

SIXTH SEMESTER U.G. DEGREE EXAMINATION, MARCH 2022**(CBCSS—UG)****Economics****ECO 6B 18—URBAN ECONOMICS****(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 6B 18—URBAN ECONOMICS

(Multiple Choice Questions for SDE Candidates)

1. The phenomenon 'Urban revolution' was mainly led by :
 - (A) Agriculture Revolution.
 - (B) Industrial Revolution.
 - (C) Famine and war.
 - (D) None of these.
2. What phenomena led the growth of urbanization in developed countries ?
 - (A) Agriculture Revolution.
 - (B) Industrial Revolution.
 - (C) Technological Development.
 - (D) None of these.
3. Urbanism is mainly the study of :
 - (A) Process of urban growth.
 - (B) Growth of the urban population.
 - (C) The character of city life.
 - (D) None of these.
4. According to census 2011, which of the following percentage depict the level of urbanization in India ?
 - (A) 31.16 %.
 - (B) 28 %.
 - (C) 33.16 %.
 - (D) 26 %.
5. Which of the following is not a reason behind the growth of cities ?
 - (A) Trade and Commerce.
 - (B) Hygienic outlook of people.
 - (C) Industrialism.
 - (D) Development of transport.
6. Which of the following is the poverty determination measure ?
 - (A) Head Count Ratio.
 - (B) Sen Index.
 - (C) Poverty Gap Index.
 - (D) All of these.

14. Which scheme was started in 1993 to create self-employment opportunities for educated unemployed youth in rural areas and small towns ?
- (A) Prime Minister Rojgar Yojana.
 - (B) National Rural Employment Guarantee Act.
 - (C) Rural Employment Generation Programme.
 - (D) Swarnajayanti Gram Swarojgar Yojana.
15. Which among the following is not a cause of growth of cities _____.
- (A) Trade and commerce.
 - (B) Industrialism.
 - (C) Development of transport.
 - (D) Hygienic outlook of people.

7. Globalisation, by connecting countries, shall result in _____ ?
- (A) Lesser competition among producers.
 - (B) Greater competition among producers.
 - (C) No change in competition among producers.
 - (D) None of the above.
8. Which is the cause of rapid growth of population in India ?
- (A) Peaceful conditions.
 - (B) Excess birth over death.
 - (C) Progress in medical facilities.
 - (D) All of the above.
9. The National Policy on Older Persons was enacted in which year :
- (A) 1998.
 - (B) 1999.
 - (C) 2000.
 - (D) 2001.
10. The reason for migration is _____.
- (A) Lack of job opportunities in the rural area.
 - (B) Agricultural opportunities in the urban areas.
 - (C) Availability of transport.
 - (D) Childbearing.
11. Informal employment is generally a larger source of employment for _____.
- (A) Women.
 - (B) Men.
 - (C) Transgenders.
 - (D) Children
12. The economy is classified into public and private sectors on the basis of :
- (A) Employment conditions.
 - (B) The nature of economic activity.
 - (C) Ownership of enterprises.
 - (D) Number of workers employed in the enterprise.
13. What is the main cause of poverty in India ?
- (A) High income inequalities.
 - (B) Less job opportunities.
 - (C) High growth in population.
 - (D) All of these.

SIXTH SEMESTER U.G. DEGREE EXAMINATION, MARCH 2022

(CHANN UG)

Economics**EXY 6B 1A URBAN ECONOMICS****(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. Urban economics.
2. JNNURM.
3. Intra-urban and inter-urban.
4. Township.
5. Cantonment board.
6. Shadow city.
7. Informal sector labour.
8. Urbanization.
9. Labor market dualism.
10. Slum.
11. Urban planning.
12. Local government.

(8 × 3 = 24 marks)

Section B

Answer at least five questions.

Each question carries 5 marks.

All questions can be attended.

Overall Ceiling 25.

13. Define urban poverty. What are the causes of urban poverty ?
14. Explain the nature and scope of urban economics.
15. Evaluate the functions of Urban Improvement Trusts. Point out their limitations.
16. Explain the meaning and characteristics of urban labour markets.
17. What is urban policy and why is it important ?
18. Examine the features of urbanization in developing countries.
19. What are common types of urban crime? How does urbanization influence crime ?

(5 × 5 = 25 marks)

Section C

Answer any one question.

The question carries 11 marks.

20. Discuss the nature and causes of urbanization in India. Evaluate the urban development policies in India.
21. Explain important models of urban development and planning.

(1 × 11 = 11 marks)

SIXTH SEMESTER U.G. DEGREE EXAMINATION, MARCH 2022**(CBCSS—UG)****Economics****ECO 6B 17—BEHAVIOURAL ECONOMICS****(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.
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ECO 6B 17—BEHAVIOURAL ECONOMICS

(Multiple Choice Questions for SDE Candidates)

- In a shopping mall, a manager decides to play certain types of music at Christmas to remind people to buy Christmas gifts. This strategy would be utilising what concept in behavioural economics ?
 - Representative heuristic.
 - Priming.
 - Anchoring.
 - Satisficing.
- The type of heuristic in which customer adjust initial judgement on the basis of additional the way in which choices are seen and presented by a decision maker is classified as :
 - Anchor framing.
 - Critical framing.
 - Adjustment framing.
 - Decision framing.
- A "commitment device" in behavioural economics is necessary to avoid what ?
 - Nudging.
 - Time inconsistent preferences.
 - Anchoring.
 - Irrationality.
- The term 'homo economicus' is used to describe :
 - Finite ability to make rational decisions.
 - Irrational decision-making.
 - Infinite ability to make irrational decisions.
 - Infinite ability to make rational decisions.
- What is the framing effect ?
 - People tend to make decisions based on what has happened to them in the past.
 - People tend to change their decisions based simply on whether to not the context is in terms of gains or losses.
 - People tend to change their decisions when new options are presented.
 - People tend to make decisions by considering what will happen to them in the future.
- When an individual makes a choice for reasons they cannot explain, and allow their emotions to be involved, they are operating under :
 - Felific calculus.
 - Utilitarianism.
 - The intuitive system.
 - Behavioural economics.

7. A situation in which a decision maker knows all of the possible outcomes of a decision and also knows the probability associated with each outcome is referred to as :
- (A) Certainty.
 - (B) Risk.
 - (C) Uncertainty.
 - (D) Strategy.
8. The winner's curse refers to :
- (A) The reaction of losers in an English auction to the winner.
 - (B) A tax imposed on the winners of English auctions.
 - (C) Paying an amount that exceeds the true value of an item at auction.
 - (D) A Dutch auction in which the winner is obliged, by tradition, to berate the auctioneer.
9. One way to correct a potential principal-agent problem is for stockholders to :
- (A) Offer managers "golden parachutes" in the event of a takeover.
 - (B) Empower managers to make the decisions they feel are best.
 - (C) Ensure that there is no explicit linkage between managers' compensation and the profitability of the firm.
 - (D) All of these answers are correct.
10. Asymmetric information refers to circumstances in which :
- (A) Both parties to a transaction have identical amounts of information.
 - (B) Neither party to a transaction has any relevant information.
 - (C) One party to a transaction has more information than the other party.
 - (D) The riskiness of a transaction is greater than its expected return.
11. A Futures contract :
- (A) Is a type of bond that specifies the amount of interest that must be paid on a loan at a future point in time.
 - (B) Is an agreement to buy or sell a commodity at a specified price at a specified point in time.
 - (C) Is a partnership agreement between two parties that determines their future business relationship.
 - (D) None of the above is correct.

12. Fred is willing to pay \$1 for a lottery ticket that has an expected value of zero. This proves that Fred :
- (A) Is risk averse.
 - (B) Has a certainty-equivalent coefficient that is equal to one.
 - (C) Is risk neutral.
 - (D) None of the above is correct.
13. A risk-return trade off function :
- (A) Shows the minimum expected return required to compensate an investor for accepting various levels of risk.
 - (B) Slopes upward for a risk averse decision maker.
 - (C) Is horizontal for a risk neutral decision maker.
 - (D) All of the above are correct.
14. The coefficient of variation measures :
- (A) The risk per unit of expected payoff.
 - (B) The risk per unit of expected payoff.
 - (C) The payoff per unit of risk.
 - (D) A decision maker's risk-return trade-off.
15. If a decision maker is risk averse, then the best strategy to select is the one that yields the :
- (A) Highest expected payoff.
 - (B) Lowest coefficient of variation.
 - (C) Highest expected utility.
 - (D) Lowest standard deviation.

SIXTH SEMESTER U.G. DEGREE EXAMINATION, MARCH 2022

(CBCSS—UG)

Economics

ECO 6B 17—BEHAVIOURAL ECONOMICS

(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. Game theory. | 2. Reciprocity. |
| 3. Co-ordination games. | 4. Strategic thinking. |
| 5. Expected utility function. | 6. Probability. |
| 7. Preference reversal. | 8. Risk and uncertainty. |
| 9. Probability judgement. | 10. Choice architecture. |
| 11. Cognitive and emotional biases. | 12. Hyperbolic discounting. |

(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. Explain mental accounting. What do you know about framing mental accounts ?
14. Explain meaning and significance of behavioral economics.
15. Prepare a note on behavioural game theory.
16. What are social preferences in behavioural economics ?

17. Explain prospect theory. What is the difference between expected utility theory and prospect theory?
18. Explain the nudge theory using suitable example.
19. Define utility function. Explain the shapes of utility function and interpret them.

(5 × 5 = 25 marks)

Section C (Long Essay Questions)

Answer any one question.

The question carries 11 marks.

20. Explain bounded rationality. Discuss bounded rationality judgment under risk and uncertainty.
21. What is meant by inter-temporal choice? Explain construal level theory. What are the key factors in construal level theory?

(1 × 11 = 11 marks)

SIXTH SEMESTER U.G. DEGREE EXAMINATION, MARCH 2022

(CBCSS—UG)

Economics

ECO 6B 16—BASIC ECONOMETRICS

(2019 Admissions)

(Multiple Choice Questions for SDE Candidates)

Time : 15 Minutes

Total No. of Questions : 15

Maximum : 20 Marks

INSTRUCTIONS TO THE CANDIDATE

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ECO 6B 16—BASIC ECONOMETRICS

(Multiple Choice Questions for SDE Candidates)

1. What would be then consequences for the OLS estimator if heteroscedasticity is present in a regression model but ignored ?
 - (A) It will be ignored.
 - (B) It will be inconsistent.
 - (C) It will be inefficient.
 - (D) All of the above.
2. The regression co-efficient estimated in the presence of autocorrelation in the sample data are NOT :
 - (A) Unbiased estimators.
 - (B) Consistent estimators.
 - (C) Efficient estimators.
 - (D) Linear estimators.
3. Data on one or variables collected at a given point of time :
 - (A) Panel Data.
 - (B) Time series data.
 - (C) Pooled data.
 - (D) Cross-section data.
4. When there are both qualitative and quantitative variables are there in the model :
 - (A) ANOVA.
 - (B) ANCOVA.
 - (C) CHI SQUARE.
 - (D) All of the above.
5. Homogeneity of three or more population correlation co-efficients can be tested by :
 - (A) F-test.
 - (B) t -test.
 - (C) Z-test.
 - (D) χ^2 -test.
6. Which of the following statements is true about autocorrelation ?
 - (A) Consecutive values of Errors term or observations are correlated.
 - (B) Regressors are correlated.
 - (C) The conditional distribution of error terms is constant.
 - (D) Consecutive errors or observations are uncorrelated.

7. Which of the action does not make sense to take in order to struggle against multicollinearity ?
- (A) Add more regressors in the model.
 - (B) Increase more observations.
 - (C) Decrease the number of regressors in the model.
 - (D) None of these.
8. What will be the properties of the OLS estimator in the presence of multicollinearity ?
- (A) It will be consistent unbiased and efficient.
 - (B) It will be consistent and unbiased but not efficient.
 - (C) It will be consistent but not unbiased.
 - (D) It will not be consistent.
9. A sure way of removing multicollinearity from the model is to :
- (A) Work with panel data.
 - (B) Drop variables that cause multicollinearity in the first place.
 - (C) Transform the variables by first differencing them.
 - (D) Obtaining additional sample data.
10. The regression co-efficient estimated in the presence of autocorrelation in the sample data are NOT :
- (A) Unbiased estimators.
 - (B) Consistent estimators.
 - (C) Efficient estimators.
 - (D) Linear estimators.
11. Full form of OLS :
- (A) Ordinary Least Square method.
 - (B) Ordinary Least Statistical method.
 - (C) Ordinary Least Sample method.
 - (D) Both (B) and (C).
12. Information about numerical values of variables from period to period is :
- (A) Time series data.
 - (B) Cross-section data.
 - (C) Panel data.
 - (D) Pooled data.

13. What is u_i ?
- (A) Error term. (B) Disturbance term.
(C) Both (A) and (B) are correct. (D) Both (A) and (B) are wrong.
14. In confidence interval estimation, $\alpha = 5\%$, this means that this interval includes the true β with probability of :
- (A) 5%. (B) 50%.
(C) 95%. (D) 45%.
15. A data set that consists of observations on a variable or several variables overtime is called a _____ data set.
- (A) Binary. (B) Cross-sectional.
(C) Time series. (D) Experimental.

SIXTH SEMESTER U.G. DEGREE EXAMINATION, MARCH 2022**(CBCSS—UG)****Economics****ECO 6B 16—BASIC ECONOMETRICS****(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. Regression.
2. P value.
3. OLS.
4. Standard error.
5. Heteroscedasticity.
6. Restricted least squares.
7. Coefficient of determination.
8. F test.
9. Mathematical Economics.
10. Error term.
11. Null and alternative hypothesis.
12. Normality assumption.

(8 × 3 = 24 marks)**Turn over**

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. What is meant by hypothesis testing? Explain the uses of t test.
14. Discuss the consequences of OLS estimation in the presence of multicollinearity.
15. Distinguish between population regression function and sample regression function.
16. Explain dummy variables and their uses. Give examples of dummy variables.
17. State and prove Gauss-Markov theorem.
18. Examine the functional forms of regression models.
19. Distinguish between R^2 and adjusted R^2 .

(5 × 5 = 25 marks)

Section C (Long Essay Questions)

Answer any one question.

The question carries 11 marks.

20. Discuss the nature and scope of Econometrics. Explain the methodology of Econometrics.
21. Explain meaning and consequences of autocorrelation. What are the remedial measures to solve it?

