

S.Y.BAF - SEM III - A.T.K.T. Exam - Feb'20

Macro - Eco.  
12"2"20



**Economics-II [MACROECONOMICS]**

**A.Y :2019-2020**

**S.Y.BAF: SEM III**

Duration: 2 ½ hours

Marks: 75

N.B: 1. All questions are **compulsory**.

2. **Figures** to the right indicate **full** marks.

3. Draw **neat diagrams** wherever necessary.

**Q1. Answer any two:** 15

- (a) Analyse the circular flow of income and expenditure in a four sector economy.
- (b) Explain the features of Trade Cycle and discuss the characteristics of depression phase.
- (c) State the importance of Macroeconomics.

**Q2. Answer any two:** 15

- (a) Explain the factors influencing the total money supply.
- (b) Explain the effects of inflation.
- (c) Explain the Cambridge Cash Balances approach to quantity theory of money.

**Q3. Answer any two:** 15

- (a) What are the various types of Public Debt?
- (b) Explain in detail various canons of taxation?
- (c) Discuss the limitations of the FRBM Act, 2003.

**Q4. Answer any two:** 15

- (a) Evaluate Ricardian Theory of comparative cost.
- (b) State the functions of foreign exchange market and who are the participants of foreign exchange market?
- (c) State the reasons for adopting the protection trade policy.

**Q5. (A) Conceptual Questions: (Any four out of Six)** 08

- (1) Revenue Deficit
- (2) National Income
- (3) Devaluation



- (4) Disequilibrium in BOP
- (5) FDI
- (6) GDP

**Q5. (B) Multiple Choice Questions : (Any Seven)**

**07**

(1) Which of the following measurements indicate how national income is distributed? \_\_\_\_\_

- (a) GDP (b) GNP (c) Per Capita Income (d) NNP

(2) The four sector circular flow economy does not include \_\_\_\_\_

- (a) World Economy (b) Financial market (c) Crude Oil reserves in oil wells

(3) GNI in an open economy is equal to \_\_\_\_\_

- (a)  $GDP + (X-M)$  (b)  $GDP + (X-M) + R-P$  (c)  $GDP + (R-P)$

(4) The point where the aggregate demand and the aggregate supply curves intersect is called \_\_\_\_\_

- (a) Total demand (b) effective demand (c) equilibrium demand (d) non- equilibrium demand

(5) The MPS is the counterpart of \_\_\_\_\_

- (a) APC (b) MPC (c) APS (d) None of the above

(6) Investment will be in equilibrium when \_\_\_\_\_ becomes equal to the given current rate of interest.

- (a) MEC (b) Profit (c) Saving (d) None of the above



(7) Which of the following determines money supply? \_\_\_\_\_

(a) High Powered Money (b) Money multiplier

(c) community's choice (d) All the above

(8) Demand for transaction and precautionary motive is interest \_\_\_\_\_

(a) Elastic (b) unit elastic (c) inelastic

(9) In developing countries inflation is the result of \_\_\_\_\_

(a) Demand pull- factors (b) Cost- pull factors (c) Both (a) and (b)

(10) When CRR is increased, banks reserves are \_\_\_\_\_

(a) Increased (b) decreased (c) remains the same

\*\*\*THE END\*\*\*