

# **B.A. III Year (Model Paper-A)**

Sub. : International, Development, Public Finance

Time Allowed : 3 Hours

Max. Marks : 50

## Q.1 Objective Type Questions (20x1)

| 1.  | Th   | The theory of reciprocal demand is given by |                   |               |                 |                      |
|-----|--|---|-------------------|---------------|-----------------|----------------------|
|     | a)   | Adam Smith                                  |                   | b)            | David Ricardo   |                      |
|     |  | J.B. Mill                                   |                   | d)            | None of the abo | ove                  |
| 2.  | Trade based on comparative advantage is given by |   |                   |               |                 |                      |
|     |  | Adam Smith                                  | b) J.S. Mill      | c)            | D. Ricardo      | d) Haberler          |
| 3.  | Th   | e theory of Adam Sn                         |                   |               |                 |                      |
|     |  | a) Absolute Advantage theory                |                   |               |                 |                      |
|     |  | Comparative cost the                        | heory             |               |                 |                      |
|     |  | Both A &B                                   |                   |               |                 |                      |
|     |  | None of the above                           |                   |               |                 |                      |
| 4.  |  | e theory given by Hi                        | rschman is        |               |                 |                      |
|     |  | Balanced growth                             |                   | b)            | Unbalanced gro  |                      |
|     |  | Agricultural growth                         |                   | d)            | Industrial grow | th                   |
| 5.  |  | nich one of the follow                      | •                 |               |                 |                      |
|     |  | $G = G_w$                                   | b) $G=G_n$        | c) $G_W$ =    | $= G_n$         | d) $G_w = G_n = G$   |
| 6.  |  | uis has divided econ                        | •                 |               |                 |                      |
|     |  | Two sectors                                 |                   | S             | c) Four sectors | d) Single sector     |
| 7.  |  | low Model is given a                        |                   |               |                 |                      |
|     |  | Long Run Model                              |                   | odel          | c) Both A & B   | d) None of the above |
| 8.  |  | nich is the main sour                       |                   |               |                 |                      |
|     |  | Non tax revenue                             |                   |               | c) Both A & B   | d) None of the above |
| 9.  |  | stainable wages are g                       |                   |               |                 |                      |
|     |  | agriculture sector                          | b) industrial se  | ctor          | c) Both A & B   | d) None of the above |
| 10. |  | rporate Tax is -                            |                   |               |                 |                      |
|     |  | Direct Tax                                  |                   |               | c) Both A & B   | d) None of the above |
| 11. | . Wagner's Law is related with                   |   |                   |               |                 |                      |
|     |  | Public Debt                                 |                   |               |                 |                      |
|     |  | Public revenue                              |                   |               |                 |                      |
|     |  | Public expenditure                          |                   |               |                 |                      |
|     | d)   | None of the above                           |                   |               |                 |                      |
| 12. |  | clusion principle wo                        |                   |               |                 |                      |
|     | a)   | e   | b) Social goods   | 5             | c) Public goods | d) None of the       |
|     | •  | above                                       |                   |               |                 |                      |
| 13. |  | ife edge problem oc                         | curs in which gro |               |                 |                      |
|     | a)   | · · · · · · · · · · · · · · · · · · ·       |                   | od Omar Model |                 |                      |
|     | c) Leuis Model d) Rains -Fei Model               |   |                   |               |                 |                      |

| <ul><li>14. How many growth rat</li><li>a) Direct Tax</li></ul>       | <b>e</b> .                | Domar<br>c) Both a & b | d) None of the above     |  |  |
|---|---------------------------|------------------------|--------------------------|--|--|
| <ul><li>15. According to Leueis la a) Limited</li></ul>               | abour is<br>b) Unlimited  | c) Both a & b          | d) None of the above     |  |  |
| 16. Canons of tax atrai are related with                              |                           |                        |                          |  |  |
| a) Findley sherres  | b) Adam Smith             | c) J.R. Hicks          | d) Dalton                |  |  |
| <ul><li>17. Taxation is related to</li><li>a) Fiscal policy</li></ul> | 1 1                       | c) Taxation po         | licy d) All of the above |  |  |
| 18. Development in few sectors of the economy is known as             |                           |                        |                          |  |  |
| a) Balance growth   | * · · ·                   |                        | b) Unbalanced growth     |  |  |
| c) Industrial growth  |                           | d) None of the         | above                    |  |  |
| 19. Roads are considered as-  |                           |                        |                          |  |  |
| a) Public goods   |                           | b) Private good        | ds                       |  |  |
| c) Merit goods  |                           | d) None of the         | above                    |  |  |
| 20 Tax Fausion is possib  | le in which of the follow | ing cases              |                          |  |  |

20. Tax Eausion is possible in which of the following cases.

a) Indirect taxb) Direct taxc) Property taxd) Wealth tax

## Q.2 Long Questions (20x4)

### Section -A

- (i.) Explain the theory of comparative cost advantage by David prcardo
- (ii.) Explain the H.O theory of international trade
- (iii.) Distinguish between fixed and flexible exchange rate.