(1 × 11 = 11 marks)

SIXTH SEMESTER U.G. DEGREE EXAMINATION, MARCH 2022**(CBCSS-UG)****Economics****ECO 6B 15—RESEARCH METHODOLOGY****(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.
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ECO 6B 15—RESEARCH METHODOLOGY

(Multiple Choice Questions for SDE Candidates)

1. Sampling which provides for a known non-zero chance of selection is :
(A) Probability sampling. (B) Non-probability sampling.
(C) Multiple Choice. (D) Analysis.
2. Social research aims at _____.
(A) Integration. (B) Social Harmony.
(C) National Integration. (D) Social Equality.
3. The first page of the research report is :
(A) Appendix. (B) Bibliography.
(C) Index. (D) Title page.
4. Which of the following is not a type of research question ?
(A) A hypothesis. (B) Predicting an outcome.
(C) Evaluating a phenomenon. (D) Developing good practice.
5. _____ search for knowledge.
(A) Research. (B) Research design.
(C) Sample design. (D) Research report.
6. The introductory section of a research report should aim to :
(A) Identify the specific focus of the study.
(B) Provide a rationale for the dissertation, or article.
(C) Grab the reader's attention.
(D) All of the above.

7. A census taken often collects data through which of the following ?
- (A) Standardized tests. (B) Interviews.
(C) Secondary data. (D) Observations.
8. What is the last step in research process ?
- (A) Execution of the project. (B) Preparation of the research report.
(C) Testing hypothesis. (D) None of these.
9. A formal document that presents the research objectives, design of achieving these objectives, and the expected outcomes/deliverables of the study is called :
- (A) Research design. (B) Research proposal.
(C) Research hypothesis. (D) Research report.
10. Questionnaire is filled by _____.
- (A) Respondent. (B) Everybody.
(C) Enumerator. (D) None of the above.
11. Which one is called non-probability sampling ?
- (A) Quota sampling. (B) Cluster sampling.
(C) Systematic sampling. (D) Stratified random sampling.
12. _____ is a combination of questionnaire and interview method.
- (A) Schedule method. (B) Stratified sampling.
(C) Quota sampling. (D) Cluster sampling.

Turn over

13. What is the Purpose of Research _____.
- (A) To identify Problems. (B) To find Possible Solutions.
(C) Both. (D) None of these.
14. The combination of interview and _____ is known as schedule method.
- (A) Observation. (B) Questionnaire.
(C) Data. (D) None.
15. Sampling design is the blue pint for obtaining _____ from the sampling frame.
- (A) Population. (B) Data.
(C) Sample. (D) None.

SIXTH SEMESTER U.G. DEGREE EXAMINATION, MARCH 2022**(CBCSS-UG)****Economics****ECO 6B 15—RESEARCH METHODOLOGY****(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. Quantitative and qualitative data.
2. Focus group discussion.
3. Research question.
4. Inferential statistics.
5. Footnotes.
6. Research gap.
7. Questionnaire and schedule.
8. Random sampling.
9. SPSS.
10. Bibliography.
11. Null and alternative hypothesis.
12. Data analysis.

(8 × 3 = 24 marks)**Turn over**

Section B

Answer atleast five questions.

Each question carries 5 marks.

All questions can be attended.

Overall ceiling 25.

13. What is research report ? Discuss the structure of a research report.
14. Differentiate between probability sampling and non-probability sampling.
15. What are the essential characteristics of good questionnaire ?
16. Explain the methods of collecting primary data and secondary data.
17. What is meant by literature review ? Discuss why is it important to do literature review in research ?
18. What do you mean by hypothesis ? Explain meaning and types of hypothesis testing in research.
19. What are the different stages in research process ?

(5 × 5 = 25 marks)

Section C

Answer any one question.

The question carries 11 marks.

20. Distinguish between research methods and research methodology. Discuss important classification of research.
21. Discuss the meaning, characteristics and types of research design.

(1 × 11 = 11 marks)

SIXTH SEMESTER U.G. DEGREE EXAMINATION, MARCH 2022**(CBCSS—UG)****Economics****ECO 6B 14—ECONOMICS OF GROWTH AND DEVELOPMENT****(2019 Admissions)****(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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ECO 6B 14—ECONOMICS OF GROWTH AND DEVELOPMENT

(Multiple Choice Questions for SDE Candidates)

- The major factors of economic growth are :
 - Capital accumulation.
 - Population.
 - Technical progress.
 - All the above.
- Growth in developed countries is now mostly the result of :
 - Rising labour productivity.
 - Rising investment.
 - Rising capital - output ratio.
 - Rising Level of Living.
- According to Simon Kuznets, the relationship between GNP per capita and inequality in the distribution of income can be expressed as :
 - A strictly decreasing relationship.
 - A strictly increasing relationship.
 - No relationship.
 - First increasing and then decreasing.
- The concept of sustainable development was first given by :
 - Brundtland.
 - Kindle Berger.
 - Raul Prebisch.
 - Keynes.
- Critical minimum efforts thesis is given by :
 - Ragner Nurkse.
 - H Leibenstein.
 - A O Hirschman.
 - R Roden.
- As economic development proceeds, income inequality tends to follow a(n) _____ curve.
 - Convex.
 - Inverted U-shaped.
 - L-shaped.
 - S-Shaped.
- Dual economies are countries :
 - With double capital and labour.
 - With a modern manufacturing sector as well as traditional agriculture sector.
 - That specializes in labour-intensive products more than capital-intensive products.
 - With foreign-owned and domestically-owned capital.
- Rostow's economic stages are :
 - The preconditions for take-off, the take-off, the drive to maturity, and the age of creative destruction.
 - The traditional society, the preconditions for take-off, the take-off, the drive to maturity, and the age of high mass consumption.
 - The preconditions for consumption, the replication, the drive to maturity, and the age of high mass consumption.
 - The learning curve, the age of high mass consumption, post-take off, and the drive to maturity.

9. Most of the underdeveloped economies suffer from _____ which do not let the rate of growth go up from a lower level.
- (A) High population pressures. (B) High infant mortality.
(C) High monetary mismanagement. (D) High level of technological unemployment.
10. The rate of growth of an economy mainly depends upon :
- (A) The rate of growth of the labour force.
(B) The proportion of national income saved and invested.
(C) The rate of technological improvements.
(D) All of the above.
11. Who put forward the theory of social dualism ?
- (A) A. Lewis. (B) G. Myrdal
(C) J. H. Boeke. (D) A. O. Hirschman.
12. The 'big-push' strategy of development was first advocated by :
- (A) Paul N-Rosenstein-Rodan. (B) Simon Kuznets.
(C) W.A. Lewis. (D) A. O. Hirschman.
13. The parameter/s of the PQLI is/are :
- (A) Life Expectancy Index. (B) Standard of living index.
(C) Infant mortality rate. (D) A) and C).
14. Which of the following describes why income inequality is bad for economic development ?
- (A) Income inequality may threaten political stability, because people are dissatisfied with their economic situation and place blame on political authorities.
(B) Income inequality reduces the pool of people with resources, such as education, to improve productivity.
(C) Income inequality may increase distrust and deter commitment amongst people in the marketplace, making contracts enforcement difficult.
(D) All of these answers
15. In the Solow model, if capital is in the steady state, output :
- (A) Will continue to grow.
(B) Is also in the steady state.
(C) Will continue to grow, but its rate of growth will slow down.
(D) Will decline, but its rate of growth will be positive.

16. 'Take off stage' in an economy means :

- (A) Steady growth begins. (B) Economy is stagnant.
(C) Economy is about to collapse. (D) All controls are removed.

17. Which of the following options is correct when we only accomplish two out of three pillars of sustainable development ?

- (A) Economic + Environmental sustainability = Viable.
(B) Social + Environmental sustainability = Bearable.
(C) Social + Economic sustainability = Equitable.
(D) All of the above.

18. In which year was the United Nations Commission on Sustainable Development (CSD) started by the UN General Assembly ?

- (A) 1995. (B) 1994.
(C) 1993. (D) 1992.

19. In the Solow growth model, the assumption of constant returns to scale means that :

- (A) All economies have the same amount of capital per worker.
(B) The steady-state level of output is constant regardless of the number of workers.
(C) The saving rate equals the constant rate of depreciation.
(D) The number of workers in an economy does not affect the relationship between output per worker and capital per worker.

20. Consider the following statement (s) related to the parameters of sustainable development refer to the guiding principles :

- I. Help in understanding the concept of sustainable development
II. Point the problems associated with it
III. Help to take active policy measures

Code :

- (A) Both I & II. (B) Both II & III.
(C) Both I & IV. (D) I, II & III.

SIXTH SEMESTER U.G. DEGREE EXAMINATION, MARCH 2022

(CBCSS—UG)

Economics

ECO 6B 14—ECONOMICS OF GROWTH AND DEVELOPMENT

(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. Vicious cycle of poverty.
2. Development gap.
3. Happiness index.
4. Migration.
5. Stationary state.
6. Convergence of growth.
7. Sustainable development.
8. Dual economy.
9. Absolute poverty.
10. Production function.
11. Limits to growth.
12. Per-capita income.
13. Kuznets curve.
14. Critical minimum effort.
15. Underdeveloped countries.

(10 × 3 = 30 marks)

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. Write a short note on Amartya Sen's capability approach.
17. List out various obstacles of growth in a less developed economy.
18. Differentiate between balanced growth and unbalanced growth.
19. Elucidate big push theory of development.

20. Explain the theory of circular causation as a theory of geographical dualism.
21. Explain low level equilibrium trap.
22. Discuss Solow's concept of convergence.
23. Define global warming. What are the impacts of global warming ?

(5 × 6 = 30 marks)

Section C (Long Essay Questions)

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

24. How does Harris-Todaro model become an extension of Lewis's unlimited supply of labour theory ?
25. Differentiate between economic growth and economic development. Discuss alternative measures of development
26. Describe Rostow's stages of growth.
27. How does an endogenous theory of growth differ from exogenous growth theories ? Explain with suitable examples.

(2 × 10 = 20 marks)

SIXTH SEMESTER U.G. DEGREE EXAMINATION, MARCH 2022**(CBCSS-UG)****Economics****ECO 6B 13—DEVELOPMENT OF ECONOMIC THOUGHT****(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 6B 13—DEVELOPMENT OF ECONOMIC THOUGHT

(Multiple Choice Questions for SDE Candidates)

1. The Marxist theory of dialectical materialism theoretically follows a sequence :
(A) Synthesis-thesis-antithesis. (B) Antithesis-synthesis-thesis.
(C) Thesis-antithesis-synthesis. (D) synthesis-antithesis-thesis.
2. Which of the following characteristics is least representative of socialism ?
(A) Personal profits are derived through market competition.
(B) It includes private ownership of the means of production.
(C) It involves centralized decision making.
(D) It includes the pursuit of collective goal.
3. Which of the following is the nucleus of the Keynesian theory of employment ?
(A) The theory of consumption function.
(B) The principle of effective demand.
(C) Marginal efficiency of capital.
(D) None of these.
4. Marginal efficiency of capital is :
(A) The expected rate of profit from new investment.
(B) The expected rate of profit from past investment.
(C) The expected rate of profit from saving.
(D) None of these.
5. Keynes believed that money was _____.
(A) Neutral. (B) Non-neutral.
(C) Neutral and non-neutral. (D) None of these.
6. The grand old man of India is the name attributed to :
(A) Dadabhai Naoroji. (B) Kautilya.
(C) Gandhiji. (D) Ranade.

7. Ambedkar was a champion of :
- (A) Capitalism. (B) Socialism.
(C) Mixed economy. (D) State socialism.
8. Poverty and Un British Rule in India' was written by _____.
- (A) Naoroji. (B) Gokhale.
(C) Ambedkar. (D) Gandhiji.
9. Medieval scholastics, early Islamic thinkers, and Aristotle all agreed that :
- (A) The accumulation of gold within a nation-state would eventually offset any trade surplus.
(B) Payments of interest [usury] should be prohibited.
(C) Commerce was modelled on a circular flow.
(D) Surpluses are enhanced through skilled management.
10. According to mercantilists a country should increase exports and discourage imports by means of :
- (A) Tariffs. (B) Quotas.
(C) Subsidies and taxes. (D) All the above.
11. The Lausanne School is to Léon Walras as the Austrian School is to :
- (A) Vilfredo Pareto. (B) Carl Menger.
(C) Enrico Barone. (D) David Hume.
12. The type of equilibrium that deals with the determination of price and quantity of the only one is :
- (A) General Equilibrium. (B) Partial Equilibrium.
(C) Zero Equilibrium. (D) Pareto efficiency.
13. Ranade attacked the _____ method of the classical economists.
- (A) Inductive method. (B) Historical method.
(C) Deductive method. (D) Explanatory method.
14. De-industrialisation had a major setback to which of the following Indian industries in particular :
- (A) Coal. (B) Handicrafts.
(C) Iron and Steel. (D) Cotton textiles.

Turn over

15. The person who made the most notable attempt to calculate India's national income during the British rule in India, on the of Indian independence was :
- (A) O. Hume. (B) Dadabhai Naoroji.
(C) Surendra Nath Bannerji. (D) Mahatma Gandhi.
16. "England's Treasure of Foreign Trade" was written by :
- (A) Francis Bacon. (B) Thomas Mun.
(C) John Cary. (D) Charles Dupuit.
17. "Principles of Political Economy and Taxation" was by :
- (A) David Ricardo. (B) Adam Smith.
(C) Leon Walras. (D) Robert Malthus.
18. Swadeshi movement was a direct consequence of the British India government's decision to :
- (A) Partition Bengal. (B) Doctrine of lapse.
(C) Arrest Gandhiji. (D) Government of India Act.
19. "The Problem of Rupee" was written by :
- (A) Mahadev Govind Ranade. (B) Gopal Krishna Gokhale.
(C) Dr. B. R. Ambedkar. (D) M.K. Gandhi.
20. Truth, Non-violence, Dignity of Labour and Simplicity are the *four* fundamental principles of :
- (A) Keynesian economic thought. (B) Gandhian economic thought.
(C) Marxian economic thought. (D) Classical economic thought.

SIXTH SEMESTER U.G. DEGREE EXAMINATION, MARCH 2022

(CBCSS-UG)

Economics

ECO 6B 13—DEVELOPMENT OF ECONOMIC THOUGHT

(2019 Admissions)

Time : Two Hours and a Half

Maximum : 80 Marks

Section A

Answer atleast ten questions.

Each question carries 3 marks.

All questions can be attended.

Overall ceiling 30.

1. Balance of trade.
2. Richard Cantillon.
3. Say's law of markets.
4. Division of labour.
5. Laissez-faire.
6. Socialism.
7. Dialectical materialism.
8. Business cycle.
9. Nationalization.
10. Physiocracy.
11. Enlightenment.
12. Keynesian economics.
13. Differential rent.

Turn over

14. Tableau Economique.
15. Mahadev Govind Ranade.

(10 × 3 = 30 marks)

Section B

Answer atleast five questions.

Each question carries 6 marks.

All questions can be attended.

Overall ceiling 30.

16. Explain major contributions of Francis Quesnay.
17. Discuss the important ideas and effects of enlightenment.
18. Explain Marx's critique of Classical Economics.
19. Prepare a note on unfair treatment of the colonies. What were the negative effects of colonialism in India ?
20. Explain the theory of stages of economic development given by Karl Marx.
21. Explain general equilibrium of Walras.
22. Evaluate major contributions of Chanakya.
23. Examine Gandhi's economic views.

