

GURUDAS COLLEGE
INTERNAL ASSESSMENT 2021
ECONOMICS CORE COURSE III: ECO A-CC2-3
Introductory Macro Economics

Full Marks: 10

Group A

1. Choose the correct Answer: (4 out of 5) 1*4=4
- a) Income generated from TATA Industries located within the boundary of Indian territory is part of
 - (i) Indian GDP (ii) Indian GNP (iii) Both (i) and (ii) (iv) None of the Above
 - b) Value added method of national income calculation avoids:
 - (i) Overvaluation of National Income (ii) Undervaluation of National Income (iii) both (i) and (ii) (iv) None of the above
 - c) Basic difference between the Gross Concept and the Net concept lies in :
 - (i) Depreciation (ii) Savings (iii) Investment (iv) None of the above
 - d) The difference between personal income and personal disposable income is :
 - (i) Direct Tax (ii) Indirect Tax (iii) Depreciation (iv) None of the above
 - e) According to Say's Law,
 - (i) Supply creates its own demand (ii) Demand creates its own supply (iii) demand and supply are always equal (iv) None of the above

Group B

2. Answer any two (3*2=6)
- a) What are the basic assumptions of Simple Keynesian model?
 - b) Explain the concept of Value added method of National Income Calculation with an example?
 - c) What do you understand by Paradox of Thrift?