

(Time: 3 Hours)

(Marks: 100)

Instructions:

1. All questions are compulsory.
2. Figures to the right indicate full marks.
3. Draw neat Diagrams wherever necessary.

Q. 1. Answer any Two of the following. (20)

- A) Analyse the aggregate supply curve in detail.
- B) Discuss the Long run relationship between inflation and unemployment.
- C) What is a rational expectation? Describe the concept of rational expectation in detail.

Q. 2. Answer any Two of the following. (20)

- A) Describe in detail the various Phases of the Trade cycles.
- B) Critically Examine Hawtrey's theory of Trade Cycles.
- C) Discuss in detail monetary measures for controlling trade cycles.

Q. 3. Answer any Two of the following. (20)

- A) Discuss in detail the concept of Managed Exchange Rate.
- B) Comment on "Convertibility of Currency."
- C) What is the Currency Crisis? Discuss the various Causes Currency Crisis.

Q. 4. Answer any Two of the following. (20)

- A) What are the various reasons for Breakdown of the Bretton Woods? Discuss in detail.
- B) Analyse the various Causes of the Global Economic Crisis.
- C) Explain the Performance of the New Development Bank (BRICS Bank).

Q. 5. Write notes (Any Two). (20)

- A) The combined equilibrium aggregate demand and aggregate supply curves
- B) Features of Trade Cycles.
- C) Concept of Balance of payment
- D) The objectives and functions of Asian Development Bank (ADB).

OR

Q. 5. Choose the correct alternatives of the following. (20)

1. An shows the total spending on domestic goods and services at each price level.

- A) Aggregate Demand Curve
- B) Demand Curve
- C) Aggregate Supply Curve
- D) Supply Curve

2. The Aggregate Demand-Aggregate Supply Model (AD-AS) is a way of illustrating the determination of
- A) national income and changes in the expenditure level.
 - B) National income and changes in the Consumption level.
 - C) National income and changes in the price level.
 - D) National income and changes in the saving level.
3. According to Milton Friedman and Phelps, No trade-off between in the long run.
- A) Inflation and Consumption
 - B) Inflation and unemployment
 - C) Inflation and Investment
 - D) Inflation and saving
4. Tobin's Phillips curve is
- A) Vertical
 - B) Kinked-shaped
 - C) Negative slope
 - D) Positive slope
5. The idea of rational expectations was popularized by economistsin the 1970s.
- A) Robert Lucas and T. Sargent
 - B) Prof. J. B. Clark
 - C) Adam Smith
 - D) John F. Muth
6. A trade cycle refers to in economic activities specially in employment, output and income, prices, profits etc.
- A) Increase
 - B) Fluctuations
 - C) Decrease
 - D) Equality
7.denotes the turning point of the business cycle from depression to prosperity.
- A) Recovery
 - B) Depression or Contraction
 - C) Prosperity or Expansion
 - D) Recession.
8. Generally, a trade cycle is composed of
- A) Six phases.
 - B) Three phases.
 - C) Four phases.
 - D) Seven phases.
9. The trade cycle is a part of the ----- economy.
- A) Capitalism
 - B) Democracy
 - C) Socialist
 - D) Dictatorship

10. Hawtrey believes that are the basic causes of the trade cycle.
- A) Expansion and contraction of Taxation
 - B) Expansion and contraction of Price
 - C) Expansion and contraction of Cost
 - D) Expansion and contraction of money
11. In a cleanfloat ,exchange rate is determined by-----
- A) Government
 - B) Central bank
 - C) Market force
 - D) Commercial bank
12. When there is unfavorable balance of Payment?
- A) $\text{Export} > \text{Import}$
 - B) $\text{Export} = \text{Import}$
 - C) $\text{Export} < \text{Import}$
 - D) $\text{Saving} > \text{Investment}$
13. The Balance of Payment (BOP) is one of the oldest and the most important for any country, especially the more open economies.
- A) Psychological Statement
 - B) Statistical statement
 - C) Historical statement
 - D) Scientific statement
14. ----- causes a currency crisis.
- A) Sharp increase in the value of a country's currency
 - B) Stable country's currency
 - C) Sharp fall in the value of a country's currency
 - D) Slight fall in the value of a foreign currency
15. is the rate at which one currency is exchanged for another currency.
- A) Interest Rate
 - B) Foreign exchange rate
 - C) Bank Rate
 - D) Price Level
16. New Development Bank (NDB) is a established by BRICS countries.
- A) Single development bank
 - B) Individual development bank
 - C) Multilateral development bank
 - D) Jointed development bank

17. Asian Development Bank (ADB) provides an average of more than annual assistance to its developing member countries.

- A) \$50 billion
- B) \$30 billion
- C) \$60 billion
- D) \$80 billion

18. The European Union was formed under which of the following treaties?

- A) Rome treaty
- B) Amsterdam treaty
- C) New York treaty
- D) Maastricht treaty

19. What is full form of AIIB?

- A) Air India International Board
- B) Asian Infrastructure Investment Bank
- C) Asian International Indian Bank
- D) All Indian International Banks

20. Asian Development bank's headquarter is situated incountry.

- A) India
- B) China
- C) Nepal
- D) Philippines
