Enrollment No: _____   Exam Seat No:_____

C.U.SHAH UNIVERSITY
Winter Examination-2018

Subject Name: Macro Economics-I

Subject Code: 4CO03MEC1   **Branch: B.Com (English)**

Semester: 3   **Date: 27/11/2018**   **Time: 02:30 To 05:30**   **Marks: 70**

Instructions:
  (1) Use of Programmable calculator & any other electronic instrument is prohibited.
  (2) Instructions written on main answer book are strictly to be obeyed.
  (3) Draw neat diagrams and figures (if necessary) at right places.
  (4) Assume suitable data if needed.

Q-1   **Attempt the following questions:**

  a) "Only coins of metal means money" the opinion of which economist?   1
  (A) Prof. Price   (B) Prof. Knight
  (C) Prof. G. D. H. Call   (D) Prof. Kent
  b) How many are the basic and main functions of Money?   1
  (A) Two   (B) Four   (C) Three   (D) Five
  c) What type of relation is there between value of money and quantity of money?   1
  (A) proportionate   (B) Busy   (C) Direct   (D) None
  d) How is the relation between quantity of money and price level?   1
  (A) Busy   (B) proportionate   (C) Indirect   (D) Direct
  e) The central Bank of India is known by which name?   1
  (A) State Bank of India   (B) Bank of India
  (C) Reserve Bank of India   (D) Union Bank of India
  f) What is the time limit of very short term loans?   1
  (A) 14 days   (B) 18 days   (C) 25 days   (D) 17 days
  g) On 18 July 1969 how many banks were nationalized?   1
  (A)9   (B) 12   (C) 20   (D) 14
  h) Non- performing assets of nationalized bank indicate which situation of the   1
  banks?
  (A)Good   (B) week   (C) Very Sound   (D) Best
  i) The classification of banks assets is done into how many classes?   1
  (A)Five   (B) Three   (C) Four   (D) Two
  j) When was the Reserve Bank established in India?   1
  (A)1929   (B) 1935   (C) 1921   (D) 1937
  k) The extent of cash reserve ratio to be deposited with the Reserve Bank of India   1
  by the commercial banks is ………….

  (A)2 % to 5%   (B) 3% to 15%   (C) 5% to 15%   (D) 10% to 15%

  l) What has relation with purchasing power?   1
  (A)Supply   (B) Demand   (C) Quantity   (D)Above all
  m) According to Prof. Keynes how is the propensity to consume in the short run?   1

(A) More   (B) Constant   (C) Less   (D) Medium

n) MPC = ……………………..   1

(A) Marginal Propensity to Consume   (B) Aggregate Propensity to consume

(C) Average Propensity to Consume   (D) None

Attempt any four questions from Question 2 to Question 8.

Q-2		**Attempt all questions**	**(14)**
	A	Explain characteristics of quantity theory of money.	**7**
	b	Define types of Loans.	**7**
Q-3		**Attempt all questions**	**(14)**
	A	Define concept of Average and marginal propensity to consume.	**14**
Q-4		**Attempt all questions**	**(14)**
	A	Explain factor determining effective Demand.	**7**
	B	Write a note on : Repo rate	**7**
Q-5		**Attempt all questions**	**(14)**
	A	What is cash preference of interest? Define objectives of cash preference.	**7**
	B	Discuss the factor determining marginal efficiency of capital.	**7**
Q-6		**Attempt all questions**	**(14)**
	A	Define importance of Banks	**7**
	B	Explain types of loans from the point of view of duration of time.	**7**
Q-7		**Attempt all questions**	**(14)**
	A	Short note : Commercial Bank	**7**
	B	Define limitation of the concept of Multiplier.	**7**
Q-8		**Attempt all questions**	**(14)**
	A	Define meaning of Central bank and importance of Central Bank.	**7**
	B	Explain external factor affecting the propensity to consume.	**7**