

- Q.31 What are the main determinants of interest rate?
- Q.32 Explain stagflation in brief.
- Q.33 Write a short note on expenditure method of national income.
- Q.34 Discuss the importance of real investment.
- Q.35 Enlist the main reasons of inflation.

### **SECTION-D**

- Note :** Long Answer type question. Attempt any two questions out of three questions. (2x10=20)
- Q.36 Define investment. Explain various types of investment.
- Q.37 Write a detailed note on relative income hypothesis and also mention its criticisms.
- Q.38 Explain cost push theory of inflation in detail through graphic presentation.

b)

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**4th Sem, Branch : FAA  
Subject : Managerial Economics**

Time : 3 Hrs.

M.M. : 100

### **SECTION-A**

**Note :** Multiple choice questions. All questions are compulsory. (10x1=10)

- Q.1 Saving is considered equal to \_\_\_\_\_  
 a) Investment      b) Consumption  
 c) Both of these    d) None
- Q.2 In Economics  $Y=C+S$  were  $C=$  \_\_\_\_\_  
 a) Demand      b) Consumption  
 c) Both of these    d) None
- Q.3 NNP at factor cost is equal to \_\_\_\_\_  
 a) National Income    b) Disposable Income  
 c) Private Income    d) None
- Q.4 Write the full form of GNP.  
 a) Gross National Product  
 b) Growth Domestic Product  
 c) Both of these  
 d) None
- Q.5 NDP stands for -  
 a) Gross National Product  
 b) New Domestic Product

- c) Net Domestic Product  
d) None
- Q.6  $\underline{\quad} = \text{APS} + \text{APC}$
- a) 4                          b) 3  
c) 2                          d) 1
- Q.7  $I - \text{APS} = \underline{\quad}$
- a) GPC                      b) AKL  
c) APC                      d) PAC
- Q.8  $\underline{\quad} = S/Y$
- a) MPC                      b) APS  
c) TDS                      d) None
- Q.9 Full form of APC
- a) Marginal propensity to Collect  
b) Average Propensity to Consume  
c) Both of these  
d) None
- Q.10 MEC stands for
- a) Marginal Expectation of Capital  
b) Marginal efficiency of capital  
c) Both of these  
d) None
- SECTION-B**
- Note :** Objective type questions. All questions are compulsory.  $(10 \times 1 = 10)$
- Q.11  $\text{APC} = C/Y$  (TRUE/FALSE) \_\_\_\_\_
- Q.12  $\text{MPC} = DC/DY$ . (TRUE/FALSE)  
Q.13 Write the full form of MPS.  
Q.14 Write the full form of APC.  
Q.15  $\text{APS} = S/Y$  (TRUE/FALSE)  
Q.16  $\text{MPS} = 1 - \text{MPC}$  (TRUE/FALSE)  
Q.17 Prices rise double to triple is called as hyper inflation. (TRUE/FALSE)  
Q.18 Rise in raw material prices known as cost caused inflation. (TRUE/FALSE)  
Q.19  $1 - \text{MPC} = \text{MPC}$ . (TRUE/FALSE)  
Q.20  $1 = \text{MPS} + \text{MPC}$  (TRUE/FALSE)
- SECTION-C**
- Note :** Short answer type questions. Attempt any twelve questions out of fifteen questions.  $(12 \times 5 = 60)$
- Q.21 Explain the marginal efficiency of capital.  
Q.22 Explain permanent income hypothesis by suitable diagram.  
Q.23 Explain life cycle hypothesis by suitable diagram.  
Q.24 Write a critical note on permanent income hypothesis.  
Q.25 Write a short note on life cycle hypothesis.  
Q.26 Explain income method of national income in brief.  
Q.27 Write a short note on financial investment.  
Q.28 What is financial investment?  
Q.29 What do you mean by autonomous investment?  
Q.30 Explain investment multiplier briefly.