



THE ANSWERS MUST BE ATTEMPTED ON THE ANSWER SHEET PROVIDED

Q.1. Answer the following short questions: (6x5=30)

- i. What is the difference between GDP and GNP?
- ii. What is autonomous investment?
- iii. Enlist at least three merits and three demerit of a direct tax.
- iv. Give an example to show how trade may benefit both trading countries.
- v. What is the main objective of the World Trade Organization?
- vi. What is value added with reference to National Income Accounting?

Q.2. Answer the following questions. (3x10=30)

- i. Define National Income and describe the concepts like National Income at factor cost, Personal Income and Disposable Income.
- ii. What is Marginal Efficiency of Capital? Use tables and diagrams to explain your answer.
- iii. What is fiscal policy? What are its objectives and tools?