

MAHATMA GANDHI UNIVERSITY, KOTTAYAM
MGU-UGP (HONOURS) EXAMINATION
V SEMESTER
MG5DSEECO306- Business Economics
(2024 ADMISSION ONWARDS)

Duration: 2 hours

Maximum Marks: 70

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. Which of the following is primarily concerned with the application of economic principles to business decision-making? **[K / CO1]**
 - a) Public Economics
 - b) Business Economics
 - c) Development Economics
 - d) International Economics
2. The principle which considers the additional cost and additional benefit arising from a business decision is the: **[K / CO1]**
 - a) Opportunity cost principle
 - b) Incremental principle
 - c) Discounting principle
 - d) Time principle
3. Demand for a factor of production arising from the demand for the final product is known as: **[U / CO2]**
 - a) Joint demand
 - b) Composite demand
 - c) Derived demand
 - d) Competitive demand
4. When a small change in price causes a proportionately larger change in quantity demanded, demand is: **[U / CO2]**
 - a) Inelastic

- b) Unitary elastic
 - c) Elastic
 - d) Perfectly inelastic
5. Which of the following is a non-statistical technique of demand forecasting? **[K / CO2]**
- a) Regression analysis
 - b) Trend projection
 - c) Expert opinion
 - d) Correlation analysis
6. The production function showing the relationship between inputs and maximum possible output is a: **[K / CO3]**
- a) Cost function
 - b) Production function
 - c) Revenue function
 - d) Demand function
7. Which of the following represents the difference between total revenue and total cost at the break-even point? **[U / CO3]**
- a) Maximum profit
 - b) Minimum profit
 - c) Zero profit
 - d) Economic profit
8. Under which pricing method is a predetermined percentage added to the cost of production? **[U / CO4]**
- a) Penetration pricing
 - b) Cost-plus pricing
 - c) Skimming pricing
 - d) Differential pricing
9. A pricing strategy in which a firm initially charges a high price for a new product is called: **[U / CO4]**
- a) Penetration pricing
 - b) Cost-plus pricing
 - c) Price skimming
 - d) Going-rate pricing
10. Economic profit differs from accounting profit because economic profit takes into account: **[U / CO4]**
- a) Only explicit costs
 - b) Only fixed costs
 - c) Explicit and implicit costs
 - d) Only variable costs

[1x10 = 10]

Part B

Short Answer

Answer any 10 questions

Each question carries 3 marks

11. Explain the role of Business Economics in managerial decision-making [U / CO1]
12. What is meant by the theory of firms? State its basic objective. [U / CO1]
13. Explain the opportunity cost principle with a suitable business example. [A / CO1]
14. Explain any three determinants of demand. [U / CO2]
15. Distinguish between price elasticity and income elasticity of demand. [An / CO2]
16. What is demand forecasting? State any two reasons for forecasting demand. [U / CO2]
17. What is the Law of Returns to Scale? [K / CO3]
18. Distinguish between economies of scale and diseconomies of scale. [An / CO3]
19. Distinguish between explicit cost and implicit cost. [An / CO3]
20. What is meant by replacement cost? How does it differ from historical cost? [U / CO3]
21. What is pricing? State any two reasons why pricing is important to a firm. [U / CO4]
22. Explain any three factors that influence the pricing of a new product. [U / CO4]
23. Distinguish between accounting profit and economic profit. [An / CO4]

[3x10 = 30]

Part C

Short Essay

Answer any 5 questions

Each question carries 6 marks

24. Explain the fundamental principles of Business Economics and discuss their relevance in business decision-making. [An / CO1]
25. Explain the different types of demand forecasting. [U / CO2]
26. Explain the Law of Variable Proportions and discuss its different stages. [An / CO3]
27. Explain the short-run and long-run cost concepts and distinguish between them. [An / CO3]
28. Explain the general and specific methods of pricing used by firms. [U / CO4]
29. Explain the major theories of profit, with reference to the risk-bearing, market imperfection and innovation theories. [An / CO4]
30. Explain pricing over the life cycle of a product. [An / CO4]

[6x5 = 30]

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Model Question
BA ECONOMICS (HON.) Semester 5
Discipline Specific Core Course (DSC) - MG5DSCECO301 -
INTERNATIONAL ECONOMICS

Duration: 2 hours

Maximum marks: 70

Part A

Multiple Choice Questions

Answer all questions

Each Question Carries 1 mark

1. According to the doctrine of Mercantilism, what was considered the primary source of a nation's wealth?
(U)/(CO1)

- A.Efficiency of industrial production
- B.Accumulation of precious metals
- C.Total stock of consumer goods
- D.High volume of agricultural output

2. Which economist introduced the theory of Absolute Advantage in international trade?
(K)/(CO1)

- A.Eli Heckscher B.Wassily Leontief
- C.Adam Smith D.David Ricardo

3. What is the primary basis for international trade according to the Heckscher-Ohlin theory?
(U)/(CO1)

- A.Differences in technological knowledge
- B.Differences in labor productivity
- C.Differences in consumer tastes
- D.Differences in factor endowments

4. Which of the following items is recorded in the Current Account of a country's Balance of Payments?
[K/CO2]

- A.Unilateral transfers received from abroad
- B.Foreign direct investment inflows
- C.Purchase of foreign government bonds
- D.External commercial borrowings by domestic firms

5. Which mechanism is classified as a direct non-monetary trade measure to restrict import volume?

[K]/ (CO2)

- A.Import quotas B.Exchange control C.Currency devaluation D.Monetary deflation

6.Which policy action represents a monetary measure to correct a Balance of Payments deficit?

[U]/)CO2)

- A.Devaluing domestic currency under a fixed exchange system
- B.Raising protective import tariffs on consumer goods
- C.Imposing strict import quotas on foreign goods
- D.Subsidizing export-oriented manufacturing firms

7. An Indian firm expects to receive \$100,000 in 3 months. The spot rate is 83 rupees per US dollar and the 3-month forward rate is 84 rupees per US dollar. How can the firm hedge against the risk of rupee appreciation?

