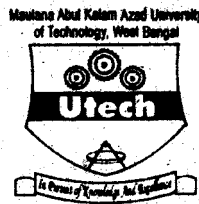


CS/BBA(H)/BIRM/BSCM/EVEN/SEM-2/BBA-204/2015-16



**MAULANA ABUL KALAM AZAD UNIVERSITY OF
TECHNOLOGY, WEST BENGAL**

Paper Code : BBA-204

ECONOMICS - II

Time Allotted : 3 Hours

Full Marks : 70

The figures in the margin indicate full marks.

*Candidates are required to give their answers in their own
words as far as practicable.*

GROUP - A

(Multiple Choice Type Questions)

1. Choose the correct alternatives for the following :

10 × 1 = 10

- i) In India M_2 is
- a) M_1 + post office savings
 - b) M_1 + banking savings
 - c) M_1 + time deposit
 - d) M_1 + other post office savings.
- ii) The priority of the Second Five-Year Plan was
- a) agriculture
 - b) industry
 - c) service
 - d) infrastructure.

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- iii) The 'Services of housewives' in National Income accounting is
- a) always included b) not included
 - c) sometimes included d) none of these.
- iv) BOP refers to
- a) transactions related to exports & imports
 - b) transactions related to receipts & payments of invisibles
 - c) systematic record of all its economic transactions with the rest of the world
 - d) transactions in the flow of capital.
- v) NNP_{fc} is defined as
- a) $GNP_{fc} - \text{Depreciation}$
 - b) $GNP_{fc} + \text{Depreciation}$
 - c) $GDP_{fc} - \text{Depreciation}$
 - d) $GNP_{mp} - \text{Depreciation}$.
- vi) GDP, GNP and net foreign income (NFI) are related as
- a) $GDP = GNP + NFI$ b) $GDP = GNP - NFI$
 - c) $GNP = GDP + NFI$ d) $GNP = GDP - NFI$.
- vii) Sources of revenue for Union Government of India consists of
- a) non-tax revenue b) tax revenue
 - c) profit of RBI d) both (b) and (c).

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- viii) If individuals forecast future prices by examining the rates of inflation of the present and recent past, they are using
- adaptive expectations
 - rational expectations
 - inflationary expectations
 - structural expectations.
- ix) MODVAT refers to
- export value of community
 - value generated by exports
 - money generated by export and import
 - value added to manufacturing cost.
- x) What does the RBI do in order to increase the liquidity in the economy ?
- Increase the bank rates
 - Open market purchase of government securities
 - Increase the Statutory Liquidity Ratio
 - None of these.

GROUP - B

(Short Answer Type Questions)

Answer any *three* of the following. $3 \times 5 = 15$

- What are the main sources of revenue of the Central Government ?
- Distinguish between demand pull and cost push inflation.

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4. Explain the *J* curve effect of devaluation.
5. Discuss the 'Transaction Approach' of Quantity theory of money.
6. What are the principal constituents of Indian money market ?

GROUP - C

(Long Answer Type Questions)

Answer any *three* of the following. $3 \times 15 = 45$

7. List and explain the items included in Balance of Payment Account. Differentiate between Balance of Payment and Balance of Trade. $10 + 5$
8. Describe the process of credit creation by commercial banks. What are its limits ? $10 + 5$
9. State the indicators of economic development. Why is planning needed in underdeveloped economics ? $5 + 10$
10. Explain the gains from International Trade. What are the various factors that determine the exchange rate ? $7 + 8$
11. Write short notes on any *three* of the following : 3×5
 - a) Human Development Index
 - b) Evolution of money
 - c) Personal Income
 - d) Deficit Financing
 - e) Vicious circle of poverty.