

**FOURTH SEMESTER (CUCBCSS—UG) DEGREE EXAMINATION
APRIL 2021**

Economics

**ECO 3C 01 AND ECO 4C 01—ESSENTIALS OF ECONOMICS—MONEY, BANKING,
FINANCE AND TRADE AND INDIAN ECONOMY**

Time : Three Hours

Maximum : 80 Marks

Section A (Objective Type Questions)

PART I

Answer all questions.

Each question carries ½ mark.

1. Who is the present governor of the RBI ?
 - a) Raghuram Rajan.
 - b) Urjit Patel.
 - c) C.Rangarajan.
 - d) Bimal Jalan.
2. A situation when a recession is accompanied by inflation :
 - a) Hyper Inflation.
 - b) Creeping inflation.
 - c) Stagflation.
 - d) Reflation.
3. The following is not a function of the central bank :
 - a) Issue of currency.
 - b) Banker to government.
 - c) Accepting deposits.
 - d) Control of credit.
4. M3 consist of :
 - a) Currency with public + demand deposits+ other deposits.
 - b) M1 plus time deposits with commercial and cooperative banks.
 - c) M2 plus time deposits with commercial and co-operative banks.
 - d) M2 plus post office savings account.
5. The following is a direct tax :
 - a) Excise duty.
 - b) VAT.
 - c) Corporate tax.
 - d) Sales tax.

Turn over

6. The economic transactions of residents of a country with the residents of rest of the world is included in the following account :
- a) Budget account.
 - b) Balance of trade account.
 - c) Foreign exchange account.
 - d) Balance of payment account.

PART II

7. Blue revolution refers to the increase in the production of which of the following :
- a) Milk.
 - b) Oilseeds.
 - c) Fish.
 - d) Egg.
8. Industrialization became the main objective from which five year plan onwards ?
- a) First.
 - b) Second.
 - c) Third.
 - d) Fourth.
9. The annual plan was introduced in India during which time period ?
- a) 1956-59.
 - b) 1961-64.
 - c) 1966-69.
 - d) 1974-77.
10. Sex ratio of Kerala in 2011 census is :
- a) 1084.
 - b) 1056.
 - c) 984.
 - d) 1121.
11. Who advocated people's plan in India ?
- a) P.C. Mahalanobis.
 - b) Jawaharlal Nehru.
 - c) Amartya Sen.
 - d) M.N Roy.
12. The following unemployment occurs when the marginal productivity of labour is zero :
- a) Open unemployment
 - b) Under employment.
 - c) Structural unemployment.
 - d) Disguised unemployment.

(12 × ½ = 6 marks)

Section B (Very Short Answer Questions)

PART I

Answer any five questions.

13. What is monetary policy ?
14. State the agency functions of commercial banks.
15. State two differences between central bank and commercial bank
16. How does currency appreciation affect exports ?
17. State the functions of money.
18. Distinguish between devaluation and depreciation.

PART II

Answer any five questions.

19. What is underemployment ?
20. What is regional inequality ?
21. State two objectives of land reforms in India.
22. What are the components of Green revolution ?
23. Write a note on India's First Five year Plan.
24. Name any four poverty alleviation programmes in India.

(10 × 2 = 20 marks)

Section C (Short Essay Questions)

PART I

Answer any three questions.

25. Explain the various sources of revenue for the government.
26. What are the measures of money supply in India.
27. Distinguish between balance of trade and balance of payments.
28. What is foreign exchange rate and how is it determined ?

PART II

*Answer any **three** questions.*

29. What are the objectives of planning in India ?
30. Briefly examine the various types of unemployment in India.
31. Compare the contribution of various sectors in terms of output and employment to the Indian economy.
32. Examine the impact of migration on Kerala economy.

(6 × 5 = 30 marks)

Section D (Essay Questions)

PART I

*Answer any **one** question.*

33. Explain how the various instalments of monetary policy are used by the central bank for economic stability ?
34. Critically evaluate Fischer's quantity theory of money.

PART II

*Answer any **one** question.*

35. Poverty is a major challenge facing the Indian economy. What are its causes and what remedial and policy measures are undertaken by the government for the removal of poverty.
36. Examine the paradox of Kerala's development experience. What are its major achievements and drawbacks ?

(2 × 12 = 24 marks)