### Section -B

- (i) Explain the concept of balanced and unbalanced growth.
- (ii) Explain the growth model of Harrool-Domar
- (iii) Explain the long run growth model of solow.

## Section -C

- (i) Discuss the following
  - a) Public goods
  - b) Private goods
  - c) Nature & scope of P.F.
- (ii) Distinguish between impact, incidence & shifting of taxation.
- (iii) Explain the fiscal policy & its main instruments



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## Q.1 Objective Questions (20x1)

- 1. The theory of international trade given by J.S. Mill is known as :
  - a) Theory of reciprocal demand
  - b) Comparative cost theory
  - c) Opportunity cost theory
  - d) None of the above
- 2. The Ricardo's law of comparative cost advantage is based on :
  - a) Opportunity cost
  - b) Labor theory of value
  - c) Law of diminishing returns
  - d) All of the above.
- 3. Who has given the theory based on absolute advantage.
- a) Adam Smithb) David Ricardoc) J.S. Milld) None of the above4. Hirschman is related to which theory.
  - a) Balanced growth b) Unbalanced growth c) Agricultural growth d) Industrial growth
- 5. Which one of the following implies knife-edge equilibrium

| 5.  |  | which one of the following implies kine cage equilibrium |   |                      |                      |  |  |
|-----|--|--|---|----------------------|----------------------|--|--|
|     | a)   | $G = G_w$  | b) $G = G_n$ c) $G_w$                       | $= G_n$              | d) $G_w = G_n = G$   |  |  |
| 6.  | Lev  | vis has divided econo                                    | economy in :-                               |                      |                      |  |  |
|     | a)   | Two sectors  | b) Three sectors                            | c) Four sectors      | d) Single sector     |  |  |
| 7.  | Ac   | cording to Levis sust                                    | ustainable wages are given to which sector. |                      |                      |  |  |
|     | a)   | Agricultural sector                                      | b) Industrial sector                        | c) Both a & b        | d) None of the above |  |  |
| 8.  | Who has given the long run growth model.           |  |   |                      |                      |  |  |
|     | a)   | Harrot Domar   | b) Solow                                    | c) Leuis             | d) Nurkse            |  |  |
| 9.  | Wh   | Which is the main source of revenue for goal.            |   |                      |                      |  |  |
|     | a)   | Tax revenue  | b) Non tax revenue                          | c) Both a & b        | d) None of the above |  |  |
| 10. | Wa   | gner's law is related                                    | ed with :                                   |                      |                      |  |  |
|     | a)   | Public revenue   | b) Public expenditure                       | c) Public Debt       | d) None of the above |  |  |
| 11. | Exclusion principle work in case of :-             |  |   |                      |                      |  |  |
|     | a)   | Private goods  | b) Social goods                             | c) Public goods      | d) None of the above |  |  |
| 12. | Wh   | nich is indirect tax -                                   |   |                      |                      |  |  |
|     | a)   | Corporate tax  | b) Property tax c) Value                    | d) None of the above |                      |  |  |
| 13. | The number of tax payers assumed in optimal budget |  |   |                      |                      |  |  |
|     |  |  |   |                      |                      |  |  |

a) 2 b) 3 c) 4 d) 5

| 14. Tax evasion is possible in which of the following -         |                  |         |                              |  |
|---|------------------|---------|------------------------------|--|
| a) Indirect tax   | b) Direct tax    | c) Bot  | h a & b d) none of the above |  |
| 15. Development in all the sectors in the economy is known as - |                  |         |                              |  |
| a) Balanced growth  |                  | b)      | Unbalanced growth            |  |
| c) Industrial Develop   | oment            | d)      | None of the above            |  |
| 16. Canons of taxation are                                      | related with :   |         |                              |  |
| a) Findley Shiraj   |                  | b)      | Adam Smith                   |  |
| c) J.R. Hicks   |                  | d)      | Dalton                       |  |
| 17. Knife-Edge problem occurs in which growth model.            |                  |         |                              |  |
| a) Solow Model  |                  | b)      | Herrod -Domar Model          |  |
| c) Leueis Model   |                  | d)      | Balanced growth Model        |  |
| 18. What are the tools for Jiscal policy?                       |                  |         |                              |  |
| a) Tax b) Pub   | olic expenditure | c) Bot  | h a & b d) None of the above |  |
| 19. Taxes an price of a commodity is :                          |                  |         |                              |  |
| a) Direct Tax b) Ind  | irect tax        | c) Proj | perty tax d) Wealth tax      |  |

## Q.2 Essay type questions

### Section-A

- Explain the classical theories of international trade (Adam Smith, Ricardo, Haberlea, J.S. Mill)
- (ii) Explain the Heckscher-ohlin theory of international trade.
- (iii) Distinguish between free trade and protection.

#### Section-B

- (i) Discuss critically harrod & Domar models of economic growth.
- (ii) Discuss the Solow Model of growth.
- (iii) Explain levies model of unlimited supplies of labor.

## Section-C

- (i) Explain the following
  - a) Public goods
  - b) Private goods
  - c) Burden of public debt.
- (ii) Discuss the theories of public debt.
- (iii) Examine the effects of public expenditure on production and distribution in an economy.