

FAROOK COLLEGE (AUTONOMOUS), KOZHIKODE  
Sixth Semester BA Economics Degree Examination, March /April 2019  
ECO6B11 – Macroeconomics – II  
(2016 Admission onwards)

Time: 3 hours

Max. Marks: 80

**Part A**

**(Multiple Choice Questions)**

**Answer all questions. Each question carries ½ mark**

1. At liquidity trap, speculative demand for money is
  - a) Inelastic
  - b) elastic
  - c) Perfectly inelastic
  - d) Perfectly elastic
2. The demand for money is
  - a) Positively related to income and rate of interest
  - b) Negatively related to income and rate of interest
  - c) Negatively related to income and positively related to rate of interest
  - d) Positively related to income and negatively related to rate of interest
3. An increase in money supply results in
  - a) A change in the slope of LM curve
  - b) Rightward shift in the LM curve
  - c) Leftward shift in the LM curve
  - d) No change in the LM curve
4. Which of the following presents a trade-off between inflation rate and rate of unemployment?
  - a) Long run Phillips Curve
  - b) Natural Rate of Unemployment
  - c) Short run Phillips Curve
  - d) Non Accelerating Inflation rate of Unemployment
5. Which of the following leads to a rise in money supply?
  - a) A rise in Currency to Deposit ratio
  - b) A rise in Reserve to Deposit ratio
  - c) A rise in Monetary Base
  - d) All of these
6. The **long run effect** of an increase in the money supply is to
  - a) Decrease the price level
  - b) Increase the price level
  - c) Increase the interest rate
  - d) Decrease the interest rate
7. Which of the following is a short term business cycle?
  - a) Juglar Cycle
  - b) Kondratieff wave
  - c) Kitchin Cycle
  - d) Schumpeter Cycle

8. The unemployment, which is the outcome of job search is known as  
 a) Seasonal Unemployment                      b) Disguised Unemployment  
 c) Open Unemployment                         d) Frictional Unemployment
9. Which of the following measures is adopted by the central bank to control inflation?  
 a) Lower repo rate                                b) Reduce reverse repo rate  
 c) Open market purchase of bonds            d) Open market sales of bonds
10. Which of the following curves shows equilibrium in the goods market?  
 a) IS curve                                         b) LM curve  
 c) BP curve                                         d) All of these
11. Accelerator-multiplier model of business cycle was developed by  
 a) Schumpeter                                     b) Hayek  
 c) Hawtrey                                         d) Samuelson
12. An example of real variable is  
 a) The wage rate in rupees                     b) The nominal interest rate  
 c) The ratio of nominal wages to the price of bread                     d) None of these

(12x 1/2 = 6 Marks)

**Part B**  
**Very Short Answer Questions**  
**Answer any 10 questions. Each question carries 2 marks**

13. Stagflation
14. What is near money?
15. Crowding out effect
16. Fiat money
17. BP curve
18. Sacrifice ratio
19. Distinguish between repo rate and reverse repo rate
20. What is contra cyclical fiscal policy?
21. High powered money
22. Phillips curve
23. What are the phases of business cycle?
24. Distinguish between core inflation and headline inflation. (10x2 = 20 Marks)

**Part C**  
**Short Essay**

**Answer any 6 questions. Each question carries 5 marks**

25. What is inflation? What are the types of inflation?
26. Explain Hawtrey's theory of trade cycle.
27. What is inflationary gap?
28. Restatement of Quantity Theory of Money
29. What are the factors causing the shift of IS and LM curves?
30. Expectations augmented Phillips Curve
31. Liquidity Preference theory
32. Examine the effectiveness of fiscal policy using IS and LM framework. (6x5 = 30 Marks)

**Part D**  
**Essay**

**Answer any 2 questions. Each question carries 12 marks**

33. Define money. Discuss the functions of money.
34. Discuss general equilibrium of an open economy using IS-LM-BP curve analysis.
35. Discuss the developments in Phillips curve literature.
36. Discuss the use of monetary policy measures to achieve economic stability. (2x12=24 Marks)

FAROOK COLLEGE (AUTONOMOUS), KOZHIKODE  
 Sixth Semester BA Economics Degree Examination, March /April 2019  
 ECO6B12 – Mathematical Economics  
 (2016 Admission onwards)

Time: 3 hours

Max. Marks: 80

Answers may be written either in English or in Malayalam

## PART A

Answer all questions

Each question carries  $\frac{1}{2}$  mark.

