290323

D: ________S.Y.B.M.S (SEMESTER-IV)/BUSINESS ECONOMICS/75MARKS/Time:2½ Hrs.

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. Macro Economics studies the behavior and performance of an economy as a ___________.
   a)Whole b)Part c) Twice
2. Tax whose burden can be shifted to other is called ___________
   a) indirect tax b) direct tax c) shifting.
3. Government receives income in the form of ___________.
   a) Direct taxes b) Taxes c) Sales tax
4. Keynesian theory is not based on ___________ assumption.
   a) Supply creates its own demand b) Market can fail c) Government intervention
5. Fiscal policy directs the economy for ___________.
   a) Interest rate b) price c) government spending and taxes
6. Canons of taxation was introduced by ___________.
   a) Adam Smith b) Keynes c) Alfred Marshall
7. Inflation reduces the ___________ of people
   a) purchasing power b) borrowing c) lending power
8. Deflation reduces ___________ price
   a) Purchasing power b) Selling price c) Production cost
9. *Makros'* refers to ___________.
   a)infinite b)large c) medium
10. Imposition of taxes on necessary goods will have ________impact
    positive b)negative c) superlative

Q1. B) State whether the following statements are **TRUE OR FALSE**: (Any 7) (7)

1. Tax imposed on windfall gain will not have effect
2. Negative effect of taxation would be diversion of resources
3. Per capita income indicates the distribution of national income.
4. Contractionary fiscal policy refers to cut in government expenditures.
5. Macro-Economic focus on aggregate change in the economy.
6. Shifting of tax takes place in two direction
7. Shifting represent rise in the price
8. Short term period the burden is shifted to seller
9. The major objective of taxation is to raise revenue
10. Imposition of taxation will lead to reduction of disposable income

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Q. 2 A) Discuss the circular flow of income in a two sector economy. (8)
B) Explain the main phases of a trade cycle. (7)

OR

C).What do you mean by macro-economic & state its definition (8)
D).what do you mean by propensity to consume (7)

Q. 3 A) What do you mean by money supply and state its measures? (8)
B) Explain the term demand for money (7)

OR

C) What do you mean by demand pull inflation (8)
D) State the objectives of monetary policies (7)

Q. 4 A) What is a budget? Examine the types of budget. (8)
B) Explain the principles of Sound finance (7)

OR

C) Explain burden of public debth (8)
D) Explain the Canon of taxation (7)

Q.5 A) Explain the classical theory of international trade (8)
B) Explain the factors determining terms of trade (7)

OR

Q5. Write short notes on: (Any 3) (15)

A) Deflation.
B) Union Budget.
C) Cannon of public expenditure.
D) Features of FRBMS Act 2003.
E) Consumption function.

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