[A]/ (CO3)

- A.Buy US dollars in the spot market today.
- B.Buy US dollars in the 3-month forward market.
- C.Sell US dollars in the 3-month forward market.
- D.Sell US dollars in the spot market today.

8. Which statement best describes the official exchange rate regime currently followed by India?

[U]/(CO3)

- A.Fixed parity system tied to a physical gold standard.
- B.Pure flexible exchange rate system with no intervention.
- C.Fixed exchange rate pegged strictly to the US dollar.
- D.Managed floating rate system with central bank intervention

9. Which fundamental principle of the World Trade Organization (WTO) requires member countries to treat all trading partners equally without discrimination?

[K]/(CO4)

- A.National treatment principle
- B.Quantitative restriction rule
- C.Most-Favored-Nation principle
- D.Special and differential treatment

10. What is the primary function of the International Monetary Fund (IMF)? [K]/(CO4)

- A. Providing short-term balance of payments assistance
- B. Financing long-term economic infrastructure projects
- C. Regulating international trade rules and trade disputes
- D. Determining official exchange rates for national banks

[10x1 = 10]

PART B

Short Answer Questions

Answer any 10 Questions

Each Question carries 3 marks

11. What is meant by the "Mercantilist View" of foreign trade? (U)/(CO1)
12. State the core proposition of the Factor Price Equalisation Theorem. (K)/(CO1)
13. Explain Adam Smith's Theory of Absolute Advantage with a suitable two-country, two-commodity hypothetical numerical example. (U)/(CO1)
14. Summarise the key assumptions underlying the Heckscher-Ohlin (2x2x2) Trade Model. (A)/(CO1)
15. Define the Balance of Payments (BoP) and distinguish clearly between the Current Account and the Capital Account, listing the major items recorded under each. (U)/(CO2)
16. Explain how currency devaluation acts as a monetary measure to correct an adverse Balance of Payments deficit. (A)/(CO2)
17. State the Marshall-Lerner Condition. Using a practical numerical example, demonstrate what happens to a country's trade balance following a 10% currency devaluation if the sum of price elasticities of demand for exports and imports ($e_x + e_m$) equals 1.4. (A)/(CO2)
18. Define the Mint Parity Theory of exchange rate determination and state the core condition required for its operation under the classical Gold Standard. (K)/(CO3)
19. Outline the key features of the Managed Floating Exchange Rate System currently operated by the Reserve Bank of India (RBI). [U]/(CO2)
20. Define an import quota and state two main economic differences between a tariff and an import quota. [U]/(CO3)

21. What is a Customs Union, and how does Jacob Viner's concept of trade creation differ from trade diversion? [U]/

(CO3)

22. State the primary objective of the IMF and explain how its core function differs from that of the World Bank. [U]/ (CO4)

23. Explain what is meant by economic "decoupling" and evaluate how it affects Global Value Chains (GVCs). [E]/ (CO4) [10x3 = 30]

Part C

Answer Any 5 Questions

Each Question Carries 6 marks

24. Critically examine David Ricardo's Theory of Comparative Advantage. What are its main limitations in modern global economics? (U)/(CO1)

25. Discuss the concept of Terms of Trade. Explain Single Factoral and Double Factoral Terms of Trade and highlight the factors that influence a nation's terms of trade. (U)/(CO1)

26. Critically explain the monetary measures used to correct a Balance of Payments disequilibrium (U)/(CO2)

27. Analyse how the the Balance of Payments Theory is superior to the earlier versions of Exchange Rate Determination (An)/(CO3)

28. Explain the deadweight loss of an import tariff using a partial equilibrium diagram, and critically evaluate the Infant Industry argument for protectionism. (E)/(CO4)

29. Discuss the foundational principles of the WTO (including MFN and National Treatment) and evaluate the criticism faced by IMF conditionality programs in developing countries. (E)/(CO4)

30. Analyze the main structural causes driving the current trend of deglobalisation, and evaluate whether de-dollarisation poses a realistic challenge to US Dollar dominance. (E)/(CO4)

[5x6 = 30]

QP CODE: _____

Reg No:.....

Name:.....

MAHATMA GANDHI UNIVERSITY, KOTTAYAM
FIFTH SEMESTER MGU-UGP (HONOURS) REGULAR
UNIVERSITY MODEL QUESTION PAPER
FINANCIAL REGULATION AND SUPERVISION
MG5DSEECO301
(2024 ADMISSION ONWARDS)

Duration: 2 Hours

Maximum Marks: 70

Learning Domains: Remember (K), Understand (U), Apply (A), Analyse (An), Evaluate (E)
CO tags are based on the 14-May-2026 amended syllabus; Bloom taxonomy reflects the cognitive demand of each question.

SECTION A
MULTIPLE CHOICE QUESTIONS

Answer all questions. Each question carries 1 mark.

1. The main objective of financial regulation is to: *[CO1 | K]*
 - A. Maximise bank profits
 - B. Maintain financial stability and protect stakeholders
 - C. Increase government revenue
 - D. Promote foreign trade
2. Which scenario best illustrates moral hazard? *[CO2 | A]*
 - A. A bank adopts stricter lending standards
 - B. A bank takes excessive risks expecting government support
 - C. An investor diversifies investments
 - D. A regulator conducts inspections
3. What risk is heightened by interconnectedness among financial institutions? *[CO2 | U]*
 - A. Agricultural production
 - B. Systemic risk
 - C. Population growth
 - D. Industrial licensing
4. What is the full form of CRAR? *[CO2 | K]*
 - A. Capital to Risk-weighted Assets Ratio
 - B. Credit Risk Assessment Ratio
 - C. Cash Reserve Adequacy Ratio
 - D. Capital Reserve Adjustment Ratio
5. A loan is generally classified as a Non-Performing Asset when the relevant payment remains overdue for: *[CO3 | K]*
 - A. 30 days