Linear programming deals with

- a) constraints      b) Inequalities      c) objective functions      d) All the above.

Marginal rate of substitution is the slope of----

- a) Isoquant      b) Indifference      c) Isocost      d) None of the above

If elasticity of demand is 3 and price is 3, MR=-----

- a) 2      b) 1      c) 3      d) 0

The given function  $f(x)=2x+4$  is a-----function.

- a) quadratic      b) polynomial      c) linear      d) rational

Utility is maximized when the second order conditions of utility function is

- a) Negative      b) positive      c) Zero      d) None of these

The value of Lagrange multiplier  $\lambda$  gives the approximate change in the objective function caused by a small change in the-----

- a) constant of the constraint      b) objective function

- c) variables in the constraint      d) any of these

-----production function is also called as Leontief function.

- a) Variable coefficients      b) fixed coefficients

- c) Homogenous      d) linear

Which of the following is not an assumption of Linear programming

- a) continuity      b) commutativity

- c) Additivity      d) divisibility



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Name: .....

FAROOK COLLEGE (AUTONOMOUS), KOZHIKODE  
Sixth Semester BA Economics Degree Examination, March /April 2019  
ECO6B13 – Public Finance  
(2016 Admission onwards)

3 hours

Max. Marks: 80

**PART A**

Answer All Questions. Each question carries ½ marks

*Multiple choice questions*

Chairman of the 15<sup>th</sup> Finance Commission

- a) A.M Khuroo
- b) C. Rangarajan
- c) N.K. Singh
- d) Vijay Kelkar

The excess of total expenditure over revenue receipts in annual plan is known as

- a) Revenue deficit
- b) Primary deficit
- c) Budget deficit
- d) Fiscal deficit

Incidence of tax means

- a) Direct monetary burden
- b) Actual tax burden
- c) Indirect monetary burden
- d) None of these

The law of increasing state activity was propounded by

- a) Colin Clark
- b) Adolph Wagner
- c) Musgrave
- d) F.S Nitti

*Fill in the blanks*

The principle of maximum social advantage was first suggested by .....

The largest component of revenue expenditure of Government of India is .....

Corporate Income tax is the tax levied on .....

In India, the ultimate power of passing the budget lies with .....

*Answer in a word or sentence*

Fiscal deficit.

Federal finance.

Merit good.

GST

(12x ½ = 6 Marks)

**PART B**  
Very short answer questions - Answer any 10. Each question carries 2 marks

13. Define Tax shifting.
14. Explain Contra cyclical fiscal policy.
15. State the main canons of public expenditure.
16. Differentiate Impact and Incidence of tax.
17. Trace out the recent trends of public debt in India.
18. How can you distinguish Public and Private Finance?
19. What is Laffer curve?
20. What is meant by fiscal leverage?
21. Taxable capacity.
22. Unproductive public expenditure.
23. MODVAT.
24. Distinguish between social good and private good.

(10x2= 20 Marks)

**PART C**  
Short Essay Type Questions - Answer Any 6 Questions. Each question carries 5 marks.

25. State and explain the principle of maximum social advantage.
26. What are the principal sources of finance available to local bodies?
27. What is deficit financing as used in India?
28. Examine Adam Smith's canons of taxation.
29. Explain the recent trends in the growth of public expenditure in India.
30. Can you trace out the role of public finance in a developing country like India?
31. Explain the concept of equity in taxation.
32. Critically examine the role of Finance Commissions in Centre- State financial relations.

