

FAROOK COLLEGE (AUTONOMOUS), KOZHIKODE

Fifth Semester BA Economics Degree Examination, November 2019

BECO5B10 – Financial Markets

(2017 Admission onwards)

Time: 3 hours

Max. Marks: 80

Part A**Answer all questions Answer all questions.****Each question carries ½ Marks**

1. Stock exchange is an important constituent of:
a) Money market b) Capital market c) Central bank d) None of the above
2. Primary market is under the control of:
a) RBI b)IMF c)SEBI d) New issue market
3. Discounting is the main process of:
a)Treasury bill market b)Call money market
c)Securities market d)commercial bill market
4. Govt securities are also known as:
a) Gilt edged securities b)Industrial securities market
c)New issues market d)None of the above
5. Market which deals with short term funds related with:
a) Capital market b)Money market
c)Treasury bill market d)Commercial bill market
6. SEBI became a statutory and a powerful organization only in:
a) 1988 b)1982 c)1992 d)1991
7. Ensuring the sale of shares before offering to the public called:
a) Public issue b)Right issue c)Origination d)Under writing
8. One of the important instrument of the borrowing by the government:
a) Commercial bill b)Treasury bills c)Certificate of deposits d)Public issue
9. Both debt instruments and equities are trade under:
a) Securities market b)Debt market c)Money market d)Capital market
10. First organized stock exchange was set up in:
a) Calcutta b)Bombay c)Ahmedabad d)None of the above
11. Options are considered as one of the:
a) Securities b)Debt instruments c)Buying instrument d)Derivatives
12. Permission to quote shares and debentures on the trading floor of the stock exchange is called:
a) Under writing b)Listing of securities c)Right issue d)Debentures

(12 x ½ = 6 Marks)

PART B

Very Short answer questions.

Answer any ten questions

13. Write a note on financial intermediaries.
14. What are the functions of new issue market?
15. Mention the weakness of Indian financial system.
16. Explain the role of stock exchange.
17. Distinguish between equity shares and debentures.
18. What are the features of treasury bill market?
19. Explain the difference between forward and future derivatives.
20. Describe the method of trading in stock market.
21. What are the characteristics of a capital market?
22. What are the functions of mutual funds.
23. Write a note on options and swaps.
24. Explain the method of trade dealing in a stock exchange.

(10 x 2 = 20 Marks)

PART C

Short Essay questions. Answer any six questions

25. Explain the characteristics of a developed money market.
26. Describe the features of capital market instruments?
27. What are the weaknesses of Indian financial system?
28. Explain various financial instruments?
29. Describe the various methods of floating new issues.
30. Explain the uses of derivatives?
31. What are the differences between primary and secondary market?
32. Describe the limitations of money market.

(6 x 5 = 30 Marks)

PART D

Essay questions. Answer any two questions

33. Explain the role, functions and components of a financial system?
34. Describe the features of money market Vs capital market.
35. Examine the role of SEBI in secondary market?
36. Discuss the various types of derivatives with its importance.

(2 x 12 = 24 Marks)

FAROOK COLLEGE (AUTONOMOUS), KOZHIKODE

Fifth Semester BA Economics Degree Examination, November 2019

BECO5B09 – Monetary Economics

(2017 Admission onwards)

Time: 3 hours

Max. Marks: 80

PART A**Answer all questions. Each question carries ½ Marks**

- 1 According to the quantity theory of money
 - (a) An increase in the nominal money supply causes a proportional increase in the price level
 - (b) An increase in the nominal money supply causes a proportional increase in real GNP
 - (c) An increase in the real money supply causes a proportional increase in the price level
 - (d) An increase in the real money supply causes a proportional increase in real GNP
- 2 The theory of the optimal level of inventory has been developed by :
 - (a) Keynes
 - (b) Marshall
 - (c) William Baumol
 - (d) Fischer
- 3 An example of fiat money is
 - (a) Gold
 - (b) Paper dollars
 - (c) Silver
 - (d) None of these
- 4 Speculative demand for money is:
 - (a) Interest inelastic
 - (b) Relatively stable in nature
 - (c) Interest elastic
 - (d) Income determined
- 5 High powered money is also known as:
 - (a) Commodity money
 - (b) Monetary Base
 - (c) Broad Money
 - (d) Fiat Money
- 6 Required reserves of banks are a fixed percentage of their:
 - (a) Loans
 - (b) Assets
 - (c) Deposits
 - (d) Government Bonds
- 7 The three main tools of monetary policy are:
 - (a) Government expenditure, tax and reserve requirements
 - (b) Money supply, Government purchases and taxation
 - (c) Coin, currency and demand deposit
 - (d) Moral suasion, open market operations and reserve requirements
- 8 The channels through which monetary policy affects economic activity are called the _____ of monetary policy.
 - a) Transmission mechanisms
 - b) Flow mechanisms
 - c) distribution mechanisms
 - d) Allocational mechanisms

