Shivaji College, University of Delhi
Department of Economics
Assignment (2023-24)

Name of Course: B.A. (Prog.) Semester: VI
Name of Paper: Principles of Macroeconomics (GE)
Faculty Name: Bhumika Bhavnani
Max. Marks: 10
Date: 22nd March, 2024

Q-1. Compute savings from the following data (all figures are in billion dollars): (3)

Investment = 200
Exports = 100
Imports = 80
Factor Income received from abroad = 30
Factor Payments made to abroad = 10

Q-2. If savings function is $S = -50 + 0.3Y$, what will be the consumption function? (2)

Q-3. Given $C = 100 + 0.5Y$ (5)
$\bar{I} = 80$

(a) Calculate the equilibrium level of income.
(b) What is the level of saving in equilibrium?
(c) If investment increases by 10, what would be the new equilibrium level of income?
(d) What is the value of multiplier?

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