- B. 60 days
 - C. 90 days
 - D. 180 days
6. Basel III mainly focuses on: [CO5 | U]
- A. Corporate taxation
 - B. Capital adequacy, liquidity and risk management
 - C. Agricultural finance
 - D. International trade
7. What is the primary use of the CAMELS framework? [CO5 | U]
- A. Assess the financial health of banks
 - B. Calculate inflation
 - C. Determine tax liability
 - D. Regulate stock exchanges
8. Scale-Based Regulation (SBR) is primarily associated with the regulation of: [CO3 | U]
- A. Insurance companies
 - B. NBFCs
 - C. Mutual funds
 - D. Pension funds
9. Which of the following best illustrates a FinTech innovation? [CO2 | A]
- A. A UPI-based payment application
 - B. A railway reservation system
 - C. A GST collection office
 - D. A passport service centre
10. External benchmark-based lending rates link lending rates to: [CO4 | U]
- A. An external benchmark such as a policy rate
 - B. Bank advertising
 - C. Corporate profits
 - D. Export prices

(10 × 1 = 10)

SECTION B

SHORT ANSWER QUESTIONS

Answer any TEN questions. Each question carries 3 marks. (Answer in about 50 words.)

- 11. Define financial stability. [CO1 | U]
- 12. Why are financial regulation and supervision necessary in the financial system? [CO1 | U]
- 13. Why do different financial institutions require different regulatory frameworks? [CO2 | U]
- 14. What is the Too-Big-To-Fail (TBTF) problem? [CO2 | U]
- 15. Explain the role of the Reserve Bank of India in banking-sector regulation. [CO2 | U]
- 16. Distinguish between CRR and SLR. [CO2 | An]
- 17. What is a Non-Performing Asset (NPA)? [CO3 | K]
- 18. What is Risk-Based Supervision (RBS)? [CO5 | U]

19. Why is regulation of NBFCs important for the financial system? [CO3 | U]
20. What is meant by regulatory convergence between banks and NBFCs? [CO3 | U]
21. Analyse two major regulatory issues associated with FinTech and crypto assets. [CO2 | An]
22. What is the Insolvency and Bankruptcy Code (IBC) and why was it introduced? [CO2 | U]
23. Distinguish between MCLR and external benchmark-based lending rates. [CO4 | An]

(10 × 3 = 30)

SECTION C

SHORT ESSAY QUESTIONS

Answer any FIVE questions. Each question carries 6 marks. (Answer in about 160 words.)

24. Analyse the need for financial regulation and supervision and their role in maintaining financial stability. [CO1 | An]
25. Analyse how moral hazard, TBTF and macroprudential regulation are related to financial stability. [CO2 | An]
26. Analyse how CRR, SLR and CRAR contribute to the safety and stability of Scheduled Commercial Banks. [CO2 | An]
27. Analyse how NPA classification, provisioning norms and risk weights help strengthen banking-sector regulation. [CO3 | An]
28. Evaluate the major regulatory measures governing NBFCs with special reference to LTV norms and Scale-Based Regulation. [CO3 | E]
29. Evaluate the role of SEBI in regulating the Indian capital market with reference to primary and secondary markets and IPOs. [CO2 | E]
30. Analyse the evolution of interest-rate regulation from PLR and BPLR to Base Rate, MCLR and external benchmark-based lending rates. [CO4 | An]

(5 × 6 = 30)

QPCODE

Reg.No :

Name :

MAHATMA GANDHI UNIVERSITY, KOTTAYAM

MGU-UGP (HONOURS) REGULAR EXAMINATION, OCTOBER 2026

FIFTH SEMESTER

DSE –MG5DSEECO302

ACTUARIAL SCIENCE AND RISK MANAGEMENT IN INSURANCE

(2024 ADMISSION ONWARDS)

Duration 2 hrs

Maximum Marks: 70

Remember(K), Understand(U), Apply(A), Analyse (An), Evaluate(E), Create(C), Skill(S),
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Part A- Multiple Choice Questions

Answer *all* questions

1. Which element of a life insurance portfolio represents a statistical table showing the probability of a person dying before their next birthday at any given age? [CO1]
A) Solvency Table
B) Claim Development Matrix
C) Mortality Table
D) Underwriting Schedule
2. The Actuarial valuation technique that assesses whether an insurance firm has sufficient assets to cover future claims and policy obligations is known as the verification of:
[CO1]
A) Market Elasticity
B) Solvency Margin
C) Moral Hazard
D) Demographics
3. If the price elasticity of demand for a specific auto insurance product is highly inelastic, how will consumers respond to a moderate increase in premium rates?
[CO2]
A) They will drastically reduce their policy coverage amounts.
B) They will completely stop buying the coverage.
C) Their consumption volume will change very insignificantly.
D) They will instantly substitute it with bancassurance products.
4. Which micro-insurance distribution framework involves a bank selling insurance policies to its existing banking customer base?
[CO2]
A) GSLI Network
B) Group Superannuation
C) Bancassurance
D) Mutual Pool Account
5. According to the foundational principles of behavioural economics in insurance, the "Safety-First Model" implies that corporate insurers adjust their strategy primarily to:

[CO4]

- A) Maximize short-term stock value
 - B) Minimize the probability of technical insolvency or ruin
 - C) Eliminate the cross-elasticity of alternative lines
 - D) Standardize products for weaker social groups
6. An unexpected fire that physically damages a commercial warehouse is classified as a: [CO1]
- A) Peril
 - B) Moral Hazard
 - C) Morale Hazard
 - D) Speculative Risk
7. When a corporate risk manager charts an organization's exposures based on their estimated "frequency" and "severity," they are utilizing a: [CO6]
- A) Product Development Funnel
 - B) Claim Development Triangle
 - C) Risk Management Matrix
 - D) Single Crossing Property Grid
8. An individual leaves their car unlocked with the keys inside simply because they know the vehicle is fully covered by comprehensive auto insurance. This behaviour is a direct example of: [CO6]
- A) Adverse Selection
 - B) Symmetric Underwriting
 - C) Moral Hazard
 - D) Finite Risk Transfer
9. A major reinsurance technique where an insurance firm transfers predefined blocks of risk to the mainstream capital markets is an example of an: [CO6]
- A) Alternative Risk Transfer (ART) instrument
 - B) Asymmetric Information Loop
 - C) Internal Line Departmentalization
 - D) Traditional Pooling Arrangement
10. In a classic historical Claim Development Triangle used to track changes over time, what do the diagonals typically represent? [CO5]
- A) The exact accident years under analysis
 - B) The specific calendar years in which claims were actually paid or evaluated
 - C) The lag intervals or development periods elapsed
 - D) The ultimate terminal loss estimation bounds

