

FAROOK COLLEGE (AUTONOMOUS), KOZHIKODE
Sixth Semester BA Degree Examination, March/April 2020
BECO6E03- Economics of Business and Finance
(2017 Admission onwards)

Time: 3 hours

Max. Marks: 80

PART A
Answer All Questions
Each question carries ½ marks

1.represent long-term debt instruments.
 (a) Bonds (b) Equity
 (b) Bonus (d) All the above
2.implies planning for capital assets.
 (a) Capital budgeting (b) Capital rationing
 (b) Demand forecasting (d) None of the above
3. The estimate of costs associated with investments are called.....
 (a) Cash inflows (b) Opportunity cost
 (b) NPV (d) Cash outflows
4. Business Economics generally refers to the integration of economic theory with.
 (a) Business Ethics (b) Business Management
 (b) Business Practice (d) All of the above
5. In the long run, all inputs are
 (a) Variable (b) Constant
 (b) Fixed (d) None of the above
6. Prestige pricing is the case ofeffect in consumption.
 (a) Veblen (b) Bandwagon
 (b) Snob (d) Ratchet
7.implies that money received in the future is usually worth less than today.
 (a) Present value of money (b) Future value of money
 (b) Time value of money (d) None of the above
8. are the obligations of the business enterprise that must be repaid at a future point in time.
 (a) Assets (b) Liabilities
 (b) Equity (d) All the above

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Reg. No.:

Name:

FAROOK COLLEGE (AUTONOMOUS), KOZHIKODE
Sixth Semester BA Degree Examination, March/April 2020
BEC06B14 - Public Finance
(2017 Admission onwards)

Time: 3 hours

Max. Marks: 80

SECTION A

Answer all questions. Each question carries ½ marks

1. Non-rivalry is a feature of -----
a. Public good b. Merit Good c. Private Good d. Mixed good.
2. The largest component of revenue expenditure of government of India is-----
a. Education b. Interest payments c. Defence expenditure d. Pension
3. Corporate income tax is the tax levied on-----
a. Municipalities b. Companies c. Local governments d. Individuals
4. CENVAT is related to
a. Sales tax b. Excise duty c. Customs duty d. Service tax
5. Major share of the total debt of India comes from -----
a. IMF b. Rupee debt c. Commercial borrowing d. External assistance
6. Finance commission is a
a. Quasi-judicial body b. Judicial body c. Government body d. Parliament body
7. The displacement effect hypothesis was introduced by-----
a. Musgrave b. Wagner c. Dalton d. Wiseman
8. The highest percentage of tax revenue of the central government is coming from---
a. Income tax b. Corporation tax c. Customs duties d. Union excise duties
9. In Kerala, building tax is levied by----
a. Union government b. State government c. Local government d. All the above
10. Modern theory of the Burden of public debt associated with the name of ----
a. Adam smith b. Ricardo c. J.M. Buchanan d. David Hume
11. The law of increasing state activity was propounded by ----
a. Wagner b. Clark c. Musgrave d. Dalton
12. The benefit principle of taxation states that tax should be paid in proportion to ---
a. Income b. Expenditure c. Benefit d. Revenue

(12 x ½ = 6 Marks)

SECTION B

Answer any ten questions. Each question carries 2 marks

- 13 Define merit goods.
- 14 Distinguish social good and private good
- 15 What is externalities?
- 16 What do you mean by displacement effect?
- 17 What is GST?
- 18 Explain the concept of taxable capacity
- 19 What is sinking fund?
- 20 Define redeemable debt
- 21 Describe fiscal deficit
- 22 What is fiscal drag?
- 23 Write a note on functional finance
- 24 What is federal finance?

(10 x 2 = 20 Marks)

SECTION C

Answer any six questions. Each question carries 5 marks

- 25 What are the principles of local finance?
- 26 What are the recommendations of 13th finance commission?
- 27 What is meant by market failure?
- 28 Mention the important sources of public revenue
- 29 What are the reasons for growing public expenditure in India?
- 30 Explain the canons of taxation
- 31 Differentiate public finance and private finance
- 32 Critically examine the theory of maximum social advantage

(6 x 5 = 30 Marks)

SECTION D

Answer any two questions. Each question carries 12 marks

- 33 Explain in detail the role of public finance in a developing country like India
- 34 Discuss the effects of Public expenditure on production distribution and economic stability
- 35 Discuss the theories of Incidence and shifting of taxation
- 36 What are the major problems of Indian fiscal federalism? How are they solved?

(2 x 12 = 24 Marks)

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Reg. No:.....

Name:

FAROOK COLLEGE (AUTONOMOUS), KOZHIKODE

Sixth Semester BA Degree Examination, March/April 2020

BECO6B13 - Indian Economic Development, National and Regional -II

(2017 Admission onwards)

Time: 3 hours

Max. Marks: 80

PART A

Answer all questions. Each question carries ½ Marks

1. Which of the following industry is known as sun rising industry?
a) Dairy industry b) Information Technology
c) Health and clinic d) None of these
2. To boost economic growth the government is most likely to
a) Increase interest rates b) Increase taxation rates
c) Provide incentives to invest d) Provide incentives to save
3. Who is known as 'Father of White Revolution' in India?
a) M.S. Swaminathan b) V. Kurien
c) K.N. Bahal d) B.P. Pal
4. Which state initiated the eradication of Zamindari system?
a) Bihar b) Bengal c) Maharashtra d) Uttar Pradesh
5. The portfolio investment by foreign institutional investors is called
a) FDI b) FII c) Balance of payment d) SDR
6. Food security means:
a) Availability of food b) Accessibility of food
c) Affordability of food d) All the above
7. Disinvestment means selling of a public investment to a _____
a) Private enterprises b) Public enterprises
c) Capital market d) Departmental enterprises
8. When was the Small Industries Development Bank of India set up?
a) 1988 b) 1990 c) 1992 d) 1998
9. Inwards foreign direct investment is useful because
a) Imposing more taxes b) Selling shares held by government
c) Borrowings d) All

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Reg. No:

Name:

FAROOK COLLEGE (AUTONOMOUS), KOZHIKODE
Sixth Semester BA Degree Examination, March/April 2020
BECO6B12 - Developmental Economics
(2017 Admission onwards)

Time: 3 hours

Max. Marks: 80

SECTION I

Answer all questions. Each question carries 1/2mark.

