

Final Year T.D.C.(Arts) Examination, 2001

ECONOMICS

Paper - I

(Money Banking and Public Finance)

Time : 3 Hours

Maximum Marks : 100

Candidate have to attempt **five** questions,
selecting **one** question from each unit,
All questions carry equal marks.

UNIT - I

1. "Inflation is unjust, deflation is inexpedient. Of the two perhaps deflation is the worse." Explain. 10+10
2. Write short notes on any two of the following : 10+10
 - (a) Liquidity Preference theory of interest rate.
 - (b) Importance of money.
 - (c) 'Demand of money' (M^d)

UNIT - II

3. Discuss the functions of a Central Bank in an Economy, with special reference to RBI. 15+5
4. Explain the four concepts of Money Supply - M_1, M_2, M_3 and M_4 , Which is the most useful concept ? How are M_1 and M_3 related with high-powered money (H) ? 12+4+4

UNIT - III

5. Give an outline of the Keynesian Theory of Employment. 20
6. Write short notes on the following : 10+10
 - (a) Philips Curve.
 - (b) Say's Law of Market.

UNIT - IV

7. Explain the Theory of Maximum Social Advantages of Public Expenditure. 20
8. Discuss the concept, working and importance of Fiscal Policy with special reference to India. 5+10+5

UNIT - V

9. Explain the Comparative Cost Theory of International Trade and critically examine it. 20
10. Which of the two do you prefer - Free trade or Protection ? Give reasons. 20