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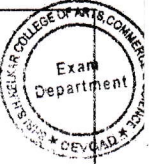
**SHRI S.H. KELKAR COLLEGE OF ARTS, COMMERCE & SCIENCE, DEVGAD BACHELOR OF
MANAGEMENT STUDIES (BMS) SYBMS SEM-IV EXAMINATION, MARCH, 2023**

SUB- BUSINESS ECONOMICS - II

MAX. MARKS – 75

TIME- 8.30 A.M. TO 11.00 A.M.

DURATION – 2.5Hrs.



N.B. (1) All questions are Compulsory. (2) Figures to the right Indicate full marks:

Q.1 A. Choose the correct alternative (Any Eight):

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- (1) Macro economics is concerned with
(a) individual firms (b) industry (c) whole economy
- (2) Investment multiplier was given by
(a) J.M.Keynes (b) Marshall (c) Robertson
- (3) When income increases Consumption will increase in a proportion.
(a) greater (b) lesser (c) Constant
- (4) Inflation redistributes income in favour of thepeople.
(a) rich (b) poor (c) middle income
- (5) Inflation Target fixed by RBI at Present is
(a) 4% (b) 6% (c) 2%
- (6) According to Keynes, rate of interest is purely aphenomenon.
(a) fiscal (b) monetary (c) political
- (7) During depression budget is adopted by the government.
(a) surplus (b) deficit (c) balance
- (8) Sound finance was advocated by
(a) J.M.Keynes (b) A.P. Lerner (c) Adam Smith
- (9) is the difference between revenue receipts and revenue expenditure.
(a) fiscal deficit (b) revenue deficit (c) primary deficit
- (10) Comparative cost advantage theory was formulated by
(a) Ohlin (b) hecksher (c) ricardo

B. State whether the following statements are True or False (Any Seven):

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- (1) Perfect competition always ensures optimum use of resources.
- (2) Externalities affect resource allocation and result in less welfare.
- (3) Government intervention helps to reduced the impact of market failure.
- (4) Deflation is worse than inflation.
- (5) A mild inflation is good for the economy.



- (6) Money is what money does.
- (7) Higher the CRR , lesser will be the money supply in the economy.
- (8) An increase in income always leads to an increase in consumption.
- (9) Consumption function implies full employment.
- (10) Classical school believed in full employment.

Q.2) Explain aggregate demand & aggregate supply in detail. (15)

explain the concept of consumption function.

OR

Calculate APC, APS, MPC And MPS from the following data: (15)

Income (Rs. Crores)	1000	2000	3500	5500	8000	12000
Consumption (Rs. Crores)	900	1700	2300	2700	2900	3000

Q.3) What are the causes of inflation explain in detail. (15)

Explain Difference between inflation & deflation.

OR

Distinguish between. Cash transaction approach & cash balance approach. (15)

Explain the different types of Investment

Q.4) Explain the effects on taxation on production. (15)

Explain any two instrument of fiscal policy.

OR

Distinguish between FDI & Portfolio investment. (15)

Define foreign exchange market what are it's. Main function.

Q.5) Define multiply & explain the working of multiplier with a suitable example & diagram. (15)

OR



Write short notes on (Any Three):

(15)

- (a) Types of inflation.
- (b) limitations of fiscal policy.
- (c) Direct taxes. & indirect taxes.
- (d) Classical approach to demand for money.
- (e) Types of budget.