

CLASS 12 TH	VGR COACHING CENTER ECONOMICS CHAPTER 4,5,6,7,8	MARK-90
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CHOOSE THE CORRECT ANSWER

PART-A 20×1=20

1. The sum of the MPC and MPS is _____
a) 1 b) 2 c) 0.1 d) 1.1
2. According to Keynes, investment is a function of the MEC and _____
a) Demand b) Supply c) Income d) Rate of interest
3. The term MEC was introduced by
a) Adam Smith b) J.M. Keynes c) Ricardo d) Malthus
4. As increase in consumption at any given level of income is likely to lead
a) Higher aggregate demand b) An increase in exports c) A fall in taxation revenue d) A decrease in import spending
Inflation mean
5. Irving Fisher's Quantity Theory of Money was popularized in
(a) 1908 (b) 1910 (c) 1911 (d) 1914.
6. When prices rise slowly, we call it
(a) galloping inflation (b) mild inflation (c) hyper inflation (d) deflation
7. Bank credit refers to
a) Bank Loans b) Advances c) Bank loans and advances d) Borrowings
8. Bank Rate means.
a) Re-discounting the first class securities b) Interest rate c) Exchange rate d) Growth rate
9. ARDC started functioning from
a) June 3, 1963 b) July 3, 1963 c) June 1, 1963 d) July 1, 1963
10. Online Banking is also known as.
a) E-Banking b) Internet Banking c) RTGS d) NEFT
11. NBFBI does not have.
a) Banking license b) government approval c) Money market approval d) Finance ministry approval
12. Moral suasion refers.

- a) Optimization b) Maximization c) Persuasion d) Minimization
13. EXIM bank was established in.
- a) June 1982 b) April 1982 c) May 1982 d) March 1982
14. V in $MV = PT$ equation stands for
- (a) Volume of trade (b) Velocity of circulation of money (c) Volume of transaction (d) Volume of bank and credit money
15. _____ is a decrease in the rate of inflation.
- (a) Disinflation (b) Deflation (c) Stagflation (d) Depression
16. The RBI Headquarters is located at
- (a) Delhi (b) Chennai (c) Mumbai (d) Bengaluru
17. Lower interest rates are likely to :
- a) Decrease in consumption b) increase cost of borrowing c) Encourage saving d) increase borrowing and spending
18. As income increases, consumption will _____
- a) fall b) not change c) fluctuate d) increase
19. The relationship between total spending on consumption and the total income is the _____
- a) Consumption function b) Savings function c) Investment function d) aggregate demand function
20. The term super multiplier was first used by
- b) J.R.Hicks b) R.G.D. Allen c) Kahn d) Keynes

PART-B WRITE ANY 7 Q.NO 29 IS COMPULSORY

21. What is consumption function?
22. What do you mean by propensity to consume?
23. What is plastic money? Give example.
24. What is Stagflation?
25. What is credit creation?
26. Distinguish between CRR and SLR.
27. Define Terms of Trade.
28. What is meant by Exchange Rate?
29. Write the meaning of Special Drawing rights.
30. Mention any two objectives of ASEAN.

PART-C WRITE ANY 7 Q.NO 40 IS COMPULSORY

31. State the propositions of Keynes's Psychological Law of Consumption
32. Differentiate autonomous and induced investment.
33. What are the determinants of money supply?
34. State Cambridge equations of value of money.
35. What are the functions of NABARD?
36. Specify the functions of IFCI.
37. Distinguish between Balance of Trade and Balance of Payments.
38. State the objectives of Foreign Direct Investment.
39. Mention any three lending programmes of IMF.
40. State briefly the functions of SAARC

PART-D WRITE ALL QUESTION

41. Briefly explain the subjective and objective factors of consumption function?
(OR)
Illustrate the working of Multiplier.
42. What are the differences between MEC and MEI
(OR)
Illustrate Fisher's Quantity theory of money.
43. Describe the phases of Trade cycle.
(OR)
Elucidate the functions of Commercial Banks.
44. Describe the functions of Reserve Bank of India.
(OR)
Bring out the components of balance of payments account.
45. Discuss the various types of disequilibrium in the balance of payments.
(OR)
Discuss the differences between Internal Trade and International Trade.
46. Explain the objectives of IMF.
(OR)
How the Rate of Exchange is determined? Illustrate
47. Bring out the functions of World Bank.
(OR)

Explain the relationship between Foreign Direct Investment and economic development

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