(5 × 6 = 30 marks)

Section C

Answer any two questions.

Each question carries 10 marks.

24. Explain the meaning and characteristics of Mercantilism. Discuss the significance of mercantilism today.
25. Discuss important works and contributions of Adam Smith.
26. Critically examine Ricardian theory of rent.
27. Examine the works of Dadabhai Naoroji. Discuss the theory of Drain of Wealth.

(2 × 10 = 20 marks)

SIXTH SEMESTER U.G. DEGREE EXAMINATION, MARCH 2022**(CBCSS—UG)****Economics****ECO 6B 12—INTERNATIONAL 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 6B 12—INTERNATIONAL ECONOMICS
(Multiple Choice Questions for SDE Candidates)

- Trade between two countries can be useful if cost ratios of goods are :
 - Equal.
 - Different.
 - Undetermined.
 - Decreasing.
- Which one of the following is not a Non-Tariff Barrier (NTB) ?
 - Voluntary export restriction.
 - Local content requirement.
 - Administrative barrier.
 - Tariff rate quotas.
- Graphical representation of reciprocal demand is referred to as _____.
 - Offer curve.
 - Demand curve.
 - Supply curves.
 - Contract curve.
- According to the factor endowment model of Heckscher and Ohlin, countries heavily endowed with land will ?
 - Devote excessive amounts of resources to agricultural production.
 - Devote insufficient amounts of resources to agricultural production.
 - Export products that are land-intensive.
 - Import products that are land-intensive.
- The statutory authority which administers the exchange control in India _____.
 - RBI.
 - Ministry of commerce.
 - DGFT.
 - FEDAI.
- IMS is the full form of _____.
 - International monetary source.
 - International monetary system.
 - International monetary structure.
 - International monetary society.
- Balance of payments of a country includes :
 - Balance of trade.
 - Capital receipts and payments.
 - Saving and investment account.
 - Both (A) and (B).

8. As per Smithsonian Agreement 1 ounce of gold = USD _____.
- (A) 30. (B) 35.
(C) 36. (D) 38.
9. SDR is an international reserve asset created by :
- (A) IMF. (B) WTO.
(C) World Bank. (D) IBRD.
10. Under Exchange rate system, there is no interference of monetary authorities to decide exchange rate :
- (A) Fixed. (B) Floating.
(C) Mixed. (D) Pegged.
11. Capital account convertibility of the Indian rupee implies :
- (A) That the Indian rupee can be exchanged by authorized dealers for travel.
(B) That the Indian rupee can be exchanged for any major currency for the purpose of trade in goods and services.
(C) That the Indian rupee can be exchanged for any major currency for the purpose of trading in financial assets.
(D) None of the above.
12. Which one of the following is the SDR given by the IMF to its member countries ?
- (A) Cold Money. (B) Hot money.
(C) Paper Money. (D) None of these.
13. Interest-rate parity refers to the concept that, where market imperfections are few :
- (A) The same goods must sell for the same price across countries.
(B) Interest rates across countries will eventually be the same.
(C) There is an offsetting relationship between interest rate differentials and differentials in the forward spot exchange market.
(D) There is an offsetting relationship provided by costs and revenues in similar market Environments.

14. The statutory basis for administration of foreign exchange in India is ?
- (A) Foreign Exchange Regulation Act, 1973.
 - (B) Foreign Exchange Management Act, 1999.
 - (C) Exchange control Manual.
 - (D) Conservation of Foreign Exchange & prevention of Smuggling Act.
15. The date of settlement for a foreign exchange transaction is referred to as :
- (A) Clearing date.
 - (B) Swap date.
 - (C) Maturity date.
 - (D) Value date.
16. The feature of currency option is that distinguishes it from other derivatives is :
- (A) It carries premium to be paid upfront.
 - (B) It is optional to enter into the contract.
 - (C) The buyer has only right but no obligation to execute the contract.
 - (D) The seller has the right but no obligation to execute the contract.
17. _____ was introduced at a time when forex reserves of the country were low.
- (A) FERA.
 - (B) FEMA.
 - (C) GATT.
 - (D) EXIM.
18. Systematic record of economic transactions of a country during given period of time is known as _____.
- (A) ADR.
 - (B) BOP.
 - (C) GDR.
 - (D) IFRS.
19. A country may link its exchange rate to the value of a major currency, usually the U.S. dollar or the French franc. This is called _____.
- (A) A currency par.
 - (B) A currency peg.
 - (C) A currency composite.
 - (D) A currency basket.
20. The decline of the U.S. dollar value in the late 1980s was mainly attributable to the following agreement :
- (A) Louvre Accord.
 - (B) Plaza Accord.
 - (C) Smithsonian Agreement.
 - (D) Jamaica Agreement.

SIXTH SEMESTER U.G. DEGREE EXAMINATION, MARCH 2022

(CBCSS—UG)

Economics

ECO 6B 12—INTERNATIONAL 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. Leontief paradox.
2. Dumping.
3. Internal trade and international trade.
4. Mercantalism.
5. Factor endowment.
6. GATT.
7. Laissez-faire.
8. Labor theory of value.
9. Trade protection.
10. International economics.
11. Terms of trade.
12. Inter-industry trade.
13. Optimum tariff.
14. Managed floating.
15. FDI and FPI.

(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 do you mean by foreign exchange market ? Explain major functions of foreign exchange markets.
17. Distinguish between tariff and quota. What are the various types of tariffs ?
18. Ricardo's comparative cost doctrine is one of the unchallenged theories of international trade- Examine.
19. What are the different systems of exchange rate determination ? Distinguish between fixed and flexible exchange rate.
20. Evaluate the arguments for and against free trade.
21. Discuss the interrelationship between international trade and economic development.
22. Prepare short notes on devaluation, revaluation, depreciation and appreciation.
23. Evaluate the role and functions of IMF.

(5 × 6 = 30 marks)

Section C (Long Essay Questions)

Answer any two questions.

Each question carries 10 marks.

24. Critically evaluate Heckscher-Ohlin theorem of international trade.
25. What do you mean by economic integration ? Evaluate the role of ASEAN and SAARC in promoting the international trade.
26. Distinguish between balance of trade and balance of payments. Explain the structure of balance of payments.
27. Critically examine the Purchasing Power Parity theory of exchange rate determination.

(2 × 10 = 20 marks)

SIXTH SEMESTER U.G. DEGREE EXAMINATION, MARCH 2022

Economics

ECO 6B 11—FINANCIAL 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), (D) and (E) 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 6B 11—FINANCIAL ECONOMICS

(Multiple Choice Questions for SDE Candidates)

1. Money has time value because :
- (A) Individuals prefer future consumption to present consumption.
 - (B) Money today is more certain than money tomorrow.
 - (C) Money today is worth more than money tomorrow in terms of purchasing power.
 - (D) There is a possibility of earning risk free return on money invested today.
2. What is the most important use of the P/E ratio for investors ?
- (A) It helps investors decide how much profit a company is likely to make in future.
 - (B) It helps investors decide whether a company's shares are overpriced or underpriced.
 - (C) It helps investors decide on the most appropriate risk to reward ratio.
 - (D) None of the above.
 - (E) (B), (C) and (D) above.
3. High P/E ratios tend to indicate that a company will _____.
- (A) Grow quickly.
 - (B) Grow at the same speed as the average company.
 - (C) Grow slowly.
 - (D) Not grow.
4. A bond is said to be issued at premium when :
- (A) Coupon rate > Required returns.
 - (B) Coupon rate = Required returns.
 - (C) Coupon rate.
 - (D) None of the above.
5. Which of the following is equal to the present value of all cash proceeds received by a stock investor ?
- (A) Discount rate.
 - (B) Dividend payout ratio.
 - (C) Retention ratio.
 - (D) Value.
6. A line that describes the relationship between an individual security's returns and returns on the market portfolio :
- (A) Characteristic line.
 - (B) Security market line.
 - (C) Capital market line.
 - (D) Beta.

7. Which of the following is not a financial derivative ?
- (A) Stock. (B) Futures.
(C) Options. (D) Forward contracts.
8. A contract that requires the investor to buy securities on a future date is called a :
- (A) Short contract. (B) Long contract.
(C) Hedge. (D) Cross.
9. The price specified on an option that the holder can buy or sell the underlying asset is called :
- (A) Premium. (B) Call.
(C) Strike price. (D) None of the above.
10. An option that gives the owner the right to buy a financial instrument at the exercise price within a specified period of time is a :
- (A) Call option. (B) Put option.
(C) American option. (D) European option.
11. In Binomial approach of option pricing model, the value of stock is subtracted from call option obligation value to calculate :
- (A) Current value of portfolio. (B) Future value of portfolio.
(C) Put option value. (D) Call option value.
12. Minimum rate of return that a firm must earn in order to satisfy its investors, is also known as :
- (A) Average return on investment. (B) Weighted average cost of capital.
(C) Net profit ratio. (D) Average cost of borrowing.
13. Interest on government bonds is also known as :
- (A) Beta of the stock. (B) Market rate of return.
(C) Market price of equity share. (D) Risk free rate of interest.
14. Cost of equity share capital is more than cost of debt because :
- (A) Equity shares are highly liquid.
(B) Equity shares have higher risk than debt.
(C) Market price of equity is highly volatile.
(D) Face value of equity is less than debentures.

15. A portfolio having two risky securities can be turned risk less if:
- (A) The securities are completely positively correlated.
 - (B) If the correlation ranges between zero and one.
 - (C) The securities are completely negatively correlated.
 - (D) None of the above.
16. The _____ is an effort to achieve a balance between the desire for the lowest possible risk and the highest possible return.
- (A) Group.
 - (B) Investment.
 - (C) Risk return trade off.
 - (D) Securities.
17. _____ is a technique of reducing the risk involved in a portfolio.
- (A) Beta.
 - (B) Variance.
 - (C) Range.
 - (D) Diversification.
18. Capital Market Line (CML) is the _____ line drawn from the point of the risk-free asset to the feasible region for risky assets.
- (A) Non-tangent.
 - (B) Opposite.
 - (C) Adjacent.
 - (D) Tangent.
19. The Security Market Line has a _____ slope, indicating that the expected return increases with risk (B).
- (A) Negative.
 - (B) Positive.
 - (C) Zero.
 - (D) Beta.
20. Which one of the following is the procedure of finding out the Present Value (PV) ?
- (A) Discounting.
 - (B) Compounding.
 - (C) Time value of money.
 - (D) All of above.

SIXTH SEMESTER U.G. DEGREE EXAMINATION, MARCH 2022

(CBCSS—UG)

Economics

ECO 6B 11—FINANCIAL 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. Security market line.
2. Derivatives market.
3. Dividend.
4. Equity valuation.
5. Put-call parity theorem.
6. Angel investors.
7. Primary market.
8. Gilt-edged securities.
9. Stock exchanges.
10. Cost of capital.
11. Financial derivatives.
12. Financial Economics.
13. Hedging.
14. Options.
15. Asset portfolio.

(10 × 3 = 30 marks)

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. Explain dividend discount model.
17. Elucidate various methods of measuring risk.
18. What are the uses of derivatives ?

19. Differentiate between forward contracts and future contracts.
20. Explain the top-down approach of investment valuation.
21. Explain the trade-off between risk and return.
22. Explain various methods for valuation of securities.
23. Explain binomial option pricing model. Point out major advantage of a binomial option pricing model.

(5 × 6 = 30 marks)

Section C (Long Essay Questions)

Answer any two questions.

Each question carries 10 marks.

24. Define investment criteria. Explain various criteria of investment.
25. Critically analyze Modigliani-miller hypothesis.
26. What do you mean by financial derivatives ? Discuss various types of financial derivatives.
27. Explain the capital asset pricing model. Discuss the uses of the CAPM model in investment analysis.

(2 × 10 = 20 marks)

SIXTH SEMESTER (CUCBCSS—UG) DEGREE EXAMINATION, MARCH 2022**Economics****ECO 6E 01—ENVIRONMENTAL ECONOMICS**

(2014—2018 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 6E 01—ENVIRONMENTAL ECONOMICS

(Multiple Choice Questions for SDE Candidates)

- Green Revolution is associated with _____.
(A) Sericulture. (B) Horticulture.
(C) Agriculture. (D) Aqua culture.
- Sweeping away of fertile top soil by wind or water is _____.
(A) Siltation. (B) Land slide.
(C) Soil erosion. (D) Leaching.
- Which of the following is used as a moderator in nuclear reactor ?
(A) Thorium. (B) Graphite.
(C) Radium. (D) Ordinary water.
- The Unit of measurement of intensity of sound is :
(A) Decibels. (B) Lux.
(C) Parsec. (D) Hertz.
- The violent tropical storms in the Indian Ocean are known as _____.
(A) Typhoon. (B) Cyclones.
(C) Hurricane. (D) None of these.
- The legally binding international agreement to reduce Greenhouse gases by 5 % 2012 is :
(A) Vienna convention. (B) Montreal Protocol.
(C) Kyoto Protocol. (D) Agenda 21.
- Public awareness of environment creates :
(A) Environment protection. (B) Environment degradation.
(C) Environmental improvement. (D) Environmental cultivation.

8. The expansion on POLI is :
- (A) Physical quality of life index. (B) Population quotient of life in India.
(C) Poor quality of life in India. (D) Poverty, quality of life in India.
9. The Primary Consumers are also called as :
- (A) Herbivores. (B) Carnivores.
(C) Enzymes. (D) None of these.
10. Snake is an example of :
- (A) Primary Carnivores. (B) Secondary Carnivores.
(C) Herbivores. (D) None of these.
11. Favorable morphological and physiological response to a change in environment is called :
- (A) Preadaptation. (B) Ecotyping.
(C) Formation of ecophenes. (D) Acclimatisation.
12. Study of inter-relationship between organisms and their environment is :
- (A) Ecology. (B) Ecosystem.
(C) Phytogeography. (D) Ethology.
13. Deserts occur in area of :
- (A) Adverse human disturbance. (B) Underground saline water.
(C) Little underground water. (D) Rain shadow.
14. The biotic components of an ecosystem include :
- (A) Producers. (B) Consumers.
(C) Reducers. (D) All the above.
15. Threatened species include :
- (A) Rare species. (B) Vulnerable species.
(C) Endangered species. (D) All the above.

Turn over

16. The environmental cause for increase in skin cancer, cataract and mutation is :
- (A) Acid rain. (B) Global warming.
(C) Nuclear winter. (D) Ozone depletion.
17. The existence of different varieties of rice is an example for :
- (A) Eco system diversity. (B) Genetic diversity.
(C) Species diversity. (D) Animal diversity.
18. Which one of the following is the cleanest source of energy ?
- (A) Hydropower. (B) Fossil fuel.
(C) Nuclear power. (D) Wind energy.
19. How are humans making greenhouse gases of our own ?
- (A) Burning fossil fuels in our cars. (B) Burning forests.
(C) With large-scale agriculture. (D) All of these.
20. An inexhaustible source of energy is :
- (A) Earth. (B) Sun.
(C) Moon. (D) None of these.

