FIFTH SEMESTER U.G. (CUCBCSS—UG) DEGREE [SPECIAL] EXAMINATION, NOVEMBER 2020

Economics

ECO 5D 02—INTERNATIONAL TRADE AND FINANCE

Time : Two Hours

Maximum : 40 Marks

*Answer may be written **either** in English **or** in Malayalam.*

Part A

All questions to be attended.
Each question carries ½ mark.

1. Reduction in the external value of a currency is termed as :

   a) Devaluation.

   b) Depreciation.

   c) BOP Deficit.

   d) BOP Surplus.

2. Rate at which one currency is exchanged for another is called as :

   a) Foreign exchange rate.

   b) Domestic exchange rate.

   c) Current exchange rate.

   d) None of these.

3. Rate at which standard money of the country was convertible into gold was called as :

   a) Gold Standard.

   b) Mint Price of Gold.

   c) Gold Export Point.

   d) All of these.

4. Exchange rate is determined by a monetary authority is called as :

   a) Flexible.

   b) Fixed.

   c) Foreign exchange.

   d) None of these.

5. Flexible exchange rates are determined by :

   a) BOP.

   b) Domestic Policy.

   c) Foreign Policy.

   d) Market Forces.

6. Purchasing Power Parity was developed by :

   a) Smith and Ricardo.

   b) Gustav Cassel.

   c) Gustav Schmoller.

   d) None of these.

All questions can be attended and overall ceiling.
Answer any **one** *question.*
The question carries 10 marks.

22. Explain Free trade. Give an account of the argument for against the free trade.

23. Briefly examine classical theories of international trade.

(1 × 10 = 10 marks)

7. When the monetary authority adjusts the exchange rate gradually is called :

    a) Downward pay system.   b) Crawling Peg system.

    c) Upward Peg System.   d) None of these.

8. Foreign exchange is bought and sold for delivery at a future date is called :

    a) Spot market   b) Forward.

    c) Back ward.   d) None of these.

(8 × ½ = 4 marks)

Part B (Very Short Answer Questions)

All questions can be attended and overall ceiling.
*Answer any **five** questions.*
Each question carries 2 marks.

9. Differentiate Appreciation and Depreciation of Currency.

10. Describe Gold standard.

11. What is meant by Absolute cost advantage ?

12. Distinguish between fixed and floating exchange rate.

13. Write a note on capital and current account.

14. Difference between BOP and BOT.

15. Distinguish between adjustable Peg system and Crawling Peg System.

(5 × 2 = 10 marks)

Part C (Short Essay Questions)

All questions can be attended and overall ceiling.
*Answer any **four** questions.*
Each question carries 4 marks.

16. Explain the importance of international trade.

17. What are the causes of disequilibrium in BOP ?

18. Explain H.O Theory of International trade.

19. Explain Purchasing power parity theory and its limitations.

20. What are the causes of changes in exchange rate ?

21. Explain the merits and demerits of fixed exchange rate.

(4 × 4 = 16 marks)

FIFTH SEMESTER U.G. DEGREE (SPECIAL) EXAMINATION NOVEMBER 2020

(CUCBCSS—UG)

Economics

ECO 5D 01—ECONOMICS IN EVERYDAY LIFE

Time : Two Hours   Maximum : 40 Marks

Answers may be written either in English or in Malayalam

Part A

All questions to be attended.
*Answer **all** questions.*
Each question carries ½ mark.

1. ——— is not an economic activity.

    (a) Production.   (c) Consumption.

    (b) Exchange.   (d) Travelling.

2. Which of the following is not an issue in macroeconomics ?

    (a) Issues relating to the balance of payment.

    (b) The determination of prices in the agricultural sector.

    (c) The relationship between inflation and unemployment.

    (d) The effect of budget deficit on the level of investment.

3. A measurement showing how quantity demanded varies with income is the :

    (a) Price elasticity of demand.   (c) Cross elasticity of demand

    (b) Budget elasticity of demand.   (d) Income elasticity of demand

4. Which of the following refers to the use of taxes and public expenditures to control inflation ?

    (a) Monetary policy.   (c) Fiscal policy.

    (b) Balance budget.   (d) Government budget.

5. A current account deficits implies that :

    (a) The capital account is negative.

    (b) The capital account is surplus.

    (c) Exports of goods and services is less than imports of goods and services.

    (d) None of the above.

Turn over

6. The law of demand states that an increase in the price of a good :

    (a) Increases the supply of that good.

    (b) Increases the quantity supplied.

    (c) Decreases the demand for that good.

    (d) None of the above.

7. Which of the following would cause a demand curve for a good to be price inelastic ?

    (a) The good is luxury.

    (b) There are a great number of substitutes for the good.

    (c) The good is a necessity.

    (d) None of the above.

8. The set of accounts recording all of the flows of value between a nation's residents and the residents of the rest of the world during a specific period of time is called :

    (a) Official settlement balance.

    (b) International investment position.

    (c) Balance of payments.

    (d) Overall balance.

(8 × ½ = 4 marks)

Part B (Very short Answer Questions)

All questions can be attended and overall ceiling.
*Answer any **five** questions.*
Each question carries 2 marks

9. State the scarcity definition of economics.

10. Why is economic problem regarded as the problem of choice ?

11. Explain income elasticity of demand.

12. Define Monopoly.

13. Define open market operation.

14. Define inflation.

15. What is Equilibrium Price ?

(5 × 2 = 10 marks)

Part C (Short Essay Questions)

All questions can be attended and overall ceiling.
Answer any **four** *questions.*
Each questions carries 4 marks.

16. **What is perfect competition ? State its main features.**

17. **Explain the concept of supply with the help of a figure.**

18. **State the difference between direct investment and portfolio investment**

19. **What is meant by capital expenditure and revenue expenditure.**

20. **Explain elasticity of demand.**

21. **Write a note on balance of trade.**

(4 × 4 = 16 marks)

Part D (Essay Questions)

All questions can be attended and overall ceiling.
Answer any **one** *question.*
The question carries 10 marks.

22. **What is meant by demand? Explain the factors which influence the demand for commodity.**

23. **What is inflation ? Explain the economic effect of inflation.**

(1 × 10 = 10 marks)

FIFTH SEMESTER U.G. DEGREE [SPECIAL] EXAMINATION NOVEMBER 2020

(CUCBCSS—UG)

Economics

ECO 5B 10—INTERNATIONAL ECONOMICS

(Multiple Choice Questions for SDE Candidates)

Time : 15 Minutes	Total No. of Questions : 20	Maximum : 20 Marks

INSTRUCTIONS TO THE CANDIDATE

1. This Question Paper carries Multiple Choice Questions from 1 to 20.

2. The candidate should check that the question paper supplied to him/her contains all the 20 questions in serial order.

3. Each question is provided with choices (A), (B), (C) and (D) having one correct answer. Choose the correct answer and enter it in the main answer-book.

4. The MCQ question paper will be supplied after the completion of the descriptive examination.

ECO 5B 10—INTERNATIONAL ECONOMICS

(Multiple Choice Questions for SDE Candidates)

1. The terms of trade of developing countries have a secular tendency to :

    (A) Improve.

    (B) Deteriorate.

    (C) First improve and then deteriorate.

    (D) Remain the same.

2. The H O theory postulates that as a result of trade the differences in factor prices / between nations :

    (A) Diminishes.   (B) Increases.

    (C) Remains unchanged.   (D) Any of the above.

3. Hedeging refers to :

    (A) Acceptance of Foreign exchange risk.

    (B) Covering Foreign exchange risk.

    (C) Foreign exchange Speculation.

    (D) Foreign exchange arbiterage.

4. If $\left(\dfrac{K}{L}\right)_A > \left(\dfrac{K}{L}\right)_B$ when K = capital and L = labour, and A and B are countries then :

    (A) In Country A relative price of labour is low.

    (B) In Country A relative price of Capital is low.

    (C) In Country B relative price of labour is low.

    (D) None of the above.

5. Opportunity cost theory :

    (A) Is anti thesis of Recardian theory.

    (B) Is a Synthesis of Recardian and Smiths theory.

    (C) Is a reconstruction of the Recardian theory in terms of alternative cost.

    (D) None of the above.

6. The absolute slope of a concave PPC is given by :
   - (A) Internal equilibrium price ratio.
   - (B) The marginal rate of transformation. .
   - (C) Increasing returns to scale.
   - (D) All the above.

7. The trade theory that states that nations should accumulate financial wealth, usually in the form of gold, by encouraging exports and discouraging imports is called :
   - (A) Keynesianism.
   - (B) Individualism.
   - (C) Socialism.
   - (D) Mercantilism.

8. "An Enquiry in to the nature and causes of Wealth of Nations" is written by :
   - (A) J. S. Mill.
   - (B) David Recardo.
   - (C) Karl Marx.
   - (D) None of the above.

9. Theory of Absolute advantage is :
   - (A) A rejoinder of Merchantalism.
   - (B) A corollary of merchantalism.
   - (C) Critique of merchantalism
   - (D) None of the above.

10. Absolute advantage theory assumes :
   - (A) No technological change.
   - (B) No transportation cost
   - (C) Labour theory of value
   - (D) All the above.

11. Major assumptions of the theory of Comparitive advantage are :
   - (A) There are two countries and two commodities and the countries have absolute advantage in both commodities .
   - (B) Labour is the only factor of production and labour is homogeneous, that means each unit of labour produces same level of output. Value of a commodity is measured in terms of its labour content.
   - (C) Labour is perfectly mobile within the country but perfectly immobile between the countries. It means that workers are free to move between industries within the nation but migration to other countries is impossible.
   - (D) All the above.

12. The curve that shows how much of its import commodity a nation requires in exchange for various quantities of its export commodity is :
   - (A) Demand Curve.
   - (B) Laffer curve.
   - (C) Phillips Curev.
   - (D) Offer Curev.

13. The amount of commodity a nation is willing to give up to get an additional unit of another commodity and still remain on the same indifference curve is known as :
   - (A) Marginal rate of substitution.
   - (B) Marginal Rate of transformation.
   - (C) Marginal product.
   - (D) None of the above.

Turn over

14. Which among the following is NOT an assumption of H-O Theorem :

   (A) There are two countries involved. Each country has two factors (labour and capital) and produce two commodities either labour intensively or capital intensively.

   (B) There is no perfect competition in both commodity and factor markets. All production functions are hertogenious. Production function is subject to increasing or decreasing returns to scale.

   (C) There are no transportation costs.

   (D) Factors are freely mobile within a country but immobile between countries.

15. The HO theory deals with which type of trade ?

   (A) Intra Industry trade.

   (B) Trade based on Economies of scale.

   (C) Trade based on imitation gaps and product cycles.

   (D) Inter industry tarde.

16. Which among the following are the major limitations of the H O theorem ?

   (A) It explains only a part of the world trade as it ignores trade in differentiated products.

   (B) Factor endowment is not the sole factor influencing commodity price and international trade.

   (C) The theory is empirically proved wrong in the case of U S Economy.

   (D) All the above.

17. ———— states that at constant commodity prices, an increase in the quantity of one factor increases the production of the commodity intensive in this factor and reduces the output of the other commodity which is intensive in the constant factor.

   (A) Theory of comparative advantage. (B) Stolper-Samuelson Theorem.

   (C) Rybczynski Theorem, and   (D) Leontiff paradox.

18. ———— is an open position in the market with an expectation of gains through the fluctuations.

   (A) Hedging.   (B) Speculation.

   (C) Arbitrage.   (D) None of the above.

19. A ———— is an upward adjustment in the official exchange rate, which increases the value of the currency.

   (A) Devaluation.   (B) Depreciation.

   (C) Revaluation.   (D) Appreciation.

20. ———— is a summary statement of all economic transactions of the residents of a nation with the residents of Rest of the World (ROW) during a particular period of time.

   (A) Balance of Payment.   (B) Capital account.

   (C) Official Reserve account.   (D) Net exports.

FIFTH SEMESTER U.G. DEGREE [SPECIAL] EXAMINATION
NOVEMBER 2020

(CUCBCSS—UG)

Economics

ECO 5B 10—INTERNATIONAL ECONOMICS

Time : Three Hours

Maximum : 80 Marks

Section A (Objective Type Questions)

Answer **all** *questions.*
Each question carries 1 mark.

1. The exchange rate of Indian Rupee is primarily determined by:

    a) The rate of inflation in India.

    b) The number of Rupees printed by the Indian government.

    c) The international demand and supply for rupees.

    d) The monetary value of gold held at RBI.

2. Wassily Leontief's results can be interpreted as :

    a) An evidence against the Ricardian model.

    b) An evidence against the Heckscher-Ohlin model.

    c) Support for the Ricardian model.

    d) Support for the Heckscher-Ohlin model.

3. Specific tariff means :

    a) Fixed amount of money per unit traded.

    b) A percentage of the price of the product.

    c) A percentage of the quantity of imports.

    d) All of the above.

4. When a country has a trade deficit, means that it :

    a) Purchases more stocks and bonds from the rest of the world than it sells.

    b) Purchases more goods from the rest of the world than it sells.

    c) Sells more good to the rest of the world than it purchases.

    d) Sells more stocks and bonds to the rest of the world than it purchases.

5. If a country decreases the external value of its currency, it will affect :

    a) Volume of imports.   b) Volume of exports.

    c) General price level.   d) All of these.

6. The wealth and debt position of a nation is observable from :

    a) Capital account.   b) Current account.

    c) Unilateral receipts.   d) None of these.

7. A practice of selling a product at a price below its cost of production /or below the domestic price in the rest of the world is called :

    a) Price discrimination.   b) Dumping.

    c) New protectionism.   d) Full cost pricing.

8. Under the dirty float regime :

    a) Exchange rate is determined by market forces.

    b) Exchange rate is fixed.

    c) Exchange rate is controlled by the central bank.

    d) Exchange rate can be move up and down freely.

9. According to the Heckscher-Ohlin model, the source of comparative advantage is a country's :

    a) Technology.   b) Advertising.

    c) Factor endowments.   d) Labour productivity.

10. The NAFTA is a :

    a) Monetary union.   b) Free trade area.

    c) Common market.   d) Customs union.

11. The relationship between the exchange rate and the prices of tradable goods is explained by the :

    a) PPP theory.   b) BOP theory.

    c) Monetary theory.   d) Mint parity theory.

