

- Note :-**
- 1) Attempt all questions.
 - 2) Figures to the right indicate marks.

- Q.1 a) Explain the following :** **8**
- i) Real and Nominal GNP.
 - ii) Circular flow of economic activity in an open economy.
- b) Calculate i) GDP and NNP at market price and ii) NNP at factor cost.** **7**
- GNP = Rs. = 5000 cr.
 NFI = Rs. = 400 cr.
 Indirect taxes = Rs. 300 cr.
 Subsidies = Rs. 200 cr.
 Depreciation = Rs. 150 cr.
- OR**
- Q.1** Describe the instruments of monetary policy. **15**
 How do they work and what are their limitations ?
- Q.2 a) Explain the causes of disequilibrium in the balance of payment.** **8**
- b) Define business fluctuation. Discuss the features of business fluctuation.** **7**
- OR**
- Q.2** Discuss free trade as a concept. What are the advantages and disadvantages of free trade? **15**
- Q.3 a) Write the main objectives and principles of WTO ?** **8**
- b) Explain the functions of the foreign exchange market.** **7**
- OR**
- Q.3** What is globalization ? What are the advantages and disadvantages of globalization ? **15**
- Q.4** Describe the potential benefits and harms to a century from FDI. **15**
- OR**
- Q.4** Write short notes on any three : **15**
- i) Feature of National income.
 - ii) Devaluation
 - iii) NAFTA
 - iv) Advantages of Restricted trade.
 - v) Port folio Investment.