SIXTH SEMESTER (CUCBCSS—UG) DEGREE EXAMINATION, MARCH 2022

Economics

ECO 6E 01—ENVIRONMENTAL ECONOMICS

(2014—2018 Admissions)

Time : Three Hours

Maximum : 80 Marks

Section A (Objective Type Questions)*Answer all twelve questions.**Each question carries ½ mark.*

- Ozone layer lies in :
 - Exosphere.
 - Stratosphere.
 - Mesosphere.
 - Troposphere.
- Montreal protocol to reduce production of chlorofluorocarbons was assigned in :
 - 1987.
 - 1977.
 - 1997.
 - 2007.
- Which of the following is a non market based policy instruments for environment regulation :
 - Command and control.
 - Pigouvian tax.
 - Tradable pollution permit.
 - Pollution tax.
- Which one of the following is an example of non-renewable resources ?
 - Wind.
 - Vegetation.
 - Coal and minerals.
 - Solar energy.
- When there are negative externalities, the price should be adjusted so that it is equal to :
 - Social cost.
 - Private cost.
 - The amount of the externality.
 - Zero.
- Social, economical and ecological equity is the necessary condition for achieving :
 - Social development.
 - Economical development.
 - Sustainable development.
 - Ecological development.

Turn over

7. Which of the following is an example of positive externality ?
- (a) Public vaccination. (b) Cigarette smoking.
(c) Loud stereos in college. (d) Automobile emissions.
8. When did India ratify for the Stockholm Convention ?
- (a) 2001. (b) 2003.
(c) 2004. (d) 2005.
9. Pollution is an example of market failure because :
- (a) The equilibrium price is higher than the efficient price.
(b) The equilibrium price is less than the efficient price.
(c) Property rights are poorly distributed.
(d) The market does not produce enough of the good.
10. Which of the following gases contributes maximum to the 'Greenhouse effect on earth ?
- (a) Carbon dioxide. (b) Methane.
(c) Chlorofluorocarbons. (d) Freon.
11. Acid rain is caused by an increase in the atmospheric concentration of ?
- (a) Ozone and dust. (b) SO and NO .
(c) SO and CO. (d) CO and CO.
12. Number of people that lives in square kilometer of land is classified as :
- (a) Housing density. (b) Society density
(c) Population intensity. (d) Population density.

(12 × ½ = 6 marks)

Section B (Very Short Answer Questions)

Answer any ten questions.

Each question carries 2 marks.

13. What is Command and Control (C and C) method for regulating negative externality ?
14. What is meant by Green house gas effect ?
15. Explain the concept of marginal social cost.
16. Justify the need for environmental economics.

17. What is social welfare economics ?
18. What is meant by solid waste ?
19. What are the objectives of Aarhus Convention ?
20. Trace the causes of Ozone layer depletion.
21. What are the important non renewable energy resources ?
22. Distinguish between positive production externality and consumption externality.
23. What is meant by population explosion ?
24. What is Brundtland commission report ?

(10 × 2 = 20 marks)

Section C (Short Essay Questions)

Answer any six questions.

Each question carries 5 marks.

25. Analyze the impact of urbanization and population on environment.
26. What is environmental Kuznets curve ?
27. Trace the inter- linkage between economy and environment.
28. What is Pareto optimality ? Explain the conditions of Pareto optimality.
29. Discuss the Hedonic pricing method of environment valuation.
30. What are the different types of environmental pollution ?
31. Discuss the travel cost method of environmental valuation.
32. Analyze the causes and effects of global warming.

(6 × 5 = 30 marks)

Section D (Essay Questions)

Answer any two questions.

Each question carries 12 marks.

33. Explain the nature, scope and subject matter of Environmental economics.
34. Discuss the merits and demerits of Contingent Valuation Method (CVM).
35. Analyze the various elements and need for sustainable development.
36. Discuss the various international conventions and protocols for the protection of environment.

(2 × 12 = 24 marks)

SIXTH SEMESTER (CUCBCSS—UG) DEGREE EXAMINATION, MARCH 2022**Economics****ECO 6E 02—APPLIED THEORY OF MARKETS****(2014 to 2018 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 6E 02—APPLIED THEORY OF MARKETS

(Multiple Choice Questions for SDE Candidates)

- Which type of advertisement is used at the time of introducing a new product ?
 - Competitive advertising.
 - Reminder advertising.
 - Pioneer advertising.
 - Advocacy advertising.
- What Affects and shapes customer perceptions about the company's product ?
 - Price.
 - Packaging.
 - Branding.
 - Both (A) and (B).
- Choose the term used to indicate "a group of product items or brands that are closely related in terms of their functions and benefits they provide" ?
 - Product item.
 - Product line.
 - Product mix.
 - None of these.
- Which of the following is advertising on the shelf, a means of attractive display in the retailers shop ?
 - Window display.
 - Package.
 - Labels.
 - None of these.
- When a product has long life cycle , it has mass market, entry of rivals in to market is easy and demand is elastic. Which pricing policy can be adopted ?
 - Skimming pricing.
 - Penetration pricing.
 - Cost plus pricing.
 - Going rate pricing.
- What is Mark- up pricing ?
 - Cost plus pricing.
 - Customary pricing.
 - Skimming pricing.
 - Psychological pricing.
- What is Intensive distribution ?
 - Use all products for distribution.
 - Use all available outlet to distribute a product.
 - Using some available outlets to distribute a product.
 - None of these.

8. What is Channel level ?
- (A) Length of channel.
 - (B) Number of intermediaries between the producers and customer.
 - (C) Both (A) & (B).
 - (D) Channel co operation.
9. How many number of intermediaries have Bata shoe manufacturing company ?
- (A) One.
 - (B) Two.
 - (C) Four.
 - (D) No channel.
10. Which type of retailers open their shops on fixed days or dates in a specified area ?
- (A) Hawkers.
 - (B) Kiosks.
 - (C) Market traders.
 - (D) None of these.
11. Who is an E-tailer ?
- (A) E-commerce firms.
 - (B) Sale on the internet.
 - (C) Internet retailers.
 - (D) All of these.
12. What is term of creating an image about a product or brand in the consumers mind ?
- (A) Positioning.
 - (B) Target marketing.
 - (C) Market segmentation.
 - (D) Product differentiation.
13. Choose the name of group of people at whom advertisements are aimed ?
- (A) Target audience.
 - (B) Customers.
 - (C) Competitors.
 - (D) Industries.
14. Which business discipline is focused on the practical application of sales techniques and the management of a firm's sales operations ?
- (A) Sales management.
 - (B) Operations management.
 - (C) Distribution management.
 - (D) Production management.
15. E-marketing is a part of :
- (A) e-payment.
 - (B) e-cash.
 - (C) e-mail.
 - (D) e-commerce.

SIXTH SEMESTER (CUCBCSS—UG) DEGREE EXAMINATION, MARCH 2022

Economics

ECO 6E 02—APPLIED THEORY OF MARKETS

(2014 to 2018 Admissions)

Time : Three Hours

Maximum : 80 Marks

*Answers may be written either in English or in Malayalam.***Part A***Answer all questions.**Each question carries ¼ mark.*

- When conflict occurs in marketing channels at the same level, it is referred to as ?
 - Vertical Conflict.
 - Slope Conflict.
 - Horizontal Conflict.
 - Steep Conflict.
- Liking or disliking a specific product or moving to and away from a brand is referred as :
 - Belief.
 - Attitude.
 - Learning.
 - Migrating.
- Short term benefit given to customers to attract more customers is called :
 - Sales Person.
 - Promoting Manager.
 - Marketing Manager.
 - Persuasion Manager.
- First step in personal selling process is to :
 - Prospecting and Qualifying.
 - Pre-Approach.
 - Approach.
 - Presentation And Demonstration.
- Companies that buy and sell only on internet are classified as :
 - Direct Companies.
 - Premium Companies.
 - Click Only Companies.
 - Click And Mortar Companies.
- In macro environment, 'pressure groups' and 'government agencies' are part of :
 - Cultural Environment.
 - Demographic Environment.
 - Political Environment.
 - Economic Environment.
- When new developed product concept is tested, next immediate step is to ?
 - Develop Market Strategy.
 - Develop a Testing Technique.
 - Develop Intermediaries.
 - Develop Logistic Network.

Turn over

8. In the PLC, the stage in which company's investment costs mount is classified as :
- (a) Testing Stage. (b) Development Stage.
(c) Buying Stage. (d) Merger Stage.
9. System which calls for managing, motivating, selecting and evaluating performance of marketing channels over time is called :
- (a) Vertical conflict. (b) Distribution management.
(c) Horizontal conflict. (d) Marketing channel management.
10. Situation when companies use two or more different channels is classified as :
- (a) Facilitator Marketing. (b) Interchanging Marketing.
(c) Integrated Marketing. (d) Multichannel Marketing.
11. Marketing strategy in which firm sells different segments and offers different product for each is classified as :
- (a) Individual Marketing. (b) Differentiated Marketing.
(c) Mass Marketing. (d) Niche Marketing.
12. Buyer decision process starts with :
- (a) Information Search. (b) Need Recognition.
(c) Evaluation of Alternatives. (d) Both (b) And (c).

(12 × ½ = 6 marks)

Part B (Very Short Answer Questions)

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

13. Monopolistic Competition.
14. G2C Markets.
15. SWOT Analysis.
16. Benefits of Market Segmentation.
17. Multiple Brand Strategy.
18. Distribution Channel.
19. Marketing Plan.
20. Sales promotion.
21. Brand.
22. Differentiated Marketing.

23. Rational Behaviour.
24. Product.

(10 × 2 = 20 marks)

Part C (Short Essay Questions)

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

25. Differentiate between Advertising and promotions.
26. Explain the four types of marketing channels.
27. Write a short note on product life cycle of a commodity.
28. Describe the 4C's - Consumer-oriented model of marketing mix.
29. Differentiate between product line and product mix of a company.
30. Elaborate on the various pricing strategies that a company can follow.
31. Write a note on various product line strategies.
32. Differences between Organizational and Consumer markets.

(6 × 5 = 30 marks)

Part D (Essay Questions)

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

33. Elaborate the factors that influence buyer behaviour.
34. What is a PESTLE analysis? What is it used for?
35. Detail the five stage consumer buying process.
36. Explain the various stages involved in a new product development process.

(2 × 12 = 24 marks)

SIXTH SEMESTER (CUCBCSS—UG) DEGREE EXAMINATION, MARCH 2022**Economics****ECO 6E 03—ECONOMICS OF BUSINESS AND FINANCE****(2014—2018 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 6E 03—ECONOMICS OF BUSINESS AND FINANCE

(Multiple Choice Questions for SDE Candidates)

1. Risks that cannot be insured is called _____.
(A) Uncertainty. (B) Injury.
(C) Capital. (D) None of the above.
2. Entry preventing price is called _____.
(A) Limit price. (B) Full cost price.
(C) Penetration price. (D) Psychological price.
3. An example of cartel is _____.
(A) OPEC. (B) OECD.
(C) SAARC. (D) EU.
4. For necessary goods, the income elasticity of demand :
(A) More than 1. (B) Less than 1.
(C) Zero. (D) None.
5. In the case of luxury goods, the income elasticity of demand will be :
(A) Less than unity. (B) Unity.
(C) More than unity. (D) All the above.
6. The change in demand is due to the change in :
(A) Income. (B) Own price.
(C) Prices of related products. (D) Expectations.
7. In drawing an individual demand curve for a commodity, all but which of the following are kept constant :
(A) Individual's money income.
(B) The prices of the related commodity.
(C) Price of the commodity under consideration.
(D) Tastes of the consumer.

8. When both the price of a substitute and the price of complement of X rises, the demand for X :
- (A) Rises. (B) Falls.
(C) Remains unchanged. (D) All of the above is possible.
9. The price which is initially low is called _____.
- (A) Limit price. (B) Full cost price.
(C) Penetration price. (D) Psychological price.
10. If the quantity demanded remains unchanged as the price of the commodity falls, the co-efficient of price elasticity of demand is :
- (A) Greater than. (B) One Equal to one.
(C) Smaller than one. (D) Zero.
11. If the income elasticity of demand is greater than one, then the commodity is :
- (A) Necessity. (B) Luxury.
(C) Inferior. (D) Non-related commodity.
12. If the income elasticity of demand for a commodity is found to be 0.4, then the commodity concerned is :
- (A) Luxury. (B) Necessity.
(C) Giffen's goods. (D) Independent good.
13. Which of the following Elasticities measure movement along a curve, rather than a shift in the curve :
- (A) Price elasticity of demand. (B) Income elasticity of demand.
(C) Cross elasticity of demand. (D) None of the above.
14. When total product is maximum, marginal product is :
- (A) Maximum. (B) Positive.
(C) Zero. (D) Negative.
15. As a result of a fall in the price total expenditure on the commodity decreases, the co-efficient of elasticity will be :
- (A) Equal to one. (B) Greater than one.
(C) Less than one. (D) Cannot sa.

Turn over

16. When demand curve is rectangular hyperbola, the value of price elasticity of demand will be :
- (A) Zero. (B) One.
(C) Greater than one. (D) Infinity.
17. Economics is concerned with allocation of _____ resources.
- (A) Abundant. (B) Unlimited.
(C) Scarce. (D) Redundant.
18. The most important objective of the producer is _____.
- (A) Maximum sales. (B) Maximum profit.
(C) Maximum revenue. (D) Maximum cost.
19. Production function shows _____ relation between input and output.
- (A) Technical. (B) Functional.
(C) All of the above. (D) None of the above.
20. Uninsured risk are called :
- (A) Uncertainty. (B) Choice.
(C) Inter temporal choice. (D) Optimum risk.

SIXTH SEMESTER (CUCBCSS—UG) DEGREE EXAMINATION, MARCH 2022

Economics

ECO 6E 03—ECONOMICS OF BUSINESS AND FINANCE

(2014—2018 Admissions)

Time : Three Hours

Maximum : 80 Marks

*Answers may be written either in English or in Malayalam.***Section A (Objective Type Questions)***Answer all twelve questions.**Each question carries ½ mark.*

- The father of managerial economics is :
 - Adam Smith.
 - Karl Marx.
 - Spencer.
 - Joel Dean.
- The statement of financial position of a firm at a given point of time is :
 - Balance sheet.
 - Profit and Loss Account.
 - Cash flow statement.
 - Income statement.
- Cobb - Douglas production function is an example of _____.
 - Input output mix.
 - Linear production function.
 - Non-linear production function.
 - Upward sloping function.
- Most common form of price discrimination is _____.
 - First degree.
 - Second degree.
 - Third degree.
 - None of these.
- Decision relating to production scheduling involve :
 - Short term forecasting.
 - Medium term forecasting.
 - Long term forecasting.
 - Both (a) and (b).
- The degree of price discrimination was popularised by :
 - Joan Robinson.
 - Pigou.
 - Jevons.
 - Marshall.

