

SHIVAJI COLLEGE, UNIVERSITY OF DELHI
DEPARTMENT OF ECONOMICS
INTERNAL TEST (Academic Year 2023-2024)

Name of the Course	: GE	Semester: II (Section A)
Name of the Paper	: Principles of Macroeconomics	Faculty Name : Nidhi Sehrawat
Duration	: 1 Hour	Maximum Marks: 12
Date of Test	: 23 rd April 2024	

Q1. Suppose you have the following model:

$$C = 10 + 0.50 (Y_d)$$

$$I = 20 + 0.1 Y$$

$$G = 10$$

$$T = 10$$

Find the equilibrium level of income, Investment, consumption and savings.

Q2. Derive the simple multiplier and what is the relationship between marginal propensity to save and value of multiplier?

Faculty Signature:

