

DT: - 24.3.23



SYBAF

MACROECONOMICS – SEMESTER III

Time: 2 1/2 hrs

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:

(15)

- A. Explain circular flow of income and expenditure in four sector economy.
- B. What is trade cycle? Explain trough point.
- C. Explain the concept of multiplier.

2. Attempt any two of the following:

(15)

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

3. Attempt any two of the following:

(15)

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

4. Attempt any two of the following:

(15)

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

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

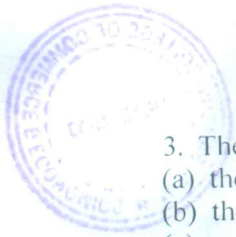
(08)

1. GDP
2. Velocity of circulation of money
3. Fisher's equation of exchange
4. Speculative motive
5. Fiscal deficit
6. Hedging

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

(07)

1. When national income increases, _____ increases.
 - (a) subsidy
 - (b) economic welfare
 - (c) unemployment
 - (d) social unrest
2. In a three sector economy we do not include income expenditure of
 - (a) government
 - (b) external sector
 - (c) household
 - (d) private



3. The point where the aggregate demand and the aggregate supply curves intersect is called
 - (a) the point of effective demand
 - (b) the point of full employment
 - (c) non equilibrium
 - (d) intercept

4. What is the value of multiplier if MTC is $1/4$
 - (a) 2
 - (b) 3
 - (c) 4
 - (d) 5

5. Inflation is beneficial to
 - (a) fixed income group
 - (b) business people
 - (c) creditors
 - (d) commercial banks

6. 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

7. The difference between total expenditure and total receipts is
 - (a) fiscal deficit
 - (b) budget deficit
 - (c) primary deficit
 - (d) revenue deficit

8. Sound finance calls for
 - (a) balanced budget
 - (b) deficit budget
 - (c) surplus budget
 - (d) savings

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

10. Arbitrage refers to
 - (a) exchange between two markets
 - (b) purchase and sale of an asset for the same price
 - (c) foreign exchange rate
 - (d) investment function