(10x1=10)

Part B

Short Answer Questions (30 Words)

Answer any 10 questions

Each question carries 3 marks

- 11. Briefly outline the general scope and historic importance of Actuarial Science within modern financial markets. [CO1]
- 12. List four fundamental professional skills required for an actuary to perform effective liabilities valuation. [CO1]
- 13. Explain the core objective behind calculating the Human Life Value (HLV) in financial underwriting. [CO3]

14. Identify the primary purpose of the IRDAI Micro Insurance Regulations for weaker socio-economic sections. [CO1]
15. Differentiate briefly between price elasticity and cross-elasticity of demand for insurance products. [CO2]
16. What is the fundamental difference between a Group Gratuity scheme and a Group Superannuation scheme in India? [CO2]
17. Distinguish clearly between a 'Hazard' and a 'Peril' using a single contextual example. [CO1]
18. Outline two major contributions of a structured Risk Management Process to corporate operational continuity. [CO6]
19. Define the concept of 'Adverse Selection' as it occurs in an insurance market before a policy is issued. [CO6]
20. Summarize how a risk manager utilizes a basic risk management matrix to choose between risk avoidance and risk retention. [CO6]
21. What is meant by "Finite Risk Reinsurance" in the alternative risk financing landscape? [CO6]
22. Define 'Departmentalization' and state how it alters corporate efficiency in general insurance company operations. [CO5]
23. State the primary purpose of constructing a historical Claim Development Triangle in property and casualty insurance. [CO5]

(10x3=30)

Part C

Short Essay Questions (150 Words)

Answer any 5 questions

Each question carries 6 marks

24. Explain the multifaceted role of an actuary in a Life Insurance company, focusing specifically on product pricing, liability valuation, and assessment of systemic solvency. [CO1]
25. Analyze the purpose, scope, and operational objectives of financial underwriting. Explicitly demonstrate the core economic concepts of *insurable interest* and *value assessment* during personal insurance verification. [CO3]
26. Discuss the economic factors that heavily influence insurance consumption trends across developing nations [CO2]
27. Compare and contrast intuitive decision-making frameworks with strict mathematical models under asymmetric information. Address how insurers deploy safety-first strategies to navigate consumer moral hazards. [CO4]
28. Explain the systematic components of building an effective corporate Risk Management Programme. Highlight the key organizational steps, policy formulation guidelines, and explicit duties of a professional risk manager. [CO6]
29. Critique the expanding utility of the Alternative Risk Transfer (ART) market. Discuss how modern entities exploit capital markets as an additional resource for risk capacity and alternative financing. [CO6]
30. Outline the standard Product Development Process within modern insurance organizations. Using an illustrative mock matrix grid layout, explain the operational components (Rows, Columns, and Diagonals) of a basic Claim Development Triangle to track ultimate outstanding claims. [CO5]

(5x6=30)

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MAHATMA GANDHI UNIVERSITY, KOTTAYAM
MGU-UGP (HONOURS) REGULAR EXAMINATION
FIFTH SEMESTER

Discipline Specific Elective (DSE)

DIGITAL ECONOMY AND BUSINESS TRANSFORMATION - MG5DSEECO303

BA (Honours) Economics

(2024 Admission Onwards)

Duration: 2 Hours

Maximum Marks: 70

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

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Part A

Multiple Choice Questions

Answer all questions. Each question carries 1 mark.

1. Which of the following best describes the digital economy?

- a) An economy based exclusively on manufacturing
- b) Economic activities significantly enabled by digital technologies and data
- c) An economy without financial institutions
- d) Economic activities undertaken only by governments

[K] / [CO1]

2. Metcalfe's Law is primarily associated with:

- a) Pricing digital goods
- b) Value created by network effects
- c) Cybersecurity regulations
- d) Cloud-computing costs

[K] / [CO1]

3. Which of the following is an important role of digital platforms in enterprise development?

- a) Preventing businesses from accessing customers
- b) Facilitating interaction between businesses and users
- c) Eliminating digital transactions
- d) Restricting market access to large firms

[U] / [CO5]

4. Google Business Profile primarily helps an enterprise to:

- a) Develop computer software
- b) Improve its online visibility and customer access
- c) Manufacture digital devices
- d) Obtain intellectual property rights

[U] / [CO5]

5. Phishing is an example of:

- a) Cloud computing
- b) Social-engineering attack

- c) Digital pricing
- d) Network effect

[K] / [CO2]

6. Which of the following enables an online business to receive payments from customers electronically?

- a) Content Management System
- b) Payment gateway
- c) Learning Management System
- d) Search engine

[U] / [CO5]

7. One important economic advantage of cloud computing for enterprises is:

- a) Requirement of greater investment in physical servers
- b) Reduction in scalability
- c) Reduction in infrastructure and maintenance requirements
- d) Elimination of internet-based services

[U] / [CO1]

8. The Open Network for Digital Commerce (ONDC) primarily seeks to:

- a) Restrict digital commerce to a single platform
- b) Promote an open and interoperable digital commerce ecosystem
- c) Replace all physical retail markets
- d) Regulate international data flows

[U] / [CO5]

9. Large Language Models are particularly associated with the ability to:

- a) Generate and process human-like textual content
- b) Manufacture computer hardware
- c) Provide physical network infrastructure
- d) Eliminate the need for digital data

[U] / [CO6]

10. Cross-national data flows have become important to international trade mainly because:

- a) Digital services increasingly depend on movement and processing of data across borders
- b) International trade no longer involves services
- c) Digital enterprises operate only within national borders
- d) Data cannot be used in international business

[An] / [CO5]

[10 x 1 = 10]

Part B

Short Answer Questions

Answer any 10 questions. Each question carries 3 marks.

