

SHREE NARAYANA COLLEGE OF COMMERCE

AHMEDABAD

Name of the Department: ECONOMICS

Subject: MACRO ECONOMICS

Class & Semester: B. COM. SEM. – IV

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ASSIGNMENT

SECTION – 1 (UNIT – 1)

- 1) State the meaning & functions of money.
- 2) Give explanations of Fisher's equation of exchange with limitations.
- 3) Explain the Quantity Theory of Money with the help of diagram.
- 4) Explain the production method to measure National Income.
- 5) Explain the income method to measure National Income.
- 6) Write a note on the Money Supply. Discuss the main components of Money Supply.
- 7) Explain the concept of M1, M2, M3 & M4 of RBI for measuring the money supply of India.
- 8) Explain the difficulties arises while measuring National Income

SECTION – 2 (UNIT – 2)

- 1) Explain the Classical theory of income, output & employment.
- 2) Discuss the wage cut and wage flexibility principle of Prof. Pigou.
- 3) Explain the Keynes theory of Income determination through the 45-degree line and the C+I line.
- 4) Discuss J.B. Say's Law of Markets.
- 5) "Supply creates its own Demand "- Explain its assumptions and implications.

SECTION – 3 (UNIT – 3)

SECTION – 4 (UNIT – 4)

- 1) What is Inflation? Explain its features and types.
- 2) Clarify the difference between Inflation & Deflation.
- 3) Write a note on the Inflationary Gap.
- 4) Discuss the causes of Inflation.
- 5) State the effects of Inflation.
- 6) State the measures to curtail Inflation

SECTION – 5 (REVISION & PRACTICE)

1) Which expenditure of government are not considered in national income?

- a) Production
- b) Transfer Payments
- c) Wages of labourers
- d) Defence expenditure

2) What should be deducted from GDP to get NDP?

- A) Depreciation
- b) Net factor income from Abroad
- c) Indirect Tax
- d) Subsidy

3) From the following which bank perform the function of credit control in India?

- a) SBI
- b) NABARD
- C) RBI
- D) IDBI

4) Which money is known as reserve money?

- a) Narrow
- b) Broad
- c) Bank
- d) High Powered

5) According to Keynes, Income employment is based on which thing?

- a) Supply
- b) Trade
- c) Production
- d) Effective Demand

6) "The trade union is responsible for the unemployment during the depression years and not the entrepreneurs"- who said this?

- a) Keynes
- b) Friedman
- c) J. B. Say
- d) Pigou

7) Classical economists are in favour of _____ must have to decrease to reduce unemployment and to increase employment opportunities.

- a) Demand
- b) Supply
- c) Wages
- d) Profits

8) If the general price level increase then propensity to consume is _____

- a) Increase
- b) Decrease
- c) Fixed
- d) None of the above

9) If the value of marginal propensity to consume is 1 then what will be the value of multiplier?

- a) 1
- b) More than 1
- c) Less than 1
- d) Infinitive

10) If marginal efficiency of capital is less than interest rate the capital investment in economy--

- a) Increase
- b) Decrease
- c) Remain Fixed
- d) Becomes Zero

11) If a person used his past savings and consume more, than MPC will be_____

- a) $MPC=0$
- b) $MPC=1$
- b) $MPC=>1$
- d) $MPC=<1$

12) How is the reduction of MPC in comparison to APC, if income level increases?

- a) More
- b) Less
- c) Equal
- d) Not decided

13) INFLATIONARY Gap is also known as _____?

- a) Increase in price
- b) Sales Gap
- c) Production Gap
- d) GDP Gap

14) Which of the following is not responsible for demand pull inflation?

- a) Increase in money supply
- b) Increase in production cost
- c) Increase in government expenditure
- d) Increase in population

15) During inflation, import will be _____-

- a) Decrease
- b) Increase
- c) Stable
- d) None of the given.
