

## ECONOMICS (030)

### Assignment-5

#### Chapter 2 of Introductory Macroeconomics: Some Basic Concepts of Macroeconomics

#### Objective Type Questions:

1. Classification of goods depend on the:
  - a. Consumption of goods
  - b. Production of goods
  - c. First-use goods
  - d. End-use goods
2. Final goods are used by:
  - a. Consumers
  - b. Producers
  - c. Government
  - d. All of these
3. Those goods which satisfy human wants directly are called:
  - a. Intermediate goods
  - b. Consumer goods
  - c. Capital goods
  - d. None of these
4. Factor services rendered by the households to the firms lead to:
  - a. Real flow
  - b. Money flow
  - c. Service flow
  - d. Both (a) and (c)
5. Reason for the circular flow of income is:
  - a. Government intervention
  - b. Production of goods and services
  - c. Mutual interdependence of producer and household sector
  - d. Invention of money

#### Fill in the blanks:

1. Higher production of \_\_\_\_\_ goods leads to higher to higher level of welfare of the economy.
2. \_\_\_\_\_ enhances production capacity in the economy.
3. Loss of value of fixed assets owing to unexpected obsolescence is called \_\_\_\_\_.
4. Electric goods are an example of \_\_\_\_\_.
5. Durable consumption goods have relatively \_\_\_\_\_ value than the single-use consumption goods.

#### SHORT ANSWER QUESTIONS:

1. Define intermediate goods.

2. What is net investment?
3. What is meant by circular flow of income?
4. Define capital loss.
5. Define money flow.

### **LONG ANSWER QUESTIONS**

1. "All machines are not capital goods". Justify.
2. Distinguish between stock and flows. Give an example of each.
3. What are capital goods? How are they different from consumption goods?
4. Between 'investment' and 'capital', which is a stock and which is a flow variable? Explain with an example.

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

Kindly study **Chapter-3 of Indian Economic Development:** Features, Problems and Policies of Agriculture

You can refer to these links if you need additional help

<https://www.youtube.com/watch?v=xtSpBmB6AFU>

[https://www.youtube.com/watch?v=v6y-wIW3\\_VM](https://www.youtube.com/watch?v=v6y-wIW3_VM)

<https://www.youtube.com/watch?v=d-2oVFQWq14>

<https://www.youtube.com/watch?v=vxhKoarBF2A>