Turn over

7. The cost of next best alternative is called _____.
- (a) Opportunity cost. (b) Marginal cost.
(c) Total cost. (d) Sunk cost.
8. The short run production function is called _____.
- (a) Production possibility curve. (b) Returns to scale.
(c) Law of variable proportions. (d) None of these.
9. Computation of future value of money is called :
- (a) Compounding. (b) Discounting.
(c) Adding up. (d) Forecasting.
10. Entry preventing price is called _____.
- (a) Limit price. (b) Penetration price.
(c) Full cost price. (d) Psychological price.
11. Which of the following is a rectangular hyperbola :
- (a) ATC. (b) AVC.
(c) AFC. (d) MC.
12. When total product is maximum, marginal product is :
- (a) Positive. (b) Negative.
(c) Maximum. (d) Zero.

(12 × ½ = 6 marks)

Section B (Very Short Answer Questions)

Answer any ten questions.

Each question carries 2 marks.

13. Define Economics.
14. Define business economics.
15. What are financial instruments ?
16. What do you mean by balance sheet ?
17. Why does money have time value ?
18. What is demand forecasting ?

19. What is production function.
20. Distinguish between internal and external economics.
21. Define cost function.
22. Distinguish between prime cost and overhead cost.
23. Write a note on price discrimination.
24. What is price skimming ?

(10 × 2 = 20 marks)

Section C (Short Essay Questions)

Answer any six questions.

Each question carries 5 marks.

25. Write a note on the nature and scope of managerial economics.
26. Explain the importance of investments in modern world.
27. How does the investment process contribute to economic efficiency ? Explain different stages of investment process.
28. Distinguish between short run and long run production function.
29. What are the different types of financial ratios ?
30. Explain different concepts of costs.
31. What are the important survey methods for forecasting demand ? Explain their merits and demerits.
32. Distinguish between compounding and discounting.

(6 × 5 = 30 marks)

Section D (Essay Questions)

Answer any two questions.

Each question carries 12 marks.

33. What is Balance Sheet ? Discuss the various asset and liability accounts found on a company's Balance Sheet.
34. Explain the break even analysis in the profit planning. What are the uses of break-even analysis ?
35. What is capital budgeting ? Explain briefly the methods of capital budgeting.
36. What is Cobb-Douglas production function ? What are its limitations ?

(2 × 12 = 24 marks)

**SIXTH SEMESTER (CUCBCSS—UG) DEGREE EXAMINATION
MARCH 2022****Economics****ECO 6B 14—DEVELOPMENT ECONOMICS****(2014—2018 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 6B 14—DEVELOPMENT ECONOMICS
(Multiple Choice Questions for SDE Candidates)

- Human development index is based on :
 - Life expectancy, infant mortality and literacy.
 - Life expectancy, infant mortality and social enrollment ratio.
 - Longevity, knowledge and income.
 - None of these.
- The major factor of economic growth are :
 - Capital accumulation.
 - Population.
 - Technical progress.
 - All the above.
- Which are the conventional method of development :
 - National income.
 - Per capita income.
 - Both (A) and (B).
 - None of these.
- "Underdeveloped countries are slums of the world economy" is a statement given by :
 - David Ricardo.
 - G. Myrdal.
 - Cairncross.
 - Arthur Lewis.
- Growth in developed countries is now mostly the result of :
 - Rising labour productivity.
 - Rising investment.
 - Rising capital - output ratio.
 - Rising Level of Living.
- Nurkse talks about the :
 - Relative poverty.
 - Vicious circle of poverty.
 - Lack of capital formation.
 - None of these.
- According to Nurkse, underdevelopment is due to :
 - Lack of saving.
 - Government policy.
 - Lack of investment.
 - Size of market.

8. Critical minimum efforts thesis treats population as a factor that is :
- (A) Income - generating. (B) Income - depressing.
(C) Investment - inducing. (D) Market - expanding.
9. A number of indivisibilities hinder the process of economic growth in the initial stages. This view was enunciated by :
- (A) R. Nurkse. (B) H. W. Singer
(C) P. N. Rosenstein Rodan. (D) W. W. Rostow.
10. All of the following are low-income countries *except* :
- (A) United Arab Emirates. (B) Armenia.
(C) Sudan. (D) Bangladesh.
11. Which of the following is not a requirement for economic development ?
- (A) A temperate climate. (B) Natural resources.
(C) An adequate capital base. (D) Technological advance.
12. In _____ planning, the market is manipulated through incentives and inducements.
- (A) Physical planning. (B) Indicative planning.
(C) Financial planning. (D) Emergency planning.
13. _____ is combination of free market and command economy.
- (A) Mixed Economy. (B) Centralized economy.
(C) Planned economy. (D) Open economy.
14. The _____ is the Chairman of the Planning Commission.
- (A) President. (B) Prime Minister.
(C) Chief-Minister. (D) State Governor.
15. The author of "Indian Economic Planning in its broader setting" :
- (A) Bimal Jalal. (B) Gunnar Myrdal.
(C) Jawaharlal Nehru. (D) L. K. Jha.

16. The planning Commission in India was set up in :
- (A) 1947. (B) 1950.
(C) 1951. (D) 1952.
17. The main objective of First Five Year Plan was :
- (A) Industrial growth.
(B) Economic growth.
(C) Development of agriculture including irrigation and power projects.
(D) Self reliance.
18. Economic Planning is a subject.
- (A) In the Union List. (B) In the State List
(C) In the Concurrent List. (D) Unspecified in any special list.
19. Attainment of economic self reliance and removal of poverty were the main objectives of :
- (A) First Five Year Plan. (B) Fourth Five Year Plan.
(C) Fifth Five Year Plan. (D) Sixth Five Year Plan.
20. The Planning Commission implemented three Annual Plans instead of Five Year Plans between :
:
- (A) The Third and Fourth Plan. (B) The Fifth and Sixth Plan.
(C) The Sixth and Seventh plan. (D) The Seventh and Eighth Plan.

**SIXTH SEMESTER (CUCBCSS—UG) DEGREE EXAMINATION
MARCH 2022**

Economics

**ECO 6B 14—DEVELOPMENT ECONOMICS
(2014—2018 Admissions)**

Time : Three Hours

Maximum : 80 Marks

Section A (Objective Type Questions)

Answer all the twelve questions.

Each question carries 1 mark.

1. Which of the following measure of inequality summarizes the extent of inequality into a number ?
 - (a) Lorenz curve.
 - (b) Gini Coefficient.
 - (c) Kuznet's ratio.
 - (d) None of these.
2. The concepts of SOC and DPA are connected with which of the following growth strategy :
 - (a) Balanced growth.
 - (b) Unbalanced growth.
 - (c) Entitlement approach.
 - (d) Endogenous growth.
3. The primary cause of acid rain around the world is :
 - (a) Carbon dioxide.
 - (b) Carbon monoxide.
 - (c) Sulphur dioxide.
 - (d) Ozone.
4. The synchronized application of capital to a wide range of different industries is called :
 - (a) Balanced growth.
 - (b) Unbalanced growth.
 - (c) Todaro model.
 - (d) Dependency theory.
5. Who among the following is associated with Gandhian economics ?
 - (a) JRD Tata.
 - (b) Jean Dreze.
 - (c) Kumarappa.
 - (d) Amartya Sen.

6. Ozone day is observed on :
- (a) January 03. (b) March 26.
(c) November 10. (d) September 16.
7. Which of the following is the most deplorable form of poverty ?
- (a) Relative poverty. (b) Absolute poverty.
(c) Abject poverty. (d) Situational poverty.
8. The book 'Planned economy for India' is written by :
- (a) N. Kaldor. (b) M. Visweswaraya.
(c) M. N. Roy. (d) Mahalanobis.
9. The Inverted 'U' hypothesis of Simon Kuznets is used to depict :
- (a) Poverty. (b) Inequality.
(c) Consumption expenditure. (d) Public expenditure.
10. The World Development Report (WDR) is published by :
- (a) World bank. (b) UN.
(c) WHO. (d) UNCTAD.
11. People's plan is associated with :
- (a) M. N. Roy. (b) JRD Tata.
(c) Visweswaraya. (d) Shriman Narayan.
12. During the five year plan era, final approval for plans were given by :
- (a) Planning commission. (b) Finance ministry.
(c) CSO. (d) NDC.

(12 × ½ = 6 marks)

Section B (Very Short Answers)

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

13. Trace the origin of Bombay plan.
14. Explain the Gender Development Index (GDI).

15. Define Kuznet ratio.
16. What are the different forms of economic inequality ?
17. Summarize different types of poverty.
18. Examine the purpose of Lorenz curve.
19. What is meant by take-off ?
20. Brief the Head count Index.
21. What is meant by vicious circle of poverty ?
22. Distinguish between stimulants and shocks.
23. What is meant by indivisibilities in demand and supply ?
24. What is NITI Aayog ?

(10 × 2 = 20 marks)

Section C (Short Essays)

Answer any six questions.

Each question carries 5 marks.

25. Discuss the causes and effects of global warming.
26. Discuss the five stages of growth of WW Rostow.
27. Critically examine the big push growth strategy.
28. Examine the tradeoff between economic growth and environment quality.
29. Examine the different components of sustainable development.
30. Critically examine the Low level equilibrium trap thesis.
31. What are the important characteristics of a Less Developed Country ?
32. What are the important measures of economic development? Which one is the most widely accepted measure of economic development ?

(6 × 5 = 30 marks)

Turn over

Section D (Essays)

Answer any two questions.

Each question carries 12 marks.

33. Critically examine the various alternative measures of economic development
34. Discuss the Critical Minimum Effort thesis.
35. Examine the relative merits and demerits of different types of planning.
36. "Deliberate unbalancing of the economy according to some pre-designed strategy is a best way to achieve economic development". Discuss.

(2 × 12 = 24 marks)

SIXTH SEMESTER (CUCBCSS—UG) DEGREE EXAMINATION, MARCH 2022**Economics****ECO 6B 13—PUBLIC FINANCE****(2014 to 2018 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 6B 13—PUBLIC FINANCE

(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. Grants recommended by the Finance Commission are known as :
 - (A) Plan grants.
 - (B) Conditional Grants.
 - (C) Statutory grants.
 - (D) Conditional grants.
3. Which one of the following is not a method for redeeming public debt ?
 - (A) Sinking fund.
 - (B) Capital levy.
 - (C) Terminal annuities.
 - (D) Grants in aid.
4. Direct taxes are :
 - (A) Proportional.
 - (B) Regressive.
 - (C) Digressive.
 - (D) Progressive.
5. Who is the father of Public Finance ?
 - (A) Dalton.
 - (B) Pigou.
 - (C) Smith.
 - (D) Musgrave.
6. Functional Finance concept was introduced by :
 - (A) Marx and Angels.
 - (B) Keynes and Lerner.
 - (C) Dalton and Pigou.
 - (D) J.S. Mill.
7. The Displacement effect hypothesis was formulated by :
 - (A) Peacock and Wiseman.
 - (B) Pigou.
 - (C) Smith.
 - (D) Musgrave.

8. Chairman of the first Finance Commission :
- (A) Chadha. (B) K.C. Neogi.
(C) Santhanam. (D) Y.V. Chavan.
9. Redemption of public debt means :
- (A) Repayment of debt. (B) Repayment of FDI.
(C) Additional borrowing. (D) Deficit financing.
10. The Indian tax system is :
- (A) Regressive. (B) Progressive.
(C) Degressive. (D) Constant.
11. When the demand for a commodity is inelastic, the incidence of taxation will be on ?
- (A) Buyers. (B) Sellers.
(C) Producers. (D) Stockists.
12. "The government which taxes the least is the best", is the belief of :
- (A) Mercantilists. (B) Physiocrats.
(C) Modern. (D) Classical.
13. In the case of regressive tax, the rate of tax _____ as income increases.
- (A) Increases. (B) Remains constant.
(C) Decreases. (D) None.
14. The Classical economists asserted that public expenditure is :
- (A) Unproductive. (B) Productive.
(C) Stagnant. (D) All of these.
15. Equals treated equally in taxation leads to :
- (A) Vertical equity. (B) Real equity.
(C) Horizontal equity. (D) None.

16. Incidence of a direct tax :

- (A) Can be shifted. (B) Cannot be shifted.
(C) Partially shifted. (D) Fully shifted.

17. Modified Value Added Tax was introduced in India in :

- (A) 1951. (B) 1986.
(C) 1991. (D) 1976.

18. The Great Depression occurred during :

- (A) 1919-23. (B) 1929-33.
(C) 1949-53. (D) 1901-05.

19. Tax is a _____ payment.

- (A) Optional. (B) Open.
(C) Compulsory. (D) Elective.

20. Deficit financing may lead to :

- (A) Poverty. (B) Unemployment.
(C) Inflation. (D) Deflation.

SIXTH SEMESTER (CUCBCSS—UG) DEGREE EXAMINATION, MARCH 2022

Economics

ECO 6B 13—PUBLIC FINANCE

(2014 to 2018 Admissions)

Time : Three Hours

Maximum : 80 Marks

Section A

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

1. A free rider is _____.
 - (a) A person who gets to enjoy a public good without having to pay for it.
 - (b) A person who is eligible for free rides on public transportation.
 - (c) A person eligible for transfer Payments.
 - (d) A Taxpayer.
2. Which of the following consists of the total or accumulated borrowings by the Government ?
 - (a) Budget surplus.
 - (b) Government debt.
 - (c) Balanced budget.
 - (d) Budget deficit.
3. Government's share of public expenditure has _____ since 1947 in India.
 - (a) Decreased.
 - (b) Increased.
 - (c) Stayed The Same.
 - (d) Equalled zero.
4. Which of the following holds that individuals should be taxed in proportion to the benefit they receive from government programs ?
 - (a) Ability-to-pay principle.
 - (b) Horizontal equity principle.
 - (c) Vertical equity principle.
 - (d) Benefit principle.
5. When a good is excludable, it means _____ ?
 - (a) The good is consumed exclusively by the private sector.
 - (b) The government is excluded from providing that good.
 - (c) Non-payers can be excluded from receiving the benefits.
 - (d) Certain suppliers can be excluded from providing that good.