12. India is facing continuous deficit in its balance of payments, then in the foreign exchange market value of Rupee is expected to :

    a) Appreciate.   b) Depreciate.

    c) Turn to hot currency.   d) No change.

<div align="right">(12 × 1 = 12 marks)</div>

Section B (Very Short Answers)

Answer at least six questions.
Each question carries 3 marks.
All questions can be attended.
Overall Ceiling 18.

13. What is meant by currency convertibility ?

14. What are the important determinants of exchange rate ?

15. Distinguish between FII and FDI.

16. Distinguish between current account and capital account.

17. Define devaluation, depreciation and appreciation.

18. What is meant by unilateral capital flows of BOP ?

19. What is NAFTA ?

20. What is meant by crawling peg system ?

21. What is Factor intensity reversal ?

22. Name different forms of economic integration.

23. What are the important functions of foreign exchange market ?

24. Prepare a note on ASEAN.

<div align="right">(6 × 3 = 18 marks)</div>

<div align="right">**Turn over**</div>

*Answer at least **four** questions.*
Each question carries 6 marks.
All questions can be attended.
Overall Ceiling 24.

25. What are the important types of managed floating systems ?

26. Critically examine the absolute cost doctrine of Adam Smith.

27. What are the important arguments in favour of and against protectionism ?

28. Critically examine the Purchasing Power Parity (PPP) theory ?

29. Examine the role of IMF in international liquidity.

30. Examine the Bop situation of India in the post liberlised regime.

31. Discuss the subject matter of international economics.

32. Why comparative cost doctrine is termed as one of the unchallenged theories of international trade ?

(4 × 6 = 24 marks)

Section D (Essay)

*Answer any **two** questions.*
Each question carries 13 marks.

33. What are the important economic and other policy instruments for restricting trade ?

34. Critically examine the Hecksher-Ohlin theory of international trade.

35. What are the important fiscal and monetary policy instrument to correct BoP disequilibrium.

36. Examine the relative merits and demerits of fixed and flexible exchange rate systems.

(2 × 13 = 26 marks)

FIFTH SEMESTER U.G. (CUCBCSS—UG) DEGREE [SPECIAL] EXAMINATION, NOVEMBER 2020

Economics

ECO 5B 09—ECONOMICS OF CAPITAL MARKET

(Multiple Choice Questions for SDE Candidates)

Time : 15 Minutes	Total No. of Questions : 20	Maximum : 20 Marks

INSTRUCTIONS TO THE CANDIDATE

1. This Question Paper carries Multiple Choice Questions from 1 to 20.

2. The candidate should check that the question paper supplied to him/her contains all the 20 questions in serial order.

3. Each question is provided with choices (A), (B) and (C) having one correct answer. Choose the correct answer and enter it in the main answer-book.

4. The MCQ question paper will be supplied after the completion of the descriptive examination.

ECO 5B 09—ECONOMICS OF CAPITAL MARKET

(Multiple Choice Questions for SDE Candidates)

1. Capital market is the market for ————.

   (A) Long term assets.   (B) Short term assets.

   (C) Medium term assets.

2. ———— is an example for short term asset.

   (A) Treasury bill.   (B) NIFTY.

   (C) SENSEX.

3. In primary markets, property of shares which made it easy to sell newly issued security is considered as :

   (A) Increased liquidity.   (B) Decreased liquidity.

   (C) Money flow.

4. Barter cannot function well :

   (A) Because goods are not always divisible.

   (B) Because transaction costs are minimal.

   (C) Because goods are always standardized.

5. Money is a :

   (A) Flow variable.

   (B) Includes checkable deposits with banks.

   (C) Includes gold and silver.

6. Paper currency is known as 'fiat money'.

   (A) Because only a fraction of total currency is in coins.

   (B) Because it is decreed legal tender.

   (C) Because it cannot be used as payment for debts.

7. Mutual funds are very popular in :

    (A) U.K.   (B) USA.

    (C) Japan.

8. Present Chairman of SEBI is ————.

    (A) U.K. Sinha.   (B) Raghuram Rajan.

    (C) K. Raghavan.

9. FTSE is the stock exchange index of ————.

    (A) New York.   (B) Tokyo.

    (C) London.

10. RBI Governor is ————.

    (A) Raghuram Rajan.   (B) Urgit Patel .

    (C) Subha Rao.

11. Headquarters of NSE is ————

    (A) Delhi.   (B) Kolkata.

    (C) Mumbai.

12. Market for extremely short period is ————.

    (A) Money market.   (B) Mutual fund market.

    (C) Call money market.

13. The return of the shareholder is ————.

    (A) Dividend.   (B) Rate of interest.

    (C) Discount rate.

14. Apex institution for agricultural credit is ————.

    (A) NABARD.   (B) RBI.

    (C) SEBI.

15. The best suited fund to business is ————.

    (A) Income fund.   (B) Growth fund.

    (C) Taxation fund.

16. SEBI is constituted on the recommendations of ————.

    (A) Rangarajan Committee.   (B) Narasimham Committee.

    (C) Patel Committee.

17. Chief economic advisor to the Prime Minister of India is ————.

    (A) Arabind Subramaniam.   (B) Narasimham.

    (C) Rangarajan.

18. An example for transfer payments is ————.

    (A) Pension.   (B) Wage.

    (C) Interest rate.

19. Offer for sale method is also known as ————.

    (A) Sale out deals.   (B) Bought out deals.

    (C) Credit deals.

20. Chief Economic Advisor of the Government of Kerala is :

    (A) Mrudul Eapen.   (B) Gita Gopinath.

    (C) S. Irudaya Rajan.

FIFTH SEMESTER U.G. (CUCBCSS—UG) DEGREE [SPECIAL] EXAMINATION, NOVEMBER 2020

Economics

ECO 5B 09—ECONOMICS OF CAPITAL MARKET

Time : Three Hours Maximum : 80 Marks

Section A (Objective Type Questions)

Answer all questions.
Each question carries 1 mark.

1. The securities markets have the following categories/category of participants/participant :

   a) Issuer of securities.   b) Investors in securities.

   c) Intermediaries.   d) All of the above.

2. A company making a public issue of securities has to file a draft prospectus with :

   a) RBI.   b) SEBI.

   c) Ministry of Finance.   d) None of the above.

3. A company proposing to list on the NSE must have a minimum paid up equity capital of :

   a) Rs. 50 crores.   b) Rs. 20 crores.

   c) Rs. 10 crores.   d) Rs. 30 crores.

4. Who performs novation for transactions in Government securities ?

   a) CCIL.   b) NSCCL.

   c) NSE.   d) NSDL.

5. Which one of the following is not among the major legislations governing the securities market ?

   a) Capital Issues Act, 1947.   b) SEBI Act, 1992.

   c) Companies Act, 1956.   d) Depositories Act, 1996.

6. All market intermediaries are registered and regulated by :

   a) DCA.   b) SEBI.

   c) MoF.   d) RBI.

7. A holder of a ADR/GDR does not have right to :

    a) Vote.

    b) Receive dividend.

    c) Receive corporate action notification.

    d) Trade ADR/GDR in the stock market.

8. At the time of public issue each company enters into a memorandum of understanding' with its :

    a) Auditors.   b) Directors.

    c) Merchant Bankers.   d) SEBI.

9. In terms of Companies Act 1956, offer of securities to more than ———— persons is deemed to be public issue.

    a) 50.   b) 40.

    c) 100.   d) 75.

10. New Issues are made in the :

    a) Secondary market.   b) Stock exchange.

    c) Primary Market.   d) Listed stock exchange.

11. Right issue is a method of raising further capital from :

    a) Existing shareholders.   b) Selective group of investors.

    c) Public.   d) Foreign security market.

12. Debenture-holders have right to :

    a) Vote.

    b) Fixed interest.

    c) Participate in the decision making of the company.

    d) Get dividend.

(12 × 1 = 12 marks)

Section B (Very Short Answer Type Questions)

Answer at least six questions.
Each question carries 3 marks.
All questions can be attended.
Overall Ceiling 18.

13. What do you mean by capital market instruments ?

14. Define floating rate bonds.

15. What is Treasurybill ?

16. What are the constituents of depository system ?

17. What is dematerialization ?

18. Why does securities market need regulators ?

19. What is meant by face value of a share/debenture ?

20. What is a prospectus ?

21. What is meant by 'Listing of Securities' ?

22. Who are the participants in the securities market ?

23. What do you mean by preferential issue ?

24. What is financial market ?

<div align="right">(6 × 3 = 18 marks)</div>

Section C (Short Essay Type Questions)

Answer at least four questions.
Each question carries 6 marks.
All questions can be attended.
Overall Ceiling 24.

25. Write a detailed account of Indian money and capital market.

26. Distinguish between primary market and secondary market.

27. Write a note on the activities of merchant banks.

28. Narrate the important functions of OTCEI.

29. Distinguish between shares and debentures.

30. What are the causes of poor performance of New Issues Market ?

31. Explain the factors that influence the price of a stock.

32. Distinguish between ADR and GDR. Explain its influence in stock exchange.

<div align="right">(4 × 6 = 24 marks)</div>

Section D (Essay Type Questions)

Answer any two questions.
Each question carries 13 marks.

33. Write a note on the role and importance of mutual funds.

34. Write a note on the importance of capital market in the development of an economy.

35. Explain the role and importance of SEBI as a regulator of the Indian capital market.

36. What are the causes of poor performance of New Issues Market ?

<div align="right">(2 × 13 = 26 marks)</div>

FIFTH SEMESTER U.G. DEGREE (SPECIAL) EXAMINATION
NOVEMBER 2020

(CUCBCSS—UG)

Economics

ECO 5B 08—INDIA'S ECONOMIC DEVELOPMENT NATIONAL AND REGIONAL

(Multiple Choice Questions for SDE Candidates)

Time : 15 Minutes	Total No. of Questions : 20	Maximum : 20 Marks

INSTRUCTIONS TO THE CANDIDATE

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2. The candidate should check that the question paper supplied to him/her contains all the 20 questions in serial order.

3. Each question is provided with choices (A), (B), (C) and (D) having one correct answer. Choose the correct answer and enter it in the main answer-book.

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ECO 5B 08—INDIA'S ECONOMIC DEVELOPMENT NATIONAL AND REGIONAL

(Multiple Choice Questions for SDE Candidates)

1. Among the following states which has the highest PCI ?

   (A) Goa.

   (B) Punjab

   (C) Kerala.

   (D) Maharashtra.

2. Which sector is considered as the work horse of Indian economy ?

   (A) Primary.

   (B) Secondary

   (C) Tertiary.

   (D) None.

3. According to Mixed Recall period India's Poverty in 2009-10 is :

   (A) 36 %.

   (B) 27.5 %.

   (C) 29.8 %.

   (D) None.

4. The sex ratio of India in 2011 is :

   (A) 961.

   (B) 940.

   (C) 980.

   (D) None.

5. Which is an urban poverty eradication Programme ?

   (A) JRY.

   (B) NREGP.

   (C) RLEGP.

   (D) NRY.

6. The Gini co-efficient of India in 2011 is :

   (A) 36.8.

   (B) 33.4.

   (C) 32.10

   (D) 38.1.

7. What is the percentage of agricultural population in India in 2012.

   (A) 66 per cent.

   (B) 35 percent.

   (C) 70 percent.

   (D) 90 percent.

15. In calculating India's balance of payments position, we must :

    (A) Omit invisible items.

    (B) Omit exports and imports of gold.

    (C) Include expenditure by foreign tourists as imports.

    (D) Include long term loans abroad as debit.

16. The international monetary system that existed from 1947 to 1971 is generally known as :

    (A) Par value system.

    (B) Pegged exchange rate system.

    (C) Both (A) and (B).

    (D) Fewer rupees in the spot market than in the home market.

17. The direction of trade indicates :

    (A) The nature of goods that are exported and imported.

    (B) The value of goods that are exported and imported.

    (C) The countries to which commodities are exported and the countries from which commodities are imported.

    (D) The terms at which exports exchanges for imports.

18. The important component of foreign trade :

    (A) Terms of trade, balance of trade and balance of payment.

    (B) The volume of trade, the composition of trade and direction of trade.

    (C) Terms of trade and volume of trade.

    (D) Terms of trade and Direction of trade.

19. In which of the plan period, the Balance of payment position had surplus :

    (A) First plan.   (B) Second plan.

    (C) Third plan.   (D) Fifth plan.

20. EXIM Bank was set up in :

    (A) 1980.   (B) 1982.

    (C) 1991.   (D) 2000.

FIFTH SEMESTER U.G. DEGREE (SPECIAL) EXAMINATION NOVEMBER 2020

(CUCBCSS—UG)

Economics

ECO 5B 08—INDIA'S ECONOMIC DEVELOPMENT : NATIONAL AND REGIONAL

Time : Three Hours   Maximum : 80 Marks

Section (Objective Type Questions)

Answer all questions.
Each question carries 1 mark.

1. **Effective Literacy rate means :**

   (a) Literacy rate taking into account the total population in the denominator

   (b) Literacy rate taking into account population aged seven years and above in the denominator

   (c) Literacy rate taking into account the school dropout ratio

   (d) Literacy rate taking into account the neo-literates of all age groups in the denominator.

2. **The targeted fiscal deficit of the government of India for the year 2018-19 :**

   (a) 3.0 per cent of GDP.

   (b) 3.1 per cent of GDP.

   (c) 3.3 per cent of GDP.

   (d) 3.5 per cent of GDP.

3. **Tarapore committee was constituted for suggesting a road map for :**

   (a) Current Account Convertability.

   (b) Insurance Sector Reforms.

   (c) Capital Account Convertability.

   (d) Banking Sector Reforms

4. **GDP at Market Price means :**

   (a) GDP at Factor Cost Plus Indirect Taxes plus Subsidies.

   (b) GDP at Factor cost plus all taxes.

   (c) GDP at constant Prices

   (d) GDP at Factor Cost Plus indirect Taxes Minus Subsidies.

5. Which of the following statement is wrong regarding the Expert Group (Rangarajan) for measurement of poverty:

   (a) The all -India poverty ratio was 29.5 %.

   (b) Poverty ratio of Kerala is 11.3 %.

   (c) Percentage points decline of poverty was higher in Kerala than all -India from 2009-2010 to 2011-2012.

   (d) In Kerala, the rural poverty line stands Rs 1054.03 per capita per month in 2011-2012.

6. In the Indian Constitution, labour is included in the :

   (a) Concurrent lists.

   (b) Union Lists.