Word limit: 50 words

11. Explain digital transformation.

[U] / [CO1]

12. Explain the significance of digital literacy for entrepreneurs.

[U] / [CO6]

13. How do network effects contribute to the growth of digital platforms?

[An] / [CO1]

14. Explain any three ways in which Google Workspace can support business enterprises.

- | | |
|---|--------------|
| | [U] / [CO3] |
| 15. How can location and mapping solutions support business activities? | |
| | [A] / [CO5] |
| 16. Distinguish between authentication and authorisation in digital systems. | |
| | [U] / [CO2] |
| 17. Explain the significance of intellectual property rights in the digital economy. | |
| | [U] / [CO4] |
| 18. How does cloud computing provide economic advantages to business enterprises? | |
| | [An] / [CO1] |
| 19. Explain the significance of Search Engine Optimisation for a digital business. | |
| | [U] / [CO3] |
| 20. What is a payment gateway? Explain its role in e-commerce. | |
| | [U] / [CO5] |
| 21. Explain the relevance of India Stack for digital business development. | |
| | [U] / [CO5] |
| 22. How can AI tools contribute to task management and productivity enhancement in enterprises? | |
| | [A] / [CO6] |
| 23. Explain the significance of cross-national data flows in the digital economy. | |
| | [An] / [CO5] |

[10 x 3 = 30]

Part C

Short Essay Questions

Answer any 5 questions. Each question carries 6 marks.

Word limit: 160 words

- | | |
|--|--------------|
| 24. Explain the major benefits of digital transformation for business enterprises. | |
| | [An] / [CO1] |
| 25. Discuss network economics and explain the significance of network effects and Metcalfe's Law in understanding digital platforms. | |
| | [An] / [CO1] |
| 26. Examine the role of digital platforms and enterprise-development tools in establishing and expanding a digital business. | |
| | [An] / [CO3] |
| 27. Discuss the major security, privacy, ethical and regulatory challenges faced by participants in the digital economy. | |
| | [An] / [CO4] |
| 28. Explain the major elements required for establishing an online business, including website creation, hosting, e-commerce platforms and payment gateways. | |
| | [A] / [CO3] |
| 29. Examine the economics and advantages of digital branding and advertising, with reference to contemporary digital platforms. | |
| | [An] / [CO4] |
| 30. Analyse the opportunities and economic implications of artificial intelligence and Large Language Models for enterprises. | |
| | [An] / [CO6] |

[5 x 6 = 30]

QP Code:

Reg.No :

Name :

MAHATMA GANDHI UNIVERSITY, KOTTAYAM
MGU-UGP (HONOURS) REGULAR EXAMINATION OCTOBER 2026
FIFTH SEMESTER
DISCIPLINE SPECIFIC ELECTIVE - MG5DSEECO304 -
PUBLIC ECONOMICS – I
(2024 ADMISSION ONWARDS)

Duration: 2 Hours

Maximum Marks: 70

***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. Which of the following best describes the primary objective of the government's distribution function? [U]/[1]
 - a. Ensuring full employment and price stability
 - b. Providing merit goods and pure public goods
 - c. Adjusting the market distribution of income and wealth to align with societal fairness
 - d. Enforcing statutory regulations and anti-trust laws on private monopolies
2. According to the Principle of Maximum Social Advantage, society gains the most benefit when: [U]/[4]
 - a. Taxes are cut to zero
 - b. Benefit from the last rupee spent equals pain from the last rupee taxed
 - c. Government spending is higher than total tax collected
 - d. The government saves all its tax revenue
3. If a product has very few substitutes and buyers need it urgently, while sellers can easily switch to producing other goods, who will bear most of a newly added tax? [An]/[2]
 - a. Buyers, because their demand is less elastic than supply
 - b. Sellers, because their supply is less elastic than demand
 - c. The government, through collection losses
 - d. Shared among buyers and sellers equally

4. A government has an old loan due for repayment today, but it lacks surplus tax revenue. Instead of defaulting, it issues a fresh series of government bonds to raise money and pay off the maturing debt. Which method of debt management is being applied? [A]/[1]

- a. Sinking Fund
- b. Refunding
- c. Capital Levy
- d. Debt Repudiation

5. *"Public spending grows automatically in a smooth, continuous line as the economy industrializes, never in sudden jumps."* Evaluating the established theories of public expenditure, whose findings directly challenge this view? [E]/[3]

- a. Adolph Wagner
- b. Peacock and Wiseman
- c. Adam Smith
- d. Colin Clark

6. Who is the Chairman of the Sixteenth (16th) Finance Commission of India? [K]/[5]

- a. Dr. Arvind Panagariya
- b. Shri N. K. Singh
- c. Dr. Y. V. Reddy
- d. Dr. C. Rangarajan

7. Private businesses usually refuse to produce pure public goods because of which problem? [U]/[1]

- a. Free-rider
- b. Price-ceiling
- c. High-inflation
- d. Low supply

8. A government official avoids wasteful spending on luxury cars to save public funds for schools. Which canon of public expenditure is being followed? [A]/[1]

- a. Economy
- b. Sanction
- c. Surplus
- d. Elasticity

9. In India's public expenditure pattern, which component consistently forms the largest non-developmental revenue outlay of the Central Government? [U]/[5]

- a. Interest payments
- b. Fertilizer subsidies
- c. National highway maintenance
- d. Higher education grants

10. A government records a massive Fiscal Deficit, but its Primary Deficit is exactly zero. What does this reveal about current government spending? [An]/[2]

