain the objectives of monetary policy. (8)

B) Derive IS curve. Explain its slopes and shifts. (7)

OR

Q.3C) Explain concept and types of public debt. (8)

D) Explain briefly the various gains from international trade. (7)

Q.4A) Highlight the structure of balance of payments (BOP) statement. (8)

B) Discuss the causes for disequilibrium in balance of payment. (7)

OR

Q.4C) Explain the purchasing power parity theory of exchange rate. (8)

D) Explain advantages and disadvantages of free float. (7)

Q.5A) Explain demand for and supply of foreign exchange. (8)

B) Explain the different agreements of WTO with developing countries. (7)

OR

Q.5 Write short note on (Any 3) (15)

1. GDP
2. RBI's measures of money supply
3. Public Revenue
4. Merits of indirect tax
5. Fiscal policy

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