

LLB
SIXTH SEMESTER
FISCAL RESPONSIBILITY & MANAGEMENT
LLB - 606H7 CL
(USE OMR FOR OBJECTIVE PART)

SET
A

Duration: 3 hrs.

Full Marks: 70

Time: 30 min.

(Objective)

Marks: 20

Choose the correct answer from the following:

1×20=20

1. Fiscal policy refers to the-
 - a. Government's ability to regulate the functioning of financial markets.
 - b. Spending and taxing policies used by the government to influence the level of economy activity
 - c. Income and expenditure of the Government
 - d. Techniques used by firms to reduce its tax liability
2. Which of the following agencies is responsible for formulating the Fiscal Policy in India?
 - a. Securities and Exchange Board of India (SEBI)
 - b. Reserve Bank of India (RBI)
 - c. Ministry of Finance, Government of India
 - d. National Bank for Agricultural and Rural Development (NABARD)
3. What is meant by monetary policy?
 - a. The process by which the Parliament controls the money supply
 - b. The process by which the central bank or monetary authority of a country controls the supply of money
 - c. The process by which International Market controls the money supply
 - d. Both (a) & (c)
4. Which of the following agencies is responsible for the Monetary Policy?
 - a. Reserve Bank of India (RBI)
 - b. Planning Commission
 - c. Finance Commission
 - d. None of the above
5. Which Article of the Constitution of India deals with 'Consolidated Fund'?
 - a. Article 266(1)
 - b. Article 245
 - c. Article 254
 - d. Article 240
6. Which Article of the Constitution of India deals with 'Contingency Fund'?
 - a. Article 250
 - b. Article 267
 - c. Article 227
 - d. Article 252
7. In which year RBI Act was enacted?
 - a. 1931
 - b. 1934
 - c. 1941
 - d. 1944

8. In which place the Central Office of the Reserve Bank of India was initially established?
 - a. Kolkata
 - b. Delhi
 - c. Chennai
 - d. Tamil Nadu
9. In which year Prevention of Money Laundering Act was enacted?
 - a. 2001
 - b. 2002
 - c. 2004
 - d. 2005
10. Which of the following acts can be considered as acts of Money Laundering in the Act?
 - a. Illegal arms sale
 - b. Drug Trafficking
 - c. Insider trading
 - d. All of the above
11. What is a Scheduled Offence?
 - a. Circulation of fake Indian Currency Notes
 - b. Offences relating to Narcotic Drugs
 - c. Waging war against the Nation
 - d. All of the above
12. Which of the following Sections of Prevention of Money Laundering Act defines the term 'Money Laundering'?
 - a. Section 2(1)(P)
 - b. Section 2(1)(S)
 - c. Section 2(1)(F)
 - d. Section 2(1)(D)
13. One of the major types of Quantitative Analysis in Fiscal Policy is-
 - a. Economic Modeling
 - b. Benefit of the consumers
 - c. Budget allocation
 - d. Resource allocation
14. Who is considered as the father of Fiscal Policy in India?
 - a. Simon Kuznets
 - b. Raja Chelliah
 - c. Dr. Manmohan Singh
 - d. Krishnaswamy Kasturirangan
15. One of the direct effects of Fiscal Impact Assessment is-
 - a. Policy design
 - b. Long -term Planning
 - c. Budgetary Allocation
 - d. Macroeconomic impact
16. One of the Behavioural Effects of Fiscal Impact Assessment is-
 - a. Policy Choices
 - b. Fiscal Discipline
 - c. Resource Allocation
 - d. Economic Growth
17. In which year Fiscal Responsibility and Budget Management Act were enacted?
 - a. 2000
 - b. 2001
 - c. 2002
 - d. 2003
18. The Fiscal Responsibility and Budget Management (FRBM) Act aimed for-
 - a. Eliminating both Revenue Deficit and Fiscal Deficit
 - b. Giving Flexibility to RBI for Inflation Management
 - c. To ensure inter-generational equity in Fiscal management
 - d. Both (b) & (c)

19. Which of the following requires the planning before both the Houses of Parliament?
- a. Fiscal Policy Strategy Statement
 - b. Macroeconomic Framework Statement
 - c. Medium-Term Fiscal Policy Statement
 - d. All of the Above
20. Which of the following is not an objective of the FRBM Act 2003?
- a. To bring zero deficit
 - b. To reduce the burden of debt repayment
 - c. To improve transparency in fiscal operations
 - d. To reduce corruption

(Descriptive)

Time : 2 hrs. 30 min.

Marks : 50

[Answer question no.1 & any four (4) from the rest]

1. Write briefly about the role of Fiscal Policy. Distinguish between Fiscal Policy and Monetary Policy. 6+4=10
2. Write an elaborative note on the role of Reserve Bank of India in case of Monetary Policy. 10
3. Write short notes on-(Any 2) 5×2=10
 - a. Evolution of Fiscal Policy till 1991
 - b. Consolidated Fund of India
 - c. Contingency Fund of India
4. Discuss salient features of the Reserve Bank of India Act. 10
5. Discuss salient features of the Prevention of Money Laundering Act. 10
6. Write short notes on-(Any two) 5×2=10
 - a. Legal framework of Money Laundering in India
 - b. Fiscal Policy and Money Laundering-A Nexus
 - c. Scheduled Offences
7. Write short notes on-(Any two) 5×2=10
 - a. Quantitative Analysis in Fiscal Policy
 - b. Direct and Indirect Effects of Fiscal Impact Assessment
 - c. Behavioural and Macroeconomic Effects of Fiscal Impact Assessment
8. Discuss in brief about the provisions of Fiscal Responsibility and Budget Management Act. 10

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