   (c) State Lists.

   (d) None of the above.

7. Narasimham Committee - II is related to :

   (a) Banking Sector.   (b) Financial Sector.

   (c) Insurance Sector.   (d) Monetary Policy.

8. Based on the NSSO 68th Round (2011-12), the poverty ratio in India is :

   (a) 32.7 %.   (b) 28.5 %.

   (c) 18.4 %.   (d) 21.9 %.

9. IRDA is a regulatory mechanism for :

   (a) Infrastructure.   (b) Capital market.

   (c) Insurance.   (d) Banking.

10. Kerala Panchayati Raj Act was passed in the year :

    (a) 1992.   (b) 1994.

    (c) 1997.   (d) 2006.

11. In India, Green Revolution was started :

    (a) Immediately after Independence.

    (b) Immediately after Third Five Year Plan.

    (c) During the period of First Five Year Plan.

    (d) During the period of Fourth Five Year Plan.

27. What are the issues in the unorganised sector of Indian economy ?

28. Redefine the importance of public sector enterprises in India in the context of increased role to private capital.

29. Write a note on Land reforms in India after Independence.

30. Explain the trend in employment growth in India after 1990 ?

31. Compare the features of the IPR 1956 and IPR 1991.

32. What are the failures of Kerala in addressing the problems of emigrants ?

(4 × 6 = 24 marks).

Part D (Essay Type Questions)

Answer any two questions.
Each question carries 13 marks.

33. Critically examine the impacts of economic reforms on major sectors of Indian economy.

34. Explain and critically assess the green revolution strategy of India.

35. Critically examine the present status of decentralized planning of Kerala.

36. Explain the role of Finance Commission in ensuring smooth central - State financial Relations.

(2 × 13 = 26 marks)

12. IPR -1991 endorses :

   (a) Nationalization of all small scale industries.

   (b) Disinvestment of PSUs.

   (c) Government withdrawal from industrial production.

   (d) Import Substitution.

<div align="right">(12 × 1 = 12 marks)</div>

Section B (Very Short Answer Type Questions)

Answer at least six questions.
Each question carries 3 marks.
All questions can be attended.
Overall Ceiling 18.

13. What is Minimum Support Price (MSP) ?

14. What do you mean disinvestment ?

15. Distinguish between FDI and FPI.

16. What do you mean by liberalization ?

17. What is food security ?

18. Write the importance of Primary Sector.

19. What is fiscal federalism ?

20. Write a brief note on Agricultural price policy prior to 1965.

21. What is CACP ?

22. Explain the role of agricultural marketing.

23. What do you meant by rural infrastructure ?

24. What is the role of FDI in industrial development ?

<div align="right">(6 × 3 = 18 marks)</div>

Section C

Answer at least four questions.
Each question carries 6 marks.
All questions can be attended.
Overall Ceiling 24.

25. Explain the role of small scale industries in India.

26. What are the health care challenges in Kerala ?

FIFTH SEMESTER U.G. DEGREE (SPECIAL) EXAMINATION
NOVEMBER 2020

(CUCBCSS—UG)

Economics

ECO 5B 07—MACRO ECONOMICS—I

(Multiple Choice Questions for SDE Candidates)

Time : 15 Minutes	Total No. of Questions : 20	Maximum : 20 Marks

INSTRUCTIONS TO THE CANDIDATE

1. This Question Paper carries Multiple Choice Questions from 1 to 20.

2. The candidate should check that the question paper supplied to him/her contains all the 20 questions in serial order.

3. Each question is provided with choices (A), (B), (C) and (D) having one correct answer. Choose the correct answer and enter it in the main answer-book.

4. The MCQ question paper will be supplied after the completion of the descriptive examination.

ECO 5B 07—MACRO ECONOMICS—I

(Multiple Choice Questions for SDE Candidates)

1. The normal condition of a capitalist economy in classical theory is :

    (A) Underemployment.

    (B) Full employment.

    (C) General unemployment.

    (D) Frictional unemployment.

2. The theory explaining the direct relationship between the price level and quantity of money is known as :

    (A) Quantity theory of money.

    (B) Say's law of markets.

    (C) Real theory of interest.

    (D) None of these.

3. Fisher's Equation of quantity theory states that :

    (A) P varies directly with income.

    (B) P varies directly with M.

    (C) P and M are constants.

    (D) None of the above.

4. Say's law of market says :

    (A) Supply creates its own demand.

    (B) Demand creates supply.

    (C) Income generates demand.

    (D) Savings create demand.

5. The cash balance equation M = KPO was given by :

    (A) Keynes.

    (B) Pigou.

    (C) Robertson.

    (D) Marshall.

6. As per classical theory saving is :

    (A) An increasing function of rate of interest.

    (B) Decreasing function of rate of interest.

    (C) Decreasing function of level of income.

    (D) None of these.

7. In classical system which of the following keeps the economy at full employment :

    (A) Level of saving.

    (B) Increase in money supply.

    (C) Adjustment in investment.

    (D) Adjustment in money wages.

8. The LM curve has a ——— slope.

    (A) Positive.
    (B) Negative.

    (C) Zero.
    (D) None of these.

9. Which policy is effective in the Classical range ?

    (A) Monetary policy.
    (B) Fiscal policy.

    (C) Incomes policy.
    (D) None of these.

10. Frictional unemployment exists :

    (A) When there is a decrease in real GDP ?

    (B) Because it takes time to find a job when one is first entering the labour force.

    (C) As a result of technological change.

    (D) When an individual retires ?

11. According to Keynes the most important determinant of investment :

    (A) MEC.
    (B) Effective demand.

    (C) Aggregate demand.
    (D) Rate of interest.

12. In Keynesian terminology, investment means :

    (A) Financial investment.
    (B) Real investment.

    (C) Induced investment.
    (D) None of the above.

13. Keynesian economics is also known as :

    (A) Supply side economics.
    (B) Monetary economics.

    (C) Rational expectations.
    (D) Depression economics.

14. Personal Income includes :

    (A) Dividend distributed.
    (B) Social insurance contributions.

    (C) Corporate profit.
    (D) None of the above.

15. Adam Smith, the father of modern economic theory, defined economics as a subject, which is mainly concerned with the study of nature and causes of generation of ————.

    (A) Wealth.

    (B) Welfare.

    (C) Hipness.

    (D) Scarcity.

16. Who defined economics as: a science which studies human behavior as a relationship between ends and scarce means which have alternative uses :

    (A) J. B. Say.

    (B) Alfred Marshall.

    (C) David Ricardo.

    (D) Robbins.

17. Scientific attempts to describe economic relationships are :

    (A) Factual and can never be wrong.

    (B) Accurate ways to predict political viewpoints.

    (C) Known as positive economics.

    (D) Directed at the fairness of social programs.

18. Inductive method which also called empirical method was adopted by the :

    (A) Marginalist school..

    (B) Mercantilists.

    (C) Physiocrats.

    (D) Historical School of Economists.

19. Which of the following statements is normative ?

    (A) Higher oil prices will increase the inflation rate.

    (B) Tax rates on the working poor should be reduced.

    (C) Other things equal, if the price of an item is reduced, consumers will tend to buy more of it.

    (D) If interest rates remain high this quarter, business investment will continue to be weak.

20. Division of Labour is limited by the extent of :

    (A) Supply.

    (B) Demand.

    (C) Price.

    (D) Market.

FIFTH SEMESTER U.G. DEGREE [SPECIAL] EXAMINATION NOVEMBER 2020

(CUCBCSS—UG)

Economics

ECO 5B 07—MACRO ECONOMICS—I

Time : Three Hours   Maximum : 80 Marks

Section A (Objective Type Questions)

Answer **all** *questions.*

Each question carries 1 mark.

1. Potential GDP less real GDP is :

    a) Nominal GDP.   b) Real GDP.

    c) GDP Gap.   d) Actual GDP.

2. An aggregate supply curve which is vertical at the full-employment level of output:

    a) Keynesian Aggregate supply curve.

    b) Classical Aggregate supply curve.

    c) Nominal output.

    d) Real GDP.

3. Which of the following does not refer to macroeconomics ?

    a) The study of the aggregate level of economic activity.

    b) The study of the economic behavior of individual decision-making units such as consumers, sellers, and producers.

    c) The study of the cause of unemployment.

    d) The study of the cause of general price level.

4. Net national product equals :

    a) National income plus indirect business taxes.

    b) National income less depreciation.

    c) National income plus depreciation.

    d) GDP less indirect business taxes.

5. Which of the following statement is false ?

    a) GDP is greater than personal income.

    b) Personal disposable income is greater than personal income.

    c) GDP is greater than national income.

    d) National income is greater than personal disposable income.

6. The consumption function specifies that consumption spending is :

    a) Negatively related to the level of disposable income.

    b) Positively related to the level of disposable income.

    c) Negatively related to the rate of interest.

    d) Positively related to the rate of interest.

7. Gross investment in national income accounts includes :

    a) Residential and non-residential construction.

    b) Spending on producers' durable goods.

    c) Changes in business inventories.

    d) All of the above.

8. When the MPC is 0.80, the value of the multiplier is :

    a) 2.   b) 3.

    c) 4.   d) 5.

9. An inflationary gap can be eliminated by :

    a) Equal increases in net tax revenues and government spending.

    b) An increase in government spending and a decrease in lump-sum taxes.

    c) Equal decreases in net tax revenues and government spending.

    d) A decrease in lump-sum taxes.

10. MPS out of transitory income in permanent income hypothesis is :

    a) Zero.   b) One.

    c) 0.5.   d) 0.80.

11. Who are the loser due to inflation ?

    a) Creditors.   b) Debtors.

    c) Business community.   d) Farmers.

12. Which of the following is NOT an assumption of classical economics ?

    a) Wage - Price flexibility.   b) Say's Law of market.

    c) AD < AS.   d) Interest rate flexibility.

<div align="right">(12 × 1 = 12 marks)</div>

Section B (Very Short Answer Type Questions)

Answer at least six questions.
Each question carries 3 marks.
All questions can be attended.
Overall Ceiling 18.

13. What is Money illusion ?

14. What are the fiscal measures ?

15. Briefly explain the Cambridge cash balance approach.

16. Give a brief account on Life Cycle Hypothesis.

17. What is Marginal Efficiency of Investment ?

18. Examine the meaning and significance of Pigou effect.

19. What is Multiplier ?

20. Explain the absolute income hypothesis of Keynes.

21. Distinguish between Classical and Keynesian theories of output and employment.

22. Briefly explain Fisher's equation of exchange.

23. What do you mean by under employment ?

24. What are the important factors determining consumption ?

<div align="right">(6 × 3 = 18 marks)</div>

Section C (Short Essay Type Questions)

*Answer at least **four** questions.*
Each question carries 6 marks.
All questions can be attended.
Overall Ceiling 24.

25. Explain inflationary and deflationary gaps with suitable diagrams.

26. Distinguish between macroeconomics and microeconomics.

27. Distinguish between Classical and Keynesian aggregate supply curve.

28. Explain the major pillars of classical economics.

29. What are the objectives of fiscal policy ?

30. Explain the Keynesian model of income determination in the three sector model.

31. Write on balanced budget multiplier ?

32. Differentiate between APS and MPS.

(4 × 6 = 24 marks)

Section D (Essay Type Questions)

Answer any two questions.
Each question carries 13 marks.

33. What are the methods and problems in estimating national income ?

34. Explain the macroeconomic situation for the Keynesian revolution in economic theory and policy.

35. Explain the scope and importance of studying macroeconomics in policy analysis.

36. Explain the Classical approach to demand for money.

(2 × 13 = 26 marks)

FIFTH SEMESTER U.G. DEGREE EXAMINATION, NOVEMBER 2021

(CBCSS—UG)

Economics

ECO 5D 03—KERALA ECONOMY

(2019 Admissions)

(Multiple Choice Questions for SDE Candidates)

Time : 15 Minutes	Total No. of Questions : 15	Maximum : 15 Marks

INSTRUCTIONS TO THE CANDIDATE

1. This Question Paper carries Multiple Choice Questions from 1 to 15.

2. The candidate should check that the question paper supplied to him/her contains all the 15 questions in serial order.

3. Each question is provided with choices (A), (B), (C) and (D) having one correct answer. Choose the correct answer and enter it in the main answer-book.

4. The MCQ question paper will be supplied after the completion of the descriptive examination.

ECO 5D 03—KERALA ECONOMY

(Multiple Choice Questions for SDE Candidates)

1. The percentage of forest to the total geographical area in Kerala is :

   (A) 28 %.

   (B) 29 %.

   (C) 36 %.

   (D) 40 %.

2. The largest contributor to the state economy in 2019-20 is :

   (A) Primary.

   (B) Secondary.

   (C) Tertiary.

   (D) None.

3. The District with lowest PCI in Kerala is in 2019-20 :

   (A) Ernakulam.

   (B) Wayanad.

   (C) Malappuram.

   (D) Idukki.

4. Tourism was recognized as an industry in Kerala :

   (A) 1970.

   (B) 1986.

   (C) 2000.

   (D) 1991.

5. The largest number of emigrants originated from :

   (A) Kottayam.

   (B) Ernakulam.

   (C) Palakkad.

   (D) Malappuram.

6. Which District in Kerala has more NRI ?

   (A) Patthanamthitta.

   (B) Ernakulam.

   (C) Palakkad.

   (D) Malappuram.

7. Which State receives most remittances in India ?

   (A) Kerala.

   (B) UP.

   (C) Tamilnadu.

   (D) Karnataka.

8. In which year Government of Kerala had introduced an unemployment assistance scheme :

    (A) 1982.   (B) 1984.

    (C) 1992.   (D) 1994.

9. The State which has achieved nearly total literacy in India is :

    (A) Tamilnadu.   (B) Andhra Pradesh.

    (C) Kerala.   (D) Manipur.

10. The major food crop cultivated in the State is :

    (A) Wheat.   (B) Rice.

    (C) Coconut.   (D) Cashew.

11. In India, state having the highest production of pepper is :

    (A) Kerala.   (B) Karnataka.

    (C) Tamilnadu.   (D) Andhra Pradesh.

12. In which year, the Mid-day Meal Programme in schools is implemented in the State with the financial support of the State Government as well as Central assistance :

    (A) 1995.   (B) 2005.

    (C) 1985.   (D) 1975.

13. Kudumbasree was launched in ?

    (A) 17 May 1998.   (B) 17 May 1999.

