

VST-3C (PRINCIPLES OF MACROECONOMICS_HSS2021) - 3RD SEM B.TECH. - 2021-22C

suraj.k.sahu2002@gmail.com [Switch account](#)

 Draft saved

* Required

Email *

suraj.k.sahu2002@gmail.com

The future value of a deposit in a savings account will be larger when

- ☒ the longer a person waits to withdraw the funds.
- ☐ the higher the interest rate is.
- ☐ the larger the initial deposit is.
- ☐ all the three are correct.

Clear selection



GDP is defined as the

- ☐ value of all goods and services produced within a country in a given period of time.
- ☐ value of all goods and services produced by the citizens of a country, regardless of where they are living, in a given period of time.
- ☒ value of all final goods and services produced within a country in a given period of time.
- ☐ value of all final goods and services produced by the citizens of a country, regardless of where they are living, in a given period of time.

Clear selection

The principle of comparative advantage asserts that

- ☐ not all countries can benefit from trade with other countries.
- ☒ countries can become better off by exporting goods, but they cannot become better off by importing goods.
- ☐ countries can become better off by importing goods, but they cannot become better off by exporting goods.
- ☐ countries can become better off by specializing in what they do best.

Clear selection

Registration Number *

Your answer

 This is a required question



Biswarupa knows that she has about ₹9500 in her bank account. She knows she earned an interest rate of 4 percent compounded annually, but she doesn't remember with how much money she has opened the account with a year ago. How much did she put in?

- ☐ ₹9100.61
- ☐ ₹9120.61
- ☒ ₹9134.61
- ☐ ₹9150.61

Clear selection

If in an year nominal GDP was \$200 billion and the GDP deflator was 200, what was the real GDP?

- ☐ \$50 billion
- ☐ \$75 billion
- ☒ \$100 billion
- ☐ \$125 billion

Clear selection

Which of the following are human capital and physical capital, respectively?

- ☐ for a brick layer: her bricks and her tools
- ☐ for a gas station: the pumps and the cash register
- ☒ for a restaurant: the chefs' knowledge about preparing food and the equipment in the kitchen
- ☐ for a medical office: the building and the doctors' knowledge of medicine

Clear selection



A production possibilities frontier is bowed outward when

- ☐ the unit opportunity cost between the two goods remain constant
- ☒ the unit opportunity cost between the two goods increases
- ☐ the unit opportunity cost between the two goods decreases
- ☐ None of the three

Clear selection

The rise in overall price level in an economy is represented by which economic term?

- ☐ Output growth.
- ☒ Inflation.
- ☐ Recession.
- ☐ Depression

Clear selection

The production possibilities frontier illustrates

- ☐ the combinations of output that an economy can trade with other country.
- ☐ the combinations of output that an economy should consume.
- ☒ the combinations of output that an economy can produce.
- ☐ None of the three

Clear selection



Section *

C

Arun's Ice Cream produces 1120 kg of ice cream per day. Each employed works 7 hours and has productivity of 20 kg an hour. How many employees does Arun's employ?

- ☐ 160
- ☐ 56
- ☒ 8
- ☐ 7

Clear selection

A farmer sells ₹50,000 of apples to individuals who take them home to eat and ₹75,000 of apples to a company that uses them all to produce cider. How much of the farmer's sales will be included as apples in GDP?

- ☐ ₹0
- ☐ ₹ 50,000
- ☐ ₹ 75,000
- ☒ ₹ 1,25,000

Clear selection



Suppose Jim and Tom can both produce two goods: baseball bats and hockey sticks. Which of the following is not possible?

- ☐ Jim has an absolute advantage in the production of baseball bats and in the production of hockey sticks.
- ☐ Jim has an absolute advantage in the production of baseball bats and a comparative advantage in the production of hockey sticks.
- ☐ Jim has an absolute advantage in the production of hockey sticks and a comparative advantage in the production of baseball bats.
- ☒ Jim has a comparative advantage in the production of both baseball bats and hockey sticks.

