

UNDERGRADUATE (C.B.C.S.S.) EXAMINATION, OCTOBER 2015**Fifth Semester****Open Course—FUNDAMENTALS OF ECONOMICS***(Offered by the Board of Studies in Economics)**[2013 Admissions]*

Time : Three Hours

Maximum : 80 Marks

Part A (Definition Type Questions)*Answer all the following questions in one sentence each.**Each question carries 1 mark.*

Explain the following :—

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| 1. Micro economics. | 2. Utility. |
| 3. Cardinalism. | 4. Marginal utility. |
| 5. Production function. | 6. Fiscal policy. |
| 7. Bills of Exchange. | 8. Promissory notes. |
| 9. Cheques. | 10. Balance of trade. |

*(10 × 1 = 10)***Part B (Short Answer Questions)***Answer any eight of the following in a paragraph each (not exceeding 100 words).**Each question carries 2 marks.*

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| 11. Price elasticity of demand. | 12. Basic economic problems. |
| 13. Inductive and deductive methods. | 14. National income concepts. |
| 15. Sources of public revenue. | 16. Direct tax. |
| 17. Phases of trade cycles. | 18. Financial instruments. |
| 19. Green revolution. | 20. Terms of trade. |
| 21. Over population. | 22. Exchange rate deterioration. |

*(8 × 2 = 16)***Part C (Short Essays)***Answer any six of the following questions in one and a half pages each (not exceeding 150 words).**Each question carries 4 marks.*

23. Explain the merits and demerits of indirect taxes.
24. Diagrammatically explain the law of diminishing marginal utility theory.

Turn over

25. Explain the reasons for the growth of public expenditure.
26. Explain the Canons of taxation.
27. What are the functions of commercial banks ?
28. Explain the functions of money.
29. What are the functions of SEBI ?
30. Explain the functions of foreign exchange market.
31. How can correct a deficit in Balance of Payments ?

(6 × 4 = 24)

Part D (Long Essays)

Answer any two of the following questions not exceeding four pages each.

Each question carries 15 marks.

32. Explain recent trends in Indian Commercial banking.
33. What are the functions of RBI ?
34. Explain the impact of economic reforms on Indian economy.
35. Analyse the role of IMF in the development of International Trade.

(2 × 15 = 30)