    (C) 17 April 1998.   (D) 17 May 1999.

14. Keltron was founded in :

    (A) 1970.   (B) 1969.

    (C) 1956.   (D) 1972.

15. Which of the following State has the highest production of rubber in India ?

    (A) Kerala.   (B) Karnataka.

    (C) Mizoram.   (D) Tripura.

FIFTH SEMESTER U.G. DEGREE EXAMINATION, NOVEMBER 2021

(CBCSS—UG)

Economics

ECO 5D 03—KERALA ECONOMY

(2019 Admissions)

Time : Two Hours

Maximum 60 Marks

Section A (Short Answer Questions)

Answer at least eight questions.
Each question carries 3 marks.
All questions can be attended.
Overall Ceiling 24.

1. Cottage industry.

2. Population pyramid.

3. Special economic zone.

4. Land reforms.

5. Social infrastructure.

6. PDS.

7. Information technology.

8. Gross State Domestic Product.

9. Emigration.

10. Human development.

11. MNREGS.

12. Inequality.

(8 × 3 = 24 marks)

Section B (Short Essay/Paragraph Questions)

Answer at least five questions.
Each question carries 5 marks.
All questions can be attended.
Overall Ceiling 25.

13. Examine the contributions of service sector in Kerala's economic development.

14. Discuss demographic features of Kerala.

15. What are the causes and remedies for educated unemployment in Kerala ?

16. Examine the push and pull factors of migration.

17. Explain major poverty alleviation Programmes in Kerala.

18. Discuss the status of Kerala's state finance.

19. Critically evaluate Kerala model of development.

(5 × 5 = 25 marks)

Section C (Long Essay Questions)

Answer any **one** *question.*
The question carries 11 marks.

20. Explain the meaning and significance of small scale industries. Discuss problems faced by small scale industries in Kerala.

21. Examine the performance of Kerala's agricultural sector in the light of changing cropping pattern. Point out major initiatives in the agricultural sector for achieving food security in Kerala.

(1 × 11 = 11 marks)

FIFTH SEMESTER U.G. DEGREE EXAMINATION, NOVEMBER 2021

(CBCSS—UG)

Economics

ECO 5D 02—INDIAN FINANCIAL SYSTEM

(2019 Admissions)

Time : Two Hours   Maximum : 60 Marks

Section A

Answer at least **eight** *questions.*

Each question carries 3 marks.

All questions can be attended.

Overall Ceiling 24.

1. Financial assets.

2. Investment.

3. Credit control.

4. Payment banks.

5. Primary market.

6. EXIM Bank.

7. Stock brokers.

8. SENSEX.

9. Dematerialization.

10. Demand deposit.

11. Money market.

12. Listing.

                                                   (8 × 3 = 24 marks)

                                                   Turn over

Section B

Explain meaning and objectives of SEBI.

Discuss the structure of financial system in India.

Prepare a note on OTCEI.

What are the functions of commercial banks ?

Explain important functions of the stock exchanges.

Define online trading. Describe the working of online trading.

Explain the functions of the Reserve Bank of India.

(5 × 5 = 25 marks)

Section C

Explain the structure of capital market. What are the important instruments of capital market ?

What are Non-Banking Financial institutions ? Discuss the functions of IFCI and IDBI.

(1 × 11 = 11 marks)

FIFTH SEMESTER U.G. DEGREE EXAMINATION, NOVEMBER 2021

(CBCSS—UG)

Economics

ECO 5D 01—ECONOMICS IN EVERYDAY LIFE

(2019 Admissions)

Time : Two Hours   Maximum : 60 Marks

Section A

Answer atleast **eight** *questions.*
Each question carries 3 marks.
All questions can be attended.
Overall Ceiling 24.

1. Cross elasticity of demand.

2. Demand function.

3. Monopoly.

4. Repo rate.

5. Per capita income.

6. Balance of trade.

7. Merger and acquisition.

8. Budget.

9. Inflation.

10. Multinational corporations.

11. Fiscal deficit.

12. Scarcity definition of economics.

(8 × 3 = 24 marks)

Turn over

Section B

13. Explain the meaning and concepts of National Income.

14. Distinguish between demand pull and cost push inflation.

15. Explain the difference between microeconomics and macroeconomics.

16. Prepare a note on Balance of Payment accounts.

17. What are the factors affecting elasticity of demand ?

18. Differentiate between FDI and FPI.

19. Explain the basic economic problems of an economy.

(5 × 5 = 25 marks)

Section C

20. Explain monetary policy. What are the instruments of monetary policy ?

21. What do you mean by market equilibrium ? Illustrate market equilibrium using demand and supply curves.

(1 × 11 = 11 marks)

FIFTH SEMESTER U.G. DEGREE EXAMINATION, NOVEMBER 2021

(CBCSS–UG)

Economics

ECO 5B 10—MATHEMATICAL ECONOMICS

(2019 Admissions)

(Multiple Choice Questions for SDE Candidates)

Time : 15 Minutes	Total No. of Questions : 20	Maximum : 20 Marks

INSTRUCTIONS TO THE CANDIDATE

1. This Question Paper carries Multiple Choice Questions from 1 to 20.

2. The candidate should check that the question paper supplied to him/her contains all the 20 questions in serial order.

3. Each question is provided with choices (A), (B), (C) and (D) having one correct answer. Choose the correct answer and enter it in the main answer-book.

4. The MCQ question paper will be supplied after the completion of the descriptive examination.

ECO 5B 10—MATHEMATICAL ECONOMICS

(Multiple Choice Questions for SDE Candidates)

1. ———————— is the best criteria to judge the validity of a model.

   (A) Assumptions.

   (B) Information it provides.

   (C) Its simplicity.

   (D) Predictive power.

2. Given a saving function $S = 100 + 0.8Y$, MPC is :

   (A) 100.

   (B) 0.8.

   (C) – 100.

   (D) 0.2.

3. ———————— function shows the functional relation between investment and rate of interest or income.

   (A) Consumption.

   (B) Production.

   (C) Investment.

   (D) Income.

4. Function which map the relation between the physical measure of money and the perceived value of money is ————————.

   (A) Income.

   (B) Investment.

   (C) Demand.

   (D) Utility.

5. When total cost in a production is given by $C = 4x + 500$ then fixed cost is ————————.

   (A) 0.

   (B) 500.

   (C) 504.

   (D) 4.

_ Demand function for a commodity is $D = 44 – 7P$ and supply function $S = 2P – 10$, then the equilibrium price is :

   (A) 4.

   (B) 6.

   (C) 8.

   (D) 10.

The cost per output is given by $C = 2x + 27$. Then the marginal cost when $x = 5$ is :

   (A) 2.

   (B) 27.

   (C) 0.

   (D) 47.

8. When elasticity of demand is 2, the demand will be :

   (A) Perfectly elastic.   (B) Perfectly inelastic.

   (C) Relatively elastic.   (D) Unit elastic.

9. Given a total utility function. Marginal utility is obtained by finding :

   (A) First derivative.   (B) Second derivative.

   (C) Integral.   (D) Coefficient.

10. ———————— refers to the change in total cost (TC) due to the production of an additional unit of output.

    (A) MPC.   (B) MC.

    (C) MPI.   (D) MPP_L.

11. For complementary goods the cross elasticity of demand will be ————————.

    (A) Negative.   (B) Zero.

    (C) Positive.   (D) Any of these.

12. If your income doubles and the prices of the goods you buy double, then your demand for these goods will likely ————————.

    (A) Increase.   (B) Not change.

    (C) Decrease.   (D) Shift.

13. The process of finding relative maximum or minimum of a function is known as :

    (A) Optimization.   (B) Minimisation.

    (C) Maximisation.   (D) Any of these.

14. The first derivative measures the rate of change or ———————— of a function.

    (A) Intercept.   (B) Convexity.

    (C) Slope.   (D) Concavity.

15. Let $Q = F(L, K)$ be a production function. Its marginal productivity of capital is given by :

    (A) $\dfrac{\partial Q}{\partial K}$.   (B) $\dfrac{\partial Q}{\partial L}$.

    (C) $\dfrac{\partial Q}{\partial K}, \dfrac{L}{K}$.   (D) $\dfrac{\partial Q}{\partial K}, \dfrac{K}{L}$.

                                                          Turn over

16. Where $\alpha = 3/4$ and $\beta = 1/4$, the returns to scale for the Cob Douglas Productions functions is:

(A) Increasing.

(B) Decreasing.

(C) Constant.

(D) Can not say without additional data.

17. Feasible solution of LPP is :

(A) Values of decision variables satisfy the constraints.

(B) Values of decision variables satisfy the objective functions.

(C) Values of variable satisfy the objective functions.

(D) The value of the objective function.

18. ——————— functions are a special class of homogeneous function in which the marginal rate of Technical substitution is constant along the function.

(A) Hypothetic.

(B) Homothetic.

(C) Objective.

(D) Value.

19. In input-output analysis, ——————— shows the transactions of the whole economy in the form of output of each industry as distributed among the other industries as intermediate products and the final demand sector.

(A) The transaction matrix.

(B) Objective functions.

(C) Non-negativity constrains.

(D) The technology matrix.

20. In a monopoly, marginal revenue is :

(A) Equal to AR.

(B) Less than AR.

(C) More than AR.

(D) Initially less than AR then more than AR.

FIFTH SEMESTER U.G. DEGREE EXAMINATION, NOVEMBER 2021

(CBCSS–UG)

Economics

ECO 5B 10—MATHEMATICAL ECONOMICS

(2019 Admissions)

Time : Two Hours and a Half

Maximum : 80 Marks

Section A (Short Answer Questions)

Answer at least ten questions.
Each question carries 3 marks.
All questions can be attended.
Overall Ceiling 30.

1. Define production function

2. Given the utility function $u = xy + 4x + 5y$, find the marginal utility of x and y.

3. What is meant by elasticity of demand ?

4. Define Mathematical Economics.

5. What do you mean by factor intensity ?

6. Distinguish between homogenous products and heterogeneous products.

7. What is meant by economic model ?

8. Define Marginal Rate of Substitution.

9. Distinguish between primal and dual problem in linear programming.

10. Explain homogeneous production function.

11. What is meant by linear programming ?

12. State Euler's theorem.

13. What is optimal solution ?

14. What do you mean by a production possibility curve ?

15. Calculate MPC :

Income	Consumption
200	150
300	220

(10 × 3 = 30 marks)

Turn over

Section B (Short Essay/Paragraph Questions)

Answer at least **five** *questions.*
Each question carries 6 marks.
All questions can be attended.
Overall Ceiling 30.

16. What is meant by discriminating monopoly ? Briefly explain the necessary conditions for price discrimination.

17. Define AR and MR. Illustrate the relationship between AR and MR with the help of a diagram.

18. Explain utility function. Show the first and second order conditions for consumer equilibrium for a given utility function $U = f(Q_1, Q_2)$ and the budget constraint $M = P_1Q_1 + P_2Q_2$.

19. Explain the meaning and significance of Lagrange multipliers.

20. Solve the following linear programming problem using graphical method :

    Maximize $z = x_1 + 1.5\, x_2$

    subject to the constraint $2x_1 + 2x_2 \leq 16$
    $$x_1 + 2x_2 \leq 12$$
    $$4x_1 + 2x_2 \leq 28$$
    $$x_1, x_2 \geq 0.$$

21. Discuss the economic applications of optimization technique.

22. The demand curve of a monopolist is given by $P = \dfrac{50 - x}{5}$. Find the marginal revenue for any output. What is marginal revenue when $x = 25$?

23. Explain input output analysis. What are the features of input-output analysis ?

$(5 \times 6 = 30 \text{ marks})$

Section C (Essay Questions)

Answer any **two** *questions.*
Each question carries 10 marks.

24. Explain Cobb Douglas production function. State and prove the properties of Cobb Douglas production function.

25. Discuss the conditions for profit maximization. Consider $TC = Q^3 - 8Q^2 + 120Q + 420$, $TR = 1200Q - 5Q^2$. Find the profit maximizing output.

26. Explain the meaning and characteristics of perfect competition. Assume that a perfectly competitive firm faces a price of Rs. 9 and has a total cost function $C = 2Q^2 + 2Q + 15$. What quantity should the firm produce in the short run ?

27. Explain price elasticity of demand. What are the degrees of elasticity ? Suppose price increases from 40 to 45 and demand falls from 200 to 150. Calculate price elasticity of demand.

$(2 \times 10 = 20 \text{ marks})$

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Name...

Reg. No....................................

FIFTH SEMESTER U.G. DEGREE EXAMINATION, NOVEMBER 2021

(CBCSS—UG)

Economics

ECO 5B 09—ECONOMICS OF CAPITAL MARKET

(2019 Admissions)

(Multiple Choice Questions for SDE Candidates)

Time : 15 Minutes	Total No. of Questions : 20	Maximum : 20 Marks

INSTRUCTIONS TO THE CANDIDATE

1. This Question Paper carries Multiple Choice Questions from 1 to 20.

2. The candidate should check that the question paper supplied to him/her contains all the 20 questions in serial order.

3. Each question is provided with choices (A), (B) and (C) having one correct answer. Choose the correct answer and enter it in the main answer-book.

4. The MCQ question paper will be supplied after the completion of the descriptive examination.

ECO 5B 09—ECONOMICS OF CAPITAL MARKET

(Multiple Choice Questions for SDE Candidates)

1. Capital market is the market for :

    (A) Long term assets.   (B) Short term assets.

    (C) Medium term assets.

2. ————— is an example for short term asset.

    (A) Treasury bill.   (B) NIFTY.

    (C) SENSEX.

3. In primary markets, property of shares which made it easy to sell newly issued security is considered as :

    (A) Increased liquidity.   (B) Decreased liquidity.

    (C) Money flow.

4. Barter cannot function well :

    (A) Because goods are not always divisible.

    (B) Because transaction costs are minimal.

    (C) Because goods are always standardized.

5. Paper currency is known as 'fiat money' :

    (A) Because only a fraction of total currency is in coins.

    (B) Because it is decreed legal tender.

    (C) Because it cannot be used as payment for debts.

6. Mutual funds are very popular in :

    (A) U.K.   (B) U.S.A.

    (C) Japan.

7. The leader of Indian money market is —————.

    (A) SEBI.   (B) RBI.

    (C) IRDA.

8. RBI Governor is ———————.

    (A) Raghuram Rajan.   (B) Urgit Patel.

    (C) Subha Rao.

