

RegNo:.....

Name:.....

MAHATMAGANDHIUNIVERSITY,KOTTAYAM

SECOND SEMESTER MGU-UGP (HONOURS) REGULAR EXAMINATION2025

MG2DSCECO100-ESSENTIALSOFECONOMICSII

(2024ADMISSIONONWARDS)

Duration:2Hours

MaximumMarks:70

**Remember(K),Understand(U),Apply(A),Analyse (An),Evaluate(E),Create(C),Interest (I),
Appreciation (Ap), and Skill (S)**

*Students should attempt at least one question from each course outcome to enhance their overall
outcome attainability.*

[LearningDomain][CONo(s)]

PartA

MultipleChoiceQuestions

Answerallquestions

Eachquestioncarries1mark

1. Which index measures the average price change received by domestic producers for their output? [U][6]
 - a) Consumer Price Index (CPI)
 - b) Producer Price Index (PPI)
 - c) Wholesale Price Index (WPI)
 - d) GDP Deflator
2. The market for short-term funds are known as [U][5]
 - a) Capital market.
 - b) Money market
 - c) Stock exchange
 - d) RBI
3. Banker's bank is U][5]
 - a) Central Bank
 - b) Commercial Bank
 - c) SEBI
 - d) World Bank
4. Father of Behavioural Economics [K][1]
 - a) Adam Smith
 - b) Richard Thaler
 - c) David Ricardo
 - d) Daniel Kahneman
5. $NNP =$ [U][6]
 - a) $GDP + \text{Factor Income from Abroad}$
 - b) $GNP - \text{Depreciation}$
 - c) $GNP - \text{Net Factor Income from Abroad}$

- d) NNP-Indirect taxes+subsidies
6. Which among the following is a consequence of asymmetric information [U][3]
- adverse selection
 - Moral hazard
 - Both a & b
 - None of the above
7. The phenomenon where individuals make decisions based on the actions of others rather than their own independent analysis is ----- [U][4]
- Herding
 - Negotiation
 - Cooperation
 - None of the above
8. Theory of moral sentiments is written by [K][1]
- Adam Smith
 - Alfred Marshall
 - Ricardo
 - J.S. Mill
9. Ultimatum Game is [K][2]
- Behavioural experiment game
 - Irrationality game
 - Both a & b
 - None of the above
10. Two sectoral economy consists of _____ and _____. [U][6]
- Firms, Government
 - Firms, Households
 - Foreign Sector, Government
 - Household, government
- (10×1=10)

Part B

Short Answer Questions (50 Words)
 Answer any 10 questions
 Each carries 3 marks

- Explain the concept of adverse selection in Insurance market. [U][3]
- Examine the role of time in economic decision making [K][2]
- Distinguish between CPI and PPI [U][6]
- Briefly explain Stock exchanges. [U][5]
- Distinguish between Money market and capital market [U][5]
- Briefly explain Signaling [U][3]
- Explain GDP deflator [U][6]
- Distinguish between Real interest and Nominal interest. [U][6]
- Differentiate NNP at market price and NNP at factor cost. [U][6]
- Write a note on Behavioural economics. [K][1]

21. Differentiate Banking and Non Banking Financial Intermediaries. [U][5]
22. Discuss the role of financial system in an economy [U][5]
23. Evaluate Asymmetric Information and adverse selection. [E][3]
24. How can businesses and policymakers mitigate the risks associated with moral hazard [An][3]
25. Explain the role of peer effects in economic decisions. [U] [4]

(10×3=30)

Part C

Short Essay Type Questions (160 Words)

Answer any 5 questions

Each question carries 6 marks

26. What are the instruments of fiscal policy? [U][6]
27. Graphically explain the circular flow of income and expenditure. [U][6]
28. Discuss rationality in economics. [K][1]
29. Discuss the role of Central Bank in a financial system. [K][5]
30. Analyse the Government policy in the world of asymmetric information. [An][3]
31. Explain the components of financial system. [U][5]
32. Briefly describe different approaches to rationality [K][1]
33. Analyse the main aspects of information economics. [An][3]
34. Examine the role of charity, fairness, revenge, and trust in economics. [An][4]
35. Discuss the neuro economic perspective of economic decision. [K][2]

(5 x 6 = 30)

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MAHATMA GANDHI UNIVERSITY , KOTTAYAM
SECOND SEMESTER MGU-UGP(HONOURS) REGULAR EXAMINATION-----2025
(2024 ADMISSION ONWARDS)

MG2MDCECO100- Understanding Indian Economy

Duration : 1.5 hrs

Maximum Marks : 50

Remember(K), Understand(U), Apply(A), Analyse(An), Evaluate(E), Create(C), Skill(S), Interest(I) and Appreciation(Ap)

Students should attempt at least one question from each course outcome to enhance their overall outcome attainability.

