



**BRAINWARE UNIVERSITY**  
**Term End Examination 2020 - 21**  
**Programme – Bachelor of Business Administration**  
**Course Name – Macroeconomics**  
**Course Code - BBAC301**

**Semester / Year - Semester III**

Time allotted : 75 Minutes

Full Marks : 60

[The figure in the margin indicates full marks. Candidates are required to give their answers in their own words as far as practicable.]

**Group-A**

(Multiple Choice Type Question)

1 x 60=60

1. (Answer any Sixty )

(i) In the National Income Accounting Identity G is

- |                           |                         |
|---------------------------|-------------------------|
| a) Household Expenditure  | b) Business Expenditure |
| c) Government Expenditure | d) Foreign Expenditure  |

(ii) In the open economy model there is the presence of

- |                     |                      |
|---------------------|----------------------|
| a) foreign sector   | b) government sector |
| c) household sector | d) business sector   |

(iii) The rate of change of consumption with income is known as

- |                                    |                                   |
|------------------------------------|-----------------------------------|
| a) Marginal rate of transformation | b) Marginal propensity to consume |
| c) Marginal rate of substitution   | d) Marginal propensity to save    |

(iv) If  $C = 400 + .67Y$  then a=

- |        |        |
|--------|--------|
| a) 234 | b) 400 |
| c) 324 | d) 245 |

(v) Investment and rate of interest are

- |                   |               |
|-------------------|---------------|
| a) Linear direct  | b) Parabolic  |
| c) Linear inverse | d) Elliptical |

- (vi) The rate of change of savings with income is known as
- a) Marginal rate of transformation
  - b) Marginal propensity to consume
  - c) Marginal rate of substitution
  - d) Marginal propensity to save
- (vii) National income in India is estimated by
- a) Planning Commission
  - b) Finance Commission
  - c) Central Statistical Organisation
  - d) ISI
- (viii) The New Economic policy was enacted in
- a) 1971
  - b) 1981
  - c) 1991
  - d) 2001
- (ix) India has highest foreign debt in the form of .....
- a) Non Resident Indian deposits
  - b) Commercial borrowing
  - c) Loans taken from International Monetary Fund
  - d) Foreign Exchange
- (x) Who publish the Economy Survey of India?
- a) Minister of Finance.
  - b) Minister of External Affairs
  - c) Minister of Home Affairs
  - d) Minister Of Commerce and Industry
- (xi) The rate at which the Central Monetary Authority borrows money from commercial bank is known as the
- a) Repo Rate
  - b) Ratio Analysis
  - c) Cash Reserve Ratio
  - d) Reverse Repo Rate
- (xii) The Prime Minister of India during the Demonetization is
- a) A B Vajpayee
  - b) Tanseen
  - c) Narendra Modi
  - d) Zakir Hussain
- (xiii) Indian Economy after the 1990's was following the policy of

- a) Import Management
- b) Export Management
- c) Exim Policy
- d) Export Promotion

(xiv) The flexible Monetary targeting approach was followed by

- a) Chakroborty Committee
- b) Sarkar Committee
- c) Mukherjee Committee
- d) Nag Committee

(xv) The Rational Expectation model was propounded by

- a) Robert Lucas
- b) Milton Friedman
- c) Martin King
- d) David Brown

(xvi) Significant role and functions of the capital market includes

- a) mobilisation of savings
- b) acceleration of capital formation
- c) provision of investment avenue
- d) all these

(xvii) The value of this multiplier is equal to unity

- a) surplus budget
- b) balanced budget
- c) deficit budget
- d) None of these

(xviii) Inflation is everywhere and always a monetary phenomenon is the famous comment of

- a) David Lucas
- b) Engel Fredrick
- c) Milton Friedman
- d) None of these

(xix) When  $G > T$  then the budget is called

- a) surplus budget
- b) balanced budget
- c) deficit budget
- d) None of these

(xx) The easy availability and access of food at all times to meet dietary requirements for a healthy life is known as

- a) women security
- b) food security

c) social security

d) all these

(xxi) I S curve measures

a) Savings Investment Disequilibrium

b) Savings  $>$  Investment

c) Savings Investment Equilibrium

d) Savings  $<$  Investment

(xxii) Inflation adversely affects

a) profit earners

b) fixed income earners

c) speculators

d) None of these

(xxiii) Inflation after the end of war is an example of

a) hyper inflation

b) deflation

c) suppressed inflation

d) open inflation

(xxiv) The Cash which is used to carry out day to day transaction is known as

a) Liquid Cash

b) Cold Money.

c) Vault Cash

d) Hot Money.

(xxv) Supply Finds its own demand is the

a) .Okun's Law

b) Eullers' Theorem

c) L Hospital Rule

d) Marshalls' Law

(xxvi) There are four phases of a business cycle. Identify the correct sequence of the occurrence of these phases:

a) Recovery, Recession, Expansion, Depression

b) Recovery, Expansion, Depression, Recession

c) . Depression, Expansion, Recession, Recovery

d) Recovery, Expansion, Recession, Depression

(xxvii) When was the Reserve Bank Of India Act passed?

a) 1921

b) 1934

c) 1947

d) 1948

(xxviii) Which one of the following Five year Plans recognized human development as the core of all development efforts?