- 9 Bank rate is the rate at which at Central Bank:
 (a) Discount the first class bill of commercial bank
 (b) Rediscount the first class bill of commercial bank
 (c) the interest rate the public pays when borrowing from banks
 d) the interest rate banks pay on the public's deposits
- 10 A depreciation in the domestic currency leads to :
 (a) Increase in exports (b) Increase in imports
 (c) Decrease in exports (d) Decrease in investment
- 11 Which one of the following is PMJDY related to:
 (a) Education (b) Banking (c) Literacy (d) Financial inclusion
- 12 Monetarists contend that
 (a) Monetary policy affects aggregate demand solely through investment
 (b) Monetary policy may affect aggregate demand through many channels
 (c) A weak link between nominal interest rates and investment spending implies monetary policy ineffectiveness
 (d) Monetary policy affects aggregate demand solely through consumption.

(12 x ½ = 6 Marks)

PART B

Very Short answer questions. Answer any ten questions

- 13 Distinguish between Broad money and Narrow money.
- 14 Write down the Equation of Exchange
- 15 How is money different from other liquid assets?
- 16 What is meant by Liquidity Trap?
- 17 Write down the difference between monetary policy and fiscal policy.
- 18 What is the difference between CRR and SLR?
- 19 How do open market operations affect the economy?
- 20 Explain the concept of financial inclusion
- 21 Define monetary transmission mechanism
- 22 Explain the term moral suasion
- 23 What are the functions of Commercial Bank?
- 24 What is meant by 'time lag'?

(10 x 2 = 20 Marks)

PART C

Short Essay Questions. Answer any six questions

- 25 Explain Cambridge cash balance approach.
- 26 Explain the money supply process? Mention the determinants of money supply.
- 27 Explain the transmission mechanism of monetary policy.
- 28 Examine the factors that influence the effectiveness of monetary policy.
- 29 Define money. What are its functions?
- 30 Explain the importance of balance sheet channel of monetary policy transmission in a country like India.
- 31 What are the reasons for holding money in the Keynesian system?
- 32 Write down the objectives of financial inclusion.

(6 x 5 = 30 Marks)

PART D

Essay Questions. Answer any two questions

- 33 State and explain Friedman's re-statement of Quantity theory of money.
- 34 What is money multiplier? How does money multiplier works in money supply process?
- 35 Examine quantitative and qualitative methods of credit control.
- 36 Discuss the role of Central Bank in a developing economy.

(2 x 12 = 24 Marks)

FAROOK COLLEGE (AUTONOMOUS), KOZHIKODE

Fifth Semester BA Economics Degree Examination, November 2019

BECO5B08 – History of Economic Thought

(2017 Admission onwards)

Time: 3 hours

Max. Marks: 80

PART A**Answer all questions. Each question carries ½ Marks**

1. Which among the following belongs to the Physiocrats school of thought?
a) Petty b) Antonio Serra c) Quesnay d) Hume
2. According to Mercantilists, onlysector is productive sector in the economy
a) Agriculture Sector (b) Industrial Sector (c) Service Sector (d) Tertiary Sector
3. “The Principles of Political Economy and Taxation” was written by
a) Plato b) Adam Smith c) David Ricardo d) Malthus
4. Say’s law of market assumesin the economy
a) The General Over- production b) The general unemployment
c) The general inflation d) None of the above
5. The Reciprocal Demand was developed to explain
a) International trade b) Labour theory of value c) Rent d) Utility
6. Which one is among Monetarist school of thought?
a) J Bentham b) J S Mill c) J.M Keynes d) Milton Friedman
7. According to Marx,.....is the source of capitalist exploitation?
a) Surplus value b) Organic composition of capital
c) Rate of profit d) Constant capital
8. According to the Marx, the final stage of development is
a) Communism b) Slavery c) Capitalism d) Primitive communism
9. Which one among the following is **not** a constant capital?
a) Machinery b) Equipment c) Factories d) Labour power.
10. The “Theory of Leisure Class” was written by.....
a) Carl Menger b) Leon Walras c) Frederich List d) Veblen
11. Which among the following is **not** a neo-classical economist?
a) Alfred Marshal b) Leon Walras c) Carl Menger d) Karl Marx
12. The book “The Annihilation of Caste” was written by
a) Ambedkar b) PC Mahalanobis c) Amartya Sen d) J Bhagawathi. (12 x ½ = 6 Marks)