Part A

Multiple choice Type Questions

Answer all Questions

Each question carries 1 mark

1. Finance commission is related to which of the following article of the constitution (K) (5)
a. Article 180 b. Article 280 c. Article 380 d. None of the above
2. SENSEX is the index of -----, (U) (4)
a. Bombay stock exchange b. National stock exchange
c. Cochin stock exchange d. None of these
3. When is the Union Budget usually presented? (K) (5)
a. 1st January b. 26th January c. 1st February d. 15th March
4. Which of these authorities supervises India's capital markets? (U) (4)
a. India's Securities and Exchange Board (SEBI).
b. Reserve Bank of India (RBI).
c. The Insurance Regulatory and Development Authority (IRDA).
d. Agriculture and Rural Development National Bank (NABARD).
5. In which year was RBI nationalized? (K) (4)
a. 1971 b. 1956 c. 1949 d. 1935

6. Balance of Payments is an accounting statement that records monetary transactions between _____. (U) (4)
- Residents of a nation and the rest of the world
 - Non-residents and the rest of the world
 - Residents of a nation and non-residents
 - None of the above
7. When was the FRBM Act enacted------. (K) (5,6)
- 30 stocks
 - 25 stocks
 - 50 stocks
 - 100 stocks
8. GDP means..... (K) (1)
- Gross Domestic Population
 - Gross Domestic Product
 - Gross Domestic Production
 - Gross Domestic Participation
9. Agriculture, dairy, fishing, and forestry are examples of _____. (K) (1)
- tertiary Sector
 - secondary Sector
 - primary Sector
 - none of the above
10. GST is a comprehensive tax regime covering _____ (U) (5,6)
- Goods
 - Services
 - Both goods and services
 - Goods, services and imports
11. High inflation levels in the economy leads to _____ in the supply of money (U) (3)
- Increase
 - Decrease
 - No change
 - None of the above
12. When the price levels of goods and services are falling continuously, this phenomenon is called _____. (K) (3)
- Deflation
 - Stagflation
 - Inflation
 - None of the above
13. Once inflation is an outcome of a rise in the cost of factors of production, the outcome is _____. (U)(3)
- Cost-push inflation
 - Stagflation
 - Demand-pull inflation
 - Devaluation
14. India's Central Bank is known as-- (K) (2)
- Federal Reserve system
 - RBI
 - SBI
 - RIKS bank
15. As per 2011 census India's population density was--- (K)(1)
- 382 people per square kilometre
 - 384 people per square kilometer
 - 386 people per square kilometer.
 - 381 people per square kilometer[1x15 = 15]

Part B

Short Answer Questions

Answer any 10 questions

Each question carries 2 marks

16. Define money market (K) (4)
17. What is BoP(K) (4)
18. List out major instruments in money market (K) (4)
19. What is GST?(U) (5,6)
20. Define Budget (K) (5)
21. What do you mean by depreciation of rupee (K)(4)
22. Write any four features of Kerala Economy. (U) (5,6)
23. Define GDP? (K)(1)
24. What is stagflation (K) (1)
25. What do you mean by eRupee? (K) (2)
26. Write a note on monetary policy (K) (2)
27. Explain FRBM Act.(U) (5,6)
28. List out any six SDGs (K) (1)
29. Distinguish between primary and secondary sector. (U) (1)

(2 X 10 = 20)

Part C

Short Essay Questions

Answer any 3 questions

Each question carries 5 marks

30. Explain major functions of finance commission (U) (5)
31. Briefly explain the structure of India's banking system (U) (4)
32. Discuss fiscal situation in Kerala (U) (5.6)
33. Explain the basic national income concepts (K) (1)
34. Explain the various demographic features of India. (K) (1)
35. Explain the various measurement of inflation (K) (1)

36. Discuss the functions of central bank

(K) (2)

(5 x 3= 15)