



# ECONOMICS II

**AtArani Law Academy**

## **Syllabus**

### **1. National Income :**

- a) Concept, Definitions and Measurement.
- b) National Income as an index of Welfare.

### **2. Keynesian Income Determination :**

- a) Consumption Function.
- b) Saving and Investment.

### **3. Money :**

- a) Money and Functions of Money.
- b) Quantity Theory of Money.

### **4. Money Supply and Price Level :**

- a) Inflation and its Nature, Causes, Effects and Control of Inflation.
- b) Deflation.

### **5. Banking :**

- a) Functions of Commercial Bank.
- b) Functions of Central Bank.
- c) Essentials of Sound Banking System.

### **6. Public Finance - Source of Government Revenue :**

- a) Sources of Government Revenue.
- b) Direct Tax and Indirect Tax, Canons of Taxation and effect of Taxation.
- c) Public Debt : Objectives and Effects.
- d) Deficit Financing why deficit financing, effects of deficit financing.

### **7. Public-Expenditure and Fiscal Policy :**

- a) Canons of Public Expenditure and Reasons for growth of Public Expenditure in Recent Times.
- b) Fiscal Policy - Objectives.

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**8. International Trade :**

- a) International Trade and Inter-regional Trade.
- b) Advantages and Disadvantages of free trade policy.
- c) Case for and against protection.

**9. Balance of Payment :**

- a) Balance of Trade vs. Balance of Payments.
- b) Balance of Payments disequilibrium and remedies.

**10. Economic Growth :**

- a) Meaning and determinants.
- b) Economic growth vs. Economic development.



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## **PREVIOUS YEAR QUESTION PAPERS**

**FULL MARKS: 80**

### **2024 | ECONOMICS II**

***Answer any five questions.***

1. Critically examine Fisher's Quantity Theory of Money. How does it differ from the Cambridge version? [12+4]
2. Define National Income. Discuss the different methods of computing national income along with their limitations. [4+12]
3. Differentiate between balance of trade and balance of payments. What steps are taken to rectify adverse balance of payments? [6+10]
4. Discuss the different canons of public expenditure. What are the causes of persistent and continuous growth of public expenditure? [8+8]
5. Distinguish between internal and international trade. Give arguments in favour of and against free trade. [6+10]
6. Do commercial banks create credit? If so, how? Are there any limitations in their credit creation capacity? [10+6]
7. Explain the concepts of Average Propensity to Consume (APC) and Marginal Propensity to Consume (MPC) with the help of diagrams. What are the factors upon which the consumption function depends? [10+6]
8. In what respect does economic growth differ from economic development? Explain the factors which influence economic growth. [6+10]
9. What do you mean by 'Deficit Financing'? What role does it play in a developing economy? Discuss its good and bad effects. [2+6+8]
10. Write short notes on (any two): [8×2]
  - (a) Demand Pull and Cost Push Inflation
  - (b) Impact and Incidence of Taxation
  - (c) Objectives of Fiscal Policy
  - (d) Characteristics of a sound Banking System



## **2023 | ECONOMICS II**

*Answer any five Questions*

1. Distinguish between GNP and GDP. Discuss the different methods of estimating national income of a country along with their limitations.  
[4+12]
2. What do you mean by demand pull and cost push inflation? Discuss the anti-inflationary measures taken by the government to curb inflation.  
[8+8]
3. Determine the equilibrium level of national income in Simple Keynesian Model with the help of equality between savings and investment. [16]
4. Discuss the main functions of a Central Bank with special reference to its credit control functions. [16]
5. Under what circumstances does the government borrow from the public? Do they have any effect on the economy? [8+8]
6. Critically examine the 'Transaction Approach of Quantity Theory of Money'. What reforms have been done by the economists of Cambridge University? [12+4]
7. Differentiate between 'free trade policy' and 'protection policy' of international trade. What arguments are given in favour of and against protection? [8+8]
8. Briefly discuss the Principle of Maximum Social Advantage of public expenditure. What are the causes of continuous rise in public expenditure in the recent years? [8+8]
9. State the difference between 'Balance of Trade' and 'Balance of Payments'. What measures are taken in order to correct the disequilibrium in the Balance of Payments? [6+10]
10. Write short notes on any two: [8×2]
  - (a) Deficit Financing
  - (b) Objectives of Fiscal Policy
  - (c) Factors of economic growth
  - (d) Taxable capacity

