

SYBAF sem III Reg & A.T.K.T. Exam Oct-2022

SYBAF

MACROECONOMICS – SEMESTER III

Time: 2 1/2 hrs

17/10/22

Marks: 75

1. Draw neat diagrams and Schedules wherever necessary.
2. Figures to the right indicate full marks.



**1. Attempt any two of the following:**

- A. Explain circular flow of income and expenditure in three sector economy.
- B. What is trade cycle? Explain prosperity phase.
- C. Explain the concept of multiplier.

(15)

**2. Attempt any two of the following:**

- A. What is money supply? Explain determinants of money approach.
- B. Explain demand pull inflation.
- C. Explain the meaning and objectives of the monetary policy.

(15)

**3. Attempt any two of the following:**

- A. Explain principle of sound finance.
- B. What are the objectives of fiscal policy?
- C. Explain the structure of union budget.

(15)

**4. Attempt any two of the following:**

- A. What is terms of trade? Explain gross barter terms of trade.
- B. Discuss the role of multinational corporations.
- C. What is balance of payments? Explain the structure of BOP.

(15)

**5(A) Explain the following concepts. (Any Four)**

(08)

1. Macro economics
2. Green GNP
3. Traditional approach of money supply.
4. Velocity of circulation of money
5. Primary deficit
6. FDI

**5 (B) Choose the correct answers (Any Seven)**

(07)

1. In a Circular flow economy firms supply
  - (a) labour
  - (b) goods
  - (c) land
  - (d) water
2. At trough
  - (a) prosperity begins
  - (b) recession ends
  - (c) prosperity ends
  - (d) depression

3. What is the value of multiplier if MTC is  $\frac{1}{3}$

- (a) 2
- (b) 3
- (c) 4
- (d) 5

4. Inflation is beneficial to

- (a) fixed income group
- (b) farmers
- (c) creditors
- (d) commercial banks

5. The purpose of fiscal policy is to

- (a) alter the direction of economy
- (b) change people's mindset
- (c) educate ruler people
- (d) avoid political disturbance

6. Public expenditure is essential for

- (a) political movements
- (b) social security
- (c) social unrest
- (d) income inequality

7. Functional finance calls for

- (a) balanced budget
- (b) deficit budget
- (c) surplus budget
- (d) savings

8. The difference between total expenditure and total receipts is

- (a) fiscal deficit
- (b) budget deficit
- (c) primary deficit
- (d) revenue deficit

9. H-O theory of international trade takes place due to the difference in

- (a) labour efficiency
- (b) difference in product price
- (c) technology
- (d) supply

10. Vehicle currency is

- (a) a standard, internationally accepted currency
- (b) issued by IMF
- (c) issued by RBI
- (d) used to pay car loan