Shivaji College, University of Delhi
Department of Economics
Internal Test (2023 – 24)

Name of Course : B.A. (Programme) Semester : VI
Name of Paper : Principles of Macroeconomics (GE)
Faculty Name : Bhumika Bhavnani
Duration : 1 hour Maximum Marks : 20 Date of Test : 10th April, 2024

Q-1. Define private saving and write its formula. How is private saving used in the economy? (5)

Q-2. Why are goods and services counted in GDP at market value? Discuss one problem with using market values to measure production. (4)

Q-3. List the four components of total spending in expenditure approach to measuring GDP. Why are imports subtracted when GDP is calculated in the expenditure approach? (4)

Q-4. What is the difference between intermediate and final goods and services? (2)

Q-5. (5)
Consumption = 150
Gross Domestic Product = 202
Government Purchases of Goods & Services = 30
Taxes = 60
Government transfer payments to domestic private sector = 25
Interest payments from government to domestic private sector = 15
Factor income received from rest of world = 7
Factor payments made to rest of world = 9

Find the following –
(a) Net Factor Payments from abroad
(b) Private Saving
(c) Government Saving
(d) National Saving

B. Bhumika