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## **2022 | ECONOMICS II**

***Answer any five Questions***

1. Define National Income of a Country. Briefly discuss the various methods of measuring national income with limitation. [4+12]
2. Explain the concept of Average Propensity to Consume (APC) and Marginal Propensity to Consume (MPC). What are the factors upon which consumption function depends? [8+8]
3. Explain the different functions of the Commercial Banks. Explain the process of Credit Creation by Commercial Banks. [4+12]
4. What are the functions of Money? Explain the Quantity theory of Money with the help of the father's Equation. [6+10]
5. Briefly discuss the Commons of Public Expenditure. What are the causes of rapid growth of Public Expenditure? [8+8]
6. How does the "Balance of Trade" differ from the "Balance of Power"? Discuss the different methods that can rectify the "Balance of Payments". [6+10]
7. What do you mean by Tax? Explain the "Canons of Taxation". [4+12]
8. What do you mean by economic growth? Explain the difference between economic growth and economic development. [4+12]
9. Distinguish between Monetary Policy and Fiscal Policy. Explain the different objectives of Fiscal Policy. [4+12]
10. Write short notes (any two): [8×2]
  - (a) Demand Pull Vs. Cost Push Inflation.
  - (b) Functions of Central Bank.
  - (c) Role of Public debt in economic development.
  - (d) National Income as an index of welfare.

## **2021 | ECONOMICS II**

**Answer any five Questions**

1. Distinguish between GNP and NNP. Discuss the different methods estimating national income of a country. [4+12]
2. State the assumptions made in the determination of equilibrium national income in Simple Keynesian Model, Explain the equilibrium national income using Consumption function and Investment function. [8+8]
3. What are the different functions of Money? Critically discuss the Fisherian Version of Quantity Theory of Money.
4. Define Inflation. Discuss the cause of Demand Pull and Cost Push Inflation. Discuss the anti-inflationary measures taken by the government to control inflation. [2+8+6]
5. Discuss the credit creation process of the commercial bank. What are the limitations of this process? [10+6]
6. Define "Deficit Financing". Write the cause for which the government has to use the weapon of "Deficit Financing". Discuss its good and bad effects on the economy. [2+6+8]
7. Distinguish between International Trade and Inter-regional Trade. Discuss the arguments for and against Protection. [6+10]
8. What do you mean by Fiscal Policy? Discuss the different objectives of Fiscal Policy. [4+12]
9. How does the 'Balance of Trade' differ from 'Balance of Payments'? Discuss the different methods that can rectify the adverse 'Balance of Payments'. [6+10]
10. Write short notes on (any two):
  - (a) Economic Growth vs. Economic Development.
  - (b) Public Expenditure.
  - (c) Essentials of Sound Banking System.
  - (d) Consumption Function.





## **2019 | ECONOMICS II**

**Answer any five Questions**

1. Discuss the difference between GDP and GNP. Discuss the problems and difficulties of estimating National Income. [6+10]
2. Explain the concept of Average Propensity to Consume (APC) and Marginal Propensity to Consume (MPC). What are the factors upon which consumption function depend? [8+8]
3. Discuss the different functions of Central Bank. Explain the process of credit control by Central Bank. [6+10]
4. What do you mean by 'Demand Pull' and 'Cost Push' inflation? Discuss the anti-inflationary measures taken by the government to curb inflation. [8+8]
5. Briefly discuss the canons of public expenditure. What are the causes of rapid growth of public expenditure in the recent years? [8+8]
6. Discuss the rationale of the protectionist policy in a developing economy. Are there any arguments given against protection? [10+6]
7. What do you mean by Tax? What are the relative merits and demerits of Direct and Indirect Taxes? [4+12]
8. What are the functions of money? Critically examine the Transaction Approach of Quantity Theory of Money. [6+10]
9. In what respect does Economic Growth differ from Economic Development? Discuss the factors which influence economic growth. [6+10]
10. Write short notes on (any two): [8×2]
  - (a) Objective of Fiscal Policy.
  - (b) Role of Public Debt in Economic Development.
  - (c) Essentials of a Sound Banking System.
  - (d) Investment Multiplier.

## 2018 | ECONOMICS II

*Answer any five Questions*

1. Define National Income of a country. Briefly discuss the various methods of measuring National Income with limitation of each method. [4+12]
2. Determine the equilibrium level of National Income in the simple Keynesian Model with the help of equality between Saving and Investment. [16]
3. Critically examine Fisher's Quantity Theory of Money. How do the version of Cambridge economists differ from the Fisher's Theory? [12+4]
4. What are the purpose for which the government borrows from the public? What are the effects of the public debt on the economy? [8+8]
5. Distinguish between Internal Trade and International Trade. Discuss the arguments for the against free trade. [6+10]
6. Define 'Deficit Financing'. What role does it play in a Developing Economy? Discuss the effects of 'Deficit Financing' on the Economy. [2+6+8]
7. How does the 'Balance of Trade' differ from the 'Balance of Payments'? Discuss the different methods that can rectify the adverse 'Balance of Payment'. [6+10]
8. What do you mean by Economic Growth? Discuss the various determinants of Economic Growth. How can you differentiate between Economic Growth and Economic Development? [4+8+4]
9. Distinguish between Monetary Policy and Fiscal Policy. Discuss the different objectives of Fiscal Policy. [4+12]







10. Write short notes (any two): [8×2]

- (a) Demand Pull vs. Cost Push Inflation.
- (b) Functions of Commercial Bank.
- (c) National Income as an Index of Welfare.
- (d) Taxable Capacity.