a) The Third Five Year Plan

b) The Fifth Five Year Plan

c) The Eighth Five Year Plan

d) The Sixth Five Year Plan

(xxix) Share of tax revenue in GDP are as follows

a) Central Tax

b) State Tax

c) Total Tax return

d) All these

(xxx) ISLM intersection shows

a) Money Market equilibrium Conditions

b) Commodity market equilibrium Conditions

c) Forex Market equilibrium Conditions

d) Money Market equilibrium Conditions & Commodity market equilibrium Conditions

(xxxii) Holdings of liquid assets which can be sold or encashed on short notice and often removed from the country is known as

a) Cold money

b) black money

c) Hot money

d) White money

(xxxiii) Good Governance has the following features

a) Accountable

b) Transparent

c) Equitable

d) . all of these

(xxxiiii) Cost Push Inflation can be controlled with the help of

a) MRTP Act

b) Contractionary Monetary Policy

c) Forex Policy

d) None of these

(xxxv) The Seventh five Year Plan covered the period from

- a) 1987-1992
- b) 1988-1994
- c) 1985-1990
- d) 1986-1991

(xxxv) The minimum reserve deposit ratio of the banking system is determined from time to time by the

- a) State Bank of India
- b) AXIS Bank Ltd
- c) CBI
- d) Reserve Bank of India

(xxxvi) According to the Quantity Theory of Money Price Level is a

- a) monetary phenomenon
- b) real sector phenomenon
- c) Both a and b
- d) None of these

(xxxvii) The value of Balanced Budget Multiplier is

- a) 3
- b) 2
- c) 1
- d) 3.4

(xxxviii) A country which is well endowed with capital as compared to labour is called

- a) capital abundant country
- b) labour abundant country
- c) oil abundant country
- d) none of these

(xxxix) WTO was preceded by

- a) UNCTAD
- b) GATT
- c) ITC
- d) .ILO

(xl) An approach to the study of the economy that emphasizes on institutions and social classes is known as

- a) Biology
- b) Sociology
- c) Political Economy
- d) Civics

(xli) Where is the Head Quarters of WTO located?

- a) Tokyo
- b) New York
- c) Geneva
- d) New Delhi

(xlii) Members of the World Trade Organization are required to

- a) Eliminate all tariffs
- b) Allocate quotas on a first come first basis
- c) Enforce patent rights for patent holders from other countries
- d) Prevent their firms from “dumping”.

(xliii) The National Audit Authority is controlled by

- a) Finance Secretary
- b) Information and Broadcasting Minister
- c) Comptroller and Auditor General
- d) none of these

(xliv) Price Stabilisation Fund is established by the Government to check the price fluctuations of these crops.

- a) tea, coffee
- b) tobacco, rubber
- c) both( a) and(b)
- d) none of these

(xlv) The RBI acts as a banker’s bank. This means

- a) Other banks retain their deposits with RBI
- b) RBI lends funds to the commercial banks in times of need.
- c) RBI advises commercial banks on monetary policy
- d) All of these

(xlvi) Which bank in India became the first bank to open its branch in China?

- a) IDBI
- b) HDFC
- c) SBI
- d) PNB

(xlvii) This refers to the size and behaviour of the population in a country

- a) Demographic environment
- b) Geographical and ecological environment
- c) Legal environment
- d) . Technological environment

(xlvi) Fiscal policy Monetary policy and Foreign policy determines the

- a) Economic environment
- b) Geographical and ecological environment
- c) Legal environment
- d) Technological environment

(xlix) What is the full form of ASEAN?

- a) Association of Southeast Asian Nations
- b) Association for Southeast African Nations
- c) Association of Southeast Arabian Nations
- d) None of these

(l) Minimum how many days of guarantee wage employment in a financial year does MGNREGA aim to provide?

- a) 100 days
- b) 100 days
- c) 75 days
- d) 75 days

(li) An instrument of demand management which seeks to influence the level of economic activity through control of money supply

- a) Liquidity trap
- b) Fiscal Policy
- c) Monetary Policy
- d) None of these

(lii) The development which is matched by maintaining a rapport between the present and future

- a) jobless growth
- b) ruthless growth
- c) sustainable development
- d) None of these

(liii) The first public sector bank in India which obtained license for internet banking from RBI's

- a) PNB
- b) Oriental Bank of Commerce
- c) .Corporation Bank
- d) SBI

(liv) The full form of WTO is



- a) World Trade Organisation
- c) World Travel Owner

- b) World Tour Operator
- d) None of these

(lv) The East Asian Crisis occurred in

- a) 1980
- c) 1879

- b) 1997
- d) 1768

(lvi) The full form of FII is

- a) Foreign Intent Invention
- c) Foreign Institutional Investment

- b) Forced Foreign Intention
- d) None of these

(lvii) Full form of IPR is

- a) Integrated Propensity Reforms
- c) Indian Personal Rate

- b) Intellectual Property Rights
- d) Indian Personal Revenue

(lviii) In India, in 2004-05 the number of poor persons below poverty line was the highest in the State of

- a) Bihar
- c) Madhya Pradesh

- b) Uttar Pradesh
- d) Rajasthan

(lix) Harrod-Domar model of economic growth is based on the equilibrium between

- a) Income generation and productive capacity creation
- c) Equilibrium between savings and investment

- b) Equilibrium between income and consumption
- d) None of these

(lx) The growth that creates no additional opportunity of jobs and reduces the existing opportunities as well is known as

- a) Ruthless Growth
- c) Futureless Growth

- b) voiceless Growth
- d) Jobless Growth

