Enrollment No: _____   Exam Seat No:_____

C. U. SHAH UNIVERSITY
Winter Examination-2019

Subject Name : Macro Economics-I

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

Semester : 3   **Date : 13/11/2019**   **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:**   **(14)**

a) By which of the following factor production is possible ?   1
  a) Labour   c) Entrepreneur
  b) Land & Capital   d) Above all

b) How is the relation between quantity of money and price level ?   1
  a) Busy   c) Inverse
  b) Proportionate   d) Direct

c) When Reserve Bank of India was established ?   1
  a) March , 1927   c) July , 1931
  b) April , 1935   d) January , 1938

d) The main person or company , carrying our functions related to banking   1
  is called what ?
  a) Managing Director   c) Banker
  b) Manager   d) Director

e) Which banks have provided maximum co-operation in the Government's   1
  lead bank plan ?
  a) Regional Rural banks   c) Nationalized Banks
  b) Co-operative Banks   d) Private Commercial Banks

f) The authority to increase – reduce the extent of cash in the country lies   1
  with _____ bank.
  a) Commercial   c) Co-operative
  b) Central   d) Rural

g) Credit creation is the important function of _____   1
  a) Commercial Banks   c) Reserve Banks
  b) Co-operative Banks   d) Regional Rural Banks

h) Which bank works as centrally in whole India from the following?   1
  a) State Bank of India   c) United Bank of India
  b) Reserve Bank of India   d) Central Bank of India

i) Out of all the currency notes in India , Which note is not issued by the   1
  Reserve Bank of India ?

a) Five Rupees   c) Ten Rupees
b) Twenty Rupees   d) One Rupee

j) What has relation with purchasing power ?   1
a) Supply   b) Demand   c) Quality   d) Above all

k) According to Prof. Keynes how is the propensity to consume in the short   1
run ?
a) More   b) Less   c) Constant   d) Medium

l) Which economist first introduced the concept of marginal efficiency of   1
capital ?
a) Prof. J.M.Keynes   c) Prof. Peter .F. Drucker
b) Prof. Irving Fisher   d) Prof. J.S.Mill

m) Marginal Propensity to consume = _____   1
a) APC   b) MPC   c) MPS   d) None

n) How many types of propensity to consume are given by Keynes ?   1
a) Four   b) Three   c) Five   d) Two

Attempt any four questions from Q-2 to Q-8

Q-2	**Attempt all questions**	**(14)**
a)	Write the meanings of money. Explain its Characteristics.	(7)
b)	Explain Importance of Banks.	(7)
Q-3	**Attempt all questions**	**(14)**
a)	What is saving deposits ? Explain its types .	**(7)**
b)	Write motives of Demand of money.	**(7)**
Q-4	**Attempt all questions**	**(14)**
a)	Explain classification of assets.	(7)
b)	Explain process of credit creation.	(7)
Q-5	**Attempt all questions**	**(14)**
	Make clear the concepts of average and marginal propensity to save.	(14)
Q-6	**Attempt all questions**	**(14)**
a)	Write the limitations of Keynes' theory of employment.	(7)
b)	Write a note on Merchant Bank	(7)
Q-7	**Attempt all questions**	**(14)**
a)	Explain methods of issuing currency notes.	(7)
b)	Define methods of credit creation .	(7)
Q-8	**Attempt all questions**	**(14)**
a)	Write primary functions of money	(7)
b)	Define evaluation of Nationalized banks in India.	(7)