

Name:	 <b>UPES</b> UNIVERSITY WITH A PURPOSE
Enrolment No:	

**UNIVERSITY OF PETROLEUM AND ENERGY STUDIES**  
**Online End Semester Examination, May 2020**

<b>Course: B.com Taxation</b> <b>Program: Business Economics-II</b> <b>Course Code: ECON1006</b>	<b>Semester: II</b> <b>Time 03 hrs.</b> <b>Max. Marks: 100</b>
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**SECTION A**

1. Each Question will carry 5 Marks
2. Instruction: Complete the statement / Select the correct answer(s)

S. No.	Question	Cos												
Q 1	For a closed economy having no foreign trade which one of the following is correct? (a) GDP=GNP (b) GDP>GNP (c) GDP<GNP (d) None of these	<b>CO1</b>												
Q2	The Consumption Function of an Economy is: $C = 20 + 0.8 Y$ (Amount in ₹ Crores). Determine that Level of Income Where Average Propensity to Consume Will Be One. (a) 200 (b) None of the above (c) 250 (d) 300	<b>CO4</b>												
Q3	Which is the correct sequence of the following? 1. Uruguay Round Talks 2. WTO's Seattle Meet 3. Establishment of GATT Select the correct answer using the codes given below: Codes: (a) 1,2,3 (b) 3,2,1 (c) 3,1,2 (d) 2,3,1	<b>CO1</b>												
Q4	Calculate Gross Disposable Income from the following data <table style="width: 100%; margin-left: 20px;"> <tr> <td style="text-align: left;">Items</td> <td style="text-align: right;">Rs. Crores</td> </tr> <tr> <td>NDP<sub>FC</sub> =</td> <td style="text-align: right;">1200</td> </tr> <tr> <td>Net factor income from abroad</td> <td style="text-align: right;">-40</td> </tr> <tr> <td>Net Indirect Taxes</td> <td style="text-align: right;">130</td> </tr> <tr> <td>Consumption of fixed capital</td> <td style="text-align: right;">70</td> </tr> <tr> <td>Net current transfer from abroad</td> <td style="text-align: right;">50</td> </tr> </table> Select the correct option from below: (a) 1270 (b) 1389 (c) 1290 (d) 1365	Items	Rs. Crores	NDP <sub>FC</sub> =	1200	Net factor income from abroad	-40	Net Indirect Taxes	130	Consumption of fixed capital	70	Net current transfer from abroad	50	<b>CO4</b>
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Q5	Which of the following pair is not correctly matched? (a) Monetary Policy- Bank Rate (b) Law of Absolute Cost advantage- David Ricardo (c) Psychological Law of Consumption- J. M Keynes (d) Fiscal Policy- Tax Rate	<b>C01</b>
Q6	Depreciation means (a) When the exchange rate of a domestic currency is cut down by its government against a foreign currency. (b) When domestic currency loses its value in front of a foreign currency in a market driven situation. (c) Devaluation and depreciation a can be used interchangeably. (d) None of the above	<b>C02</b>
<b>SECTION B</b>		
<b>1. Each question will carry 10 marks</b> <b>2. Instruction: Write short / brief notes</b>		
Q 7	Discuss briefly the causes of Unemployment in India. Explain the policies to reduce unemployment.	<b>C02</b>
Q 8	Critically explain the Theory of Absolute Cost Advantage with suitable example OR Critically explain the Comparative Cost Advantage theory with suitable example.	<b>C04</b>
Q 9	Describe critically Hawtrey's Monetary Theory of The Trade Cycle OR "Liberalization, Privatization and Globalization has a critical role in the Growth of Indian Economy." Explain the point along with the meaning and importance of LPG model.	<b>C03</b>
Q 10	Write down short note on- (a) Economic Growth and Economic Development (b) WTO	<b>C02</b>
Q 11	Critically explain the Demand Pull and Cost Push Inflation along with suitable diagram.	<b>C04</b>
<b>Section C</b>		
<b>1. Each Question carries 20 Marks.</b> <b>2. Instruction: Write long answer.</b>		
Q12	Critically discuss the Harrod- Domar Model of Economic Growth. OR Explain briefly the causes of disequilibrium in the balance of payment. Briefly discuss the measures to correct disequilibrium in the balance of payment.	<b>C03</b>