

Time : 2 hrs

FAN

Marks : 60

- Note : 1) **Q. 6 is compulsory**  
 2) **From Q. 1 to Q. 5 attempt any three**  
 3) **Figures to the right indicate full marks.**
- Q. 1 a) Explain the family of National income concepts. 8  
 b) Calculate GDP, NNP at Market prices and NNP at factor cost from the following : 7  
 GNP = Rs. 3000 Cr.  
 NFI = Rs. 300 Cr.  
 Depreciation = Rs. 300 Cr.  
 Indirect taxes = Rs. 100 Cr.  
 Subsidies = Rs. 50 Cr.
- Q. 2 A) What is foreign exchange market? Why is it needed? 7  
 B) Critically evaluate floating exchange rate? 8
- Q. 3 A) **Explain in detail (any 2)** 10  
 a) Trade policy                      b) Monetary policy  
 c) Fiscal policy  
 B) Protection and under developed countries - Comment. 5
- Q. 4 A) Explain the new challenges arising out of globalisation. 7  
 B) Discuss the meaning of take block and various levels of economic integration. 8
- Q. 5 **Write short notes on (any three)**  
 a) Business cycle                      b) Income method                      c) European Union  
 d) TRIPS                                      e) TRIM'S

Q. 6 **Remove quote, allow investment**

Calling for dereservation, the Economic Survey said reservation of items for exclusive manufacture in the small-scale sector has constrained investment in critical areas with large growth potential.

As most items in the reserved category can now be imported freely, continuing with the policy made no sense. The survey has identified knitwear as a critical area that can attract investment.

At present, there are 605 reserved items. In October 2004, the government dereserved 85 items from the reserved list.

Availability of credit, tech-

nological obsolescence, infrastructure bottlenecks and marketing regulations are major impediments for the sector. A promotional package is now being formulated. A suitable legislation to address issues of "inspector raj" is being finalised, according to the survey.

Nearly 80 per cent of the lending from the Rs.10,000 crore Small and Medium Enterprises Fund that was operationalised by SIDBI in April 2004, has been earmarked for the small-scale sector. The loans will be charged at an interest rate of 2 per cent below the prime lending rate of SIDBI.

Question :

- 1) Do you agree with dereservation of items in small scale industries in India? If yes, why?
- 2) Has globalisation made an impact on small scale industries?