

**SHIVAJI COLLEGE, UNIVERSITY OF DELHI**  
**DEPARTMENT OF ECONOMICS**  
**ASSIGNMENT**  
**(Academic Year: 2023-24)**

Name of the Course	: BA Program	Semester	: II
Name of the Paper	: Introductory Macroeconomics	Faculty Name	: Mr. Rahul
Date of Assignment	: 4 May 2024	Date of Submission	: 7 May 2024
Maximum Marks	: 15		

*All questions are compulsory.*

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**QUESTION-1** **(5 marks)**

What are automatic stabilizers? Give example.

**QUESTION 2** **(5 marks)**

How do desired consumption and desired savings get affected by increase in current income, expected future income and wealth?

**QUESTION 3** **(5 marks)**

Define the expected after tax real interest rate of the tax rate. If the tax rate on interest income declines, what happens to the expected after tax real interest rate?