Clear selection

One way to characterize the difference between compounding and discounting is to say that

- ☐ compounding involves the assumption that the interest rate is zero, whereas discounting does not involve that assumption.
- ☐ discounting involves the assumption that the interest rate is zero, whereas compounding does not involve that assumption.
- ☐ the process of compounding produces a future value, whereas the process of discounting produces a present value.
- ☒ the process of compounding produces a present value, whereas the process of discounting produces a future value.

Clear selection



Suppose a basket of goods and services has been selected to calculate the CPI and 2004 has been selected as the base year. In 2002, the basket's cost was ₹500; in 2004, the basket's cost was ₹520; and in 2006, the basket's cost was ₹546. The value of the CPI in 2006 was

- ☐ 91.6
- ☐ 95.2
- ☒ 105
- ☐ 109.2

[Clear selection](#)

Other things the same, an increase in the interest rate makes the quantity supplied of loanable funds

- ☐ fall, and investment spending rise.
- ☒ fall, and investment spending fall.
- ☐ rise, and investment spending rise.
- ☐ rise, and investment spending fall.

[Clear selection](#)

For the purpose of calculating GDP, investment is spending on

- ☐ stocks, bonds, and other financial assets.
- ☐ real estate and financial assets such as stocks and bonds.
- ☒ capital equipment, inventories, and structures, including household purchases of new housing.
- ☐ capital equipment, inventories, and structures, excluding household purchases of new housing

[Clear selection](#)

A transfer payment is a payment made by

- ☐ consumers, but not in exchange for a tangible product.
- ☐ firms, but not in exchange for capital equipment.
- ☐ foreigners, but not in exchange for a domestically-produced good or service.
- ☐ government, but not in exchange for a currently produced good or service.

What are two major financial markets in an economy?

- ☐ Bank and the mutual fund.
- ☐ Bond market and the stock market.
- ☐ Banks and the stock market.
- ☐ Financial markets and financial intermediaries.

The old saying, "Don't put all your eggs in one basket," is very similar to a modern bit of advice concerning to which financial matters?

- ☐ "Buy very low-risk bonds"
- ☐ "Use a medium of exchange"
- ☐ "Diversification of Risk"
- ☐ "Buy very high-risk bonds"



Who of the following is not included in the Bureau of Labor Statistics' "employed" category?

- ☐ those who worked in their own business
- ☐ those who worked as unpaid workers in a family member's business
- ☐ those waiting to be recalled to a job from which they had been laid off
- ☐ those who were temporarily absent from work because of vacation.

If an American-based firm opens and operates a new watch factory in Ghana, then it is engaging in

- ☐ foreign portfolio investment and such an investment would increase Ghanaian GDP more than it would increase Ghanaian GNP.
- ☐ foreign portfolio investment and such an investment would increase Ghanaian GNP more than it would increase Ghanaian GDP.
- ☐ foreign direct investment and such an investment would increase Ghanaian GDP
- ☐ foreign direct investment and such an investment would increase Ghanaian GNP

When CPI rises, how a typical consumer behaves?

- ☐ Consumer has to spend more dollars to maintain the same standard of living.
- ☐ consumer has to spend fewer dollars to maintain the same standard of living.
- ☐ Consumer finds that her/his standard of living remain unaffected
- ☐ Consumer can offset its effect by saving more.



On a production function, as capital per worker increases, output per worker

- ☐ increases. This increase is larger at larger values of capital per worker.
- ☐ increases. This increase is smaller at larger values of capital per worker.
- ☐ decreases. This decrease is larger at larger value of capital per worker.
- ☐ decreases. This decrease is smaller at larger value of capital per worker.

