

--	--	--	--	--	--	--	--	--	--

**SRI RAMAKRISHNA COLLEGE OF ARTS AND SCIENCE (Autonomous)
COIMBATORE – 641 006**

B.COM. DEGREE EXAMINATION, APRIL / MAY – 2021

Part III – COMMERCE / PROFESSIONAL ACCOUNTING

Fourth Semester

(For the candidate admitted during 2019 Batch)

ECONOMICS FOR FINANCE

Time : Three Hours

Maximum : 70 Marks

**Answer ALL the questions.
All the questions carry equal marks.**

SECTION – A (20 x 1 = 20 Marks)

Choose the Best Answer

1. National Income is Measured for growth in
 - a) Production
 - b) Money
 - c) Agriculture
 - d) Industry

2. Economic Planning is the essential Feature of
 - a) Dual Economy
 - b) Mixed Economy
 - c) Socialistic Economy
 - d) Capitalistic Economy

3. In a free economy, inequalities of income are mainly due to
 - a) Free competition
 - b) Private property and inheritance
 - c) Differences in the marginal productivity of labor
 - d) Private property only

4. GDP Equals
 - a) $C+I+G+ (X-M)$
 - b) $C+I+G+(M-X)$
 - c) $C+I+G$
 - d) NNP

5. NDP stands for
 - a) National Domestic Product
 - b) National Domestic Production
 - c) Net Domestic Product
 - d) Net Domestic Population

6. If money is in a form of Asset
 - a) Medium of exchange
 - b) Measure of value
 - c) Store of value
 - d) Standard of differed payment

7. In India which of the following measures of Money denotes the Broad Money
 - a) M1
 - b) M2
 - c) M3
 - d) M4

8. In India How Much Percentage of Inflation is Accepted by Policy Makers
 - a) 10 Percent
 - b) 0 Percent
 - c) 9 Percent To 10 Percent
 - d) 2 Percent To 3 Percent

9. In India, the interest rate on savings accounts in all the nationalized commercial banks is fixed by
 - a) Finance Minister of India
 - b) Union Finance Commission
 - c) Indian Bank Association
 - d) Reserve Bank of India

10. In India, the Public Sector is most dominant in
 - a) Steel production
 - b) Organised term lending financial institutions.
 - c) Transport
 - d) Commercial banking

11. Total Expenditure < Total Revenue
 - a) Surplus Budget
 - b) Deficit Budget
 - c) Balanced Budget
 - d) Equal Budget

12. A plan to increase aggregate demand and stimulate the economy by increasing the demand for money
 - a) Contractionary Fiscal Policy
 - b) Expansionary Fiscal Policy
 - c) Contractionary Monetary Policy
 - d) Expansionary Monetary Policy

13. Plan to reduce aggregate demand and slow the economy by raising taxes and decreasing government spending
 - a) Contractionary Fiscal Policy
 - b) Expansionary Fiscal Policy
 - c) Contractionary Monetary Policy
 - d) Expansionary Monetary Policy

14. The use of CRR and Repo Rate spending to affect the economy
- a) Monetary Policy
 - b) Fiscal Policy
 - c) Contractionary Policy
 - d) Expansionary Policy
15. A primary reason why nations conduct international trade is because
- a) Some nations prefer to produce one thing while others produce another
 - b) Resources are not equally distributed to all trading nations
 - c) Trade enhances opportunities to accumulate profits
 - d) Interest rates are not identical in all trading nations
16. A main advantage of specialization results from
- a) Economics of large scale production
 - b) The specializing country behaving as a monopoly
 - c) Smaller production runs resulting in lower unit costs
 - d) High wages paid to foreign workers
17. If a nation has an open economy it means that the nation
- a) Allows private ownership of capital
 - b) Has flexible exchange rates
 - c) Has fixed exchange rates
 - d) Conducts trade with other countries
18. How Many Countries are Having Membership in WTO at Present
- a) 196
 - b) 18
 - c) 159
 - d) 200
19. GATT Abbreviation
- a) General Agreement on Tax and Trade
 - b) General Agreement on Tariffs and Trade
 - c) Great Agreement on Tax and Commerce
 - d) General Agreement on Treatment and Trade
20. Balance of Trade is Measured Through
- a) Export Minus its Import
 - b) Import Minus its Export
 - c) Goods Export
 - d) Goods Import

SECTION – B (5 x 4 = 20 Marks)

Answer ALL questions

21. (A) Explain the role Two Sector Model in the Economy (OR)
(B) How do you differentiate GDP with GNP?
22. (A) Enumerate the Secondary functions of Money (OR)
(B) Portray the advantages of Public Sector Banks in India
23. (A) State two features of Public Finance (OR)
(B) Discuss the different types of Budget in Public Finance
24. (A) What do you understand by Theory of Absolute Advantage (OR)
(B) What is Comparative Advantage Theory? And How it will benefit for Nations
25. (A) How will you do Negotiations? And explain its methods. (OR)
(B) Critically analyze the any two arguments of GATT and WTO

SECTION – C (5 x 6 = 30 Marks)

Answer ALL questions

26. (A) Enumerate the National Income (GDP,NDP,GNP,NNP) (OR)
Calculation in India
(B) Discuss the role and Merits of National Income Measurement
27. (A) Point out the Three Types of Demand for Money (OR)
(B) Discuss the responsibilities of RBI in the Economy
28. (A) Compare the Monetary Policy and Fiscal Policy. (OR)
(B) Evaluate the Importance of Public Finance in Indian Economy
29. (A) Enumerate the salient features of Free Trade and (OR)
Protectionism
(B) Explain the Objectives of WTO-1995
30. (A) Discuss the problems involved in FDI (OR)
(B) Classify the types of Foreign Capital.