PART B

Very Short answer questions. Answer any ten questions

13. Mercantilism
14. Circulation of Wealth
15. Classical economics
16. Falling rate of profit
17. Quasi-Rent
18. List out important books of Keynes.
19. Organic composition of Capital
20. Partial Equilibrium
21. Leon Walras
22. Chicago School
23. JN Bhagawathi
24. A.C. Pigou

(10 x 2 = 20 Marks)

PART C

Short Essay questions. Answer any six questions

25. What are the important contributions of Plato?
26. What are the main economic ideas of Physiocrats?
27. Describe Ricardo's idea on international trade.
28. Describe Marx theory of capitalist crisis
29. What are the important features of monetarist school of thought?
30. Briefly describe economic ideas of Amartya Sen
31. What are the Contributions of PC Mahalanobis in the Indian economic thought?
32. What are the important ideas of Wilfredo Pareto?

(6 x 5 = 30 Marks)

PART D

Essay questions. Answer any two questions

33. Analyse important economic idea of ancient school of thought
34. Elaborate Adam Smith contribution in economic thought.
35. Describe Karl Max idea on mode of production, dialectical materialism and class struggle
36. Trace out important economic contribution M.K Gandhi?

(2 x 12 = 24 Marks)

FAROOK COLLEGE (AUTONOMOUS), KOZHIKODE

Fifth Semester BA Economics Degree Examination, November 2019

BECO5B07 – Indian Economic Development : National & regional – I

(2017 Admission onwards)

Time: 3 hours

Max. Marks: 80

PART A**Answer all questions.****Each question carries ½ Marks**

- 1 Structural employment arises due to.
(a) Deflationary Conditions (b) Heavy industry bias
(c) Shortage of raw materials' (d) Inadequate productive capacity
- 2 Which of the following indexes is developed to measure life expectancy, level of literacy, education and standard of living of people in a country?
(a) Inflation (b) PQLI (c) SLR (d) Human Development Index (HDI)
- 3 For a rural person the minimum calorie needed to reach above poverty line is:
(a) 2400 calorie (b) 2100 calorie (c) 1995 calorie (d) 2011 calorie
- 4 The annual growth rate of India's population according to 2011 census is:
(a) 1.9% (b) 1.76% (c) 2% (d) None
- 5 The worst form of land tenure system was.....
(a) Zamindari (b) Riotwary (c) Mahalwari (d) Malguzari
- 6 Outward looking development policies are not associated with:
a) Open system of communications b) Free movement of capital
c) Multinational enterprises d) Learning by doing
- 7 Since the adoption of economic liberalisation the share of agriculture in GDP is
(a) Constant (b) Increasing (c) Decreasing (d) None of these
- 8 Primary sector includes
(a) Mining and quarrying (b) Banking and financial institution (c) Transport and Shipping
(d) None of these
- 9 Which Index is used to measure inequality of income and wealth?
(a) Gini Index (b) Cost Index (c) Growth Index (d) Economic Index
- 10 The FERA has been replaced by
(a) FEMA (b) MRTTP Act (c) IRDA (d) None of the above
- 11 Three annual plan were launched between:
(a) 1966-69 (b) 1971-74 (c) 1976-79 (d) 1981-84

- 12 The head quarters of IMF is in
(a) New York (b) Washington D.C.
(c) London (d) Manila (12 x ½ = 6 Marks)

PART B

Very Short answer questions.

Answer any ten questions

- 13 Explain the Drain Theory
14 What do you mean by disinvestment?
15 Describe Modernisation
16 Explain the concept of protection.
17 Describe human capital.
18 Give a brief note on IRDP
19 What is rolling plan?
20 Explain the objectives of second five year plan.
21 Explain liberalization
22 What are the indicators of HDI
23 What do you mean by demographic dividend?
24 Comment the report of Rangarajan Committee on Poverty. (10 x 2 = 20 Marks)

PART C

Short Essay questions.

Answer any six questions

- 25 Explain the features of a mixed economy
26 How the colonial rule led to underdevelopment of the Indian Economy
27 Elucidate the changes made in the land tenure system during the British rule
28 What are the effects of commercialization of Indian agriculture?
29 Is there any need of planning in India? Discuss the objectives of planning.
30 Explain the organisational structure of NITI Aayog
31 Briefly explain the trends in National Income and Per capita Income in India.
32 Distinguish between Migration and Immigration (6 x 5 = 30 Marks)

PART D

Essay questions.

Answer any two questions

- 33 Kerala model of development is a paradoxical development. Do you agree this statement? Why?
34 Explain Indicators of Social and Human development in Kerala.
35 How undeveloped and developing countries are differing from developed countries. State India as a developing country.
36 Critically evaluate the poverty alleviation schemes in India?

(2 x 12 = 24 Marks)