

SHIVAJI COLLEGE, UNIVERSITY OF DELHI  
DEPARTMENT OF ECONOMICS  
INTERNAL TEST (Academic Year 2023-24)

Name of Course: Bcom(p)  
SECTION: B  
Semester: VI  
Name of Paper: Principles of Macro Economics  
Faculty Name: Anshu Chopra  
Duration: 1 Hour  
Marks: 20  
Date of Test: 5/3/24

Q1.

Let  $C=50+0.8Y_d$   
 $I=70$   
 $G=200$   
 $TR=100$   
 $t=0.20$

- a. Calculate the equilibrium level of Income 2
- b. Calculate the Budget surplus. 2
- c. Suppose  $t$  increases to 0.25 what is the new equilibrium Income 2

Q2. Show and graphically explain the impact of increase in government purchases on equilibrium level of income

OR

What is Budget Surplus? Explain and derive the effect of change in government spending on the Budget Surplus . 8

Q3 Using Expenditure Method Calculate

- A) NNPmp 2
- B) NDPmp. 2
- C) NNPfc. 2

1. Government final Consumption expd.	100
2. Indirect Tax	120
3. Subsidies	60
4. Gross Fixed capital Formation	50
5. Change in Inventory.	40
6. Depreciation.	140
7. Private fixed consumption expenditure.	200
8. Exports.	90
9. Imports.	20
10. NFIA.	300



