



- (C) Capital preference (D) Money preference
- k) What should be deducted from the income from the additional capital resources to obtain marginal efficiency of capital? 1  
 (A) Capital Cost (B) Sales Cost  
 (C) Maintenance Cost (D) Production Cost
- l) MPC = ..... 1  
 (A) Marginal Propensity to Consume (B) Aggregate Propensity to consume  
 (C) Average Propensity to Consume (D) None
- m) Legal tender supply is known by which sign? 1  
 (A) V (B) M (C) V1 (D) M1
- n) How many are the basic and main functions of money? 1  
 (A) Two (B) Four (C) Three (D) Five

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

- Q-2 Attempt all questions (14)**  
 (A) Explain meaning and factors of affecting effective demand. 7  
 (B) Define meaning and types of loan. 7
- Q-3 (14)**  
 Describe average and marginal propensity to consume.
- Q-4 Attempt all questions (14)**  
 (A) Define meaning and characteristics of Money. 7  
 (B) State meaning and importance of Banks. 7
- Q-5 Attempt all questions (14)**  
 (A) Short note: Fisher's equation 7  
 (B) Explain types of loans from the point of view of duration of time. 7
- Q-6 Attempt all questions (14)**  
 (A) Define conditions of credit creation. 7  
 (B) Define meaning and subsidiary function of Commercial bank. 7
- Q-7 Attempt all questions (14)**  
 (A) Describe recommendation of Narsinham Committee. 7  
 (B) Explain meaning and methods of credit creation. 7
- Q-8 (14)**  
 Explain functions of CORE banking.

