

Seat No: - _____

Enrollment No: - _____

**PARUL UNIVERSITY
FACULTY OF ARTS**

B. Arts Midterm Examination 2022–23

Semester: - III

Date: 26/07/2022

Subject Code: - 15101201

Time: 2 hours

Subject Name: - Macroeconomics-I

Total Marks: 40

Instructions:

1. All questions are compulsory.
2. Figures to the right indicate full marks.
3. Make suitable assumptions wherever necessary.
4. Start new question on new page.

				Marks
Q.1	Do As Directed.			06
1	Which of the following is a method to measure the national income?			
	(A)	Expenditure method	(B)	Income method
	(C)	Value added method	(D)	All of the above
2	Which of the following is the actual definition of transfer payments?			
	(A)	Transfer payments refer to the payments made as compensation to the employees within an organization	(B)	Transfer payments refer to the payments made to workers on transferring from one job to another
	(C)	Transfer payments refer to the payments made without any exchange of goods and services	(D)	None of the above
3	What is the consumption of fixed capital known as?			
	(A)	Depreciation	(B)	Capital formation
	(C)	Investment	(D)	All of the above
4	Which of the following is included in the circular flow of income?			
	(A)	Real flow	(B)	Money flow
	(C)	Both (A) and (B)	(D)	None of these
5	Which of the following is not an example of the final good?			
	(A)	Stationary purchased by school	(B)	Wheat used by the farmers
	(C)	Wheat used by the flour mill	(D)	All of the above
6	Which of the following is not a flow?			
	(A)	Capital	(B)	Income
	(C)	Investment	(D)	Depreciation
7	Semi-finished goods are termed as goods.			
	(A)	Final goods	(B)	Intermediate goods
	(C)	Consumption goods	(D)	Capital goods
8	Which of the following is a factor income?			
	(A)	Old age pension	(B)	Unemployment allowance
	(C)	Interest received by a household from deposit in a bank	(D)	Pocket money
9	Transfer payment is from national income.			
	(A)	Included	(B)	Excluded
	(C)	Both (A) and (B)	(D)	None of the above
10	Which of the following is the definition of a closed economy?			
	(A)	Economy where the money supply is totally controlled by the government	(B)	Economy where neither exports nor imports take place

	(C)	Economy where deficit financing takes place	(D)	Economy where there are no exports to other countries	
11 are those persons who ordinarily reside in a country where they live and whose economic interests lie in that country.				
	(A)	Foreign residents	(B)	Normal residents	
	(C)	Domestic residents	(D)	Permanent residents	
12is the amount of money that is withdrawn from the flow of income.				
	(A)	Leakage	(B)	Injection	
	(C)	Savings	(D)	Investment	
B. Terms / Short Notes / Case Study / Charts / Graphs/ Tables, etc. (Each of 01 mark)					(04)
1	What is disposable income?				
2	What was the theme of International Happiness Day, 2022?				
3	Define stock.				
4	What is real income?				
Q.2	Answer the following.				
1	Differentiate between Dependent and Independent Variables.				(04)
2	What do you mean by domestic income and national income?				(04)
OR					
2	Write a note on HDI.				(04)
Q.3	Answer the following.				
1	Explain the concept of Net Factor Income from Abroad.				(05)
2	Explain the scope of macroeconomics.				(05)
OR					
2	What are the instruments of macroeconomic policy? Explain.				(05)
Q.4	Answer the following.				
1	Calculate GNP at FC: NDP at MP = 25,000 Depreciation = 5,000 Subsidies = 30 Factor income from abroad = 400 Factor income to rest of the world = 600				(06)
2	Explain the income method of calculation of national income.				(06)
OR					
2	Explain circular flow of income in a three-sector economy without financial market.				(06)

*****All the Best*****