



Name : .....

Roll No. : .....

Invigilator's Signature : .....

**CS/BBA (H), BIRM, BSCM/SEM-2/BBA-204/2010**

**2010**

**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 :  $10 \times 1 = 10$ 
  - i) Which is not a factor of production ?
    - a) Bank Loan
    - b) Labour
    - c) Land
    - d) Capital.
  - ii) The study of inflation is a part of
    - a) descriptive economics
    - b) macroeconomics
    - c) microeconomics
    - d) normative economics.
  - iii) What is the full form of GST ?
    - a) General Sales Tax
    - b) Goods and Services Tax
    - c) Goods and Service Transport
    - d) None of these.
  - iv) In the Union Budget 2010-11 Government will raise which kind of bond to cope up the fiscal deficit ?
    - a) Gold bond
    - b) National rural development bond
    - c) Infrastructure bond
    - d) Capital investment bond.



- v) MODVAT refers to
- a) Export value of a commodity
  - b) Value generated by exports
  - c) Money generated by export and import
  - d) Value added to manufacturing cost.
- vi) BOP refers to
- a) Transaction in the flow of capital
  - b) Transaction relating to receipts and payments of invisibles
  - c) Transaction relating to export and import only
  - d) Systematic record of all its economic transactions with rest of the world.
- vii) 'Interest Rate Policy' is a component of
- a) Fiscal policy
  - b) Monetary policy
  - c) Trade policy
  - d) Direct control.
- viii) Where is the headquarters of World Bank ?
- a) Washington D.C.
  - b) Philippines
  - c) New York
  - d) Manila.
- ix) M1 consists of
- a) currency plus demand deposit with public
  - b) paper money only
  - c) current plus post office savings deposit
  - d) none of these.
- x) Absolute advantage is found by
- a) calculating the dollar cost of production
  - b) comparing opportunity cost
  - c) comparing the productivity of one nation to that of another
  - d) none of these.



**GROUP – B**

**( Short Answer Type Questions )**

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

2. Distinguish between GNP & GDP.
3. State the main functions of commercial banks in India.
4. How do you explain Black Money ?
5. What are the main sources of revenue of the Central Government ?
6. Highlight the concept of Deficit Financing.

**GROUP – C**

**( Long Answer Type Questions )**

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

7. You are given the following data in crores of Rs.

Govt. & Business Expenditure is Rs. 20

Indirect business tax is Rs. 30

GNP is Rs. 630

Social Security Contribution is Rs. 20

Personal tax is Rs. 25

Residential construction is Rs. 70

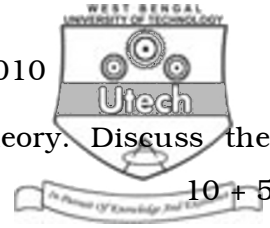
Retained earning is Rs. 10

Personal consumption expenditure is Rs. 390

Direct business tax is Rs. 40

Calculate the value of NNP, NI, PI and PDI.

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8. Explain the absolute cost advantage theory. Discuss the economic effect of imposition of tariff. 10 + 5
9. a) Differentiate between GATT & WTO.  
b) Explain the functions of WTO. 5 + 10
10. a) What is fiscal policy ? Discuss the various instruments of fiscal policy.  
b) Distinguish between Monetary policy & Fiscal policy. 10 + 5
11. Write notes on any *two* of the following :  $2 \times 7\frac{1}{2}$
- a) Public expenditure
- b) Personal income
- c) Asian Development Bank
- d) Characteristics of underdeveloped economics.
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