- a. All new borrowing is used only to pay interest on old debt
- b. The government has stopped collecting revenue entirely
- c. The country has zero total outstanding public debt
- d. Current year tax revenues exceed all tax government expenditures

[10x1=10]

Part B

Short Answer

Answer any 10 questions

Each question carries 3 marks

11. Define the allocation function of fiscal policy as given by Richard Musgrave. [U]/[1]
 12. Explain why the presence of non-excludability in pure public goods leads to the free-rider problem. [U]/[1]
 13. State the core condition for achieving Maximum Social Advantage according to Dalton. [U]/[3]
 14. Distinguish between a direct tax and an indirect tax based on the concepts of impact and incidence. [U]/[2]
 15. What is meant by "escheat" as a non-tax revenue source for the government? [U]/[2]
 16. What happens to the incidence of a commodity tax when consumer demand is perfectly inelastic? [An]/[2]
 17. What does Adam Smith's Canon of Certainty require in a tax system? [U]/[3]
 18. Explain the Canon of Sanction in public expenditure. [U]/[1]
 19. Explain the "Displacement Effect" formulated in the Peacock-Wiseman Hypothesis. [An]/[3]
 20. How should the government adjust its budgetary stance during an economic recession under a countercyclical fiscal policy? [A]/[1]
 21. State the central objective of the Fiscal Responsibility and Budget Management (FRBM) Act in India. [U]/[2]
 22. What is the primary constitutional mandate of the Finance Commission under Article 280? [U]/[5]
 23. Critically evaluate how the dominance of revenue expenditures (like interest payments and pensions) over capital outlay impacts the quality of public spending in India. [E]/[2]
- [10x3=30]**

Part C

Short Essay

Answer any 5 questions

Each question carries 6 marks

24. What are the two main features of a pure public good? Explain why markets fail to supply them, making government intervention necessary. [U]/[1]

25. Analyse the difference between a Sinking Fund and Refunding as methods of public debt redemption. [An]/[1]

26. Consider that the, revenue deficit is small whereas fiscal deficit is very high, apply the concepts of Revenue, Fiscal, and Primary Deficits to judge whether this government's borrowing is healthy or risky? [A]/[2]

27. Critically evaluate Wagner's Law of Increasing State Activity against the Peacock-Wiseman Hypothesis. [E]/[3]

28. Explain the difference between the Benefit Principle and the Ability-to-Pay Principle of taxation. [U]/[3]

29. Explain Dalton's Principle of Maximum Social Advantage. At what point does a government achieve the optimum size for its budget? [U]/[4]

30. Explain how the Finance Commission of India transfers resources to the states through vertical devolution and horizontal distribution. [U]/[5]

[5x6=30]

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Name

MAHATMA GANDHI UNIVERSITY, KOTTAYAM
MGUUGP (HONOURS) model EXAMINATION October 2026
Semester V
SEC MG5SECECO300 SECURITY ANALYSIS AND PORTFOLIO
MANAGEMENT (2024 ADMISSION ONWARDS)

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 to enhance their overall outcome attainability.

Part A

Multiple Choice Questions

Answer all questions

Each question carries 1 mark

1. Which of the following is NOT a component of the Indian Financial System?

- (a) Financial Institutions (b) Financial Markets
(c) Financial Instruments (d) International Monetary Fund [U /
CO1]

2.The capital market deals with securities having a maturity period of

- (a) Less than one year (b) More than one year
- (c) Exactly one year (d) Less than six months [U /
- CO1]**

3. In which market are securities issued for the first time?

- (a) Secondary Market (b) Primary Market
(c) Derivatives Market (d) Money Market [U / CO1]

4..Which of the following is a money market instrument?

- (a) Equity shares

(b) Debentures

(c) Treasury Bills (d) Bonds [U / CO1]

5. The oldest stock exchange in India is

(a) NSE (b) BSE (c) GIFT City (d) MCX [K / CO1]

6. NIFTY 50 index is calculated based on

(a) Simple average method (b) Freefloat market capitalization method
(c) Priceweighted method (d) Equal weight method [U / CO1]

7. Which macroeconomic indicator has the strongest correlation with stock market performance?

(a) Population growth (b) GDP growth rate
(c) Literacy rate (d) Agricultural production [An / CO1]

8. Leading indicators in the cyclical indicator approach include

(a) Unemployment rate (b) Stock market returns
(c) GDP (d) Inflation rate [U / CO1]

9. An increase in money supply typically leads to

(a) Decrease in security prices (b) Increase in security prices
(c) No effect on security prices (d) Increase in interest rates only
[A / CO1]

10. If a security has a return of 12% with a standard deviation of 8%, the coefficient of variation is

(a) 0.67 (b) 5 (c) 0.9 (d) 0 [A / CO1]

11 In DCF analysis, the present value is calculated using

(a) Future cash flows only (b) Discount rate and future cash flows
(c) Historical prices (d) Book value [U / CO1]

12. Which of the following is NOT part of fundamental analysis?

(a) Economic analysis (b) Industry analysis
(c) Chart pattern analysis (d) Company analysis [An / CO2]

13. Technical analysis assumes that

- (a) Markets are always efficient (b) Price discounts everything
(c) Fundamental factors are most important (d) Past performance doesn't indicate future results

[U / CO2]

14. The Dow Theory identifies how many types of trends?

- (a) Two (b) Three (c) Four (d) Five

[K / CO2]

15. The Markowitz Model is primarily concerned with

- (a) Technical charting (b) Portfolio diversification and optimization
(c) Bond pricing (d) Index calculation

[U /

CO2]

[1x15 = 15]

Part B

Short Answer Type questions

Answer any 10 questions

Each question carries 2 marks

16. Briefly explain the role of technical trading rules and indicators in security analysis.

[U / CO2]

17. What are the key considerations in specifying investment objectives and constraints in portfolio management?

[U / CO2]

18. Explain the concept of asset mix selection in portfolio construction.

[U / CO2]

19. What are the main elements in formulating a portfolio strategy?

[U / CO2]

