

12. Investment is
 (A) the purchase of goods and services
 (B) the purchase of capital equipment and structures
 (C) when we place our saving in the bank
 (D) the purchase of stocks and bonds
13. A expansion of business with the amount put in purchase of Land is Savings
 (A) Agree (B) Disagree
14. Finished Goods are calculated in National Income
 (A) Agree (B) Disagree
15. Economics is the study of
 (A) how society manages its unlimited resources
 (B) how to reduce our wants until we are satisfied
 (C) how to fully satisfy our unlimited wants
 (D) how to avoid having to make trade-offs

Q.2 A) Write short notes on (Each of three mark) (15)

1. Endogenous & Exogenous
2. National Income
3. ex-ante & ex post Variables
4. Stock & Flow Variables
5. Net Domestic Product

Q.3 A) Explain various Macroeconomic aggregate (08)

OR

A) Explain four circular flow of economy (08)

Q.3 B) Mention and explain scope of Macro Economics (07)

OR

B) Explain determinants of consumption spending (07)

Q.4 A) Ronak and Hira are two friends the income & investment details are as follow: (07)

The last year income of Ronak is Rs. 1000000 rs. And current income is 3500000 rs. He use to invest 25000 rs. and with increase in income he invests 40000 rs.

The previous year income of Hira is Rs. 2000000 rs. And current income is 25% more than last year. He use to invest 10% of his income.

Find Investment Multiplier (K) of both the friends.

B) Answer any four from the following (Each of two mark) (08)

1. What are the Keynesian critics of classical system
2. List Macroeconomic goals
3. List Various concepts of national income and explain one of them
4. What are the Issues in macroeconomics
5. Explain Marginal propensity to consume
6. Explain Principle of effective demand