



Name :
Roll No. :
Invigilator's Signature :

CS / BBA(H), BIRM, BSCM / SEM-2 / BBA-204 / 2011

2011

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) 'Comparative Advantage Theory' of international trade
was given by

a) Adam Smith b) Keynes

c) Ricardo d) Malthus.



ii) The central bank of India is

- a) Reserve Bank of India b) State Bank of India
c) Central Bank of India d) Bank of India.

iii) NNP at Factor cost (NNP_{FC}) is defined as

- a) $GNP_{FC} - \text{Depreciation}$ b) $GNP_{FC} + \text{Depreciation}$
c) $GDP_{FC} - \text{Depreciation}$ d) $GNP_{MP} - \text{Depreciation}$.

iv) In order to control inflation

- a) Bank rate is raised
b) Bank rate is lowered
c) Bank rate remains unchanged
d) none of these.



- v) Monetary Policy means
- a) change in Money Supply of the Economy
 - b) change in Tax Rate of the Economy
 - c) change in Government Expenditure of the Economy
 - d) all of these.
- vi) Asian Development Bank has headquarters in
- a) Korea
 - b) Sri Lanka
 - c) Philippines
 - d) Thailand.
- vii) 'Inflation' means
- a) high price situation
 - b) stable price situation
 - c) rising price situation
 - d) none of these.

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viii) In Fisher's Quantity theory of Money, 'V' is the

- a) Vertical distance
 - b) Velocity of circulation of Money
 - c) Vertical movement
 - d) none of these.
- ix) IBRD refers to
- a) International Bank for Reconstruction and Development
 - b) Indian Bank for Reconstruction and Development
 - c) International Bank for Regulation and Development
 - d) none of these.



- x) Treasury Bill is a
- a) Short term instrument of Money market issued by Government
 - b) Long term instrument of Money market issued by Government
 - c) Long term instrument of Money market issued by Private companies
 - d) Short term instrument of Money market issued by Private companies.

GROUP – B

(Short Answer Type Questions)

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

- 2. Write down the important objectives and functions of IMF.
- 3. Define money. State the functions of money.
- 4. Distinguish between Tariff and Quota.

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5. Enumerate the main effects of devaluation on exports.
6. Mention the characteristics of an underdeveloped country.

GROUP – C

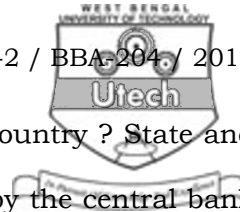
(Long Answer Type Questions)

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

7.	Particulars	Amount (Rs.)
	GNP	4, 800
	Capital Consumption Allowances	500
	Indirect taxes	380
	Gross subsidy	50
	Corporate profit	320
	P.F. reduction	45
	Government and business transfer	580
	Dividends	90
	Interest adjustments	180
	Personal Taxes	590

Calculate National Income, Personal Income and Personal

Disposable Income. $5 + 5 + 5$



8. What is the need for a central bank of a country ? State and explain the functions that are performed by the central bank of a country. 3 + 12
9. List and explain the items included in Balance of Payment Account. Differentiate between Balance of Payment and Balance of Trade. 10 + 5
10. State the sources of State Government revenues. How do you explain burden of public debt ? 12 + 3
11. Explain the causes of inflation. Distinguish between demand pull and cost push inflation. 8 + 7

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