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SYBAF

ECD-II

Max Marks : 75

Duration : 2.5 Hours

I. Answer the Following Questions:

(15 Marks)

A. Select the appropriate answer for the following: (Any 7)

(07 Marks)

1. Circular flow of income _____
 - a) Goods & Services
 - b) Business Firms
 - c) Households
 - d) All of the above

2. _____ items are not included in GNP.
 - a) Buying & Selling of Shares, securities & bonds
 - b) Government Transfer Payments
 - c) Services of a housewife
 - d) All of the above

3. For a common man inflation is _____.
 - a) Rise in prices
 - b) Fall in prices
 - c) Both a & b
 - d) None of the above

4. MNC's stand for _____.
 - a) Multi National Corporation
 - b) Multi National Code
 - c) Media National Corporation
 - d) None of the above

5. _____ are a wave like movement.
 - a) Trade cycles
 - b) Business fluctuations
 - c) Both (a) and (b)
 - d) None of the above

6. Money supply (M_1) includes _____.
 - a) C + DD + OD
 - b) C + DD + Time deposits
 - c) C + DD + Demand deposits
 - d) None of the above

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7. The two economic agencies in 2 sector circular flow are _____
- a) Business firms and Household
 - b) Household and Government
 - c) Business and Government
 - d) None of the above
8. The Consumption Function or Propensity to Consume refers to _____
- a) Income saving relationship
 - b) Income investment relationship
 - c) Income Consumption relationship
 - d) All of the above
9. _____ is transferred from one person to another in a given period of time is known as velocity of money.
- a) The maximum number of times
 - b) The average number of times
 - c) The minimum number of times
 - d) None of the above
10. During inflation _____ are at an advantage.
- a) Common man
 - b) Debtors
 - c) Creditors
 - d) All of the above

(B) Match the following: (Any 8)

(08 Marks)

Group A	Group B
1. APS	a) Cost push inflation
2. Fiscal Policy	b) Prosperity Phase
3. Demand for Money	c) $\frac{\Delta S}{\Delta Y}$
4. Inflation	d) Deals with aggregates
5. Trade Cycles	e) Precautionary Motive
6. Macro Economics	f) $C + I + G + (X - M)$
7. GDP	g) Taxation & Public Expenditure
8. National Income	h) APC
9. Monetary Policy	i) Total Income of a Nation
10. Green GNP	j) Made by RBI
	k) Considers Environment

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II. Answer the following:

1. Explain circular flow of income & expenditure in a three-sector economy. (07 Marks)
2. Explain the phases of Trade Cycles. (08 Marks)

OR

1. Discuss the leakages of Multiplier Theory. (07 Marks)
2. Describe National Income and explain Green GNP and conventional GNP. (08 Marks)

III. Answer the following:

1. Explain the significance of Monetary Policy. (07 Marks)
2. Explain demand pull inflation with a diagram. (08 Marks)

OR

1. Describe the Keynes liquidity preference theory. (07 Marks)
2. Explain the effects of inflation in an economy. (08 Marks)

IV. Answer the following:

1. What are the various objectives of a fiscal policy in a country? (07 Marks)
2. Why is public expenditure very important in an economy? (08 Marks)

OR

1. Explain the different types of public debt in India? (07 Marks)
2. Explain the causes of increasing trend in public expenditure in an economy. (08 Marks)

V. Answer the following:

1. How is international trade beneficiary to any economy? (07 Marks)
2. Explain the significance of MNC's. (08 Marks)

OR

Short Notes: (Any 3) (15 Marks)

1. Significance of MNC's.
2. Any 5 concepts of National Income.
3. Benefits of FDI.
4. Advantages of Protectionism Policy.
5. Features of Business Fluctuations.