9. ——————— is a financial asset.

    (A) Gold.   (B) Share.

    (C) Land.

10. Market foe extremely short period is ———————.

    (A) Money market.   (B) Mutual fund market.

    (C) Call money market.

11. The return of the shareholder is ———————.

    (A) Dividend.   (B) Rate of interest.

    (C) Discount rate.

12. Apex institution for agricultural credit is ———————.

    (A) NABARD.   (B) RBI.

    (C) SEBI.

13. SENSEX is the index of ——————— Stock exchange.

    (A) Bombay.   (B) London.

    (C) Delhi.

14. The best suited fund to business is ———————.

    (A) Income fund.   (B) Growth fund.

    (C) Taxation fund.

15. SEBI is constituted on the recommendations of ———————.

    (A) Rangarajan Committee.   (B) Narasimham Committee.

    (C) Patel committee.

16. Major player of Indian money market is —————.

    (A) Commercial banks.   (B) Co-operative banks.

    (C) NABARD.

17. Chief economic advisor to the Prime Minister of India is —————.

    (A) Arabind Subramaniam.   (B) Narasimham.

    (C) Rangarajan.

18. Regulator of Indian capital market is —————.

    (A) SEBI.   (B) RBI.

    (C) NABARD.

19. Offer for sale method is also known as —————.

    (A) Sale out deals.   (B) Bought out deals.

    (C) Credit deals.

20. Chief Economic Advisor of the Government of Kerala is —————.

    (A) Mrudul Eapen.   (B) Gita Gopinath.

    (C) S. Irudaya Rajan.

FIFTH SEMESTER U.G. DEGREE EXAMINATION, NOVEMBER 2021

(CBCSS—UG)

Economics

ECO 5B 09—ECONOMICS OF CAPITAL MARKET

(2019 Admissions)

Time : Two Hours and a Half   Maximum : 80 Marks

Section A

Answer at least ten questions.
Each question carries 3 marks.
All questions can be attended.
Overall Ceiling 30.

1. Security market.

2. Tangible and intangible assets.

3. Uses of derivatives.

4. Gilt-edged securities.

5. Employee stock option.

6. FDI and FPI.

7. Functions of merchant banks.

8. Blue-chip shares.

9. Convertible and nonconvertible bonds.

10. Inter-connected stock exchange.

11. Equity shares.

12. Dematerialisation.

13. Advantages of commercial papers.

14. Underwriting.

15. GDRs and ADRs.

(10 × 3 = 30 marks)

Turn over

Section B

*Answer at least **five** questions.*
Each question carries 6 marks.
All questions can be attended.
Overall Ceiling 30.

16. What do you mean by depository participation ? Explain NSDL and CDSL.

17. Discuss relationship between financial system and economic development.

18. Explain the meaning and types of debentures.

19. What are the methods of floating new issues ?

20. What are stock exchanges ? Discuss the functions of stock exchanges.

21. Explain the functioning of Over the Counter Exchange of India.

22. Prepare a note on capital market institutions in India.

23. Define mutual fund. What are the advantages and disadvantages of mutual funds ?

(5 × 6 = 30 marks)

Section C

*Answer any **two** questions.*
Each question carries 10 marks.

24. Discuss the difference between primary market and secondary market. Explain major players in new issue market.

25. Differentiate between BSE and NSE. Prepare notes on major stock market indices in India.

26. Explain the meaning, objectives and functions of SEBI.

27. Define financial market. Classify financial markets. Discuss the major defects of Indian financial system.

(2 × 10 = 20 marks)

FIFTH SEMESTER U.G. DEGREE EXAMINATION, NOVEMBER 2021

(CBCSS—UG)

Economics

ECO 5B 08—INDIAN ECONOMIC DEVELOPMENT

(2019 Admissions)

(Multiple Choice Questions for SDE Candidates)

Time : 15 Minutes	Total No. of Questions : 20	Maximum : 20 Marks

INSTRUCTIONS TO THE CANDIDATE

1. This Question Paper carries Multiple Choice Questions from 1 to 20.

2. The candidate should check that the question paper supplied to him/her contains all the 20 questions in serial order.

3. Each question is provided with choices (A), (B), (C) and (D) having one correct answer. Choose the correct answer and enter it in the main answer-book.

4. The MCQ question paper will be supplied after the completion of the descriptive examination.

ECO 5B 08—INDIAN ECONOMIC DEVELOPMENT

(Multiple Choice Questions for SDE Candidates)

1. Among the following states which has the highest PCI ?

    (A) Goa.

    (B) Punjab.

    (C) Kerala.

    (D) Maharashtra.

2. Which sector is considered as the work horse of Indian economy?

    (A) Primary.

    (B) Secondary.

    (C) Tertiary.

    (D) None.

3. Which is the Year of Great Divide ?

    (A) 1991.

    (B) 1947.

    (C) 1951.

    (D) 1921.

4. TRYSEM was started in :

    (A) 1996.

    (B) 1990.

    (C) 1980.

    (D) 1979.

5. Which of the following is an urban employment generation programme ?

    (A) MGNREGS.

    (B) SGSY.

    (C) SJSRY.

    (D) PMGSY.

6. The average MPCE of rural people in India according to 68th round of NSSO is :

    (A) Rs. 1281.45.

    (B) Rs. 2401.68.

    (C) Rs. 2105

    (D) Rs. 455.

7. In which year New Agricultural strategy was introduced in India.

    (A) 1960.

    (B) 1950.

    (C) 1966.

    (D) 1991.

8. Which state of India has derived the maximum benefit from Green Revolution.

   (A) Kerala.   (B) Maharashtra.

   (C) U.P.   (D) Punjab.

9. PDS Stands for:

   (A) Public Distribution System.   (B) Public Division System.

   (C) Price Distribution System   (D) All of these.

10. Agricultural Credit is given by,

    (A) Co-operatives.   (B) RRBs.

    (C) NABARD.   (D) All of the above.

11. The worst form of land tenurs system was ————.

    (A) Zamindary.   (B) Riotwary.

    (C) Mahalwari.   (D) Malguzari.

12. MARTP Act is related to ————.

    (A) Industry.   (B) Service.

    (C) Bank.   (D) Shipping.

13. Bockaro Steel plant was started during ———— plan .

    (A) First.   (B) Second.

    (C) Third.   (D) Fourth.

14. Export promotion is an :

    (A) Inward looking strategy.   (B) Outward looking strategy.

    (C) Fiscal strategy.   (D) Political strategy.

15. Net National gains from trade is measurable function of :

    (A) Volume of trade.

    (B) Relative prices in two countries.

    (C) Factor cost of commodities traded.

    (D) Volume of trade credited and change in prices caused by trade.

Turn over

16. In calculating India's balance of payments position, we must:

    (A) Omit invisible items.

    (B) Omit exports and imports of gold.

    (C) Include expenditure by foreign tourists as imports.

    (D) Include long term loans abroad as debit.

17. Each member of IMF is assigned a quota expressed in :

    (A) Member country's currency.   (B) Dollar.

    (C) Special Drawing Rights.   (D) None of the above.

18. The fundamental cause for the collapse of the Bretton woods system was :

    (A) Liquidity problem.   (B) The Adjustment problem.

    (C) The Confidence problem.   (D) All of the above.

19. In which of the plan period, the Balance of payment position had surplus :

    (A) First plan.   (B) Second plan.

    (C) Third plan.   (D) Fifth plan.

20. The Mudaliar Committee was related to :

    (A) Export-Import policy.   (B) EXIM Bank.

    (C) Small Scale Industries.   (D) Banking sector.

FIFTH SEMESTER U.G. DEGREE EXAMINATION, NOVEMBER 2021

(CBCSS—UG)

Economics

ECO 5B 08—INDIAN ECONOMIC DEVELOPMENT

(2019 Admissions)

Time : Two Hours and a Half

Maximum : 80 Marks

Section A (Short Answer Question)

*Answer atleast **ten** questions.*
Each question carries 3 marks.
All questions can be attended.
Overall Ceiling 30.

1. MNREGS.

2. Food security.

3. Economic development.

4. Emigration.

5. Industrial sickness.

6. Underemployment.

7. Agricultural marketing.

8. Foreign Direct Investment.

9. PQLI.

10. Zamindari system.

11. Work force.

12. Plan holidays.

13. Cottage industry.

14. Import substitution.

15. Poverty line.

Section B (Short Essay/Paragraph Question)

Answer atleast **five** *questions.*
Each question carries 6 marks.
All questions can be attended.
Overall Ceiling 30.

16. Define industrial policy ? What are the features of the industrial policy resolution, 1956 ?

17. Discuss recent trends in Kerala's migration scenario.

18. Prepare a note on Finance Commission. Discuss major recommendations of 15th Finance Commission.

19. Examine demographic features of Kerala.

20. What is decentralized planning ? Prepare a note on 25 years of decentralized planning in Kerala.

21. What is meant by land reforms? Evaluate the success of land reforms in India .

22. Examine recent trends and estimates of unemployment in India in the background of Covid 19 pandemic.

23. Explain Kerala model of development. Highlight the arguments of Sen-Bhagawati debate.

(5 × 6 = 30 marks)

Section C (Long Essay Question)

Answer any **two** *questions.*
Each question carries 10 marks.

24. Critically examine various schemes introduced to eradicate poverty and unemployment in India.

25. Examine the major achievements and failures of five year plans in India.

26. Discuss the background for the introduction of New Economic Reforms 1991 ? Explain the features of New Economic Reforms.

27. Examine the role of agriculture in the national economy. Give an overview of the New Agricultural Strategy of 1960s.

(2 × 10 = 20 marks)

FIFTH SEMESTER U.G. DEGREE EXAMINATION, NOVEMBER 2021

(CBCSS—UG)

Economics

ECO 5B 07—FISCAL ECONOMICS

(2019 Admissions)

(Multiple Choice Questions for SDE Candidates)

Time : 15 Minutes	Total No. of Questions : 20	Maximum : 20 Marks

INSTRUCTIONS TO THE CANDIDATE

1. This Question Paper carries Multiple Choice Questions from 1 to 20.

2. The candidate should check that the question paper supplied to him/her contains all the 20 questions in serial order.

3. Each question is provided with choices (A), (B), (C) and (D) having one correct answer. Choose the correct answer and enter it in the main answer-book.

4. The MCQ question paper will be supplied after the completion of the descriptive examination.

ECO 5B 07—FISCAL ECONOMICS

(Multiple Choice Questions for SDE Candidates)

1. The Benefit Principle of taxation states that tax should be paid in proportion to :

    (A) Income.   (B) Expenditure.

    (C) Benefit.   (D) Utility.

2. Direct taxes are :

    (A) Proportional.   (B) Regressive.

    (C) Digressive.   (D) Progressive.

3. Who is the father of Public Finance :

    (A) Dalton.   (B) Pigou.

    (C) Smith.   (D) Musgrave.

4. The Displacement effect hypothesis was formulated by :

    (A) Peacock and Wiseman.   (B) Pigou.

    (C) Smith.   (D) Musgrave.

5. Chairman of the first Finance Commission :

    (A) Chadha.   (B) K. C. Neogi.

    (C) Santhanam.   (D) Y. V. Chavan.

6. The Annual Account of both the income and expenditure is called :

    (A) Plan.   (B) Budget.

    (C) Manifesto.   (D) Accounts.

7. When the demand for a commodity is inelastic, the incidence of taxation will be on :

    (A) Buyers.   (B) Sellers.

    (C) Producers.   (D) Stockists.

16. Shifting the burden of a tax by the producer to the factors of production is known as :

   (A) Forward shifting.   (B) Backward shifting.

   (C) Horizontal shifting.   (D) Vertical shifting.

17. Pump Priming is related with :

   (A) Monetary policy.   (B) Income policy.

   (C) Price policy.   (D) Fiscal policy.

18. Short-period debts are called as :

   (A) Unfunded debts.   (B) Funded debts.

   (C) Redeemable debts.   (D) None.

19. The fiscal deficit excluding the interest liabilities for a year is called as :

   (A) Revenue deficit.   (B) Capital deficit.

   (C) Budget deficit.   (D) Primary deficit.

20. Who proposed the Zero-based budgeting for the first time :

   (A) David Ricardo.   (B) Alfred Marshall.

   (C) Adam Smith.   (D) Peter Phyrr.

8. According to Laffer, when the tax rate is 100 per cent, the tax revenue will be :

    (A) 100 %.   (B) 50 %.

    (C) Zero.   (D) 10 %.

9. Customs duties are imposed on commodities as they cross :

    (A) State boundaries.   (B) District boundaries.

    (C) National boundaries.   (D) Muncipal boundaries.

10. Which one of the following is not a public utility ?

    (A) Electricity.   (B) Water supply.

    (C) Gas service.   (D) Tourism.

11. Which economist has classified public expenditure on the basis of function ?

    (A) Adam Smith.   (B) Dalton.

    (C) J.B. Say.   (D) Marshall.

12. The Chairman of the Eleventh Finance Commission was :

    (A) K.C. Panth.   (B) Y.V. Reddy.

    (C) K. Santhanam.   (D) A.M. Khusro.

13. *A fraudulent effort* by a tax payer to escape a legal tax obligation is called :

    (A) Tax avoidance.   (B) Tax evasion.

    (C) Tax cascading.   (D) None.

14. "The very best of all plans of finance is to spend little and the best of all taxes is that which is least in amount" is the opinion of :

    (A) Adam Smith.   (B) Dalton.

    (C) J.B. Say.   (D) Marshall.

15. The right of the state to claim and acquire property of the deceased without legal heirs is called :

    (A) Grants.   (B) Gift.

    (C) Fine.   (D) Escheats.

Turn over

FIFTH SEMESTER U.G. DEGREE EXAMINATION, NOVEMBER 2021

(CBCSS—UG)

Economics

ECO 5B 07—FISCAL ECONOMICS

(2019 Admissions)

Time : Two Hours and a Half   Maximum : 80 Marks

Section A (Short Answer Questions)

Answer at least ten questions.
Each question carries 3 marks.
All questions can be attended.
Overall Ceiling 30.

1. Revenue deficit.

2. Direct tax.

3. Crowding out effect.

4. Tax avoidance.

5. GST.

6. Debt redemption.

7. Black money.

8. Taxable capacity.

9. Merit goods.

10. Deficit financing.

11. Social cost-benefit analysis.

12. Corporate tax.

13. Fiscal policy.

14. Local finance.

15. Capital expenditure.

(10 × 3 = 30 marks)

Turn over

Section B (Short Essay/Paragraph Questions)

*Answer at least **five** questions.*
Each question carries 6 marks.
All questions can be attended.
Overall Ceiling 30.