Turn over

6. Dev makes Rs. 30,000 per year and pays Rs. 6,000 in income taxes. Raj makes Rs. 40,000 and pays Rs. 7,000 in income taxes. This is an example of :
- (a) A Progressive Tax. (b) A Proportional Tax.
(c) A Regressive Tax. (d) A Degressive Tax.
7. Which of the following describes the situation where revenues and expenditures are equal during a given period ?
- (a) Budget Surplus. (b) Balanced Budget.
(c) Budget Deficit. (d) Budgetary Deficit.
8. Taxation is a tool of _____.
- (a) Fiscal Policy. (b) Monetary Policy.
(c) Income Policy. (d) Supply-side Policy.
9. Who defined Public Finance as a dull, unimaginative, extremely limited and almost irrelevant discipline ?
- (a) J.M. Buchanan. (b) H. Dalton.
(c) R.A. Musgrave. (d) E. Lindhal.
10. Public goods are characterized by :
- (a) Absence of Free Riders. (b) Non-rivalry.
(c) Excludability. (d) All of the above.
11. Consider the following statements and identify the right ones :
- 1) The 14th Finance Commission is headed by C. Rangarajan.
2) Recommendations of the Commission will come into effect from April 1, 2015.
- (a) 1) only. (b) 2) only.
(c) Both. (d) None.
12. Indian Income tax is an example of _____.
- (a) A Progressive Tax. (b) A Proportional Tax.
(c) A Regressive Tax. (d) A Degressive Tax.

(12 × ½ = 6 marks)

Section B (Very Short Answer Type Questions)

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

13. Public Finance.
14. Tax Evasion.

15. External Debt.
16. Horizontal Equity.
17. Shifting Of Taxation.
18. Any Four Major Taxes Imposed By Local Self-Governments in India.
19. Fiscal Policy.
20. Private Goods with example.
21. Federal Finance.
22. Deficit Financing.
23. Performance budgeting.
24. Primary deficit.

(10 × 2 = 20 marks)

Section C (Short Essay Questions)

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

25. What are the merits and demerits of direct taxes ?
26. Detail Wagner's Law of Increasing Public Expenditure.
27. What are the canons of taxation ?
28. What does the Principle of Maximum Social Advantage deal with ?
29. What is the difference between progressive and proportional taxation ?
30. Distinguish between public finance and private finance.
31. Briefly explain the different types of public debt.
32. Differentiate between public and private goods.

(6 × 5 = 30 marks)

Section D (Essay Questions)

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

33. Explain in detail the key recommendations of the 14th Finance Commission.
34. Discuss the objectives and role of fiscal policy in developing countries.
35. Discuss the major sources of revenue of the governments.
36. Discuss the effect of public expenditure based on Central transfers in India in the context of changing Centre-State financial relations.

(2 × 12 = 24 marks)

SIXTH SEMESTER (CUCBCSS-UG) DEGREE EXAMINATION, MARCH 2022**Economics****ECO 6B 12—MATHEMATICAL ECONOMICS****(2014 to 2018 Admissions)****(Multiple Choice Questions for SDE Candidates)****Time : 15 Minutes****Total No. of Questions : 20****Maximum : 30 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 6B 12—MATHEMATICAL ECONOMICS

(Multiple Choice Questions for SDE Candidates)

1. The given function $f(x) = ax^2 + bx + c$, is an example of _____ function.
- (A) Quadratic. (B) Polynomial.
(C) Linear. (D) Rational.
2. A _____ function provides an abstract Mathematical representation of the relation between the production of a good or service and the inputs used :
- (A) Consumption. (B) Production.
(C) Revenue. (D) Technology.
3. Abstraction from reality is made based on :
- (A) Assumptions. (B) Prediction.
(C) Theory. (D) Hypothesis.
4. _____ function expresses the relationship between price of the good and quantity of the good supplied.
- (A) Supply. (B) Consumption.
(C) Demand. (D) Income.
5. Given the consumption function $C = a + bY$, where 'a', the intercept, represents _____.
- (A) Income. (B) Autonomous consumption.
(C) Demand. (D) Saving.
6. 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.
7. 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. The price elasticity of demand for a product is 1.5 and its $MR = 8$, find its price :
- (A) 12. (B) 24.
(C) 53. (D) 16.

9. _____ indicates what proportion of the increased income will be saved.
- (A) MPS. (B) MPC.
(C) MPI. (D) GDP.
10. Total utility will be a maximum when _____.
- (A) Marginal utility equals total utility.
(B) Marginal utility is zero.
(C) Marginal utility equals average utility.
(D) Marginal utility is positive.
11. The process of finding relative maximum or minimum of a function is known as :
- (A) Optimization. (B) Minimisation.
(C) Maximisation. (D) Any of these.
12. A _____ is a point at which a function is at a relative maximum or minimum.
- (A) Plateau. (B) Relative extremum.
(C) Inflection. (D) Critical value.
13. The first derivative measures the rate of change or _____ of a function.
- (A) Intercept. (B) Convexity.
(C) Slope. (D) Concavity.
14. When we optimise a function, with the first order derivative equal to _____ and the second order derivative _____ the function is at a relative minimum.
- (A) 0, 0. (B) 0, < 0.
(C) 0, > 0. (D) > 0, 0.
15. 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.
16. Linear Programming deals with :
- (A) Constraints. (B) Inequalities.
(C) Objective functions. (D) All the above.

Turn over

17. In linear programming, the number of technical constraints will be _____ the number of the factors of production.
- (A) Equal to. (B) Smaller than.
(C) Greater than. (D) The same as.
18. In input-output analysis, _____ represents in monetary terms of quantitative terms all the transactions of the economic system.
- (A) The transaction matrix. (B) Objective functions.
(C) Non-negativity constraints. (D) The technology matrix.
19. In input-output analysis, _____ is obtained by dividing the input of the desired sector by the total output of the same sector.
- (A) The transaction matrix. (B) A technology coefficient.
(C) Non-negativity constraints. (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.

SIXTH SEMESTER (CUCBCSS-UG) DEGREE EXAMINATION, MARCH 2022

Economics

ECO 6B 12—MATHEMATICAL ECONOMICS

(2014 to 2018 Admissions)

Time : Three Hours

Maximum : 80 Marks

*Answers may be written either in English or in Malayalam.***Part A***Answer all questions.**Each question carries ½ mark.*

- In graphical solutions of linear inequalities, solution can be divided into :
 - One subset.
 - Two subsets.
 - Three subsets.
 - Four subsets.
- What is a , if $B = \begin{bmatrix} 1 & 4 \\ 2 & a \end{bmatrix}$ is a singular matrix ?
 - 5.
 - 6.
 - 7.
 - 8.
- If $A = \begin{bmatrix} 2i & i \\ i & -i \end{bmatrix}$ then $|A| = ?$
 - 2.
 - 3.
 - 4.
 - 5.
- If marginal costs equal average total costs :
 - Average total costs are falling.
 - Average total costs are maximized.
 - Average total costs are rising.
 - Average total costs are minimized.
- A consumer product has a Price Elasticity of Demand of -0.12 . Which of the following factors would not help to explain this ?
 - There are few substitutes available.
 - Any substitutes there are have higher prices.
 - The product accounts for a small percentage of consumer expenditure.
 - The product is a normal good.

Turn over

6. Which of the following statements about graphs of short-run costs curves is false ?
- (a) The AFC at each output equals the gap between the SAC and AVC curves at that output.
 - (b) The SMC curve lies above the MVC curve.
 - (c) The MVC curve intersects the lowest point on the AVC curve.
 - (d) The SMC curve intersects the lowest point on the SAC curve.
7. The price of product X falls and this change increases the demand for product Y, then :
- (a) X and Y are complements.
 - (b) X and Y are substitutes.
 - (c) X is an inferior good.
 - (d) Y is an inferior good.
8. In linear equation ' $ax + by = c$ ' a and b cannot be equal :
- (a) To rational numbers.
 - (b) To one.
 - (c) To zero.
 - (d) Set of even numbers.
9. Matrix having only one row is classified as :
- (a) Row vector.
 - (b) Column vector.
 - (c) Dimension vector.
 - (d) Direction vector.
10. In matrices, inter-industry demand is summarized as :
- (a) Input-output matrix.
 - (b) Output-input matrix.
 - (c) Linear buying matrix.
 - (d) Linear selling matrix.
11. According to determinant properties, multiple of one row is added to another row then determinant :
- (a) Changed.
 - (b) Unchanged.
 - (c) Multiplied.
 - (d) Added.
12. In transpose of matrix A, columns of matrix A becomes :
- (a) Multiple column.
 - (b) Rows.
 - (c) Multiples.
 - (d) Divisors.

(12 × ½ = 6 marks)

Part B (Very Short Answer Questions)

Answer any ten questions.

Each question carries 2 marks.

13. If $a = 100$ and $b = 2$, obtain the linear supply function.
14. Define Utility function.
15. Define price elasticity of demand.
16. Define consumer equilibrium.

17. Define income elasticity.
18. Explain homogeneous production function.
19. Define Marginal utility.
20. Explain the properties of Cobb Douglas production function.
21. Define Marginal Rate of Substitution.
22. Write a note on marginal and total revenue.
23. Write a note on measurement of elasticity of demand.
24. Explain production possibility curve.

(10 × 2 = 20 marks)

Part C (Short Essay Questions)

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

25. If $D = -50p + 250$ and $S = 25p + 25$ are the demand and the supply functions of a certain product. Plot both the curves on a graph sheet and obtain both the equilibrium price and quantity.
26. Explain the conditions of market equilibrium.
27. If $D = 600 - 100p$ stands for the law of demand then find the elasticity of demand when price is 4.
28. Write a note on Leontief input-output analysis.
29. Determine the equation of the straight line if y intercept is - 5 and slope is (- 5/8).
30. Explain the conditions for price output determination under monopoly.
31. Explain the various methods for measuring elasticity of demand.
32. Explain short run production function.

(6 × 5 = 30 marks)

Part D (Essay Questions)

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

33. Explain supply and demand function of a certain commodity are $S = 50 + 2P$ and $D = 100 - 3P$ respectively :
 - (i) Calculate equilibrium price and quantity.
 - (ii) When an advalorem tax of 50 % is levied, calculate the new equilibrium price and quantity ?
 - (iii) If a specific tax of Rs. 5 per unit is imposed. Calculate new equilibrium values.

Turn over

34. The monopolist's demand curve is $X = 200 - 2p$, or $p = 100 - 0.5X$. The costs of the two plants are $C_1 = 10x_1$ and $C_2 = 0.25x_2^2$. Find the profit of the firm at this level of output.
35. Solve the following LPP graphically :

$$\text{Minimize } C = 6x_1 + 11x_2$$

subject to the constraints

$$2x_1 + x_2 \geq 104$$

$$x_1 + 2x_2 \geq 76$$

$$x_1, x_2 \geq 0.$$

36. Explain the necessary and sufficient conditions for equilibrium of a firm under perfect competition.

(2 × 12 = 24 marks)

SIXTH SEMESTER (CUCBCSS—UG) DEGREE EXAMINATION, MARCH 2022**Economics****ECO 6B 11—MACRO ECONOMICS—II****(2014—2018 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 6B 11—MACRO ECONOMICS—II

(Multiple Choice Questions for SDE Candidates)

- Which of the following is not related to commodity money :
 - All commodities were not uniform in quality.
 - It is difficult to store and prevent the loss of value.
 - They lacked portability.
 - There was no problem of coincidence of wants.
- Find the odd man out with reference to money :
 - Copper.
 - Silver.
 - Cattles.
 - Gold.
- In the case of paper currency :
 - Intrinsic value and face value are equal.
 - Intrinsic value is less than face value.
 - Intrinsic value is greater than face value.
 - None of the above.
- The most liquid form of all assets is :
 - Bonds.
 - Debentures.
 - Bill of exchange.
 - Currency notes.
- In the case of a 'token money' :
 - Face value is less than the metal value.
 - Face value is equal to the metal value.
 - Face value is greater than the metal value.
 - None of the above.
- In the Quantity Theory of Money Fischer states that, while other things remains the same :
 - Price level varies directly with the quantity of money.
 - Price level varies inversely with the quantity of money.
 - Value of money varies directly with the quantity of money.
 - None of the above.

7. In the case of 'creeping inflation' prices are rising at :
- (A) Less than 3 % per month. (B) Less than 3 % per annum.
(C) Around 5 % per month. (D) Around 5 % per annum.
8. 'Stagflation' is a situation where the economy faces :
- (A) Inflation. (B) Stagnation.
(C) Inflation as well as stagnation. (D) None of the above.
9. Which of the following represents the major functions of the central bank ?
- (A) Note issuing agency. (B) Controller of credit.
(C) Banker to the government. (D) All of the above.
10. Open market operation influences :
- (A) The reserves of commercial banks.
(B) The market rate of interest.
(C) Both (A) and (B).
(D) None of the above.
11. Which of the following is not a measure of selective credit control ?
- (A) Variable reserve ratio. (B) Regulation of margin requirements.
(C) Regulation of consumer credit. (D) Rationing of credit.
12. The rate of inflation in walking inflation is :
- (A) Between 3 to 10 %. (B) Below 3 %.
(C) More than 10 %. (D) More than 3 %.
13. Inflation due to increase in price of industrial products is known as :
- (A) Pricing power inflation. (B) Profit inflation.
(C) Sectoral inflation. (D) None.
14. Cost push inflation can be controlled mainly by :
- (A) Fiscal policy. (B) Monetary policy.
(C) Administrative policy. (D) All.

15. The main type of an employment referred by the Classical :
- (A) Voluntary. (B) Involuntary.
(C) Both. (D) None.
16. The concept of disguised unemployment is developed by :
- (A) Keynes. (B) Adam Smith.
(C) Nurkse. (D) Samuelsson.
17. Long run Phillips Curve is :
- (A) Parallel. (B) Horizontal.
(C) Vertical. (D) Kinked.
18. Which of the following is not an element of high Powered money ?
- (A) Currency. (B) Repos.
(C) Required Reserves. (D) Excess reserves.
19. Fiscal Policy is a policy of the :
- (A) Central bank. (B) Government.
(C) Finance commission. (D) Finance minister.
20. Fiscal Policy refers to policy towards :
- (A) Public revenue. (B) Public expenditure.
(C) Public debt. (D) All of the above.

SIXTH SEMESTER (CUCBCSS—UG) DEGREE EXAMINATION, MARCH 2022

Economics

ECO 6B 11—MACRO ECONOMICS—II

(2014—2018 Admissions)

Time : Three Hours

Maximum : 80 Marks

*Answers may be written either in English or in Malayalam.***Part A***Answer all questions.**Each question carries ½ mark.*

1. It is impossible to increase the level of output due to monetary policy, if the LM curve is :
 - (a) Perfectly elastic.
 - (b) Perfectly inelastic.
 - (c) Relatively elastic.
 - (d) Relatively inelastic.
2. The demand for money for active cash balance is :
 - (a) Positively related to income level.
 - (b) Negatively related to interest rate.
 - (c) Positively related to income level and interest rate.
 - (d) Negatively related to income level and interest rate.
3. IS Curve shift forward when :
 - (a) Investment function shift forward and saving function shift forward.
 - (b) Investment function shift forward and saving function shift backward.
 - (c) Investment function shift backward and saving function shift backward.
 - (d) Investment function shift backward and saving function shift forward.
4. According to Baumol's theory of demand for money :
 - (a) Transaction demand for money is interest inelastic.
 - (b) Speculative demand for money is interest inelastic.
 - (c) Transaction demand for money is interest elastic.
 - (d) Speculative demand for money depends on level of income.

