

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	: 20		

All questions are compulsory.

QUESTION-1 **(5 marks)**

How does an increase in autonomous spending affect the equilibrium level of income?

QUESTION 2 **(4 marks)**

Define multiplier and balanced budget multiplier.

QUESTION 3 **(4 marks)**

Consider the following Keynesian model of income determination

Consumption function $C = 100 + 0.6Y$

Investment function $I = 60$

QUESTION-4 **(4 marks)**

What is the equilibrium level of income?

QUESTION-4 **(3 marks)**

If investment increases by 10, what would be the change in equilibrium level of income?

