

ECONOMICS (030)

Assignment-4

Chapter 1 of Introductory Macroeconomics: Introduction

Objective Type Questions:

1. Macroeconomics is concerned with:
 - a. The level of output of goods and services in the economy
 - b. The general level of prices
 - c. GDP growth
 - d. All of these
2. Study of general price level is a subject matter of:
 - a. Microeconomics
 - b. Macroeconomics
 - c. Both a and b
 - d. None of these
3. Aggregation is involved in:
 - a. Microeconomics
 - b. Macroeconomics
 - c. Both a and b
 - d. None of these
4. Economic agents include:
 - a. Government
 - b. Consumers
 - c. Producers
 - d. All of these
5. Which of the following statements is associated with general equilibrium analysis?
 - a. Equilibrium in the market of gold ornaments
 - b. Equilibrium across all markets in the economy
 - c. Equilibrium price of good in the competitive market
 - d. None of these

Fill in the blanks:

1. Aggregate demand is not a _____ variable.
2. _____ is related to the economy as whole.
3. Monetary and fiscal policies of the government are a part of _____ analysis.
4. Allocation of resources is the central issue in _____.
5. Determination of overall level of output is the central issue in _____.

SHORT ANSWER QUESTIONS:

1. Define microeconomics and macroeconomics.
2. Aggregation is only involved in macroeconomics. Justify.
3. 'Save more' is always a virtue. (T/F)

4. State the scope of macroeconomics.
5. What is the difference between micro and macro economics?

LONG ANSWER QUESTIONS

1. Describe the Great Depression of 1929.
2. What may happen if savings are encouraged in an economy? Explain.
3. Differentiate between partial and general equilibrium.

Assignments should be neatly done in any copy or loose sheets.

Kindly study **Chapter 2 of Introductory Macroeconomics**: Some Basic Concepts of Macroeconomics

You can refer to these links if you need additional help

<https://www.youtube.com/watch?v=DNbe7sCG5SM>

<https://www.youtube.com/watch?v=gnP1fvD0ldU>

<https://www.youtube.com/watch?v=C94OyAmAGoc&list=TLPQMDgwNTlwMjA7Pu00v95J8A&index=3>