Turn over

5. A rapid and decisive reduction in growth rate of money supply aimed at reducing the rate of inflation :
- (a) Disinflation. (b) Cold turkey.
(c) Built-in-stabilizers. (d) Taylor rule.
6. The concept of inflationary gap was first developed by :
- (a) J. M. Keynes. (b) David Riccardo.
(c) Milton Friedman. (d) H. G. Johnson.
7. _____ is the aggregate stock of money during a period of time.
- (a) Narrow Money. (b) Outside Money.
(c) High Powered Money. (d) None of the above.
8. The concept of inflationary gap was given by _____.
- (a) Wicksell. (b) Keynes.
(c) Milton Friedman. (d) A. W. Phillips.
9. Which of the following is not an essential characteristic of business cycle ?
- (a) Recurrent nature. (b) Cumulative in effect.
(c) Regular. (d) All pervading in their impact.
10. The amount by which the real Gross domestic product, or real GDP, exceeds potential GDP, is referred to as
- (a) Inflationary gap. (b) Deflationary gap.
(c) Recessionary gap. (d) None of these.
11. Bottle-neck inflation is a situation that sets in _____.
- (a) After the point of full employment.
(b) Before the point of full employment.
(c) After imposing price controls.
(d) During war period.
12. If the government's anti inflationary policy is not viewed as credible, it results in :
- (a) Self-fulfilling inflation. (b) Deflation.
(c) Disinflation. (d) Stable prices.

(12 × ½ = 6 marks)

Part B (Very Short Answer Questions)

Answer any ten questions.

Each question carries 2 marks.

13. What are the properties of IS Curve ?
14. Describe the phases of business cycle.
15. What is meant by fiscal stabilization policy ?
16. Monetary base.
17. Money multiplier.
18. Velocity of circulation.
19. IS-LM Curve.
20. Disguised unemployment.
21. Sacrifice ratio.
22. Devaluation of currency.
23. Okun's law.
24. Philips curve.

(10 × 2 = 20 marks)

Part C (Short Essay Questions)

Answer any six questions.

Each question carries 5 marks.

25. What is the purpose of computing GNP deflator ?
26. Explain Friedman's re-statement of quantity theory of money ?
27. What is meant by 'Inflationary Gap' ?
28. What is the superiority of cash balance approach over transaction approach to demand for money ?
29. Distinguish between demand pull inflation and cost push inflation.
30. Explain Fisher's quantity theory of money.
31. Examine unemployment inflation trade-off.
32. Describe the monetary theory of business cycle.

(6 × 5 = 30 marks)

Turn over

Part D (Essay Questions)

Answer any two questions.

Each question carries 12 marks.

33. Illustrate General Equilibrium using IS-LM curves.
34. What are the differences between Fisherian and Cambridge versions of quantity theory of money ?
35. Describe the measures to control inflation and deflation in an economy.
36. Illustrate the trade-off between inflation and unemployment. Bring out its policy implications.

(2 × 12 = 24 marks)

**SIXTH SEMESTER (CUCBCSS—UG) DEGREE (SPECIAL) EXAMINATION
MARCH 2021**

Economics

ECO 6B 11—MACRO ECONOMICS—II

(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 6B 11—MACRO ECONOMICS—II
(Multiple Choice Questions for SDE Candidates)

1. Which one of the following is related to the commodity money :
- (A) Stones. (B) Cattles.
(C) Grains. (D) All of the above.
2. Match the following :
- | A | B |
|---------------------|-----------------------|
| (i) Commodity money | (i) Currency |
| (ii) Metallic money | (ii) Cheque. |
| (iii) Paper money | (iii) Gold. |
| (iv) Credit money | (iv) Bows and arrows. |
- Codes :
- (A) (i) (ii) (iii) (iv). (B) (i) (iii) (ii) (iv).
(C) (iv) (iii) (ii) (i). (D) (iv) (iii) (i) (ii).
3. Which one of the following is an example of 'fiat money' ?
- (A) Precious stones. (B) Grains.
(C) Gold coins. (D) Currency notes.
4. _____ is not an example of 'near money'.
- (A) Bill of exchange. (B) Treasury bills.
(C) Bonds. (D) Currency notes.
5. In the case of 'creeping inflation' prices are rising at" :
- (A) Less than 3 % per month. (B) Less than 3 % per annum.
(C) Around 5 % per month. (D) Around 5 % per annum.
6. 'Stagflation' is a situation where the economy faces :
- (A) Inflation. (B) Stagnation.
(C) Inflation as well as stagnation. (D) None of the above.

7. Bank rate refers to :
- (A) Discount rate. (B) Market rate.
(C) Rediscout rate. (D) None of the above.
8. Let the cash reserve ratio is 12 %. Then the value of credit multiplier will be :
- (A) 8.0. (B) 8.3.
(C) 10. (D) 12.
9. The rate of inflation in walking inflation is :
- (A) Between 3 to 10 % (B) Below 3 %.
(C) More than 10 %. (D) More than 3 %.
10. Oil price rise is an example for :
- (A) Sectoral inflation. (B) Development inflation.
(C) Demand pull inflation. (D) Pricing power inflation.
11. The main type of unemployment referred by the Keynesian :
- (A) Voluntary. (B) Involuntary.
(C) Both. (D) None.
12. Main reason for frictional unemployment is :
- (A) Lack of opportunities. (B) Low wage.
(C) High cost. (D) Market imperfection.
13. The ratio of money supply to high powered money is :
- (A) SLR. (B) CRR.
(C) Money Multiplier. (D) Bank rate.
14. Fiscal Policy is a policy of the :
- (A) Central bank. (B) Government.
(C) Finance commission. (D) Finance Minister

15. When aggregate economic activity is increasing, the economy is said to be in :
- (A) An expansion. (B) A contraction.
(C) A peak. (D) A turning point.
16. What are the two main components of business cycle theories ?
- (A) A description of shocks and a model of how the economy responds to them.
(B) A model of how people decide to spend and a description of the government's role in the economy.
(C) A model of how equilibrium is reached and a description of the government's role in the economy.
(D) A description of shocks and a description of the government's role in the economy.
17. The IS curve has a _____ slope.
- (A) Positive. (B) Negative.
(C) Parallel. (D) No slope.
18. ISLM is used to determine :
- (A) Income. (B) Interest.
(C) Both. (D) All.
19. Decrease in money supply shift the LM curve to the :
- (A) Right. (B) Left.
(C) No change. (D) Any of these.
20. Above the BP curve BoP is:
- (A) Surplus. (B) Deficit.
(C) Either Surplus or Deficit. (D) None.

SIXTH SEMESTER (CUCBCSS--UG) DEGREE (SPECIAL) EXAMINATION
MARCH 2021

Economics

ECC SB 11--MACRO ECONOMICS--II

Time : Three Hours

Maximum : 30 Marks

Section A (Objective Type Questions)*Answer all questions.**Each question carries 1 mark.*

- Who defined inflation as "too much money chasing too few goods" ?
 - Keynes.
 - Coulborn.
 - Fishman.
 - None.
- Which one of the following is not near money ?
 - Bill of Exchange
 - Deposits
 - Currency
 - Bonds.
- M3 consist of :
 - Currency with public + demand deposits+ other deposits.
 - M1 plus time deposits with commercial and co-operative banks.
 - M2 plus time deposits with commercial and co-operative banks.
 - M2 plus post office savings account.
- Sacrifice ratios
 - Wage loss.
 - Profit loss.
 - Output loss.
 - Revenue loss.
- A situation when rising prices are accompanied by unemployment :
 - Hyper Inflation.
 - Creeping inflation.
 - Stagflation.
 - Reflation.

Turn over

6. The following unemployment occurs when the marginal productivity of labour is zero :
- (a) Open unemployment.
 - (b) Underemployment.
 - (c) Structural unemployment.
 - (d) Disguised unemployment.
7. A tax cut shifts the IS curve to the :
- (a) Right.
 - (b) Left.
 - (c) No change.
 - (d) Either.
8. Monetary policy is implemented by :
- (a) Government.
 - (b) NITI Aayog.
 - (c) Finance Commission.
 - (d) RBI.
9. The IS-LM model was first developed by :
- (a) Hansen.
 - (b) Hicks.
 - (c) Samuelson.
 - (d) Keynes.
10. Keynesian unemployment is :
- (a) Voluntary.
 - (b) Involuntary.
 - (c) Natural.
 - (d) None.
11. Short run Philips curve is :
- (a) Inverse.
 - (b) Straight line.
 - (c) Vertical.
 - (d) Kinked.
12. When there is zero capital mobility the BP curve is :
- (a) Vertical.
 - (b) Horizontal.
 - (c) Positive.
 - (d) Negative.

(12 × 1 = 12 marks)

Section B (Very Short Answer Questions)

Answer at least six questions.

Each question carries 3 marks.

All questions can be attended.

Overall Ceiling 18.

13. State the secondary functions of money.
14. What are the social costs of inflation ?
15. Define Stagflation.
16. What is high powered money ?
17. What is consumer price index ?
18. What determines the slope of IS curve ?
19. State the broad measure of money supply.
20. State Okun's law.
21. What fiscal policy measures are taken during recession ?
22. Briefly explain the costs of unemployment.
23. How does Hawtrey explain the occurrence of the business cycle ?
24. State Fischer's quantity theory of money.

Section C (Short Essay Questions)

Answer at least four questions.

Each question carries 6 marks.

All questions can be attended.

Overall Ceiling 24.

25. Explain the liquidity preference theory of money.
26. Critically evaluate the Phillips curve.
27. Briefly explain Hayek's theory of business cycle.
28. Explain different types of unemployment.
29. Explain the various functions of money.
30. What are the various instruments of monetary policy ?

31. Diagrammatically derive the LM curve.
32. How unemployment is measured in India ?

(4 × 6 = 24 marks)

Section D

Answer any two questions.

Each question carries 13 marks.

33. What determines the money supply in an economy ? What are the measures of money supply used in India ?
34. Economic stability is an important function of any government. How does government achieve economic stability through fiscal and monetary policy ?
35. Explain the various phases of business cycle. Discuss various types of business cycles.
36. Explain general equilibrium of an open economy using IS-LM-BP curves.

**SIXTH SEMESTER (CUCBCSS—UG) DEGREE (SPECIAL) EXAMINATION
MARCH 2021****Economics****ECO 6B 12—MATHEMATICAL 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 6B 12—MATHEMATICAL ECONOMICS

(Multiple Choice Questions for SDE Candidates)

1. For a utility function $u = xy + 3x + 4y$, marginal utility of good x is :
- (A) $xy + 3x + 4y$. (B) $y + 3$.
(C) $x + 4$. (D) $y + 3x$.
2. A _____ function provides an abstract mathematical representation of the relation between the production of a good or service and the inputs used.
- (A) Consumption. (B) Production.
(C) Revenue. (D) Technology.
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. Given the consumption function $C = a + bY$, the slope 'b' represents :
- (A) MPS. (B) Autonomous consumption.
(C) MPC. (D) Saving.
6. Given $TR = 10x$, $TC = 5x + 2$, profit function is :
- (A) $5x - 2$. (B) $5x$.
(C) $10x - 5x$. (D) $5x + 2$.
7. 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. The Price elasticity of demand for a product is 1.5 and its MR = 8, find its price :
- (A) 12. (B) 24.
(C) 53. (D) 16.
9. Mathematically _____ is the first derivative of the consumption function.
- (A) MPS. (B) MPC.
(C) MPI. (D) GDP.
10. Necessities have _____ elasticity of demand of between 0 and +1.
- (A) Cross. (B) Price.
(C) Income. (D) Any of these.
11. The process of finding relative maximum or minimum of a function is known as :
- (A) Optimization. (B) Minimisation.
(C) Maximisation. (D) Any of these.
12. The first derivative measures the rate of change or _____ of a function.
- (A) Intercept. (B) Convexity.
(C) Slope. (D) Concavity.
13. The Cobb Douglas Production function $Q = AL^\alpha K^{1-\beta}$ represents :
- (A) Diminishing returns to scale. (B) Increasing returns to scale.
(C) Constant returns to scale. (D) None of the above.
14. Where $\alpha = \frac{3}{4}$ and $\beta = \frac{1}{4}$, the returns to scale for the Cob Douglas Productions functions is :
- (A) Increasing. (B) Decreasing.
(C) Constant. (D) Can not say without additional data.
15. In linear programming, the dual of maximization is equal to :
- (A) Minimization. (B) Shadow Pricing.
(C) Maximisation. (D) None of these.

16. 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.
17. In input-output analysis, _____ is obtained by dividing the input of the desired sector by the total output of the same sector.
- (A) The transaction matrix. (B) A technology co-efficient.
(C) Non negativity constrains. (D) The technology matrix.
18. $R = R(Q)$ and $C = C(Q)$ are the revenue and cost functions of a firm. The first order conditions for firm's short run equilibrium is :
- (A) $R'(Q) = C'(Q)$. (B) $R'(Q) < C'(Q)$
(C) $R'(Q) > C'(Q)$. (D) None of the above.
19. 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.
20. In monopoly, if $p = Rs. 10$ at the point on the demand curve where $\eta = 0.5$, MR is :
- (A) 5. (B) 0.
(C) - 1. (D) - 10.

**SIXTH SEMESTER (CUCBCSS—UG) DEGREE (SPECIAL) EXAMINATION
MARCH 2021****Economics****ECO 6B 12—MATHEMATICAL ECONOMICS**

Time : Three Hours

Maximum : 80 Marks

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

1. In the function
- $y = a + bx$
- , the dependent variable is :

(a) y . (b) a .
(c) b . (d) x .

2. For the demand, function,
- $D = 100 - 2P$
- , price elasticity is :

(a) $\frac{-2P}{100 - 2P}$. (b) $-2P$.
(c) -2 . (d) $\frac{100 - 2P}{2P}$.

3. If the total revenue function is given as,
- $R = 2x^2 - 10x$
- , MR is :

(a) $x^2 - 5$. (b) $4x$.
(c) $4x - 10$. (d) $2x^3 - 10x^2$.

4. If change in price, either rise or fall, is followed by a fall in total outlay, the Elasticity of demand is said to be :

(a) Less than unity. (b) Greater than unity.
(c) 1. (d) 0.

5. Profit is the difference between :

(a) TR and AR. (b) AR and MR.
(c) MR and MC. (d) TR and TC.