20. Describe the criteria for selection of securities in a portfolio.

[U / CO2]

21 What is portfolio revision and why is it necessary?

[U / CO2]

22 Differentiate between value investing and growth investing strategies.[An / CO2]

23 Explain the Random Walk Model and its implications for market efficiency.

[U / CO2]

24 Define bond fundamentals and list the key features of a bond.

[U / CO3]

25. Explain the relationship between bond prices and market interest rates.

[U / CO3]

26. List and briefly describe any four types of bonds. [U / CO3]
27. What are the unique characteristics of the bond market in India? [U / CO3]
28. Explain the Capital Asset Pricing Model (CAPM) and its components. [U / CO3]
29. What is the Arbitrage Pricing Theory (APT)? How does it differ from CAPM? [An / CO3]
30. Describe Sharpe's Single Index Model and its application in portfolio management. [U / CO3]
31. Differentiate between External Benchmark Lending Rate (EBLR) and Base Rate. [An / CO3]
32. What is the role of FBIL in financial benchmarking in India? [U / CO3]
- [2x10 = 20]**

Part C

Short Essay Type questions

Answer any 3 questions

Each question carries 5 marks

33. Describe the structure of the Indian stock market. Explain the roles and functions of NSE, BSE, and GIFT City. How are major indices like NIFTY and SENSEX calculated? [U / CO1]
34. Compare and contrast fundamental analysis and technical analysis as tools for security valuation. Discuss the assumptions, advantages, and limitations of each approach with examples. [An / CO2]
35. Explain the comprehensive process of portfolio management including specification of investment objectives, selection of asset mix, formulation of portfolio strategy, selection of securities, portfolio execution, and portfolio revision. Discuss how the Markowitz Model contributes to modern portfolio theory. [E / CO2]
36. Discuss the fundamentals of bond markets. Explain bond pricing mechanisms, bond yield calculations, and the inverse relationship between market interest rates and bond prices. Describe the various types of bonds available in the Indian bond market. [U / CO3]
37. Examine the various asset pricing models used in financial analysis. Compare and contrast the Capital Asset Pricing Model (CAPM), Arbitrage Pricing Theory (APT), and

Sharpe's Single Index Model. Discuss their applications and limitations in portfolio management. **[E / CO3]**

[5x3 = 15]

QPCODE

Reg.No :

Name :

MAHATMA GANDHI UNIVERSITY, KOTTAYAM

MGU-UGP (HONOURS) REGULAR EXAMINATION, OCTOBER 2026

FIFTH SEMESTER

SKILL ENHANCEMENT COURSE (SEC) – MG5SECECO301

ECONOMICS OF RURAL ENTREPRENEURSHIP

(2024 ADMISSION ONWARDS)

Duration: $1\frac{1}{2}$ hrs

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

1. Which of the following best describes entrepreneurship? [CO1]

- A) Routine management of an existing business
- B) Identification and exploitation of opportunities through enterprise creation
- C) Government regulation of markets
- D) Management of household consumption

2. Which of the following is an important characteristic of an entrepreneur? [CO1]

- A) Risk avoidance
- B) Innovation and initiative
- C) Dependence on others for decisions
- D) Resistance to change

3. Entrepreneurship contributes to economic development primarily through: [CO1]

- A) Reducing productive activities
- B) Creating employment and promoting innovation
- C) Restricting investment
- D) Reducing market competition

4. The evolution of rural entrepreneurship in India is closely associated with: [CO1]

- A) The expansion of rural economic activities and self-employment
- B) Elimination of rural industries
- C) Complete dependence on urban markets
- D) Reduction in rural production

5. Which of the following is an example of rural entrepreneurship? [CO1, CO5]

- A) Rural agro-processing enterprise
- B) Central bank regulation
- C) Monetary policy formulation
- D) Stock exchange management

6. A rural entrepreneurial ecosystem primarily refers to: [CO1, CO3]
A) The network of institutions, resources and conditions supporting entrepreneurship
B) Only agricultural land
C) Only government departments
D) Only financial institutions
7. Which of the following is an important form of institutional support for rural entrepreneurship? [CO1, CO3]
A) Training and financial assistance
B) Restriction of enterprise formation
C) Reduction of rural infrastructure
D) Elimination of market access
8. NABARD is primarily associated with the development of: [CO1, CO3]
A) Rural and agricultural sectors
B) Urban transport alone
C) Foreign exchange markets
D) Stock exchanges
9. Government schemes for rural entrepreneurship may be implemented at: [CO1, CO3]
A) Central level only
B) State level only
C) District level only
D) Central, State and District levels
10. Before starting a rural enterprise, an entrepreneur should primarily ensure: [CO3]
A) Compliance with applicable rules and procedures
B) Avoidance of registration requirements
C) Elimination of financial planning
D) Avoidance of market analysis
11. Rural entrepreneurship opportunities can broadly be classified into: [CO5]
A) Farm and non-farm sectors
B) Public and monetary sectors
C) Banking and insurance sectors
D) Domestic and foreign sectors
12. Organic farm products provide entrepreneurial opportunities mainly through: [CO5]
A) Production and marketing of organically produced goods
B) Elimination of agricultural markets
C) Reduction of farm diversification
D) Complete dependence on imported products
13. Which of the following is directly associated with horticultural entrepreneurship? [CO5]
A) Fruits and vegetables
B) Banking services
C) Insurance services
D) Transport regulation
14. Forest produce-based entrepreneurship can involve: [CO5]
A) Economic activities based on forest produce

- B) Only manufacturing of automobiles
- C) Banking operations
- D) Stock market trading

15. Medicinal plant-based entrepreneurship is primarily associated with: [CO5]

- A) Cultivation, processing and marketing of medicinal plants
- B) Manufacture of industrial machinery
- C) Urban transport services
- D) Financial market regulation

(15x1=15)

Part B

Short Answer Questions (30 Words)

