

ATKT Feb 09

**PULWAMA**

SY (A/F)

Eco II

TIME : 2 hrs.

11-02-09

MARKS : 60

- N.B. :** 1) All questions are compulsory.  
2) Figures to the right indicate full marks.

- Q.1 Distinguish between 15
- 1)  $GDP_{mp}$  and  $GDP_{FC}$
  - 2) Real and nominal GNP
  - 3) Circular flow of national Income in Closed economy and in open economy
- OR**
- Q.1 Compare the impact of increase in government expenditure and reduction in taxes on the rate of interest and national income. 15
- Q.2 What are the component of maney supply in the contry? What are the factors determining the total supply of money in a country? 15
- OR**
- Q.2 Discuss the objectives of montary policy. Is there any conflict between different objectives of monetary policy? 15
- Q.3 a) Explain the sources of public revenue? 08  
b) What are financial intermediaries to individual investors in financial system. 07
- OR**
- Q.3 Explain in detail the impact of an anti inflationory or contractionary fiscal policy on national income as a tool of discretionary fiscal policy.
- Q.4 a) Explain the Causes of disequilibrium in the balance of payments. 10  
b) suggest same non-monetary measures to correct it. 05
- OR**
- Q.4 **Write short notes on (any three)** 15
- 1) Core functions of a central bank.
  - 2) factors affecting velocity of circulation of money
  - 3) Role of financial systme in economic development of a country
  - 4) Business cycles
  - 5) Causes of high public expenditure.