

FOURTH SEMESTER B.A. DEGREE EXAMINATION, APRIL 2019

(CUCBCSS-UG)

Economics

ECO 3C 01 and ECO 4C 01—ESSENTIALS OF ECONOMICS : MONEY BANKING,
FINANCE AND TRADE AND INDIAN ECONOMY

Time : Three Hours

Maximum : 80 Marks

Answers may be written either in English or in Malayalam.

Section A

Answer all twelve questions.

Each question carries ½ mark.

1. Who is the present Governor of RBI ?
(a) Raguram Rajan. (b) Urjith Patel.
(c) Montek Singh Ahluwalia . (d) None of these.
2. MGNREGS stands for :
(a) Mahatma Gandhi National Rural Employment Generation Scheme.
(b) Mahatma Gandhi Nutrition and Rural Employment Generation Scheme.
(c) Mahatma Gandhi National Rural Employment Guarantee Scheme.
(d) None of the above.
3. Ratio between supply of money and highpowered money is :
(a) Money supply. (b) Money multiplier.
(c) Demand for money. (d) Neutral money.
4. Bank decides to take coercive measures against a Commercial bank is called :
(a) Moral suasion. (b) Direct action.
(c) Credit rationing. (d) Margin.
5. The difference between direct and indirect tax lies in :
(a) Impact. (b) Shifting.
(c) Incidence. (d) Both shifting and incidence.

Turn over

6. During the periods of inflation the government should aim at :
(a) Deficit budgets. (b) Balanced budgets.
(c) Surplus budgets. (d) Zero budget.
7. The concept of functional finance assigns a key role to control cyclical fluctuations in the economy :
(a) Fiscal policy. (b) Monetary policy.
(c) Compensatory fiscal policy. (d) Debt redemption.
8. Law of increase of state activities was stated by :
(a) Adam Smith. (b) Adolf Wagner.
(c) Pigou. (d) J.B. Say.
9. When taxes are mildly progressive, it is a :
(a) Progressive. (b) Proportional.
(c) Regressive. (d) Degressive.
10. Increase in the external value of the domestic currency in terms of other currencies is called :
(a) Depreciation. (b) Revaluation.
(c) Devaluation. (d) Appreciation.
11. The vent for surplus theory has been provided by :
(a) Ricardo. (b) Adam Smith.
(c) Leontief. (d) Hecksher Ohlin.
12. When a duty is levied as percentage of the total value of the imported commodity is called ?
(a) Specific duty. (b) Advalorem duty.
(c) Imported duty. (d) Exported duty.

(12 × ½ = 6 marks)

Section B (Very Short Answer Type Questions)

PART I

Answer any five questions.

13. Distinguish between demand pull and cost push inflation.
14. Explain the determinants of money multiplier.
15. Explain money as a liquid asset.
16. What are the causes of fluctuations in exchange rate ?
17. What are the functions of credit instruments in the banking system ?

18. What are the merits and demerits of indirect taxes ?

PART II

*Answer any **five** questions.*

19. What are types of unemployment in India ?
20. How to reduce the problem of inequality in Indian economy ?
21. What are the socio economic objectives of five year plans in India ?
22. What are the features of the agricultural sector in Indian economy ?
23. Explain the structural changes in Kerala economy.
24. What are the objectives of land reforms in Kerala ?

(10 × 2 = 20 marks)

Section C (Short Essays)

PART I

*Answer any **three** questions.*

25. Critically examine Fischer's quantity theory of money.
26. Explain the role of commercial banks in a developing economy.
27. What are the methods of redemption of public debt ?
28. Explain the effects of devaluation on exports.

PART II

*Answer any **three** questions.*

29. What are the achievements of land reforms in India ?
30. Explain new industrial policy of 1991.
31. What are the measurements of poverty ?
32. Explain the achievements of educational sector in Kerala.

(6 × 5 = 30 marks)

Section D (Essay Questions)

PART I

*Answer any **one** question.*

33. Discuss the different methods of credit control used by the Reserve Bank of India.
34. What are the various sources of public revenue ?

PART II

*Answer any **one** question.*

35. Explain the impact of economic reforms on Indian agricultural sector.
36. Describe the role of migration in the development of Kerala economy.

(2 × 12 = 24 marks)