Answer any 10 questions

Each question carries 2 marks

16. What is poultry entrepreneurship? Mention any three entrepreneurial activities associated with poultry. [CO5]

17. What is aquaculture entrepreneurship? Mention any three products or activities associated with aquaculture. [CO5]

18. What is sericulture? Briefly state how sericulture provides rural entrepreneurial opportunities. [CO5]

19. State any four entrepreneurial opportunities associated with honeybee keeping and beekeeping enterprises. [CO5]

20. Why is mushroom cultivation considered a potential rural enterprise? Mention any three reasons. [CO5]

21. State any four important qualities or functions of a rural entrepreneur. [CO1]

22. List any four factors influencing rural entrepreneurship. [CO1]

23. Identify any four major problems or challenges faced by rural entrepreneurs. [CO1]

24. What are entrepreneurial competencies? Mention any three motivating factors that encourage entrepreneurship. [CO1, CO2]

25. What is a formal loan? Name any three institutional sources of formal finance for rural enterprises. [CO3]

26. State any four important marketing strategies that can be used for rural products. [CO4]

27. What is value addition? Mention the major stages involved in agribusiness value addition. [CO3, CO5]

28. What is a market survey? State any three purposes of conducting a market survey for rural products. [CO4] (10x2=20)

Part C

Short Essay Questions (150 Words)

Answer any 3 questions
Each question carries 5 marks

29. Explain the importance of product standards, planning and promotion in marketing rural products. Discuss the role of digital and social media marketing. [CO4]
30. Explain the importance of marketing rural products and discuss the role of market surveys in developing an effective marketing strategy. [CO4]
31. Explain the role of women entrepreneurship, eco-preneurship and rural micro-enterprises in rural economic development. [CO1, CO5]
32. Explain the major innovation, economic, sociological and psychological theories of entrepreneurship. [CO2]
33. What is a Detailed Project Report (DPR)? Explain important components of a DPR prepared for a loan. [CO3]

(3x5=15)

Reg No.....

Name.....

Mahatma Gandhi University Kottayam

Fifth Semester MGU – UGP BA Economics (HONOURS)

Regular Examination October 2026

MG5DSCECO300 – Econometrics - I

2024 Admission Onwards

Duration: 2 hours

Maximum marks: 70

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

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

[Learning Domain] [Cos No (s)]

Part A

Multiple Choice Questions

Answer all questions

Each question carries 1 mark

1. The term "Econometrics" was coined by: [U][1]
 - a) Ragnar Frisch
 - b) Alfred Marshall
 - c) John Maynard Keynes
 - d) Karl Pearson
2. Econometrics combines: [U][1]
 - a) Economics, mathematics and statistics
 - b) History, geography and sociology
 - c) Biology, chemistry and physics
 - d) Accounting and law only
3. GDP of India from 2000 to 2025 is an example of: [U][2]
 - a) Cross-sectional data
 - b) Time-series data
 - c) Panel data
 - d) Experimental data

4. The error term represents: [U][2]
a) Only measurement errors
b) The effect of omitted and unobserved factors
c) The dependent variable
d) The independent variable
5. In the regression equation $Y = \beta_0 + \beta_1 X_i + u_i$, u_i denotes: [Ap][4]
a) Intercept
b) Slope
c) Error term
d) Dependent variable
6. SRF stands for: [U][4]
a) Statistical Regression Function
b) Sample Regression Function
c) Simple Random Function
d) Sample Random Formula
7. Standard error measures: [U][1]
a) Variation of an estimator across samples
b) Variation of the population
c) Size of the dependent variable
d) Sample mean only
8. A multiple regression model contains: [U][2]
a) One dependent variable and two or more explanatory variables
b) Two dependent variables only
c) Only one variable
d) No explanatory variables
9. Under homoscedasticity: [U][2]
a) Error variance is constant
b) Error variance changes systematically
c) Errors are always zero
d) Errors are perfectly correlated
10. "Best" in BLUE refers to: [U][4]
a) Highest bias
b) Minimum variance among linear unbiased estimators
c) Maximum residuals
d) Maximum R^2

(10*1=10)

Part B

Short Answer Questions (50 words)

Answer any ten questions. Each question carries 3 marks

11. State any two goals of econometrics. [U][1]
12. Distinguish between time-series and cross-sectional data. [U][2]
13. What is an error term? [U][2]
14. What is a dummy variable? Construct a dummy variable for marital status. [U][2]
15. Distinguish between type I and type II error. [U][4,5]
16. Write the general form of a simple linear regression model. [E][4]
17. What is a standard error? [U][4]
18. What is sampling distribution? [U][4]
19. State any two assumptions of CLRM. [An][4]
20. What does BLUE stand for? [An][4]
21. What is the coefficient of determination? [U][3,5]
22. Define the power of a test. [U][4,5]
23. State two causes of heteroscedasticity. [U][2]
24. Define multicollinearity. [U][2]
25. Write the mathematical expression for homoscedasticity. [U][2]
26. What is meant by violation of normality assumption? [U][3]
27. Distinguish between null hypothesis and alternative hypothesis. Write the decision rule for testing a null hypothesis at a given level of significance. [An][4,5]
28. Define interval estimation. [U][4]

29. State the basic form of a multiple regression model. [A][2]

30. Give two examples of cross-sectional data. [U][2]

(10*3=30)

Part C

Short Essay Type Questions (160 words)

Answer any 5 questions. Each question carries 6 marks

24. Explain the Specification of the Mathematical Model and Econometric Model in econometric methodology. [U][1]

25. Formulate a multiple regression equation with three explanatory variables. [U][2]

26. State and prove that $E(u_i|X_i)=0$ under the Classical Linear Regression Model [An][4]

27. Estimate the regression coefficient $\hat{\beta}^2$ using OLS. [E][4]

28. Explain the numerical properties of OLS estimators. [U][2]

29. How is R^2 used to measure goodness of fit? [A][3,5]

30. Explain the critical region in hypothesis testing. [E][4,5]

31. How does multicollinearity affect regression analysis? [E][2]

(5*6=30)