

- 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  $Y = C + S$  where  $C =$  \_\_\_\_\_  
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 \_\_\_\_\_ = APS + APC  
a) 4                                      b) 3  
c) 2                                      d) 1
- Q.7 I-APS = \_\_\_\_\_  
a) GPC                                      b) AKL  
c) APC                                      d) PAC
- Q.8 \_\_\_\_\_ = 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. (10x1=10)

- Q.11  $APC = C/Y$  (TRUE/FALSE)\_

- Q.12  $MPC = \Delta C / \Delta Y$ . (TRUE/FALSE)  
Q.13 Write the full form of MPS.  
Q.14 Write the full form of APC.  
Q.15  $APS = S/Y$  (TRUE/FALSE)  
Q.16  $MPS = 1 - MPC$  (TRUE/FALSE)  
Q.17 Prices rise double to triple is called as hyper inflation. (TRUE/FALSE)  
Q.18 Rise in raw material prices is known as cost caused inflation. (TRUE/FALSE)  
Q.19  $1 - MPC = MPS$ . (TRUE/FALSE)  
Q.20  $1 = MPS + MPC$  (TRUE/FALSE)

### SECTION-C

**Note:** Short answer type questions. Attempt any twelve questions out of fifteen questions. (12x5=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.