

SYBAF sem III Reg & A.T.K.T. Exam Oct-2019.



14/10/19. 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) "The study of macroeconomics is of great significance to policy makers, researchers, business firms and international agencies"- Elaborate.
- (b) Bring out the relationship between national income and economics welfare.
- (c) Explain the four phases of trade cycle with diagrammatic representation.

Q2. Answer any two:

15

- (a) Explain the concept transaction velocity and state the factors determining transaction velocity.
- (b) Explain the effects of inflation.
- (c) Write a short note on monetary policy.

Q3. Answer any two:

15

- (a) Explain the principle of sound finances.
- (b) Explain in detail various canons of taxation?
- (c) Write a note on the FRBM Act, 2003.


Q4. Answer any two:

15

- (a) Evaluate Ricardian Theory of comparative cost.
- (b) State the disadvantages of MNCs.
- (c) Explain the merits of Flexible Exchange Rate.

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

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- (1) GDP
 - (2) Devaluation
 - (3) National Income
 - (4) Fiscal Deficit
 - (5) Arbitrage
 - (6) APC

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

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- (1) Repo rate is the rate of interest paid by _____
 - (a) People (b) Commercial banks (c) Central bank

- (2) Public goods are _____
 - (a) Non-rival and non-excludable
 - (b) Rival and non- excludable
 - (c) Non-rival and excludable
 - (d) Rival and excludable

- (3) Fiscal policy is purposeful movements in _____ designed to direct an economy.
 - (a) Interest rates
 - (b) Legal structures
 - (c) Government regulations
 - (d) Government spending and taxes

- (4) Loans taken from individuals and institutions within the country are known as _____
 - (a) External debt (b) internal debt (c) personal debt (d) corporate debt

- (5) External debt implies borrowing from _____
 - (a) Individuals (b) firms (c) foreign countries (d) none of the above

- (6) FRBM Act was passed in _____
 - (a) 2004 (b) 2000 (c) 2003 (d) 2002

- (7) Fiscal discipline includes _____
 - (a) Intra- year targets (b) disclosure requirements (c) both (a) and (b) (d) None of the above

(8) The difference between revenue expenditure and revenue receipts is _____

(a) Revenue deficit (b) Fiscal deficit (c) budget deficit (d) primary deficit

(9) Ricardian theory ignores _____

(a) Supply (b) Demand (c) full employment

(10) Domestic industries can be diversified through _____

(a) Free trade (b) protection (c) increases in investment

THE END

