

R4BE324

SYBBI-IV

B. Eco

14/03/24

Marks: 75

Duration: 2 ½ hrs

Note: 1) All Questions are compulsory

2) Figures to the right indicate full marks.

Q1. A) Fill In the Blanks with correct options. (ANY 8)

08

- 1 When income increases consumption will increase in a _____ proportion.
a) Lesser b) capital c) marginal d) motive.
- 2 Taxes are _____ in the circular flow of income.
a) services b) economy c) leakages d) subsidies
- 3 GNI in an open economy is equal to _____.
a) $GDP + (X-M)$ b) $GDP + (X-M) + R-P$ c) $GNN-GDP$ d) $GDP + (R-P)$.
- 4 Consumption demand depends upon the _____.
a) investment b) level of income c) aggregate supply d) transaction
- 5 During recession time CRR is _____.
a) reduced b) rational c) liquid d) inflation
- 6 Bank rate is a _____ credit control weapon.
a) quantitative b) qualitative c) inflation d) margin
- 7 Public expenditure refers to the _____ expenditure.
a) education b) government c) transfer d) revenue
- 8 The difference between revenue receipts and revenue expenditure is known as _____.
deficit. a) Utilization b) revenue c) deficits d) budget.
- 9 Free trade encourages _____.
a) Competition b) protectionism c) policy d) restrictions.
- 10 Income terms of trade tell increased capacity to _____.
a) Export b) imports c) real cost d) offer curve.

B) State whether the following statements are True or False (ANY 7)

07

- 1 Income terms of trade indicate a country's capacity to import.
- 2 Terms of trade influences the distribution of gains from international trade.
- 3 Tariffs and quotas are popular tools under protectionism.
- 4 Infant industries need free trade to flourish.
- 5 Foreign capital promotes economic development.
- 6 The government of India always has a surplus budget.
- 7 The burden of a direct tax cannot be shifted.
- 8 Fiscal policy is formulated by the central bank.
- 9 Perfect competition always ensures optimum use of resources.
- 10 Government intervention helps to reduce the impact of market failure

Q.2	A	Explain the importance of Macro Economics.	08
	B	Explain the Circular flow of Income of Two sector model with diagram.	07
OR			
	C	Explain the term National Product with the importance of National Product.	08
	D	What are Business Cycle and the phases of Business Cycle?	07
Q.3	A	Explain the Aggregate Supply Functions of Keynesian Principle's.	08
	B	What are the factors determining the Consumption Function.	07
OR			
	C	Explain the concept of Theory of Multiplier.	08
	D	What are the types of Inflations?	07
Q.4	A	Explain the merits and demerits of Flexible Exchange Rate.	08
	B	Explain the Speculative Motive of Liquidity Preference Theory.	07
OR			
	C	What are the functions of Foreign Exchange Market	08
	D	Explain the concept of Demand- Pull Inflation.	07
Q.5	A	Explain the term Deflation and its leakages.	08
	B	Explain the concept of Reverse Multiplier and its leakages.	07
OR			
Q5	Write short notes (ANY 3)		15
	1	Stagflation	
	2	Gross National Income	
	3	Real and Financial Investment	
	4	Quota	
	5	Balance of Payment and Trade	
