NOIOABJ

Time : 2 $^1/_2$ Hrs. Marks : 75

Instructions : 1. Question no. 1 is compulsory.
2. Question no. 2, 3, 4 and 5 are subject to internal choice.
3. Figures to the right indicate full marks.

Q1. A Fill in the blanks (Any Eight) **(8)**

1. ………… is a systematic record of all economic transaction between resident of country and the rest of the world.
2. The greater the velocity of circulation of money means to the ………. supply of money.
3. The ……………… describes the reciprocal circulation of income between firms and households.
4. …………… is the total of all incomes earned in a nation during a specific period usually a year.
5. ………… model explain the general equilibrium in money and goods market.
6. Public borrowing within the country is called as …………. debts.
7. The difference between total revenue and total expenditure of government is called as ………. deficit.
8. Cash reserve ratio is the instrument of ………. policy.
9. Compulsory contribution of income to government is called as ……….
10. The agreement on ………………. related to the Patent and Copyrights.

B. Match the pairs. (Any Seven) **(7)**

Column A	Column B
1. $M^T_d = f(y)$	1. Bank Rate
2. Quantitative instrument	2. Effective Demand
3. Public Expenditure	3. Recovery
4. Trade Cycle	4. Expenditure by government
5. National income measurement	5. Transaction Motive Money Demand
6. ADF = ASF	6. Income method
7. Fiscal policy	7. Sustainable Price rise
8. Rate of Inflation	8. Taxation
9. CC + DD + OD	9. NNP
10. GNP- Depreciation	10. M_1

[P.T.O]

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N010ABJ

Q.2.	A.	What factors determine the velocity of circulation of money.	(8)
	B.	Explain the classification of public expenditure.	(7)
		OR	
	C.	What are the determinants of money supply?	(8)
	D.	Discuss the functions of foreign exchange market.	(7)
Q.3	A.	How is LM curve derived?	(8)
	B.	Examine the monetary and non-monetary measures to correct the deficit in BOP.	(7)
		OR	
	C.	Discuss the principle of Maximum Social Advantage.	(8)
	D.	Critically examine the Theory of Comparative Cost in the international trade.	(7)
Q.4	A.	Show the determination of equilibrium rate of exchange.	(8)
	B.	Explain the theory of Acceleration principle.	(7)
		OR	
	C.	Critically examine the Absolute Version of Purchasing Power Theory.	(8)
	D.	Describe the instruments of fiscal policy.	(7)
Q.5	A.	Explain the demand pull and cost push inflation in detail.	(15)
		OR	
	B.	**Write Short Notes (Any Three)**	(15)
	1.	Investment Multiplier.	
	2.	Aggregate Demand Function.	
	3.	Speculative Motive of money demand.	
	4.	Depression.	
	5.	Merits of Direct taxes.	

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