

[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**

- Which of the following is not the factor of production?
 - Land
 - Labour
 - Capital
 - Bank
- Which of the following is the remuneration of labour?
 - Rent
 - Wage
 - Interest
 - Profit
- M1 is known as -----
 - Base money
 - Narrow money
 - Intermediate money
 - Broad money
- J. M. Keynes wrote a famous book entitled "General Theory of Employment, Interest and Money" in the year -----
 - 1936
 - 1963
 - 1971
 - 1973
- is the Fisher's equation to demand for money.
 - $MV = PT$
 - $MV > PT$
 - $MV < PT$
 - $MV + PT$
- is known as a poor man's tax.
 - Inflation
 - Deflation
 - Satisfaction
 - Dissatisfaction
- advocated the role of public expenditure in determination of level of income and its distribution.
 - Adam Smith
 - J. M. Keynes
 - Alfred Marshall
 - Wagner
- Peacock and Wiseman studied the public expenditure from 1891 to 1955 in ---
 - UK
 - India
 - China
 - Japan
- Revenue deficit arises when revenue expenditure is ----- revenue receipts.
 - Equal to
 - Greater than
 - Lower than
 - Greater than or equal to
- Which is true about primary deficit?
 - Primary deficit = Fiscal deficit – Interest Payments
 - Primary deficit = Fiscal deficit + Interest Payments
 - Primary deficit = Fiscal deficit ÷ Interest Payments
 - Primary deficit = Fiscal deficit × Interest Payments

B. Find True or False. (Any Seven)**07**

- i) Net National Product (NDP) is obtained by subtracting the depreciation from the Gross Domestic Product (GDP).
- ii) In March, 1970 the RBI accepted the report of the Second Working Group on Money Supply.
- iii) Rent is remuneration of land.
- iv) Wages is the remuneration of capital.
- v) 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 circular flow of income in a two sector economy.**08****B. What are the phases of business cycle?****07****OR****A. Discuss the methods of measurement of national income****08****B. Explain the Say's law of market.****07****Q.3 A. What are the determining factors of velocity of circulation of money?****08****B. Explain the RBI's approach to the measurement of money supply.****07****OR****A. Discuss the Fisher's approach to demand for money.****08****B. Explain demand pull inflation with the help of diagram.****07****Q.4 A. Explain the meaning and scope of public finance.****08****B. What are the functions of public finance?****07****OR****A. Explain the role of government.****08****B. Describe the term 'Consumer Surplus'.****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.**