(6x5= 30 Marks)

**PART D**  
Essay Type Questions - Answer Any 2 Questions. Each question carries 12 marks

33. What is meant by Public Debt.? Give reasons for the growing public debt in modern times.
34. Discuss the main sources of public revenue in modern financial system.
35. What are the major problems of Indian fiscal federalism? How are they solved?
36. Discuss the effects of public expenditure on production, distribution and economic stability.

(2x12= 24 Marks)

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FAROOK COLLEGE (AUTONOMOUS), KOZHIKODE  
Sixth Semester BA Economics Degree Examination, March /April 2019  
ECO6B14 - Development Economics  
(2016 Admission onwards)

Time: 3 hours

Max. Marks: 80

**Part A**  
Multiple choices: answer all questions  
Each question carries ½ marks

The Multidimensional Poverty Index has been developed by

- A. UNDP      B. UNO      C. Oxford & HDI      D. Morris D Morris

The index which combines social indicators of life expectancy and literacy with a measure of basic income adjusted to reflect purchasing power sufficient to raise the people above the poverty line is called:

- A. Basic Needs Approach      B. Purchasing power index  
C. Human Development Index      D. welfare index

How many agreements are there in agenda 21?

- A. Four      B. five      C. Six      D. seven

Which one of the following characteristics is widely regarded as an important aspect of sustainable development?

- A. Intergenerational Equity      B. Increase in consumption  
C. Both a and b      D. None of the above

Social Protection Index developed by

- A. IMF      B. IBRD      C. ADB      D. UNDP

20:80-20 index is a measure of

- A. Poverty      B. inequality      C. National Income      D. Unemployment

The concept of 'Disguised unemployment' introduced by

- A. Classical      B. Keynes      C. Ragnar Nurks      D. Lewis

The concept of Gross Happiness Index originated from:

- A. Newzeland      B. Finland      C. Bhutan      D. India

"An Argumentative Indian" book written by

- A. A K Sen      B. K N Raj      C. Ragu Ram Rajan      D. Jagadheesh Bagawathi

"Brundtland Report" is also known as:

- A. Our common future      B. Limits to growth      C. Global Equilibrium      D. Agenda 21

The economists behind limits to growth report:

- A. Dennis & Donella Meadows      B. Poul Romer      C. Angus Dettan      D. None of the above

The New HDI is measured in terms of

- A. Geometric Mean      B. Arithmetic Mean      C. Harmonic Mean      D. Mean Deviation

(12x ½ =6 Marks)

**Part B**  
Very short answer- Define any ten questions

13. Growth and development
14. Peoples plan
15. Club of Rome
16. Concept of missing women
17. Physical Qualities of Life Index
18. Indivisibility
19. Big push
20. Lorenz curve
21. Low level of equilibrium trap
22. Unbalanced growth
23. Critical minimum effort thesis
24. Absolute poverty and relative poverty

(10x2=20 Marks)

**Part C**  
Short essay -Answer any five questions

25. Explain the unbalanced growth strategy of Hirschman?
26. Explain the core values of development?
27. Distinguish between balanced growth strategy and unbalanced growth strategy?
28. Explain the concept of vicious circle of poverty?
29. What are the components of Multi Dimensional poverty index?
30. Explain the relevance of planning in the context of globalisation?
31. Distinguish between Gender related Development Index and Gender Empowerment Index?
32. Discuss the trade off between environment and economic development?

(6x5=30 Marks)

**Part D**  
Essay- Answer any two questions

33. Explain Rostow's stage theory?
34. Critically examine the 'Low level of equilibrium trap theory of Nelson?
35. Explain the scope and importance of the study of Economics of Development?
36. Explain the major achievements and failures of planning in India? What is the relevance of NITI ayog in the neo liberalised Indian economy?

(2x12=24 Marks)

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Reg. No:.....