1. Which of the following was the 1st state to bring out state HDR?
a. Rajasthan b. Karnataka c. Nagaland d. Kerala
2. The investment by government to create socio-economic infrastructure is
a. Induced investment b. Autonomous investment
c. IncrementalCOR d. None of the above
3. India according to the World Bank classification falls in the category of
a. Low-income economies b. Lower-middle income economies
c. Upper-middle income economies d. High-income economies
4. Consider the following statements and identify the right ones.
i. According to the Malthusian theory, supply of food grains increase in geometric progression
ii. The population grows in arithmetic progression.
a. I only b. ii only c. both d. none
5. Which of the following are the characteristics of the 'Traditional society' in Rostow's Stage theory?
A. Limited production function B. No government intervention
C. Pre-Newtonian Stage D. Dominance of agricultural activity
Select the correct answer using the code given below
a. A,B and D b. A,B and C c. A, C and D d. B, C and D
6. Among the following what causes market failure?
a. Externality b. Asymmetric information
c. Perfect competition d. Lower price
7. The three indices combining Physical Quality of Life Index (PQLI) are
a. infant mortality, life expectancy and adult literacy rate.
b. crime rate, clean environment and quality of housing.
c. air pollution rate, water pollution rate and sanitation.
d. health, education and environment.

8. As economic development proceeds, income inequality tends to follow a _____ curve
- Convex shaped.
 - inverted U-shaped.
 - L-shaped.
 - S-Shaped.
9. The ultimate effect of the "invisible hand" of Adam Smith is that, in a competitive economy, everyone
- benefits if each acts in his/her own interest.
 - will increase their profits in a free market.
 - should act to maximize economic growth.
 - should act to promote the public interest.
10. A stationary population is when population growth is
- increasing at an increasing rate.
 - decreasing.
 - zero.
 - 100%.
11. The Essay on the Principle of Population was written by
- Ricardo.
 - Thomas Robert Malthus.
 - Julian Simon.
 - RP Nelson.
12. The total fertility rate (TFR) is
- the total number of children born in a country in a given year divided by labor force.
 - the number of children born to the average woman during her reproductive years.
 - the number of births in a country divided by total population in a given year.
 - the number of women age 18-50 in a country divided by total population.

(12 x ½ = 6 Marks)

SECTION II

Answer any ten questions in not more than one paragraph. Each question carries 2 marks

- Capital-output ratio
- Infant mortality rate
- Surplus value
- Stagnation
- Capabilities
- Shocks
- Development
- Crude death rate
- Demographic dividend
- Forward linkage
- Gender Development Index
- Green House Effect

(10 x 2 = 20 Marks)

SECTION III

Answer any six questions not exceeding 120 words each. Each question carries 5 marks.

- What is neutral technical progress?
- Explain the Smithian concept of natural law
- Explain the concept of Limits to Growth.
- What is innovation?
- Explain the concept of Missing Women.
- What are stimulants?
- What is intermediate technology?
- What is division of labour?

(6x5=30 Marks)

SECTION IV

Answer any two questions. Each question carries 12 marks.

- Ricardo predicted that 'the economy would end in a stationary state because the economy would run out of arable land'. Elucidate the statement.
- 'Select certain leading sectors and invest heavily on them for solving under development of countries'. Explain
- Explain the Capability approach of AK Sen. How it became an alternative to economic development perspective?
- Explain the basic characteristics of an under developed country.

(2x12=24 Marks)

10. Gold standard is an example for
- a) Flexible exchange rate system b) Fixed exchange rate system
c) Managed float d) All the above
11. Which one of the following is not a non-tariff barrier?
- a) Voluntary Export Restraints b) Specific Duty
c) Environment protection laws d) Quality standards
12. The Law of One Price is known as
- a) Mint parity theory b) Purchasing Power Parity theory
c) Balance of Payments theory d) Exchange rate theory

(12 x ½ = 6 marks)

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

13. Ad Valorem tariff
14. Expenditure changing policies
15. Forex market
16. Balance of Payments
17. Exchange rate
18. Distinguish between revaluation and devaluation
19. Infant industry argument
20. Customs union
21. What is dumping?
22. Define comparative advantage.
23. What is the difference between internal and international trade?
24. Leontief Paradox

(10 x 2 = 20 marks)

Part C
Short Essay
Answer any 6 questions
Each question carries 5 marks

25. Functions of IMF
26. Distinguish between FDI and FPI
27. Mercantilists views on trade
28. Explain different types of terms of trade
29. Discuss various protectionist measures on trade
30. Write a note on ASEAN
31. What is a managed float?
32. How does gold standard operate? (6 x 5 = 30 marks)

Part D
Essay
Answer any 2 questions
Each question carries 12 marks

33. Free trade versus protection – Discuss the case for and against these trade policy measures.
34. Explain purchasing power parity theory
35. Discuss the policies to correct disequilibrium in the balance of payments.
36. Explain H O Theorem (2 x 12 = 24 marks)