

**BA ADMINISTRATION AND GOVERNANCE
THIRD SEMESTER
MONEY, BANKING AND PUBLIC FINANCE
BAAG-306**

**SET
A**

[USE OMR SHEET FOR OBJECTIVE PART]

Duration: 1hr. 30 mins.

Full Marks: 35

Time: 15 mins.

(Objective)

Marks: 10

Choose the correct answer from the following:

1×10=10

- Which of the following grants/grant direct credit assistance to rural households?
(1) Regional Rural Banks
(2) National Bank for Agriculture and Rural Development
(3) Land Development Banks
Select the correct answer using the codes given below:
a. 1 and 2 only b. 2 only
c. 1 and 3 only d. 1, 2 and 3
- In the context of Indian economy, Open Market Operations' refers to:
a. Borrowing by scheduled banks from the RBI b. Lending by commercial banks to industry and trade
c. Purchase and sale of government securities by the RBI d. None of the above
- Consider the following liquid assets:
(1) Demand deposits with the banks
(2) Time deposits with the banks
(3) Savings deposits with the banks
(4) Currency
The correct sequence of these decreasing order of Liquidity is:
a. 1-4-3-2 b. 4-3-2-1
c. 2-3-1-4 d. 4-1-3-2
- In India, deficit financing is used for raising resources for:
a. Economic development b. Redemption of public debt
c. Adjusting the balance of payments d. Reducing the foreign debt
- An increase in the Bank Rate generally indicates that the:
a. Market rate of interest is likely to fall b. Central Bank is no longer making loans to commercial banks
c. Central Bank is following an easy money policy d. Central Bank is following a tight money policy
- If the interest rate is decreased in an economy, it will:
a. Decrease the consumption expenditure in the economy b. Increase the tax collection of the Government
c. Increase the investment expenditure in the economy d. Increase the total savings in the economy

7. The main objective of the 12th Five-Year Plan is:
- a. Inclusive growth and poverty reductions
 - b. Inclusive and sustainable growth
 - c. Sustainable and inclusive growth to reduce unemployment
 - d. Faster, sustainable and more inclusive growth
8. There has been a persistent deficit budget year after year. Which of the following actions can be taken by the government to reduce the deficit?
- (1) Reducing revenue expenditure
 - (2) Introducing new welfare schemes
 - (3) Rationalizing subsidies
 - (4) Expanding industries
- Select the correct answer using the code given below:
- a. 1 and 3 only
 - b. 2 and 3 only
 - c. 1 only
 - d. 1,2,3 and 4
9. With reference to the Indian economy, consider the following
- (1) Bank rate
 - (2) Open market operations
 - (3) Public debt
 - (4) Public revenue
- Which of the above is/are component/component(s) of Monetary Policy?
- a. 1 only
 - b. 2, 3 and 4
 - c. 1 and 2
 - d. 1, 3 and 4
10. Which of the following is/are included in the capital budget of the Government of India?
- (1) Expenditure on acquisition of assets like roads, buildings, machinery, etc.
 - (2) Loans received from foreign governments
 - (3) Loans and advances granted to the States and Union Territories
- Select the correct answer using the code given below:
- a. 1 only
 - b. 2 and 3 only
 - c. 1 and 3 only
 - d. 1, 2 and 3
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(Descriptive)

Time : 1 hr. 15 mins.

Marks : 25

[Answer question no.1 & any two (2) from the rest]

1. Explain the rationale behind the Goods and Services Tax (Compensation to States) Act of 2017. 5
2. Enumerate the indirect taxes which have been subsumed in the goods and services tax (GST) in India. 10
3. How are the principles followed by NITI Aayog different from those followed by the erstwhile planning commission in India? 10
4. Pradhan Mantri Jan Dhan Yojana (PMJDY) is necessary for bringing the unbanked to the institutional finance fold. Do you agree with this for financial inclusion of the poor section of the Indian society? Give arguments to justify your opinion. 10
5. Explain the components of budget. 10

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