

Third Semester B.A.LL.B. Five Years Course (CBS) Examination

ECONOMICS—III

Compulsory Paper—4

Time : Three Hours]

[Maximum Marks : 80

N.B. :— (1) Attempt **all** SectionsSection 'A' consists of **10** marksSection 'B' consists of **30** marks, andSection 'C' consists of **40** marks.

(2) Follow the instructions given in each section.

(3) Marks are indicated against each question.

SECTION—A1. Choose the correct alternative (answer any **ten**) : 1×10=10

- (i) When the intrinsic value of money and its face value are equal, it is called _____ .
- (a) Token money (b) Full-bodied money
- (c) Quasi-money (d) Fiat money
- (ii) Which one of the following factors affects velocity of circulation ?
- (a) Time unit of income receipts
- (b) Frequency of transaction
- (c) Liquidity preference
- (d) All of the above.
- (iii) Which one of the following statements is correct in respect of equation of exchange $MV = PT$?
- (a) If M is doubled, leaving V and T unaffected, then P must double.
- (b) If M is doubled, leaving V unaffected, then P will be halved.
- (c) If M and T are doubled, leaving V unaffected, then P will be halved.
- (d) If M is doubled, V is halved, leaving T unaffected then P gets multiplied 3 times.
- (iv) Which of the following is the important function of money ?
- (a) Money must be legal tender
- (b) Money must facilitate exchange if it is to fulfil its purpose.
- (c) A government must exist for money to exist.
- (d) None of the above.
- (v) Prices in a barter economy _____.
- (a) Cannot exist.
- (b) Are fixed by law
- (c) Are in relative quantities of goods exchanged
- (d) Are in terms of the acceptable unit of value.

- (vi) A passive deposit is one in which the initiative lies with _____.
 (a) The Bank
 (b) The depositor
 (c) The government
 (d) The Central Bank.
- (vii) Lower turning point in a business cycle refers to _____.
 (a) Recession (b) Expansion
 (c) Downturn (d) Recovery.
- (viii) In _____ the “All India Trade Union Congress” was set up to represent the interest of the workers and co-ordinate the activities of various labour organizations.
 (a) 1920 (b) 1930
 (c) 1940 (d) 1950
- (ix) Stagflation is a situation where _____.
 (a) Inflation is combined with rising employment.
 (b) Inflation is combined with rising unemployment
 (c) Inflation is caused by demand-pull factors
 (d) There is decline in costs and prices.
- (x) _____ is the shortest path of the cheapest means towards the desired goals.
 (a) Market imperfection (b) Market facilities
 (c) Efficiency (d) Production.
- (xi) The statement given in the question is true and brings out the _____ in true perspective.
 (a) Rule of renewable construction
 (b) The mischief rule
 (c) Rule of harmonious construction
 (d) Primary rule.
- (xii) A clause which is an expression to the main provision is known as _____.
 (a) Statute (b) Provision
 (c) Interpretation Clauses (d) Schedules.
- (xiii) At the _____ Session of Indian Labour Conference in New Delhi, July 1957, an important resolution was passed which laid down the minimum wages.
 (a) 13th (b) 14th
 (c) 15th (d) 16th
- (xiv) Environment protection law was passed in _____ to protect the major hazards.
 (a) 1985 (b) 1986
 (c) 1968 (d) 1958

- (xv) Inter-personal wage differential depends upon _____ .
- (a) Education (b) Attitude
- (c) Financial capacity (d) All of the above.

SECTION—B

(Both questions in this section are compulsory)

2. Answer the following (any **three**) : 5×3=15
- (a) In India how money stock is classified.
- (b) What do you mean by market imperfection ?
- (c) Explain in brief division of labour with its types.
- (d) Explain A.C. Pigou's Equation of the quantity theory of money.
3. Write short notes on the following (any three) : 5×3=15
- (a) Cash transaction approach
- (b) Standard Coins and Token Coins
- (c) Different types of wages
- (d) Conciliation and Arbitration.

SECTION—C

(Attempt any **five** questions of the following)

8×5=40

4. What are the difficulties and inconvenience of the direct method of exchange ? How the use of money seeks to remove these difficulties and inconveniences ?
5. “Market economy is best suited for developed countries.” Comment.
6. “Inflationary Gap arises when money expands more than in proportion to income earning activity.” Explain and suggest the necessary measures to bridge any such gap in a developing economy.
7. Why the need for a National Wage Policy arises for ensuring fair wages to the labour force ?
8. Discuss the role of Economics in legal reasoning.
9. Explain the Micro Economic analysis of law with the help of illustration.
10. What are the effects of Industrial disputes (a) on workers, (b) on society (c) on employers ?
11. What are the need of Economic legislations in society.