

**Third Semester B.A.LL.B. (Five Years Course) (C.B.S.) Examination****ECONOMICS—III****Compulsory Paper—4**

Time : Three Hours]

[Maximum Marks : 80

**Note :—**(1) Attempt **all** sections.(2) Section A consists of **10** marks, Section B consists of **30** marks and Section C consists of **40** marks.

(3) Follow the instructions given in each section.

**SECTION—A**1. Choose the correct alternative (any **TEN**) :

- (i) Monetary Policy is implemented in India by \_\_\_\_\_.
  - (a) The Ministry of Finance
  - (b) Planning Commission
  - (c) The Parliament
  - (d) Reserve Bank of India
- (ii) An economy that is growing at such a slow pace that more jobs are being lost than are being added is :
  - (a) Stagflation
  - (b) Recession
  - (c) Growth Recession
  - (d) Ritchet Inflation
- (iii) M3 constitutes currency with public plus demand deposits with banks plus time deposits with banks plus \_\_\_\_\_.
  - (a) Other deposits with the RBI
  - (b) Post Office deposits
  - (c) Government deposits with RBI
  - (d) Bankers' deposits with RBI
- (iv) The study of inflation is a part of :
  - (a) Normative Economics
  - (b) Macro Economics
  - (c) Micro Economics
  - (d) Descriptive Economics
- (v) The quantity theory of money implies that a given percentage change in the money supply will cause :
  - (a) Larger percentage change in nominal GDP
  - (b) Smaller percentage change in nominal GDP
  - (c) Equal percentage change in Real GDP
  - (d) Equal percentage change in nominal GDP
- (vi) Money appears to have a major influence on :
  - (a) Inflation
  - (b) Business Cycles
  - (c) Interest Rates
  - (d) Each of the above
- (vii) What is the present CRR in India ?
  - (a) 4%
  - (b) 5%
  - (c) 6%
  - (d) 2%
- (viii) In which year Industrial Disputes Act came into operation ?
  - (a) 1947
  - (b) 1949
  - (c) 1953
  - (d) 1963

- (ix) An efficient market does not require that \_\_\_\_\_.  
 (a) Stock prices incorporate all information  
 (b) All known information be reflected in prices  
 (c) Price adjustments occur very quickly  
 (d) Each adjustment be perfect
- (x) Bank rate is defined as :  
 (a) The ratio of the liquid assets to time and demand liabilities  
 (b) Percentage of bank deposits which banks are required to keep with RBI in the form of reserves  
 (c) Rate of interest charged by RBI for providing funds or loans to the banking system  
 (d) Rate at which RBI lends to commercial banks against Government securities
- (xi) An increase in growth rate of money supply is likely to be followed by :  
 (a) Recession (b) Inflation  
 (c) Decline in economic activity (d) All of above
- (xii) The objective of Industrial Disputes Act is \_\_\_\_\_.  
 (a) To prevent illegal strikes  
 (b) To promote measures for securing and preserving good relations between employers and employees  
 (c) To provide relief to workmen in matters of lay-offs, retrenchment  
 (d) All of the above
- (xiii) The central issue of efficient market concerns :  
 (a) Regulations (b) Information  
 (c) Participants (d) Structure
- (xiv) Industrial relations cover the following area :  
 (a) Collective Bargaining (b) Labour Legislation  
 (c) Industrial relations training (d) All of the above
- (xv) Parties to industrial relations are \_\_\_\_\_.  
 (a) ILO, Government, Association of Employers  
 (b) ILO, Government, IMF  
 (c) ILO, Board of Directors, Association of Employers  
 (d) Government, Board of Directors, Association of Employers

1×10=10

### SECTION—B

**Note :—** Both the questions in this section are compulsory.

2. Attempt the following (any **THREE**) :

- (a) How did the Barter System fail in the development of economy ?  
 (b) 'Money is an evil master.' Explain.  
 (c) Explain Marshall's Equation.  
 (d) What are the functions of Wage Boards ?

5×3=15

3. Write short notes on (any **THREE**) :

- (a) Causes of market failure
- (b) Stagflation
- (c) Arbitration
- (d) Types of division of labour.

5×3=15

### SECTION—C

**Note :—** Answer any **FIVE** questions of the following.

- 4. How does deflation affect different sections of economy ?
- 5. What are different reasons for Industrial Dispute ?
- 6. What are the similarities between Fisher's version and Cambridge's version of money ? Which theory is superior and how ?
- 7. "Money is what money does." How far is this definition of money true ?
- 8. Describe the need and importance of Industrial Legislation.
- 9. Discuss the causes of inflation. How can it be controlled ?
- 10. How does market efficiency affect the development of the economy ?
- 11. Explain the micro analysis of law.

8×5=40