Branch *

CSIT

The primary economic function of the financial system is to

- ☐ keep interest rates low.
- ☐ provide expert advice to savers and investors
- ☒ match one person's consumption expenditures with another person's capital expenditures
- ☐ match one person's saving with another person's investment

Clear selection

For an economy as a whole, income must equal expenditure because

- ☐ the number of firms is equal to the number of households in an economy.
- ☒ every dollar of spending by some consumer is a dollar of saving by some other consumer.
- ☐ every dollar of spending by some buyer is a dollar of income for some seller.
- ☐ every dollar of saving by some consumer is a dollar of spending by some other consumer.

Clear selection



Assuming the market for loanable funds is in equilibrium. Find quantity of loanable funds supplied if GDP is ₹ 8.7 trillion, consumption spending is ₹ 3.2 trillion, taxes net of transfers is ₹ 2.7 trillion and government purchase is ₹ 3.0 trillion.

- ☒ ₹2.2 trillion
- ☐ ₹2.5 trillion
- ☐ ₹ 3.0 trillion
- ☐ ₹ 3.5 trillion

Clear selection

Consider a small economy in which consumers buy only two goods: apples and pears. In order to compute the consumer price index for this economy for two or more consecutive years, we assume that

- ☐ the number of apples bought by the typical consumer is equal to the number of pears bought by the typical consumer in each year.
- ☒ neither the number of apples nor the number of pears bought by the typical consumer changes from year to year.
- ☐ the percentage change in the price of apples is equal to the percentage change in the price of pears from year to year.
- ☐ neither the price of apples nor the price of pears changes from year to year.

Clear selection



Which of the following is not correct?

- ☒ Countries that have had higher output growth per person have typically done so without higher productivity growth.
- ☐ A country's standard of living and its productivity are closely related.
- ☐ Productivity refers to output produced per hour of work.
- ☐ Increases in productivity can be used to increase output.

Clear selection

Which of the following would not result from all countries specializing according to the principle of comparative advantage?

- ☐ The size of the economic pie would increase.
- ☐ Worldwide production of goods and services would increase.
- ☐ The well-being of citizens in each country would be enhanced.
- ☒ Each country's production possibilities frontier would shift inward.

Clear selection

Suppose that in 2010, the producer price index increases by 1.5 percent. As a result, economists most likely will predict that

- ☐ GDP will increase in 2011.
- ☐ the producer price index will increase by more than 1.5 percent in 2011.
- ☐ interest rates will decrease in the future.
- ☒ the consumer price index will increase in the future.

Clear selection



In the economy of Ukzten in 2010, consumption was \$5300, GDP was \$8800, government purchases were \$1800, imports were \$500, and investment was \$2000. What were Ukzten's exports in 2010?

- ☐ -\$200
- ☐ -\$300
- ☒ \$200
- ☐ \$300

Clear selection

Rajesh owns his own business. Joseph is an unpaid worker in his family's business. Who is included in the Bureau of Labor Statistics' "employed" category?

- ☐ Only Rajesh
- ☐ Only Joseph
- ☒ Both Rajesh and Joseph
- ☐ Neither Rajesh nor Joseph

Clear selection

Name *

Your answer

 This is a required question



Suppose you put ₹350 into a bank account today. Interest is paid @ 6 percent compounded annually. How much you will get after 4 years?

- ☐ ₹414.87
- ☐ ₹434.00
- ☒ ₹441.87
- ☐ ₹481.24

Clear selection

If the consumer price index was 88 in 2009, 95 in 2010, and 100 in 2011, then the base year

- ☐ must be 2009
- ☐ must be 2010
- ☒ must be 2011
- ☐ cannot be ascertained from the given information

Clear selection

Assume the loanable funds market is in equilibrium. Other things the same, an increase in government expenditures with no change in taxes makes national saving

- ☐ rise. The supply of loanable funds curve shifts right.
- ☒ rise. The demand of loanable funds curve shifts right.
- ☐ fall. The supply of loanable funds curve shifts left.
- ☐ fall. The demand of loanable funds shifts left.

Clear selection



Submit

Clear form

Never submit passwords through Google Forms.

This form was created inside of SIKSHA 'O' ANUSANDHAN. [Report Abuse](#)

Google Forms