16. Differentiate between impact and incidence of tax. Give suitable example.

17. Discuss the role and functions of NITI Aayog.

18. Explain the meaning and significance of zero base budgeting.

19. What are the major sources of public revenue in India ?

20. Discuss the principles of public debt management.

21. Explain the canons of public expenditure.

22. Define fiscal deficit. Examine the problem of growing fiscal deficit in India.

23. What are public goods ? Explain the characteristics of public goods.

(5 × 6 = 30 marks)

Section C (Long Essay Questions)

*Answer any **two** questions.*
Each question carries 10 marks.

24. Explain Wagner's hypothesis on public expenditure.

25. What are the canons of taxation ? Explain the theory of optimal taxation.

26. Explain fiscal federalism. Evaluate the role of Finance Commission in ensuring smooth central - state financial relations.

27. Examine the principle of maximum social advantage.

(2 × 10 = 20 marks)

FIFTH SEMESTER U.G. DEGREE EXAMINATION, NOVEMBER 2021

(CUCBCSS—UG)

Economics

ECO 5D 03—BANKING

Time : Two Hours   Maximum : 40 Marks

*Answers may be written **either** in English **or** in Malayalam.*

Part A

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

1. The Reserve Bank of India, India's central banking authority was nationalized :

    a) 1956.   b) 1948.

    c) 1950.   d) 1951.

2. Crossing a cheque without the knowledge of the drawer is a case of :

    a) Material authorization.   b) Immaterial authorization.

    c) Authorised alteration.   d) None of these.

3. The money market for extremely short period loans is referred to as :

    a) Call money market.   b) Commercial bill market.

    c) Collateral loan market.   d) Treasury bill market.

4. The statement showing the asset and liabilities of a bank in a financial year is called :

    a) Balance of payment.   b) Balance of accounts.

    c) Balance of trade.   d) Balance sheet.

5. If 'K' is the credit multiplier and 'r' is the cash reserve ratio, then the relationship between K and r is :

    a) Direct.   b) Inverse.

    c) Initially direct and then inverse.   d) Indeterminate.

20. Explain the features of modern banking.

21. Describe the features of Stock Market.

(4 × 4 = 16 marks)

Part D (Essay Questions)

Answer any **one** *question.*
The question carries 10 *marks.*

22. Describe the functions of RBI.

23. What are the peculiarities of Indian Money Market ?

(1 × 10 = 10 marks)

6. The current reverse repo rate is :

    a) 6 %.   b) 6.5 %.

    c) 7 %.   d) 7.5 %.

7. The biggest deposit insurer, the Federal Deposit Insurance Corp. (FDIC) is in :

    a) UK.   b) USA.

    c) India.   d) France.

8. The deposit that receives relatively higher rate of interest, is :

    a) Fixed deposit account.   b) Current account.

    c) Savings bank account.   d) Current and Savings bank account.

(8 × ½ = 4 marks)

Part B (Very Short Answer Questions)

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

9. What are the primary functions of Commercial banks ?

10. Define call money market.

11. What is repo rate ?

12. What is ATM ?

13. Write a note on Balance Sheet of a Bank.

14. What is SENSEX ?

15. What is a Capital Market ?

(5 × 2 = 10 marks)

Part C (Short Essay Questions)

Answer any **four** *questions.*
Each question carries 4 marks.

16. Explain the role of Commercial bank ?

17. What are the components of money market ?

18. What are the peculiarities of treasury bills ?

19. Define primary market. What are the methods of issuing shares in primary market ?

FIFTH SEMESTER U.G. DEGREE EXAMINATION, NOVEMBER 2021

(CUCBCSS—UG)

Economics

ECO 5D 02—INTERNATIONAL TRADE AND FINANCE

Time : Two Hours

Maximum : 40 Marks

Answers may be written either in English or in Malayalam.

Part A

Answer all questions.
Each question carries ½ mark.

1. Adam Smith argued in favour of a policy of :

    (a) Protection.
    (b) Free trade.
    (c) Self sufficiency.
    (d) International welfare.

2. The Purchasing Power Parity theory was propounded by :

    (a) David Ricardo.
    (b) Alfred Marshall.
    (c) Jacob Viner.
    (d) Gustav Cassel.

3. The factor endowment theory was given by :

    (a) Adam Smith.
    (b) David Ricardo.
    (c) Heckscher - Ohlin.
    (d) H.W. Singer.

4. The balance of trade is also known as :

    (a) The visible balance.
    (b) Capital transfers.
    (c) Gain from trade.
    (d) None of the above.

5. A decrease in the domestic currency price of one unit of the foreign currency is termed as :

    (a) Appreciation of domestic currency.

    (b) Depreciation of foreign currency.

    (c) Depreciation of domestic currency.

    (d) None of the above.

6. The rate at which one commodity is exchanged for another is called :

    (a) Price ratio.   (b) Trade ratio.

    (c) Exchange rate.   (d) Terms of trade.

7. BOP includes :

    (a) Current account.   (b) Capital Account.

    (c) Official reserve account.   (d) All of the above.

8. WTO came into existence on :

    (a) 1st January 1975.   (b) 1st January 1985.

    (c) 1st January 1995.   (d) 1st January 2005.

                                                    (8 × ½ = 4 marks)

Part B (Very Short Answer Questions)

Answer any five questions.
Each question carries 2 marks.

9. Distinguish between international trade and inter-regional trade.

10. What is free trade ?

11. What is protection ?

12. Write a note on floating exchange rate.

13. What is devaluation ?

14. Distinguish between appreciation and depreciation of currency.

15. What is balance of trade ?

                                                    (5 × 2 = 10 marks)

Part C (Short Essay Questions)

Answer any four questions.
Each question carries 4 marks.

16. Discuss the significance of international trade.

17. Distinguish between the policy of free trade and protection.

18. What is a foreign exchange market ? Explain its important functions.

19. What is the difference between fixed and flexible exchange rate ?

20. Explain the meaning and structure of balance of payments.

21. Explain the measures to correct disequilibrium in the balance of payments.

<div align="right">(4 × 4 = 16 marks)</div>

Part D (Essay Questions)

Answer any **one** *question.*
The question carries 10 *marks.*

22. Critically evaluate the comparative cost theory of international trade.

23. Examine the Heckscher - Ohlin theory of international trade.

<div align="right">(1 × 10 = 10 marks)</div>

Name..

Reg. No...................................

FIFTH SEMESTER U.G. DEGREE EXAMINATION, NOVEMBER 2021

(CUCBCSS—UG)

Economics

ECO 5D 01—ECONOMICS IN EVERYDAY LIFE

Time : Two Hours

Maximum : 40 Marks

Answer may be written either in English or in Malayalam.

Part A

Answer all questions.
Each question carries ½ mark.

1) Balance of payment disequilibrium can be removed by ————— method.

   (a) Devaluation   (b) Inflation.

   (c) Stagnation.   (d) Deflation.

2) FDI means —————.

   (a) Foreign Domestic Investment.   (b) Foreign Direct Investment.

   (c) Foreign Distributed Investment. (d) Foreign Differentiated Investment.

3) Fiscal policy is the economic policy of —————.

   (a) RBI   (b) SBI.

   (c) Government.   (d) World Bank.

4) ————— is expected satisfaction.

   (a) Wants.   (b) Demand.

   (c) Satisfaction.   (d) Utility.

5) Single selling is the feature of —————.

   (a) Perfect competition.   (b) Monopoly.

   (c) Duopoly.   (d) Oligopoly.

6) Percentage change in quantity divided by the percentage change in price is —————.

   (a) Substitution.   (b) Utility.

   (c) Elasticity.   (d) Demand.

7) Scarcity definition of economics was developed by —————.

   (a) Smith.   (b) Marshall.

8) —————— is the addition to total utility.

    (a) Average utility.   (b) Marginal utility.

    (c) Zero utility.   (d) Constant utility.

(8 × ½ = 4 marks)

Part B (Very Short answer type Questions)

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

9) Define economic activity.

10) Define supply function.

11) Explain income elasticity of demand.

12) What are the features of perfect competition ?

13) Explain GDP.

14) What is open market operation ?

15) Define balance of trade.

(5 × 2 = 10 marks)

Part C (Short Essay Type Questions)

Answer any **four** *questions.*
Each question carries 4 marks.

16) What are the basic problems of an economy ?

17) Explain market equilibrium.

18) Explain the features of monopolistic competition.

19) Explain the components of qualitative methods of monetary policy.

20) Explain the types of inflation.

21) What do you mean by foreign direct investment ?

(4 × 4 = 16 marks)

Part D (Essay Type Questions)

Answer any **one** *question.*
The question carries 10 marks.

22) Compare micro and macro economics.

23) Briefly explain the law of demand.

(1 × 10 = 10 marks)

FIFTH SEMESTER U.G. DEGREE EXAMINATION, NOVEMBER 2021

(CUCBCSS—UG)

Economics

ECO 5B 10—INTERNATIONAL ECONOMICS

(Multiple Choice Questions for SDE Candidates)

Time : 15 Minutes	Total No. of Questions : 20	Maximum : 20 Marks

INSTRUCTIONS TO THE CANDIDATE

1. This Question Paper carries Multiple Choice Questions from 1 to 20.

2. The candidate should check that the question paper supplied to him/her contains all the 20 questions in serial order.

3. Each question is provided with choices (A), (B), (C) and (D) having one correct answer. Choose the correct answer and enter it in the main answer-book.

4. The MCQ question paper will be supplied after the completion of the descriptive examination.

ECO 5B 10—INTERNATIONAL ECONOMICS

(Multiple Choice Questions for SDE Candidates)

1. The terms of trade of developing countries have a secular tendency to :

    (A) Improve.   (B) Deteriorate.

    (C) First improve and then deteriorate.(D) Remain the same.

2. If a nation gains from trade its consumption point is :

    (A) On the production possibility frontier PPC.

    (B) Inside the PPC.

    (C) Above the PPC.

    (D) Any of the above.

3. If a nations terms of trade is ½ its trade partners terms of trade is :

    (A) 4.   (B) 2.

    (C) 1.   (D) ½.

4. Leontiff paradox refers to the result that the U S :

    (A) Exports are more capital intensive than imports.

    (B) Exports are more capital intensive than U S import substitutes.

    (C) Imports are more capital intensive than U S exports.

    (D) Import substitutes are more capital intensive than U S Exports.

5. Hedcging refers to :

    (A) Acceptance of Foreign exchange risk.

    (B) Covering Foreign exchange risk.

    (C) Foreign exchange Speculation.

    (D) Foreign exchange arbiterage.

6. Which among the following are the major assumptions of Absolute advantage theory ?

    (A) There are two countries and two commodities and one country has absolute advantage in one commodity and the second country has advantage in another commodity.

    (B) Labour is the only factor of production and labour is homogeneous, that means each unit of labour produces same level of output. Value of a commodity is measured in terms of its labour content.

    (C) Labour is perfectly mobile within the country but perfectly immobile between the countries. It means that workers are free to move between industries within the nation but migration to other countries is impossible.

    (D) All the above.

7. The principle of comparative advantage was first introduced by :

    (A) David Ricardo.
    (B) J S Mill.

    (C) Adam Smith.
    (D) Karl Marx.

8. Major assumptions of the theory of Comparitive advantage are :

    (A) There are two countries and two commodities and the countries have absolute advantage in both commodities.

    (B) Labour is the only factor of production and labour is homogeneous, that means each unit of labour produces same level of output. Value of a commodity is measured in terms of its labour content.

    (C) Labour is perfectly mobile within the country but perfectly immobile between the countries. It means that workers are free to move between industries within a nation but migration to other countries is impossible.

    (D) All the above.

9. The foreign exchange rate is NOT :

    (A) The price of one currency expresses in terms of another.

    (B) Rate at which of one commodity expresses in terms of another.

    (C) The value of one currency in terms of another.

    (D) Fixed for ever.

10. Under a fixed exchange rate system, ———— are official changes in the value of a country's currency relative to other currencies.

    (A) Devaluation.
    (B) Depreciation and appreciation.

    (C) Revaluation.
    (D) Both (A) and (C).

11. A ———— is an upward adjustment in the official exchange rate, which increases the value of the currency.

    (A) Devaluation.
    (B) Depreciation.

    (C) Revaluation.
    (D) Appreciation.

12. Which among the following is true with regard to the PPP theory ?

    (A) Greater transportation costs and trade restrictions are between countries, the less likely for the costs of market baskets to be equalized.

    (B) Costs of non tradable inputs are not taken into consideration by PPP.

    (C) It is based on the concept of law of one price.

    (D) All the above.

13. ———— is a summary statement of all economic transactions of the residents of a nation with the residents of Rest of the World (ROW) during a particular period of time.

    (A) Balance of Payment.
    (B) Capital account.

    (C) Official Reserve account.
    (D) Net exports.
    Turn over

14. If Debit balance in the balance of payment accounts are greater than the Credit balance it leads to :
    - (A) Balance of Payment Surplus.
    - (B) Balance of Payment deficit.
    - (C) Chronic disequilibrium in BOP.
    - (D) None of the above.

15. When each international transaction undertaken by the residents of a country are entered as a debit and credit entry of equal size, into the balance of payments, the method is known as ?
    - (A) Balance of Trade.
    - (B) Balance of Payment.
    - (C) Double entry bookkeeping.
    - (D) None of the above.

16. ———— are receipts which the residents of a country receive for free, without making any present or future service transaction in return.
    - (A) Grants.
    - (B) External borrowings.
    - (C) Unilateral transfers.
    - (D) None of the above.

17. Distinguish between autonomous and accommodating items in the balance of payments :
    - (A) All transactions in the current and capital account are called automatic transactions. Accommodating items are transactions that come under the official reserve account.
    - (B) Transactions are said to be autonomous if their value is determined independently of the balance of payments. Accommodating items are determined by the net consequences of the autonomous items.
    - (C) They take place for business or private motive. Accommodating items are required to balance international transactions.
    - (D) All the above.

18. Tariffs are :
    - (A) Taxes Imposed on imports.
    - (B) Taxes imposed on the consumption of domestic goods.
    - (C) Taxes imposed on the consumption of imported services.
    - (D) Taxes imposed on the consumption of domestic services.

