

Name:  
Enrolment No:



UNIVERSITY WITH A PURPOSE

**UNIVERSITY OF PETROLEUM AND ENERGY STUDIES**

**Online End Semester Examination, May/June 2021**

**Program: BA in Public Policy & Administration**  
**Course: Macroeconomics**  
**Course Code: ECON 1010**

**Semester: II**  
**Max. Marks: 100**  
**Duration: 3 Hours**

**SECTION A**

1. Each Question will carry 5 marks.
2. Attempt all the questions. Write very short answer.

S. No	Question	COs
1.	Differentiate between nominal GDP and real GDP.	CO2
2.	What is meant by withdrawals and injections in national income accounting?	CO1
3.	Define the terms inflation, disinflation and deflation.	CO1
4.	Distinguish between autonomous investment and induced investment.	CO2
5.	What is natural rate of unemployment?	CO1
6.	How does the study of macroeconomics help to analyse the economic phenomenon in holistic way?	CO2

**SECTION B**

1. Each Question will carry 10 marks.
2. Attempt all the questions. Write short answer.

7.	Explain Keynes' psychological law of consumption. Explain its importance in the determination of income and employment in the economy.	CO3
8.	What is saving function? Derive a saving function from the consumption function, $C = a + bY$ .	CO2
9.	What do you mean by marginal efficiency of capital? Explain the factors that influence the level of investment in the economy.	CO2
10.	Discuss the causes of unemployment and underemployment in developing countries like India. What policy measures would you suggest to solve the unemployment problem in these countries?	CO4
11.	How will circular income flow in an economy be affected if a country has foreign trade transactions?	CO2

**SECTION C**

1. Each Question will carry 20 marks.
2. Write long answer.

12.	Distinguish between demand-pull inflation and cost-push inflation. How are they often intertwined?	CO4
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