17/10/19

VCD|_____| SYBAF Macro Economics| III SEM Choice Based| Oct 2019|

75 Marks| 2.5 hrs

Note: - 1) All questions are compulsory

2) Figures to the right indicate full marks.

3) Draw neat diagrams wherever necessary.

Q1) Answer any two: - (15)

a) Discuss circular flow of income and expenditure in a three sector economy.

b) Explain the importance of macro economics.

c) Examine Keynes theory of determination of effective demand.

Q2) Answer any two: - (15)

a) Explain Keynesian approach to demand for money.

b) Critically evaluate Fisher's Equation of Exchange.

c) What are the various effects of inflation?

Q3) Answer any two: - (15)

a) Explain the qualitative techniques of credit control.

b) What are the factors influencing incidence of taxation?

c) Examine the burden of internal debt.

Q4) Answer any two: - (15)

a) Evaluate Ricardian theory of comparative cost.

b) What are the various types of Foreign Direct Investment?

c) Explain the concept & structure of balance of payments.

Q5) A) Conceptual Questions:- (Any four out of six) (08)

1) Gross National Product(GNP)

2) Excess Reserves
3) Sound Finance
4) Foreign Portfolio Investment (FPI)
5) Basic Balance
6) Marginal Efficiency of Capital (MEC)

B) Multiple Choice Questions: - (Any Seven) (07)

1) _____ indicates the measure of national income distribution.
   a) GDP   b) GNP   c) Per Capita Income   d) NNP

2) MEC curve slopes_____
   a) slopes upwards   b) slopes downwards   c) remains constant   d) does not change

3) _____ is not a direct cause of demand pull inflation.
   a) deficit financing   b) credit creation   c) scarcity of raw materials   d) All of above

4) In a developing country inflation is the result of _____
   a) demand- pull factors   b) cost - push factors   c) both(a)&(b)   d) None

5) Repo rate is the rate by _____
   a) People   b) Commercial banks   c) Central bank   d) All of the above

6) The free rider problem leads to _____
   a) market success   b) market failure   c) invisibility of market   d) None of above

7) Gross barter terms of trade takes into account _____
   a) all the item   b) only services   c) trade items & unilateral payments   d) None of above

8) MNC corporations_____
   a) acquire monopoly power   b) reduce inequality income
   c) creates unemployment   d) None of above

9) Free trade provides_____
   a) transfer of technology   b) vert for technology   c) Greater investment   d) All of the above

10) The value of multiplier is inversely related to _____
    a) MPC   b) MPS   c) APC   d) APS

_____XXXXXXXXXXXXX_____