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Reg.No :

Name :

MAHATMA GANDHI UNIVERSITY, KOTTAYAM
MGU-UGP (HONOURS) REGULAR /IMPROVEMENT/ REAPPEARANCE
EXAMINATION November 2025

First SEMESTER

Multi-Disciplinary Courses (MDC) - MG1MDCECO101 - FOUNDATIONS IN
ECONOMICS

(2024 ADMISSION ONWARDS)

Duration: 1 Hour 30 Minutes

Maximum Marks: 50

Remember(K), Understand(U), Apply(A), Analyse(An), Evaluate(E), Create(C), Skill(S), Interest(I)
and Appreciation(Ap)

Students should attempt at least one question from each course outcome to enhance their overall outcome attainability.

Part A

Multiple choice questions

Answer all questions

Each question carries 1 marks

1. Public finance primarily deals with [K] / [CO1]
a). Individual income and expenditure b). Government revenue and expenditure
c). Company's balance sheets d). Household budgets

2. The two-sector model of circular flow of income consists of [K] / [CO1]
a). Households and Government b). Firms and Foreign Sector
c). Households and Firms d). Government and Foreign Sector

3. Net National Product (NNP) at Factor Cost is also known as [K] / [CO1]
a). Gross National Product b). National Income
c). Net Domestic Product d). Per Capita Income

4. The shape of a normal demand curve is [U] / [CO2]

14. The NSE uses which type of trading mechanism? [U] / [CO4]
- a). Open outcry system b). Screen based electronic system
- c). Physical share transfer d). Auction trading only
15. CBLO is ainstrument that represents an obligation between a borrower and a lender. [K] / [CO4]
- a).Money market b).Primary market
- c).Capital market d).All of the above

[1x15 = 15]

Part B

Short Answer

Answer any **10** questions

Each question carries **2** marks

16. Define scarcity. [U] / [CO2]
17. What do you mean by Value Added in national accounting ? [K] / [CO1]
18. What is the difference between total utility and marginal utility? [K] / [CO1]
19. Distinguish between productive and unproductive debt. [U] / [CO2]
20. State any two objectives of public expenditure. [U] / [CO2]
21. Define Repo rate. [U] / [CO3]
22. What does "Zero Balance Account" mean. [U] / [CO3]
23. Differentiate commodity money and fiat money. [U] / [CO3]
24. Mention one function each of NABARD and MUDRA Bank. [K] / [CO3]
25. Define Primary Agricultural Credit Societies. [U] / [CO3]
26. Define financial Intermediation [U] / [CO3]
27. What is non-converible debenture? [U] / [CO4]
28. What is a Primary Market [K] / [CO4]
29. What role does SEBI play in regulating stock exchanges? [U] / [CO4]

[2x10 = 20]

Part C

Short Essay

Answer any **3** questions

Each question carries **5** marks

30. How does MRS help in understanding consumer preferences between two goods? [U] / [CO2]
31. Describe the concept of non-tax revenue. Explain the primary sources of non-tax revenue. [U] / [CO2]
32. Define monetary policy. Explain how it work as a credit control tool? [U] / [CO1]
33. State the definitions of M0 and M1 compomemnts of money supply. [K] / [CO3]
34. Discuss the objectives, functions and importance of SIDBI in promoting small-scale industries. [U] / [CO3]
35. What are the feautres of CBLO? [K] / [CO4]
36. Explain the functions of Money market. [U] / [CO4]
- [5x3 = 15]**