SY BAF- Economics 2.

7/10/16

PQ 10 ACE

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Time- 2.5 Hours **Marks- 75**

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

Q.1 A) Fill in the blanks. (Any 8) **(8)**

1. Unfunded public debt is ……… term debt. (Short/ Long)
2. Net National Product = GNP - ………… (Direct taxes/ depreciation)
3. Open market operation is……….credit control instrument of monetary policy. (Quantitative/ Qualitative)
4. Indirect taxes are ………..pinching. (More/less)
5. Aggregate Demand =……+……+……
6. Trade cycles are also known as ……… cycles. (Economic/ Business)
7. Principle of maximum social advantage is given by……….(Keynes/ Dalton)
8. Precautionary motive is influenced by ………… (Income/ rate of interest)
9. Factor endowment theory is given by………… (Smith & Ricardo/ Hecksher & Ohlin)
10. Deflation refers to the …….in general price level. (fall/ rise)

B) Match the pairs. (Any 7) **(7)**

Group A	Group B
1. LM curve	A. Public revenue
2. Multiplier	B. Quantitative Credit Control Instrument
3. Internal public debt	C. Coverage of risk
4. Recovery	D. Money market equilibrium
5. Fiscal policy	E. M+DD+OD
6. Foreign exchange market	F. Keynes
7. Supply of money	G. less burdensome
8. Inflation	H. Rise in output, employment etc.
9. Equal cost advantage	I. Black money
10. Bank Rate	J. More burdensome
	K. Adam smith

Q.2 a) Explain the various sources of public revenue in India. **(8)**
b) Describe the four sector circular flow of national income. **(7)**

OR

Q. 2 a) Discuss the measures to control the inflation in India. **(8)**
b) Explain the methods of reducing burden of public debt in India. **(7)**

Q.3 a) Explain the Keynesian theory of income determination. **(8)**
b) Discuss the instruments of monetary policy. **(7)**

OR

Q.3 a) Examine the structure of balance of payments. **(8)**
b) Explain the types of public expenditure. **(7)**

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Q.4 a) Explain the objectives of fiscal policy in India. **(8)**
b) Discuss the participants in the foreign exchange market. **(7)**

OR

Q.4a) Explain the derivation of IS curve. **(8)**
b) How the equilibrium rate of exchange can be derived? **(7)**

Q.5a) Discuss the Ricardian theory of international trade. **(8)**
b) Explain the liquidity preference theory of demand for money. **(7)**

OR

Q.5 Write short notes on. (Any 3) **(15)**

1. RBI's approach of money supply
2. Objectives & functions of WTO
3. Spot & forward exchange rate
4. Distinction between public finance & private finance
5. Concepts of deficits

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