

**SHRI S.H.KELKAR COLLEGE OF ARTS, COMMERCE AND SCIENCE, DEVGAD
(SINDHUDURG)**

EXTERNAL EXAM SEMISTER IV MARCH 2023

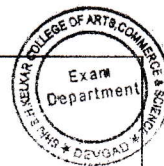
COURSE :- BUSINESS ECONOMICS – II

DURATION :- 2.30 Hrs.

COURSE CODE:- UBIFSIV.

CLASS:- SYBBI

MAX.MARKS :-75



Q.1.A) Match the following (any 8 out of 10)

8

A		B	
1	Open Economy	1	C+I+G+ (X-M)+(R-P)
2	Gross National Product	2	Rise in public expenditure
3	Investment Multiplier	3	Zero and one
4	Surplus Budget	4	Recession
5	Urbanization	5	Trade Account
6	Export of goods	6	Leakage
7	Gross domestic Product	7	J.M.Keynes
8	Value of MPC	8	Foreign trade
9	Import	9	C+I+G
10	Repayment of Public debt	10	Inflation

Q.1.B) State Whether the following statements are true or false.

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- 1) Imports reduce the circular flow of Income.
- 2) Trade Cycles occur at regular intervals.
- 3) Higher the MPC, higher the value of multiplier.
- 4) In India RBI follows the proportional reserve system to issue currently notes.
- 5) The liquidity preference approach to demand for money was given by J.M.Keynes.
- 6) Monetary measures alone are effective in controlling inflation.
- 7) Objectives of monetary policy are conflicting in nature.
- 8) Fiscal policy is formula by the central bank.
- 9) Primary deficit is the difference between fiscal deficit and interest payments.
- 10) Infant Industries need free trade to flourish.

Q.2) A) Define macro economics. What is its scope ?

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B) Explain the circular flow of income in an open economy.

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OR

C) Define effective demand. How is it determined?

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D) Explain the traditional approach to supply of money.

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Q.3) A) Explain the factors causing market failure

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B) Discuss the measures to be taken to control inflation.

7

OR

C) Explain the Keynesian approach to demand for money ?

8

D) Explain the liquidity preference theory of interest.

7



- Q.4) A) Examine the structure of Union budge. 8
B) Discuss the comparative cost advantage theory of David Ricardo. 7

OR

- C) What are effects of inflation on distribution and general economic welfare? 8
D) At present WTO promotes free trade. Is it good for developing countries? Explain. 7

- Q.5) A) Explain the various types of disequilibrium in the balance of payments position.
B) What are the assumptions and implications of consumption function ?

OR

- Q.5) C) Short Notes. (Any 3) 15

- 1) Phases of trade cycles
- 2) Types of Investment
- 3) Fiscal Policy
- 4) Types of Budget
- 5) FRBM Act, 2003