Duration: 2 hours   Maximum Marks: 60

Instructions:
1) Start each question on fresh page.
2) Figures to the right indicate maximum marks.

Q1. Write short notes on any 5 out of the following 6 questions.   (05x04=20)

a) What is the concept of multiplier? How is it calculated?

b) Explain in detail any one source of receipts for the government.

c) The government can control the supply of money through its fiscal policy. Explain in short.

d) What is Marginal Propensity to consume? Explain using an example.

e) Differentiate between productive and non-productive debt in short.

f) Explain in short the revenue deficit.

Answer any 4 from Q2 to Q6.

Q2. Comment on why many economies choose the mixed economymodel, instead of being a purely command economy or market economy.   (10)

Q3. Differentiate between the revenue expenditure and capital expenditure in detail.   (10)

Q4. If the total cash deposits in an imaginary economy are Rs. 5,00,000/-, and the Cash Reserve Ratio is 10%, how much money supply can be created by the banking system in the form of loans? Illustrate the process by showing first 4 rounds of credit creation. Also show how this money supply can be decreased.   (10)

Q5. India's GDP is estimated to be Rs 147.5 lakh crore for financial year 2022. What do you mean by GDP? Are there any limitations to using GDP as a measure of national income? Discuss in detail.   (10)

Q6. Money is an important tool to eliminate the double co-incidence of wants, but that is not the only function of money. What are the other functions of money? Explain in Detail.   (10)