Name: .....

FAROOK COLLEGE (AUTONOMOUS), KOZHIKODE  
Sixth Semester BA Economics Degree Examination, March /April 2019  
ECO6E03 – Economics of Business and Finance  
(2016 Admission onwards)

Time: 3 hours

Max. Marks: 80

**PART A**  
Answer All Questions  
Each question carries ½ marks

Business Economics generally refers to the integration of economic theory with.

- |                       |                         |
|-----------------------|-------------------------|
| (a) Business Ethics   | (b) Business Management |
| (c) Business Practice | (d) All of the above    |

In break-even point,.....profits are zero.

- |              |                       |
|--------------|-----------------------|
| (a) Economic | (b) Normal            |
| (c) Abnormal | (d) None of the above |

The estimate of costs associated with investments are called.....

- |                  |                      |
|------------------|----------------------|
| (a) Cash inflows | (b) Opportunity cost |
| (c) NPV          | (d) Cash outflows    |

A project is said to be economically justified when its NPV is.....

- |              |              |
|--------------|--------------|
| (a) Zero     | (b) Positive |
| (c) Negative | (d) Infinity |

The profitability index is also known as.....ratio.

- |                        |                    |
|------------------------|--------------------|
| (a) IRR                | (b) NPV            |
| (c) Benefit-Cost ratio | (d) Payback period |

..... is a report of what the company has as on the end of the fiscal period.

- |                         |                      |
|-------------------------|----------------------|
| (a) Balance sheet       | (b) Income statement |
| (c) Cash flow statement | (d) Liabilities      |

.....implies that money received in the future is usually worth less than today.

- |                            |                           |
|----------------------------|---------------------------|
| (a) Present value of money | (b) Future value of money |
| (c) Time value of money    | (d) None of the above     |

8. The first degree price discrimination is also known as .....price discrimination  
 (a) Take-it or leave-it (b) Dumping  
 (c) Lot-wise (d) All the above
9. Finding the current values of demand for values of prices and other determining variables is called  
 (a) Demand forecasting (b) Demand estimation  
 (c) Demand function (d) Limit Pricing
10. The price is kept artificially low in  
 (a) Full cost pricing (b) Limit Pricing  
 (c) Value pricing (d) Psychological pricing
11. Long run theory of production function is known as  
 (a) Law of variable proportion (b) Law of returns to scale  
 (c) Law of diminishing returns (d) None of the above
12. Who popularized the degree of price discrimination .....  
 (a) Marshall (b) Pigou  
 (c) Keynes (d) Jevons

(12 x ½ = 6 marks)

**PART B (Very Short Answer Questions)**  
**Answer any 10 Questions**  
**Each question carries 2 marks**

13. What is balance sheet?
14. Define marginal efficiency of investment.
15. What are the key aspects of investment?
16. Define operating cycle.
17. Define capital budgeting.
18. Define Benefit Cost Ratio.
19. Define Dumping.
20. What is IRR?
21. What is time value of money?
22. What is cartel pricing?
23. Define Economies of Scope.
24. Define Price skimming.

(10x2=20 marks)

**PART C (SHORT ESSAY QUESTIONS)**

**Answer any 6 Questions**  
**Each question carries 5 marks**

- Explain the law of returns to scale.  
 Explain different concepts of costs.  
 Briefly explain the money market instruments.  
 Explain the traditional methods of capital budgeting.  
 Explain any five pricing practices.  
 Explain the importance of investment.  
 What are the criteria for investment evaluation?  
 Briefly explain the production function and its importance.

(6x5=30 marks)

**PART D (ESSAY QUESTIONS)**

**Answer any 2 Questions**  
**Each question carries 12 marks**

- What is demand forecasting? Discuss the methods of demand forecasting.  
 Briefly explain the cost estimation.  
 Discuss the break-even analysis.  
 Explain scope and importance of managerial economics? Is it different from business economics?

(2x12=24 marks)