

[Time: 2.30 Hrs]**[Marks:75]**

Please check whether you have got the right question paper.

- N.B:
1. All question are compulsory.
 2. Figures to the right indicate full marks.
 3. Students answering in the regional language should refer in case of doubt to the main text of the paper in English.

Q.1 A. Choose the correct answer from the given multiple choice. (Any Eight) 08

i) Net Domestic Product (NDP) is obtained by subtracting the depreciation from the -----.

- a. Gross National Product (GNP)
- b. Gross Domestic Product (GDP)
- c. Net National Product (NNP)
- d. Gross National Income

ii) Which is true?

- a. Disposable Income = Personal Income – Personal Taxes
- b. Disposable Income = Personal Income + Personal Taxes
- c. Disposable Income = Personal Income \times Personal Taxes
- d. Disposable Income = Personal Income \div Personal Taxes

iii) Which of the following is not the function of money?

- a. Medium of exchange
- b. Store of value
- c. Standard of deferred payments
- d. Investment

iv) J. M. Keynes wrote a famous book entitled "General Theory of Employment. Interest and Money" in the year -----.

- a. 1936
- b. 1963
- c. 1971
- d. 1973

v) ----- is the Fisher's equation to demand for money.

- a. $MV = PT$
- b. $MV > PT$
- c. $MV < PT$
- d. $MV + PT$

- vi) ----- is known as a poor man's tax.
- Inflation
 - Deflation
 - Satisfaction
 - Dissatisfaction
- vii) ----- advocated the role of public expenditure in determination of level of income and its distribution.
- Adam Smith
 - J. M. Keynes
 - Alfred Marshall
 - Wagner
- viii) Peacock and Wiseman studied the public expenditure from 1891 to 1955 in -----.
- UK
 - India
 - China
 - Japan
- ix) The Fiscal Responsibility and Budget Management (FRBM) introduced in -----.
- 2001
 - 2002
 - 2003
 - 2004
- x) Article ----- is related to Finance Commission.
- 280
 - 270
 - 281
 - 271

B. Find True or False. (Any Seven)

07

- Net National Product (NDP) is obtained by subtracting the depreciation from the Gross Domestic Product (GDP).
- In March, 1970 the RBI accepted the report of the Second Working Group on Money Supply.
- Rent is remuneration of land.
- Wages is the remuneration of capital.
- The principle of Maximum social advantage is formulated and popularized by Dr. Hugh Dalton.

- vi) The state or the government can play an important role to correct market failures and improve economic efficiency.
- vii) Public finance is a concept that includes Public expenditure, public debt and public revenue and income.
- viii) Customs Duty is imposed on exports and imports.
- ix) Peacock and Wiseman hypothesis is based on the Wagner's Law.
- x) The modern state is described as the 'welfare state'.

- Q.2** **A.** Explain the methods of measurement of national income. **08**
 B. Distinguish between microeconomics and macroeconomics. **07**
- OR**
- A.** Explain the various phases of business cycle with the help of diagram. **08**
 B. Discuss the Say's law of market. **07**
- Q.3** **A.** What are the determinants of money supply? **08**
 B. What are the functions of money? **07**
- OR**
- A.** Explain the Keynesian approach of demand for money. **08**
 B. What are the effects of inflation? **07**
- Q.4** **A.** What are the functions of public finance? **08**
 B. Explain the scope of public finance. **07**
- OR**
- A.** Write a note on market failure. **08**
 B. Write a note on externalities. **07**
- Q.5** **Write a note on any three of the following. 15**
 A. Objectives of taxation
 B. Shifting of a tax
 C. Constituents of fiscal policy
 D. Types of public budget
 E. Types of deficit