19. Which of the following statement is true ?
    - (A) A Depreciation is likely to correct a deficit in BOP when the demand for and supply of foreign exchange is more elastic.
    - (B) A Depreciation is likely to correct a deficit in BOP when the demand for and supply of foreign exchange is less elastic.
    - (C) A Depreciation is likely to correct a deficit in BOP when the demand for foreign exchange is more elastic and the and supply of foreign exchange is less elastic.
    - (D) None of the above.

20. Modern trade theory is developed by :
    - (A) Adam Smith.
    - (B) Heckscher and Ohlin.
    - (C) David Recardo.
    - (D) Karl Marx.

(Pages : 3)   Name..

Reg. No....................................

FIFTH SEMESTER U.G. DEGREE EXAMINATION, NOVEMBER 2021

(CUCBCSS—UG)

Economics

ECO 5B 10—INTERNATIONAL ECONOMICS

Time : Three Hours   Maximum : 80 Marks

Section A (Objective Type Questions)

Answer all twelve questions.

1. A deliberate reduction in the value of domestic currency in terms of the foreign by the monetary authority of a country is called :

    a) Revaluation.   b) Devaluation.

    c) Depreciation.   d) Appreciation.

2. The Hecksher -Ohlin theory of international is based on :

    a) Reciprocal demand.   b) Labour theory of value.

    c) Factor endowments.   d) None of these.

3. Which of the following is an example of regional economic co-operation ?

    a) SAARC.   b) IMF.

    c) WTO.   d) SDR.

4. If India and USA starts free trade, wage difference among them will :

    a) Increase.   b) Falls.

    c) No effect.   d) Double.

5. Net export means :

    a) Export plus import.   b) Half of the export.

    c) Export minus import.   d) Export multiplied by import.

6. Dumping refers to :

    a) Selling a commodity at a lower price in the rest of the world below the cost and domestic price.

    b) Selling a commodity at a high price in the rest of the world above the cost and domestic price.

    c) Buying goods at lower price from foreign countries than from domestic market.

    d) Reducing tariffs.

Turn over

7. Government policy with respect to export and import is called :

   a) Fiscal policy.   b) Monetary policy.

   c) Finance policy.   d) Commercial policy.

Answer the next three(8-10) questions from the table given below.

Country	Labour cost of production in Hours	
	One unit of wine	One unit of cloth
Portugal	8	9
England	12	10

8. Which of the following is true ?

   a) Portugal is having absolute cost advantage in the production of cloth.

   b) Portugal is having an absolute cost advantage in the production of wine.

   c) England is having an absolute cost advantage in the production of cloth.

   d) Portugal is having an absolute cost advantage in the production of both the commodities wine and cloth.

9. Which of the following nation is having a comparative cost advantage in the production of wine ?

   a) England.   b) Portugal.

   c) Both.   d) None of these.

10. Which of the following nation is having a comparative cost advantage in the production of cloth ?

   a) England.   b) Portugal.

   c) Both.   d) None of these.

11. Which of the following international organization is responsible for developing and maintaining the system of international trade rules and dealing with trade disputes ?

   a) WTO.   b) IMF.

   c) IBRD.   d) IDA.

12. If receipts from foreigners (export) is equal to payments to the foreigners (imports) then there is :

   a) Sectoral balance.   b) Internal balance.

   c) External balance.   d) Capital account balance.

(12 × ½ = 6 marks)

Section B (Very Short Answers)

*Answer any **ten** each question carries 2 marks.*

13. What is meant by economic integration ?

14. Distinguish between international trade and interregional trade.

15. What is mercantilism ?

16. Examine the characteristics of free trade.

17. What is Leontief Paradox ?

18. What is meant by countervailing duties ?

19. Summarize the infant industry argument.

20. What is meant by exchange rate ?

21. What are the different components of BOP ?

22. Explain the meaning of currency convertibility.

23. Distinguish between FDI and FII.

24. What is meant by equilibrium disequilibrium in BOP ?

(10 × 2 = 20 marks)

Section C (Short Essay)

Answer any six each question carries 5 marks.

25. What are the important arguments in favour and against free trade ?

26. What is meant by dumping and anti-dumping ? What are the different types of dumping ?

27. Discuss the subject matter and importance of international economics.

28. What are the important objectives of SAARC ?

29. What is tariff ? What are the different types of tariffs ?

30. Distinguish between fixed and flexible exchange rate systems.

31. Analyse the trend of India's BOP position since 1991.

32. Discuss the role of IMF in international liquidity.

(6 × 5 = 30 marks) ,

Section D (Essay)

Answer any two questions.
Each question carries 12 marks.

33. Critically examine the comparative cost doctrine of International trade.

34. International trade is determined by the relative scarcity abundance of factors of production". Discuss.

35. What are the important measures to correct disequilibrium in BOP ?

36. Critically examine the PPP theory and mint parity theory of exchange rate determination.

(2 × 12 = 24 marks)

FIFTH SEMESTER U.G. DEGREE EXAMINATION, NOVEMBER 2021

(CUCBCSS—UG)

Economics

ECO 5B 09—ECONOMICS OF CAPITAL MARKET

(Multiple Choice Questions for SDE Candidates)

Time : 15 Minutes	Total No. of Questions : 20	Maximum : 20 Marks

INSTRUCTIONS TO THE CANDIDATE

1. This Question Paper carries Multiple Choice Questions from 1 to 20.

2. The candidate should check that the question paper supplied to him/her contains all the 20 questions in serial order.

3. Each question is provided with choices (A), (B) and (C) having one correct answer. Choose the correct answer and enter it in the main answer-book.

4. The MCQ question paper will be supplied after the completion of the descriptive examination.

ECO 5B 09—ECONOMICS OF CAPITAL MARKET

(Multiple Choice Questions for SDE Candidates)

1. ———— is an example for short term asset.

    (A) Treasury bill.   (B) NIFTY.

    (C) SENSEX.

2. In primary markets, property of shares which made it easy to sell newly issued security is considered as :

    (A) Increased liquidity.   (B) Decreased liquidity.

    (C) Money flow.

3. Barter cannot function well :

    (A) Because goods are not always divisible.

    (B) Because transaction costs are minimal.

    (C) Because goods are always standardized.

4. Paper currency is known as 'fiat money' :

    (A) Because only a fraction of total currency is in coins.

    (B) Because it is decreed legal tender.

    (C) Because it cannot be used as payment for debts.

5. Mutual funds are very popular in :

    (A) U.K.   (B) USA.

    (C) Japan.

6. Present Chairman of SEBI is ————.

    (A) U.K. Sinha.   (B) Raghuram Rajan

    (C) K. Raghavan.

7. The leader of Indian money market is ————.

    (A) SEBI.   (B) RBI.

    (C) IRDA.

8. FTSE is the stock exchange index of ————.

    (A) New York .   (B) Tokyo.

    (C) London.

9. RBI Governor is ————.

    (A) Raghuram Rajan.   (B) Urgit Patel.

    (C) Subha Rao.

10. Headquarters of NSE is ————.

    (A) Delhi.   (B) Kolkata.

    (C) Mumbai.

11. Market foe extremely short period is ————.

    (A) Money market.   (B) Mutual fund market.

    (C) Call money market.

12. The return of the shareholder is ————.

    (A) Dividend.   (B) Rate of interest.

    (C) Discount rate.

13. SENSEX is the index of ———— Stock exchange.

    (A) Bombay.   (B) London.

    (C) Delhi.

14. Making profit out of differences in prices of securities in two different markets is called ————.

    (A) Dumping.   (B) Swap.

    (C) Arbitrage.

15. SEBI is constituted on the recommendations of ————.

    (A) Rangarajan Committee.   (B) Narasimham Committee.

    (C) Patel committee.

16. Loans or interest not repaid for more than 6 months is called ————.

    (A) NPA.   (B) Credit tranche.

    (C) Recovery.

17. Chief economic advisor to the Prime Minister of India is ————.

    (A) Arabind Subramaniam.   (B) Narasimham.

    (C) Rangarajan.

18. Regulator of Indian capital market is ————.

    (A) SEBI.   (B) RBI.

    (C) NABARD.

19. An example for transfer payments is ————.

    (A) Pension.   (B) Wage.

    (C) Interest rate.

20. Chief Economic Advisor of the Government of Kerala is :

    (A) Mrudul Eapen.   (B) Gita Gopinath.

    (C) S. Irudaya Rajan.

FIFTH SEMESTER U.G. DEGREE EXAMINATION, NOVEMBER 2021

(CUCBCSS—UG)

Economics

ECO 5B 09—ECONOMICS OF CAPITAL MARKET

Time : Three Hours Maximum : 80 Marks

Part A (Objective Type Questions)

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

1. Nikkei is a stock market index for the :

   a) BSE. b) NSE.

   c) TSE. d) NASDAQ.

2. ——————— is/are type/s of derivative contract.

   a) Forwards. b) Futures.

   c) Options. d) All the above.

3. SEBI was established in :

   a) 1990. b) 1988.

   c) 1989. d) 1992.

4. The name given to sources of finance or capital available to raise money outside the home country in foreign currency is :

   a) Merchant bank. b) Blue-chip share.

   c) Euro issue. d) Employee stock option.

5. Following are intermediaries in new issues market *except* :

   a) Merchant banks.

   b) Non-banking financial intermediaries.

   c) Debenture trustees.

   d) Portfolio managers.

Turn over

6. The financial institutions having loans swapped for bonds can sell all the bonds in :

    a) Under-developed markets.
    b) Developed markets.

    c) Primary markets.
    d) Secondary markets.

7. SEBI has allowed celebs to endorse which products ?

    a) Insurance.
    b) Stocks and shares.

    c) Mutual funds.
    d) Dividends.

8. Malhotra Committee was set up in :

    a) 1992.
    b) 1993.

    c) 1994.
    d) 1995.

9. Method/s of raising capital in the primary market include :

    a) IPO.
    b) Private placement.

    c) Rights issue.
    d) All the above.

10. The process by which a client can get physical certificates converted into electronic balances is called :

    a) Derivative.
    b) Materialisation.

    c) Dematerialisation.
    d) Disinvestment.

11. ——————— is an agreement wherein financial institutions guarantee the issuer for buying unsold portion of the issue.

    a) Underwriting.
    b) Capital formation.

    c) Origination.
    d) None of these.

12. Choose the correct statement/s related to OTCEI :

    Statement I   :   It stands for Over-the-Counter Exchange of India.

    Statement II   :   It is India's first exchange for large foreign companies.

    Statement III   :   It is the first screen-based nationwide stock exchange in India.

    a) Statement I and II are correct.
    b) Statement I and III are correct.

    c) Statement II and III are correct.
    d) Statement I, II and III are correct.

(12 × ½ = 6 marks)

Part B (Very Short Answer Type Questions)

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

13. What is meant by merchant banking ?

14. What type of bond is a debenture ?

15. Distinguish between NIFTY and SENSEX.

16. What are corporate securities ?

17. What is meant by foreign currency convertible bonds ?

18. Define Dematerialization.

19. What is Listing ?

20. Define financial economics.

21. What are blue chip stocks ?

22. Prepare a note on OTCEI.

23. What do you mean by common shares ?

24. What do you know about debenture trustee ?

(10 × 2 = 20 marks)

Part C (Short Essay Type Questions)

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

25. Distinguish between bonus issue and book building. Give examples.

26. What are the major capital market institutions in India ?

27. Discuss the features and functions of primary market.

28. Explain NSDL and CDSL.

29. What are the major advantages and disadvantages of mutual funds ?

30. What does flotation mean ? What are the methods of floatation in primary market ?

31. Explain the structure of capital market. What are the important instruments of capital market ?

32. Explain the meaning and types of debentures.

(6 × 5 = 30 marks)

Turn over

Part D (Essay Type Questions)

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

33. **Explain meaning and types** of financial markets. Discuss the major defects of Indian financial system.

34. **Explain the meaning, objectives and functions of SEBI.**

35. **What is meant by new issue market ?** Explain the intermediaries in new issues market.

36. **Discuss the origin and development of stock exchanges in India. Prepare notes on stock market index in India.**

<div align="right">(2 × 12 = 24 marks)</div>

FIFTH SEMESTER U.G. DEGREE EXAMINATION, NOVEMBER 2021

(CUCBCSS—UG)

Economics

ECO 5B 08—INDIA'S ECONOMIC DEVELOPMENT : NATIONAL AND REGIONAL

(Multiple Choice Questions for SDE Candidates)

Time : 15 Minutes	Total No. of Questions : 20	Maximum : 20 Marks

INSTRUCTIONS TO THE CANDIDATE

1. This Question Paper carries Multiple Choice Questions from 1 to 20.

2. The candidate should check that the question paper supplied to him/her contains all the 20 questions in serial order.

3. Each question is provided with choices (A), (B), (C) and (D) having one correct answer. Choose the correct answer and enter it in the main answer-book.

4. The MCQ question paper will be supplied after the completion of the descriptive examination.

ECO 5B 08—INDIA'S ECONOMIC DEVELOPMENT : NATIONAL AND REGIONAL

(Multiple Choice Questions for SDE Candidates)

1. Among the following states which has the highest PCI :

   (A) Goa.   (B) Punjab.

   (C) Kerala.   (D) Maharashtra.

2. Relative poverty is basically related with :

   (A) Poor.   (B) Rich.

   (C) Both.   (D) None.

3. According to Mixed Recall period India's Poverty in 2009-10 is :

   (A) 36%.   (B) 27.5%.

   (C) 29.8%.   (D) None.

4. The sex ratio of India in 2011 is :

   (A) 961.   (B) 940.

   (C) 980.   (D) None.

5. Which is an urban poverty eradication Programme ?

   (A) JRY.   (B) NREGP.

   (C) RLEGP.   (D) NRY.

6. India's rank according to HDI in 2012 is :

   (A) 127.   (B) 134.

   (C) 136.   (D) 124.

7. The annual growth rate of India's population according to 2011 census is :

   (A) 1.9%.   (B) 1.76%.

   (C) 2%.   (D) None.

8. What was the contribution of the primary sector to net domestic product of India in 2011 ?

    (A) 80%.   (B) 18%.

    (C) 53%.   (D) 25%.

9. PDS Stand for :

    (A) Public Distribution System.   (B) Public Division System.

    (C) Price Distribution System.   (D) All of these.

10. Regional Rural Bank were started in ——————.

    (A) 1969.   (B) 1972.

