

RM4E823

SYBMS-IV Reg  
eco.

20/03/23

mar 23.

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 An economy which has no foreign trade is known as \_\_\_\_\_ economy.  
a) closed b) open c) internal d) investment
- 2 Taxes are \_\_\_\_\_ in the circular flow of income.  
a) services b) economy c) leakages d) subsidies
- 3 Transfer incomes are \_\_\_\_\_ from national income.  
a) excluded b) economic c) market value d) GDP
- 4 Consumption demand depends upon the \_\_\_\_\_.  
a) investment b) level of income c) aggregate supply d) transaction
- 5 Inflation is beneficial to \_\_\_\_\_.  
a) business people b) government c) creditors d) common man
- 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 Union Budget is usually presented by the \_\_\_\_\_ minister.  
a) surplus b) management c) finance d) fiscal
- 9 Free trade encourages \_\_\_\_\_.  
a) Competition b) protectionism c) policy d) restrictions.
- 10 \_\_\_\_\_ is preferable to portfolio investments.  
a) FDI b) FRBM c) WTO d) MNC

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

07

- 1 Introduction of income into circular flow is known as injection.
- 2 NNP at factor cost is same as national income.
- 3 Demand-pull inflation arises due to excess demand over supply.
- 4 Price stability is one of the important objectives of monetary policy.
- 5 FRBM Act aims at maintaining the financial discipline.
- 6 During recession, Repo rate is increased.
- 7 Incidence of tax refers to the expenditure of an individual.
- 8 Foreign exchange market helps in coverage of risks.
- 9 Fiscal policy is formulated by central bank.
- 10 Trade cycles are recurrent in nature.

- |     |   |   |    |
|-----|---|---|----|
| Q.2 | A | Define the term Macroeconomics and explain their scopes?                              | 08 |
|     | B | Explain the circular flow of income in three sector model of Circular Flow of Income. | 07 |

OR

- |          |   |           |
|----------|---|-----------|
| <b>C</b> | Define the term National income and Explain the various concept of National Income. | <b>08</b> |
| <b>D</b> | What is Trade cycle explain the features of Trade cycle.                            | <b>07</b> |

Q.3	A	Explain the term Keynesian Principle of Aggregate Demand Function.	08
	B	Explain the concept of Consumption Function.	07
<b>OR</b>			
	C	Discuss Keynes's theory of demand for money	08
	D	Explain the types of Investment Function.	07
Q.4	A	Explain the causes of Market Failure.	08
	B	Explain the factors influencing Velocity of Circulation of Money	07
<b>OR</b>			
	C	Explain the concept of Cost-push Inflation.	08
	D	What is the Principal of Sound Finance and it's Features?	07
Q.5	A	What is Monetary Policy? Discuss the objectives of Monetary Policy.	08
	B	Explain the different types of floating rate system.	07
<b>OR</b>			
Q5	<b>Write short notes (ANY 3)</b>		<b>15</b>
	1	Gross Domestic Product.	
	2	Purchasing power Parity.	
	3	Cash reserve ratio	
	4	Marginal efficiency of capital	
	5	Quota	