## 2017 | ECONOMICS II.

*Answer any five Questions*

1. Discuss the difference between GDP and GNP. Discuss the problems and difficulties of estimating National Income. [6+10]
2. Discuss the different functions of Central Bank. Explain the process of Credit Control by Central Bank. [6+10]
3. Explain the causes of inflation. Discuss the anti-inflationary measures taken by the Government to control or check Inflation. [8+8]
4. Define Tax. Explain the canons of Taxation. [4+12]
5. Briefly discuss the canons of public expenditure. What are the causes of rapid growth of public expenditure in the recent years? [8+8]
6. What are the causes of adverse balance of payments? What methods are applied in restoring equilibrium in the balance of payments? [6+10]
7. Discuss the rationale of the protectionist policy in developing economy. Are there any arguments given against protection? [10+6]
8. Define Economic Growth. Define Economic Development. Explain the difference between Economy Growth and Economic Development. [16]
9. Distinguish between Monetary Policy and Fiscal Policy. Discuss the different objectives of Fiscal Policy. [4+12]





10. Write short notes on any two: [8×2]

- (a) Consumption Function.
- (b) Functions of Money.
- (c) Essentials of a sound Banking System.
- (d) Investment Multiplier.

## 2016 | ECONOMICS II

*Answer any five Questions*

1. Define National Income. What are the different methods used in calculating National Income of a country? [4+12]
2. Explain the concept of Average Propensity to Consume (APC) and Marginal Propensity to Consume (MPC). Discuss the factors that govern propensity to consume. [8+8]
3. What are the functions of Money? Critically discuss the Fisherian version of Quantity Theory of Money. [6+10]
4. Do commercial banks create credit? Are there any limitations to their credit creation capacity? [10+6]
5. Define Inflation. What are the causes of Inflation? Discuss the effects of Inflation on output, employment, and distribution of Income. [2+8+6]
6. Under what circumstances does the government borrow from the public? Do they have any effect on the economy? [6+10]
7. Distinguish between Free Trade and Protection. What are the advantages and disadvantages of Free Trade Policy? [6+10]
8. Differentiate between Economic Growth and Economic Development. Discuss the factors of economic growth. [6+10]
9. What is the difference between "Balance of Trade" and "Balance of Payments"? Explain briefly the various methods used by a country to rectify chronic disequilibrium in the Balance of Payments. [6+10]



10. Write short notes on any two: [8×2]

- (a) Saving Investment Equality.
- (b) Selective Credit Control.
- (c) Taxable Capacity.
- (d) Objectives of Fiscal Policy.

## **2015 | ECONOMICS II**

Answer any five Questions

1. Discuss the various methods of calculating National Income. Explain the relation between National Income and Economic Welfare. [12+4]
2. Determine the equilibrium level of National Income in the simple Keynesian Model with the help of saving and investment equality. [16]
3. Critically examine Fisher's Quantity Theory of Money. Mention the alternative approach also as stated by the Cambridge Economists. [12+4]
4. What do you mean by 'Demand Pull' and 'Cost Push' Inflation? Discuss the anti-inflationary measures taken by the Government to curb inflation. [8+8]
5. Discuss the functions of Central Bank with special reference to its developmental functions. [10+6]
6. Distinguish between Direct and Indirect Taxes. In what circumstances does the government resort to 'Deficit Financing'? [8+8]
7. Briefly discuss the canons of Public Expenditure. What are the causes of rapid growth of Public Expenditure in the recent years? [8+8]
8. Discuss the rationale of the protectionist policy in a developing economy. Are there any arguments given against protection? [10+6]
9. What are the causes of adverse balance of payments? Which methods are applied in restoring equilibrium in the balance of payments? [6+10]



10. Write short notes on any two: [8×2]

- (a) Consumption Function.
- (b) Forward and Backward Shifting of Tax Burden.
- (c) Essentials of a sound Banking System.
- (d) Factors of Economic Growth.