Turn over

6. The sufficient condition for maximum is :
- (a) $f''(x) > 0$. (b) $f'(x) > 0$.
(c) $f'(x) = 0$. (d) $f''(x) < 0$.
7. Marginal utility for the utility function $U = 20x^4 + 7x^3 + 13x^2 + 12x + 9$ is :
- (a) $80x^3 - 7x^2 - 13x$. (b) $80x^3 + 21x^2 + 26x + 12$.
(c) $80x^3 + 12$. (d) $80x^3 + 21x^2 + 13x$.
8. The first order condition for the equilibrium of a firm under perfect competition is :
- (a) $MR < MC$. (b) $MR > MC$.
(c) $MR = MC$. (d) $MR \neq MC$.
9. If the production function is a linear homogeneous production function then the elasticity of substitution between capital and labour is :
- (a) 0. (b) Greater than one.
(c) Less than one. (d) Equal to one.
10. Linear Programming as an economic tool was first developed and applied by :
- (a) Prof. Danzig. (b) Von Neumann.
(c) Morgenstern. (d) Prof. W.W. Leontif.
11. When competition is perfect, the average revenue curve of the firm is a :
- (a) Horizontal straight line. (b) Vertical line.
(c) Downward sloping curve. (d) Upward sloping curve.
12. Input-Output analysis assumes :
- (a) Increasing returns to scale.
(b) Diminishing returns to scale.
(c) Constant returns to scale.
(d) Upward sloping curve.

(12 × 1 = 12 marks)

Section B (Very Short Answer Questions)

Answer at least six questions.

Each question carries 3 marks.

All questions can be attended.

Overall Ceiling 18.

13. Distinguish between Leontief open and closed input-output model.
14. Define production function.
15. What is optimal solution ?
16. Define price elasticity of demand.
17. What is a homogeneous function ?
18. For the total utility function $U = 20x^4 + 7x^3 + 13x^2 + 12x + 9$, compute marginal utility.
19. Define Cost function.
20. Define Marginal propensity to consume.
21. If MR is Rs. 15 and the elasticity of demand is 4, find the AR.
22. Define Market equilibrium.
23. What is consumption function ?
24. Compute Average cost for the Total cost $C = 8x^3 + 3x^2 - 6x + 3$.

(6 × 3 = 18 marks)

Section C (Short Essay Questions)

Answer at least four questions.

Each question carries 6 marks.

All questions can be attended.

Overall Ceiling 24.

25. What are the assumptions of input-output analysis ? Also explain the static and the dynamic models.
26. Explain the concepts of maxima and minima of functions. How are they estimated ?
27. Explain the necessary and sufficient conditions for equilibrium of a firm under perfect competition.
28. For a firm under perfect competition, it is given that $p = 3$ and $c = 100 + .015x^2$. Find how many items are produced to maximize the profit. What is the profit ?

Turn over

29. Calculate marginal productivity of labour and capital from the following production functions :
 (i) $X = L^2 + 2L + 10$; (ii) $X = K^2 + 3K^3$.
30. Write a short note on economic models.
31. Find the maxima or minima of the function $y = x^2 - 4x - 5$.
32. Write a note on isoquant. What are the properties of isoquant ?

(4 × 6 = 24 marks)

Section D (Essay Questions)

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

33. Solve the following LPP graphically :

$$\text{Maximize } Z = 2x_1 + 3x_2$$

$$\text{subject to } x_1 + x_2 \leq 1$$

$$3x_1 + x_2 \leq 4$$

$$x_1 \geq 0, x_2 \geq 0.$$

34. Given the utility function $U = x^2 + 3xy - 5y^2$, price of commodity x is Rs. 2, price of commodity y is Rs. 3 and consumer's money income is Rs. 6, find out the equilibrium level of consumption of commodities x and y . Also prove the conditions for maximization.
35. Find R, AR and MR for the demand function $q = 100 - 2p$, where q is quantity demanded and P is price.
36. Given the Demand and the Average Cost Functions of a monopolistic firm as $P = 32 - 3q$,
 $AC = q + 8 + \frac{5}{q}$, what level of output maximizes total profit and what are the corresponding values of R, AR, MR, C, AC, MC and Profit ?

(2 × 13 = 26 marks)

C 3118-A

(Pages : 4)

Name.....

Reg. No.....

**SIXTH SEMESTER (CUCBCSS—UG) DEGREE [SPECIAL] EXAMINATION
MARCH 2021**

Economics

ECO 6B 13—PUBLIC FINANCE

(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 6B 13—PUBLIC FINANCE

(Multiple Choice Questions for SDE Candidates)

- In proportional tax system, the rates of tax remain :
 - Constant.
 - Increasing.
 - Decreasing.
 - Zero.
- Expenditure Tax for India was recommended by :
 - Kaldor.
 - Colin Clark.
 - Adam Smith.
 - Adolph Wagner.
- Which one of the following is not a method for redeeming public debt ?
 - Sinking fund.
 - Capital levy.
 - Terminal annuities.
 - Grants in aid.
- The Finance Commission in India is appointed by :
 - President.
 - Prime Minister.
 - Chief Minister.
 - Finance Minister.
- Displacement effect is associated with :
 - Financial Administration.
 - Public Expenditure.
 - Public Debt.
 - Budget.
- Author of 'General Theory of Employment, Interest and Money' :
 - Dalton.
 - Marshal.
 - Keynes.
 - Musgrave.
- The Displacement effect hypothesis was formulated by :
 - Peacock and Wiseman.
 - Pigou.
 - Smith.
 - Musgrave.

8. Who is the chairman of the latest Finance Commission ?
- (A) Chadha. (B) K.C. Neogi.
(C) Santhanam. (D) Y.V. Reddy.
9. The Annual Account of both the income and expenditure is called :
- (A) Plan. (B) Budget.
(C) Manifesto. (D) Accounts.
10. Deficit financing as a tool of fiscal policy was suggested by :
- (A) Keynes. (B) Dalton.
(C) J.B. Say. (D) Marshall.
11. "The government which taxes the least is the best", is the belief of :
- (A) Mercantilists. (B) Physiocrats.
(C) Modern. (D) Classical.
12. Incidence of a tax refers to the _____ burden of tax.
- (A) Initial. (B) Ultimate.
(C) Intermediate. (D) None.
13. Contra-cyclical fiscal policy was popularised by :
- (A) Adam Smith. (B) Dalton.
(C) J.B. Say. (D) Keynes.
14. Wagner's Law is related to :
- (A) Public revenue. (B) Public expenditure.
(C) Public debt. (D) Budget.
15. Which one of the following is not a public utility ?
- (A) Electricity. (B) Water supply.
(C) Gas service. (D) Tourism.

16. Which economist has classified public expenditure on the basis of function ?
- (A) Adam Smith. (B) Dalton.
(C) J.B. Say. (D) Marshall.
17. The Chairman of the Eleventh Finance Commission was :
- (A) K.C. Panth. (B) Y.V. Reddy.
(C) K.Santhanam. (D) A.M. Khusro.
18. Agricultural Holding Tax was recommended by :
- (A) Adam Smith. (B) K.N. Raj.
(C) Chelliah. (D) Marshall.
19. The Great Depression occurred during :
- (A) 1919-23. (B) 1929-33.
(C) 1949-53. (D) 1901-05.
20. Tax is a _____ payment.
- (A) Optional. (B) Open,
(C) Compulsory. (D) Elective.

**SIXTH SEMESTER (CUCBCSS—UG) DEGREE [SPECIAL] EXAMINATION
MARCH 2021**

Economics

ECO 6B 13—PUBLIC FINANCE

Time : Three Hours

Maximum : 80 Marks

Section A

Answer all questions.

Each question carries 1 mark.

- Which of the following are fiscal tools of a government ?
 - Taxes.
 - Expenditures.
 - Transfer payments.
 - All of the above.
- Which of the following states that the amount of taxes people pay should relate to their income or wealth ?
 - Ability-to-pay principle.
 - Horizontal equity principle.
 - Vertical equity principle.
 - Benefit principle.
- Assume that a pen is a private good. It is _____
 - Rivalrous in consumption and excludable.
 - Non-rivalrous in consumption and excludable.
 - Rivalrous in consumption and non-excludable.
 - Non-rivalrous in consumption and non-excludable.
- Sham makes Rs. 30,000 per year and pays Rs.6,000 in income taxes. Ram makes Rs. 40,000 and pays Rs. 8,000 in income taxes. This is an example of :
 - A Progressive Tax.
 - A Proportional Tax.
 - A Regressive Tax.
 - A Degressive Tax.

Turn over

|

5. Which of the following is not a type of revenue expenditure ?
- (a) Subsidies. (b) Permanent Assets.
(c) Defence. (d) Pensions.
6. Revenue deficit is the difference between revenue receipts and _____.
- (a) Revenue Expenditure. (b) Fiscal Expenditure.
(c) Budget Receipts. (d) Primary Deficit.
7. Government prepares its budget :
- (a) Monthly. (b) Quarterly.
(c) Half Yearly. (d) Annually.
8. One of the following is NOT a feature of private finance :
- (a) Publicity. (b) Secrecy.
(c) Savings. (d) Voluntary Auditing.
9. A _____ tax takes a larger fraction of income in taxes from lower-income individuals than from higher-income individuals.
- (a) Progressive. (b) Proportional.
(c) Regressive. (d) Degressive.
10. Payment made by the Government to its citizens not for any services rendered is called _____.
- (a) Contributory Pension. (b) Transfer Payments.
(c) Tax. (d) Subsidies.
11. If public debt can be financed without adding to inflation or causing interest rates to rise, it is said to be _____.
- (a) Sustainable. (b) A burden on future generations.
(c) In primary balance. (d) Following the golden rule of public finance.
12. Finance Commission is constituted :
- (a) Annually. (b) Bi-annually.
(c) Every 5 years. (d) Every 10 years.

(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. Budget Deficit.
14. Government Debt .
15. Horizontal Equity.
16. Two Characteristics of A Good Tax System.
17. Impact of A Tax.
18. GST.
19. Deficit Financing.
20. Contra-cyclical Fiscal Policy.
21. Merit Goods.
22. Terminal Annuities.
23. Fiscal Deficit.
24. Sinking Fund.

(6 × 3 = 18 marks)

Section C (Short Essays)

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

25. Distinguish between tax evasion and tax avoidance.
26. Differentiate between Digressive and Regressive taxes.
27. What are the merits and demerits of indirect taxes ?
28. Distinguish between Revenue Budget and Capital Budget.
29. Enumerate the various sources of Non-tax Revenue of the Government.
30. Write down the effects of taxation on production, distribution and economic stability.

Turn over

31. Compare vertical fiscal imbalance and horizontal fiscal imbalance in the federal system.
32. Explain the concept of Cost Benefit analysis with suitable examples.

(4 × 6 = 24 marks)

Section D (Essay Questions)

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

33. What are the major taxes imposed in India ?
34. Explain some of the commonly followed methods of public debt repayment.
35. Write an essay on the structure and role of the Finance Commission of India.
36. Describe Wagner's Law of Increasing State Expenditure and the Wiseman-Peacock Hypothesis of Public expenditure.

(2 × 13 = 26 marks)

**SIXTH SEMESTER (CUCBCSS—UG) DEGREE [SPECIAL] EXAMINATION
MARCH 2021**

Economics

ECO 6B 14—DEVELOPMENT ECONOMICS

Time : Three Hours

Maximum : 80 Marks

Section A (Objective Type Questions)

Answer all questions.

Each question carries 1 mark.

- The vicious circle of poverty indicates that :
 - A country is poor because it has lower productivity but high savings.
 - As countries grow richer, they save less.
 - Poverty perpetuates itself in mutually reinforcing circles on supply and demand sides.
 - Market size is large in LDCs.
- The concept of SOC and DPA is related to :
 - Balanced growth strategy.
 - Unbalanced growth strategy.
 - Big push strategy.
 - Critical minimum effort thesis.
- Economic development is :
 - A wider term compared to economic growth.
 - Both a quantitative and qualitative phenomenon.
 - More output and changes in the technical and institutional arrangement by which it is produced and distributed.
 - All of these.
- The type of planning adopted from the 8th five year plan of India was :
 - Imperative planning.
 - Inductive planning.
 - Perspective planning.
 - None of these.
- The United Nations commission on Sustainable Development was established by UN general Assembly in the year :
 - 1993.
 - 1992.
 - 1980.
 - 1949.

6. HPI-1 is related to :
- a) Developing countries.
 - b) OECD countries.
 - c) Developed countries.
 - d) GIC countries.
7. Which of the following is NOT a component of PQLI ?
- a) Life expectancy.
 - b) Infant mortality.
 - c) Per capita income.
 - d) Literacy.
8. Who among the following is one of the advocates of balanced growth strategy ?
- a) Hirschman.
 - b) Hans Singer.
 - c) Rosestein Rodan.
 - d) Paul Streeten.
9. Which of the following is the period of take-off for India, according to Rostow ?
- a) 1991-92.
 - b) 1951-52.
 - c) 2001-02.
 - d) None of these.
10. A value of 1 in Gini index represents :
- a) Low inequality.
 - b) Maximum inequality.
 - c) Average inequality.
 - d) 1% inequality.
11. Sustainable Development implies :
- a) Sudden rise in real GDP.
 - b) Long lasting development without negatively impacting the environment.
 - c) Full exploitation of natural resources.
 - d) Reduction in unemployment, inequality and poverty.
12. Which of the following is NOT a third-world region ?
- a) Asia.
 - b) Latin America.
 - c) Australia.
 - d) Africa.

(12 × 1 = 12 marks)

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 Multidimensional poverty Index ?
14. Discuss the calorie intake criteria of poverty line.

15. Discuss the features of the stage "ages of high mass consumption".
16. What are the demerits welfare criteria as a measure of economic development ?
17. Distinguish between economic growth and economic development.
18. How economic growth rate is estimated ? Explain with a numerical example.
19. Discuss the relative merits of planned economy over a pure market economy.
20. Discuss the objectives and achievements of fifth five year plan.
21. Distinguish between convergent series and divergent series of investment.
22. What are the important causes and effects of acid rain ?
23. Trace the origin of development economics as an independent discipline.
24. What is infant mortality rate ?

(6 × 3 = 18 marks)

Section C (Short Essay)

Answer at least four questions.

Each question carries 6 marks.

All questions can be attended.

Overall Ceiling 24.

25. Discuss the issue of missing women in a regional and national perspective.
26. What are the important measures of economic development ?
27. Briefly explain the big push strategy.
28. Examine the historical background and the origin Indian five year plans.
29. Critically examine the thesis of low level equilibrium trap.
30. What are the important causes and impacts of global warming ?
31. What are the different types of planning ?
32. Examine the different components of sustainable development.

(4 × 6 = 24 marks)

Section D (Essay)

Answer any two questions.

Each question carries 13 marks.

33. Discuss the strategy of unbalancing of the economy by SOC or DPA for achieving economic development. Which sequence is best for a LDC ?
34. Evaluate the relevance of the thesis of critical minimum effort in the context of a Less Developed Country.
35. Examine the relative merits and demerits of different measures of economic inequality.
36. What are the important alternative measures of economic development ?

(2 × 13 = 26 marks)