

**NTK/KW/15 –7193**

**Second Semester B. A. LL. B. (Five Years Course) (Credit Based System) Examination**

**Course Code – 2.4**

**ECONOMICS – II**

Time : Three Hours ]

[ Max. Marks : 80

- N. B. : (1) Section A consists of 10 Marks. Section B consist of 30 marks and section "C" consist of 40 marks. Attempt all sections.
- (2) The number of questions to be answers and marks for each question for section A and section B are indicated in respective section.
- (3) Answer any five questions from section "C". Each question carries eight marks.

**SECTION A**

**(Multiple Choice Question)**

1. Answer any **ten** by out of the following, choosing the **right** one from the options given after each question.
- (i) ----- is the money value of all final goods and services produced by a country during the period of one year
- (a) National Income
  - (b) Depreciation
  - (c) Personal Income
  - (d) Disposable income

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Contd.

- (ii) The difference between Gross Domestic Product and Net Domestic Product equals to ——
- (a) Transfer Payment
  - (b) Depreciation cost
  - (c) Indirect taxes
  - (d) Subsidies.
- (iii) When some workers are temporarily out of work while changing job leads to —— unemployment.
- (a) Cyclical unemployment
  - (b) Voluntary unemployment
  - (c) Frictional unemployment
  - (d) Seasonal unemployment.
- (iv) Central Bank is not expected to perform the function of ——
- (a) Banker to the Government.
  - (b) Accepting deposits from commercial banks.
  - (c) Accepting deposits from general public.
  - (d) Acting as a clearing house.
- (v) Which one from the following is qualitative control measure ——
- (a) Bank rate Policy
  - (b) Open Market Operations
  - (c) Reserve ratio requirement.
  - (d) Margin requirements.

(vi) Which of the following is not an anti-inflationary measure \_\_\_\_\_

- (a) Rise in the bank rate.
- (b) Rationing of credit.
- (c) Raising the reserve ratio requirements.
- (d) Purchase of securities in the open market.

(vii) Which one of the following is not a function of the commercial Banks ?

- (a) Provision of safe deposit facilities.
- (b) Provision of a cheque system for settling debts.
- (c) Lending to the Private and Public sectors.
- (d) Acting as a lender of last resort.

(viii) The most liquid asset, next to cash, which the banks possess is \_\_\_\_\_

- (a) Advances to customers
- (b) Money at call
- (c) Treasury bills
- (d) Inland bills.

(ix) The basic principle of Public finance is \_\_\_\_\_

- (a) Maximum taxing people
- (b) Maximum spending for people
- (c) Minimum spending on people
- (d) Maximum Social Advantage.

(x) Find the tax which is direct tax among the following :—

- (a) Personal Income Tax
- (b) Excise Duty
- (c) Sales Tax
- (d) Service Tax

(xi) A ——— tax is one whose percentage rate increases as the tax base increases.

- (a) Progressive Tax
- (b) Proportional Tax
- (c) Regressive tax
- (d) None of the above

(xii) Law of increasing public expenditure is stated by  
—————

- (a) Alfred Marshall
- (b) J. M. Keynes
- (c) Wagner
- (d) Dalton

(xiii) Planning commission in Indian is headed by —  
—————

- (a) President
- (b) Prime Minister
- (c) Vice President
- (d) Governor.

(xiv) Indian Planning is ————— in nature.

- (a) Totalitarian
- (b) Totally centralized
- (c) Grassroot planning
- (d) None of the above

(xv) "One for all and all for one" is the basic principle of —————

- (a) Co-operative society
- (b) Government Department
- (c) Joint Stock Company
- (d) None of the above

10 × 1 = 10

## SECTION B

### (Short Answer Questions)

2. Distinguish between (any **three**) :—

- (a) Seasonal unemployment and Disguised unemployment.
- (b) Central Bank and Public Commercial Bank.
- (c) Public Debt and Public Expenditure.
- (d) Physical planning and Financial Planning.

3 × 5 = 15

3. Answer any **three** of the following :—

- (a) State the concept of National Income.
- (b) How unemployment can be remedied ?

- (c) Which are the main principles of central banking?
  - (d) State the characteristics of co-operative societies.
- $3 \times 5 = 15$

### SECTION C

#### (Long Answer Questions)

- 4. Explain the difficulties in the measurement of national Income in India.
  - 5. Explain the functions of Central Bank.
  - 6. Describe the credit creation process of commercial Bank.
  - 7. Explain various types of Unemployment.
  - 8. Discuss the canons of Taxation.
  - 9. Point out the effects of Public debt on Consumption, Production and Distribution.
  - 10. Discuss the objectives of five year plans in India.
  - 11. Explain the functions of co-operative credit societies.
- $5 \times 8 = 40$