## 2014 | ECONOMICS II

**Answer any five Questions**

1. Define National Income. Briefly discuss the different methods of computing National Income. [4+12]
2. Explain the concept of Average Propensity to Consume (APC) and Marginal Propensity to Consume (MPC). What are the factors upon which the consumption function depends? [8+8]
3. What are the functions of Money? Critically examine the Transaction Approach to the Quantity Theory of Money. [6+10]
4. How do commercial banks create credit? Are there any limitations in their credit creation process? [10+6]
5. What is the purpose for which the government borrows from the public? What are its effects on the economy? [8+8]
6. What do you mean by 'Deficit Finance'? What role does it play in a developing economy? Discuss its advantages and effects on the economy. [2+6+8]
7. Distinguish between Internal Trade and International Trade. Discuss the agreements for and against Free Trade. [6+10]
8. Differentiate between 'Balance of Trade' and 'Balance of Payments'. What steps are taken to rectify adverse Balance of Payments? [6+10]

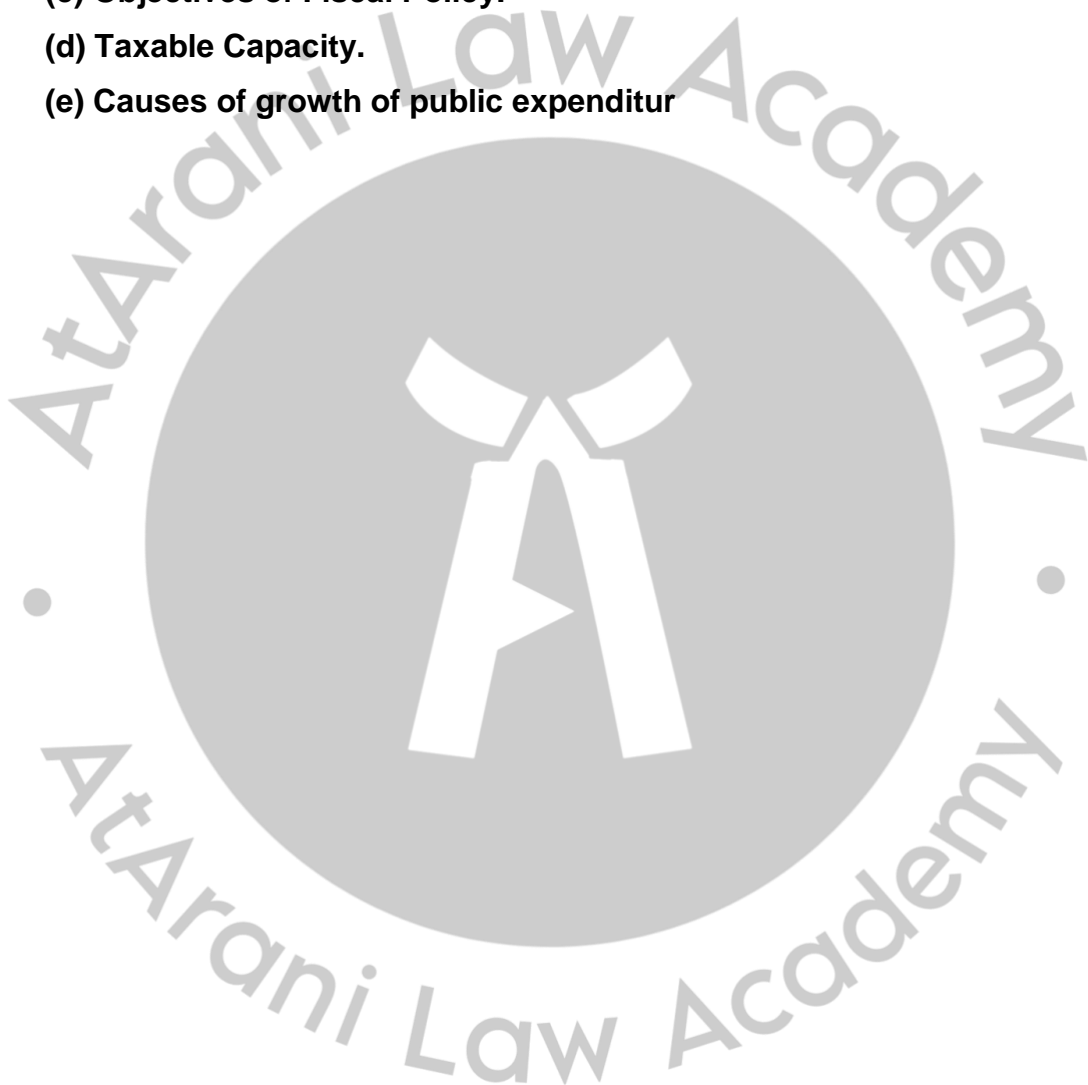




9. In what respect does Economic Growth differ from Economic Development? Discuss the factors which influence Economic Growth.  
[6+10]

10. Write short notes on any two: [8×2]

- (a) National Income as an index of Economic Welfare.
- (b) Deflation.
- (c) Objectives of Fiscal Policy.
- (d) Taxable Capacity.
- (e) Causes of growth of public expenditure



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