Seat No. : _______________

AO-119

April-2022

M.B.A., Sem.-VI

Public Finance and Money

Time : 2 Hours] **[Max. Marks : 50**

Section-I

Attempt any **Three** Questions out of **5** Questions

1. (a) Explain the Keynesian Theory of Demand for Money. **7**

   (b) Explain the forms of Money in Modern Economy. **7**

2. (a) Explain the components of Money Supply in detail. **7**

   (b) Explain the Cash Balance Approach of Quantity Theory of Money given by Cambridge Economists. **7**

3. (a) Write and explain the functions and characteristics of Indigenous Bankers. **7**

   (b) Write short notes on : **7**

      (i) Constituents of Money Market

      (ii) Deficiency of Indian Money Market

4. (a) Explain the concept of Public Finance and describe the functions of Public Finance. **7**

   (b) What are the different Sources of Public Revenue ? Explain. **7**

5. (a) Discuss the methods used for Redemption of Public Debt. **7**

   (b) Explain the Canons of Public Expenditures given by different economists. **7**

Section – II

6. Attempt any **eight** MCQs out of 10 : **8**

(1) One of the characteristic of a tax is

(a) Compulsory (b) Optional

(c) Forced (d) Nationality

(2) It is unequal treatment of un-equals.

(a) Horizontal equity (b) Diagonal equity

(c) Vertical equity (d) None

(3) If the rate of taxes increases, faster than income or property but towards a fixed maximum rate, which it can never exceed, it is known as ____ taxation.

(a) Regressive (b) Progressive

(c) Proportional (d) Digressive

(4) A _____increases the price of all equally and has a bigger effect on reducing overall demand.

(a) Special assessment (b) Specific tax

(c) VAT (d) Ad-valorem

(5) In the case of______, impact and incidence are on the one and the same person.

(a) Direct taxes (b) Progressive

(c) Indirect taxes (d) Proportional

(6) The relationship between money supply and price level under Quantity theory of money is :

(a) Direct non proportionate relationship

(b) Inverse proportionate relationship

(c) Direct proportionate relationship

(d) Inverse non proportionate relationship

(7) The demand for money as a cushion against unexpected contingencies is called the

(a) Transaction Motive (b) Precautionary Motive

(c) Insurance Motive (d) Speculative Motive

(8) Quantity theory of money was first given by

(a) Fisher (b) Daranzatti

(c) Marshall (d) Keynes

(9) ____ is the passive element in the assumption of Fisher's Cash transaction approach.

(a) Transactions (b) Price level

(c) Velocity (d) None

(10) ______ is the most liquid measure of money supply.

(a) M1 (b) M2

(c) M3 (d) None