

**Marks: 75**

**Principles of Macroeconomics**

1. How purchase and sale can be used as monetary instrument to influence money supply in an economy?
2. Explain the steps involved in value added method of national income accounting.
3. If the consumption function is  $C=50+0.75Y$ . Write the corresponding saving function. At what level of income saving becomes zero?
4. Difference between the induced and autonomous investment.
5. Explain the determination of equilibrium level of GDP using aggregate expenditure approach and saving investment approach in a two sector model economy.