

Q.1) State whether the following statements are true or false (Any 8)

8Mks

- 1) Per capita income indicates the national income distribution _____
- 2) Household are the owner of factor of production _____
- 3) $GNI = C + I + G + (X-M) + (R-P)$ _____
- 4) The recession is a period of contraction _____
- 5) Say's law was criticised by J.M. Keynes _____
- 6) Traditional money is expressed as $M_1 = CC + DD$ _____
- 7) The Cambridge version of quantity theory of money was first developed by Keynes _____
- 8) Demand pull inflation initiate increase in aggregate supply _____
- 9) Taxes are not the most important source of revenue of government _____
- 10) Total budget receipts < Total budget expenditure _____

27/10/2023

Q.2 Match the column (Any 7)

7Mks

- | | |
|----------------------|------------------------------|
| 1) Keynesian Theory | a. Hold with central bank |
| 2) Firms | b. J.B Say's |
| 3) GNI | c. Keyne's |
| 4) Trough | d. Factor user |
| 5) Say's law | e. Price level increases |
| 6) Reserve Ratio | f. Gross National Income |
| 7) Classical economy | g. Economy lowest |
| 8) Inflation | h. Marginal social sacrifice |
| 9) MSS | i. David hume |
| 10) Fiscal policy | j. Government |

Q.2 Answer the following

- a. Define macroeconomics and explain it importance.
- b. Discuss circular flow of income in two- sector economy.

8Mks

7Mks

Or

- a. Define national income and its features.
- b. Meaning and feature of trade cycle.

8Mks

7Mks

Q.3 Discuss the following

- a. Discuss the constituent of money supply.
- b. Explain the Keynesian liquidity preference theory.

8Mks

7Mks

Or

- a. Meaning of inflation and its causes.
- b. Explain the Cambridge version of holding money.

8Mks

7Mks

Q.4 Answer the following

- a. Explain the marginal social sacrifice (MSS) with suitable diagram.
- b. Define efficiency discuss the three sufficient conditions for economy efficiency.

8Mks

7Mks

Or

- a. Discuss Adam Smith's invisible hand.
- b. Define public goods and explain it issues and uses.

8Mks

7Mks

Q.5 Discuss the following

- a. Explain the canons of taxation.
- b. Explain the various deficit concept.

8Mks

7Mks

Q.5 Write short notes on: - (Any 3)

15Mks

- a. GST (Goods and Service Tax)
- b. GNI (Gross National Income)
- c. Recovery
- d. Inflation
- e. Union budget

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