    (C) 1975.   (D) 1991.

11. MARTP Act is related to ——————.

    (A) Industry.   (B) Service.

    (C) Bank.   (D) Shipping.

12. WTO prescribes export subsidies as :

    (A) Competition.   (B) Unfair competition.

    (C) Monopolistic competition.   (D) Exploitation.

13. Net National gains from trade is measurable function of :

    (A) Volume of trade.

    (B) Relative prices in two countries.

    (C) Factor cost of commodities traded.

    (D) Volume of trade credited and change in prices caused by trade.

14. 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.

15. In calculating India's balance of payments position, we must :

    (A) Omit invisible items.

    (B) Omit exports and imports of gold.

    (C) Include expenditure by foreign tourists as imports.

    (D) Include long term loans abroad as debit.

16. Each member of IMF is assigned a quota expressed in :

    (A) Member country's currency.   (B) Dollar.

    (C) Special Drawing Rights.   (D) None of the above.

17. The fundamental cause for the collapse of the Bretton woods system was :

    (A) Liquidity problem.   (B) The Adjustment problem.

    (C) The Confidence problem.   (D) All of the above.

18. The important component of foreign trade :

    (A) Terms of trade, balance of trade and balance of payment.

    (B) The volume of trade, the composition of trade and direction of trade.

    (C) Terms of trade and volume of trade.

    (D) Terms of trade and Direction of trade.

19. In which of the plan period, the Balance of payment position had surplus :

    (A) First plan.   (B) Second plan.

    (C) Third plan.   (D) Fifth plan.

20. The balance of payment on current account shows :

    (A) The record of the current position of the country in transfer of both visible and invisible items.

    (B) The record of the financial position of the country.

    (C) The extent of the financial position of the country.

    (D) The record of the current position of visible items.

FIFTH SEMESTER U.G. DEGREE EXAMINATION, NOVEMBER 2021

(CUCBCSS—UG)

Economics

ECO 5B 08—INDIA'S ECONOMIC DEVELOPMENT : NATIONAL AND REGIONAL

Time : Three Hours   Maximum : 80 Marks

Part A (Objective Type Questions)

Answer all questions.
Each question carries ½ mark.

1. Which industrial policy is known as the 'Economic Constitution of India?'

     (a) Industrial policy of 1948.   (b) Industrial policy of 1956.

     (c) Industrial policy of 1980.   (d) Industrial policy of 1991.

2. The MRTP Act regulates :

     (a) Restrictive Trade Practice.   (b) Unfair Trade Practice.

     (c) Monopolistic Trade Practice.   (d) All the above.

3. Who among the following is the chairman of the 15th Finance Commission ?

     (a) N. K. Singh.

     (b) Y.V. Reddy.

     (c) C. Rangarajan.

     (d) Vijay Kelkar.

4. TPDS was introduced in :

     (a) 1995.   (b) 1997.

     (c) 2000.   (d) 2001.

5. The apex institution in the field of agriculture and rural credit in India is :

     (a) RRB.   (b) NAFED.

     (c) NABARD.   (d) RIDF.

6. Drain of Wealth Theory was put forward by :

    (a) Dadabhai Naoroji.   (b) Malthus.

    (c) Jawarharlal Nehru.   (d) M.N. Roy.

7. Identify the non-institutional source/s of agricultural credit :

    (a) Regional Rural Banks.   (b) Money lenders.

    (c) Co-operatives.   (d) All the above.

8. IPR - 1991 endorses :

    (a) Disinvestment of PSUs.

    (b) Nationalization of all small scale industries.

    (c) Government withdrawal from industrial production.

    (d) Import substitution.

9. Kudumba Shree Mission in Kerala has been working under :

    (a) Kerala State Women's Commission.

    (b) Kerala State Women's Development Corporation.

    (c) Social Justice Department.

    (d) Local Self Government Department.

10. Choose the correct statement/s related to Food for Work Programme :

    (a) It was introduced in 1977-78.

    (b) It aims to raise the standard of living of the poor.

    (c) Its aim is to raise income and employment for the poor through the creation of incremental assets and by means of work generation.

    (d) All the above.

11. National Food Security Act was passed in :

    (a) 2003.   (b) 2009.

    (c) 2012.   (d) 2013.

12. The contribution of primary sector to the Gross Value Added (GVA) of India at constant prices as on 2020-21 is :

    (a) 14.03 %.   (b) 16.38 %.

    (c) 22.63 %.   (d) 29.34 %

(12 × ½ = 6 marks)

Part B (Very Short Answer Type Questions)

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

13. What do you mean by land reforms ?

14. What is decentralized planning ?

15. Define Industrial policy.

16. Prepare a short note on MNREGS

17. Define Food security.

18. What is agricultural marketing ?

19. What is meant by economic planning ?

20. Prepare a note on Finance Commissions.

21. What is meant by PQLI ?

22. What do you know about plan holidays ?

23. Distinguish between immigration and emigration.

24. What are regulated markets ?

(10 × 2 = 20 marks)

Part C (Short Essay Type Questions)

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

25. Discuss the features of New Industrial Policy, 1991.

26. Analyses the impact of the British rule in India.

27. What was the background for the introduction of New Economic Reforms 1991 ? Explain the terms liberalization, privatization and globalization.

28. Critically analyze the role of agricultural credit in agricultural development in India.

29. Discuss the growth and contributions of primary, secondary and tertiary sectors of Kerala.

30. Define industrial sickness. Explain the reasons for the industrial backwardness.

31. Explain the features and success of land reforms in India.

32. Describe demographic transition of Kerala.

(6 × 5 = 30 marks)

Turn over

Part D (Essay Types Questions)

Answer any two questions.
Each question carries 12 marks.

33. Explain the role of Gulf migration on Kerala's economic development. Evaluate recent trend in migration scenario of Kerala.

34. Critically examine various schemes introduced to eradicate poverty and unemployment in India.

35. Examine the major achievements and failures of five year plans in India.

36. Evaluate the success of Green Revolution in India.

(2 × 12 = 24 marks)

FIFTH SEMESTER U.G. DEGREE EXAMINATION, NOVEMBER 2021

(CUCBCSS—UG)

Economics

ECO 5B 07—MACRO ECONOMICS—I

(Multiple Choice Questions for SDE Candidates)

Time : 15 Minutes	Total No. of Questions : 20	Maximum : 20 Marks

INSTRUCTIONS TO THE CANDIDATE

1. This Question Paper carries Multiple Choice Questions from 1 to 20.

2. The candidate should check that the question paper supplied to him/her contains all the 20 questions in serial order.

3. Each question is provided with choices (A), (B), (C) and (D) having one correct answer. Choose the correct answer and enter it in the main answer-book.

4. The MCQ question paper will be supplied after the completion of the descriptive examination.

ECO 5B 07—MACRO ECONOMICS—I

(Multiple Choice Questions for SDE Candidates)

1. Which of the following is not an assumption of classical theory ?

   (A) Price flexibility.   (B) Unemployment.

   (C) Say's law.   (D) Neutrality of money.

2. Equation of exchange is associated with :

   (A) Pigou.   (B) J.B. Say.

   (C) Marshall.   (D) Irving Fisher.

3. The classical economists believed that the demand for labour is a function of :

   (A) Total money wages.   (B) Money wage rate.

   (C) Total real wages.   (D) Real wage rate.

4. The aggregate production function implied under classical theory is :

   (A) Long run.   (B) Short run.

   (C) No time element.   (D) None of the above.

5. Wages and prices do not adjust quickly to restore general equilibrium is a property of :

   (A) Classical economics.   (B) Keynesian economics.

   (C) Monetary economics.   (D) Supply side economics.

6. Supply creates its own demand is the Basis of :

   (A) Classical economics.   (B) Keynesian economics.

   (C) Monetarism.   (D) None of these.

7. When investment is negatively related to the rate of interest, equilibrium output in the goods market :

   (A) Is unrelated to the rate of interest.

   (B) Is inversely related to the rate of interest.

   (C) Is positively related to the rate of interest.

   (D) Falls as the rate of interest decreases.

8. Crowding out occurs when :

 (A) A decrease in the money supply raises the rate of interest which crowds out interest - sensitive private sector spending.

 (B) An increase in taxes for the private sector reduces private sector disposable income and spending

 (C) A reduction in income taxes results in a higher interest rate, which crowds out interest - sensitive private sector spending

 (D) A reduction in government spending induces less consumption spending.

9. Psychological law of consumption states that the value of MPC is lies between of zero and :

 (A) 1.   (B) 2.

 (C) 3.   (D) 4.

10. In the linear consumption function C = a + bY, coefficient 'a' denotes :

 (A) MPC.   (B) APC.

 (C) Autonomous consumption.   (D) Induced consumption.

11. According to Keynes the most important determinant of investment :

 (A) MEC.   (B) Effective demand.

 (C) Aggregate demand.   (D) Rate of interest.

12. Rate of change in savings to change in income :

 (A) APS.   (B) APC.

 (C) MPS.   (D) MPC.

13. The MEC increases when :

 (A) Capital stock increases.   (B) Capital stock decreases.

 (C) Capital remains constant.   (D) None of the above.

14. A substantial increase in the rate of interest can cause :

 (A) Increase in savings.   (B) Reduce propensity to consume.

 (C) All the above.   (D) None of the above.

15. Which of the following concepts are most closely associated with J.M. Keynes ?

    (A) Control of the money supply.   (B) Marginal utility theory.

    (C) Indifference curve analysis.   (D) Marginal efficiency of capital.

16. An equilibrium which holds a particular position over-time is :

    (A) General Equilibrium.   (B) Unstable equilibrium.

    (C) Stable equilibrium.   (D) Partial equilibrium.

17. By representing amounts of proceeds by all entrepreneurs along the Y axis and volumes of employment along the X-axis, we can draw ————— curves.

    (A) Employment.   (B) Consumption and Savings.

    (C) Revenue and employment.   (D) Aggregate supply and demand.

18. "Mr. Keynes and the Classics" is the title of the famous paper by :

    (A) Hansen.   (B) Hicks.

    (C) Harrod.   (D) Haberler.

19. When MPC is 0.5, the value of multiplier is :

    (A) 5.   (B) 0.5.

    (C) 2.   (D) 4.

20. According to Keynesian analysis, consumption is a function of :

    (A) Permanent income.   (B) Current income.

    (C) Estimated lifetime income.   (D) Previous income.

(Pages : 4)   Name..

                                                 Reg. No....................................

FIFTH SEMESTER U.G. DEGREE EXAMINATION, NOVEMBER 2021

(CUCBCSS—UG)

Economics

ECO 5B 07—MACRO ECONOMICS—I

Time : Three Hours   Maximum : 80 Marks

Part A (Objective Type Questions)

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

1. When MPS is 0.5, the value of investment multiplier is :

    a) 2.   b). 5.

    c) 1.   d) 4.

2. ——————— is a variable that is not affected by other variables in the system.

    a) Exogenous variable.   b) Endogenous variable.

    c) Stock variable.   d) Flow variable.

3. Identify the name/s associated with the formulation of the cash balances approach :

    a) Marshall.   b) Pigou.

    c) Robertson.   d) All the above.

4. The term used for expressing GDP after adjusting for environmental damage is :

    a) GDP deflator.   b) Green GDP.

    c) Real GDP.   d) Nominal GDP.

5. The book titled The Money Illusion has been authored by :

    a) Alfred Marshal.   b) Irving Fisher.

    c) Milton Friedman.   d) AC Pigou.

Turn over

6. _____ describes the spending and saving habits of people over the course of a lifetime.

    a) The absolute income hypothesis.

    b) The relative income hypothesis.

    c) The permanent income hypothesis.

    d) The life-cycle hypothesis.

7. Real balance effect theory is based on the assumption/s :

    a) All prices are flexible.   b) No distribution effect exists.

    c) There is no money illusion.   d) All the above.

8. Who among the following was labelled as a 'conservative revolutionary ?'

    a) Marx.   b) Friedman.

    c) Keynes.   d) Ricardo.

9. The tax multiplier is :

    a) Smaller than the spending multiplier.

    b) Larger than the spending multiplier.

    c) Equal to the spending multiplier.

    d) None of these.

10. According to classical economists, there always exists :

    a) Full employment equilibrium.

    b) Underemployment equilibrium.

    c) Over full employment equilibrium.

    d) None of these.

11. According to Keynes, aggregate supply function is an increasing function of the level of :

    a) Income.   b) Prices.

    c) Employment.   d) All the above.

12. Identify the correct statement/s related to the Permanent Income Hypothesis :

   a) Consumption expenditure is proportional to permanent income.

   b) In the long run observed level of income is equal to permanent income.

   c) Observed values of aggregate income has two components such as permanent income and transitory income.

   d) All the above.

                                              (12 × ½ = 6 marks) .

Part B (Very Short Answer Type Questions)

Answer any ten questions.
Each question carries 2 marks.

13. Define Macro economics.

14. What is aggregate demand price ?

15. Define consumption function.

16. What is the difference between current GNP and real GNP ?

17. Define tax multiplier.

18. What do you mean by double counting ?

19. What is meant by classical dichotomy ?

20. Distinguish between macro statics and macro dynamics.

21. What are the major leakages with multiplier process ?

22. What is deflationary gap ?

23. Distinguish between MPS and APS.

24. Point out the significance of net foreign factor income.

                                              (10 × 2 = 20 marks)

Part C (Short Essay Type Questions)

Answer any six questions.
Each question carries 5 marks.

25. Explain Fisher's quantity theory of money.

26. Differentiate between stock and flow variables with suitable examples.

27. Explain the importance of Marginal Efficiency of Investment in making investment decisions.

28. Prepare a note on Keynesian Revolution.

29. Explain the scope of macro economics.

30. Distinguish between ratchet effect and demonstration effect.

31. What are the assumptions of classical model of output and employment.

32. What is real balance effect ? Examine the importance of Patinkin's model.

(6 × 5 = 30 marks)

Part D (Essay Type Questions)

Answer any two questions.
Each question carries 12 marks.

33. Examine important methods of measuring national income. Discuss major problems in measuring national income.

34. Explain the meaning and objectives of fiscal policy. What are the important instruments of fiscal policy ?

35. The level of employment is determined at the point where the aggregate demand price equals the aggregate supply price. Explain.

36. Examine the relative income hypothesis of James Duesenberry. How far it is related to the life-cycle hypothesis ?

(2 × 12 = 24 marks)