

The CPI was 100 in 2016, and 300 in 2019. How much money would you require in 2019 in order to buy what you could have bought with \$400 in 2016?

- ☐ \$1100
- ☐ \$1200
- ☐ \$1300
- ☐ \$1400

Payments towards Social Security measures are included or excluded in GDP computation and why?

- ☐ Included in GDP as it represents current income.
- ☐ Included in GDP as it represents potential consumption.
- ☐ Excluded from GDP as are not private pensions.
- ☐ Excluded from GDP as they do not reflect the economy's production.

In a hypothetical economy for 2019, consumption expenditure by household was \$6000, export sales were \$400, GDP was \$16000, government spending were \$2000, and imports were \$1200. What was investment in 2019?

- ☐ 5200
- ☐ 6600
- ☐ 7800
- ☐ 8800

When there are vacancies in the job market but also high levels of unemployment, then we could say that this unemployment is?

- ☐ Cyclical
- ☒ Structural
- ☐ Seasonal
- ☐ Frictional

Clear selection

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"

An individual decided to deposit Rs 1000 at the end of each year in SBI which pays 6% interest rate compounded annually. If installments are allowed to accumulate, what will be the total accumulation at the end of 10 years?

- ☐ Rs 13183.33
- ☐ Rs 14183.33
- ☐ Rs 15183.33
- ☐ Rs 16183.33

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.

Clear selection

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.

Clear selection

Semester *

- ☐ 3RD

Increase in Govt spending leads to decrease in private investment is termed as

- ☐ Deficit budget
- ☐ Surplus budget
- ☐ Catch-up effect
- ☒ Crowding-out effect

Suppose, a closed economy had public saving of \$2 trillion and private saving of \$4 trillion. What are national saving and investment for this country respectively?

- ☐ \$6 trillion and \$6 trillion
- ☐ \$6 trillion and \$2 trillion
- ☐ \$6 trillion and \$4 trillion
- ☐ \$2 trillion and \$2 trillion

What are two alternative measures of the overall level of prices?

- ☐ The real GDP and nominal GDP.
- ☐ The nominal GDP and the CPI.
- ☐ The PPI and the real GDP.
- ☒ The GDP deflator and the CPI.

Clear selection

In the year 2018 the economy produces 100 pieces of Cakes that sell for Rs 2 each. In the next year economy produces 200 pieces of Cakes that sell for Rs 3 each. Taking 2018 as the base year the value of GDP deflator for 2019 is

- ☐ 433
- ☐ 300
- ☐ 150
- ☐ None

Surya owns a coffee kiosk. All of his employees work 8 hours per day. In 2009, he employed 5 people who produced a total of 900 cups of coffee each day. In 2010, he hired a sixth employee and production increased by 288 cups of coffee each day. In Surya's kiosk, productivity

- ☐ decreased by 9 percent
- ☐ increased by 9 percent.
- ☐ increased by 10 percent.
- ☐ decreased by 10 percent.

Anita is a college student. She takes a full load of classes and has only 5 hours per week for her hobby. Anita is artistic and can make 2 clay pots per hour or 4 coffee mugs per hour. What is Anita's opportunity cost of 10 pots?

- ☐ 2 mug
- ☐ 5 mug
- ☐ 10 mug
- ☒ 20 mug

Clear selection

In a closed economy, if T represents government tax revenue and G represents government spending, what does $(T < G)$ indicate?

- ☐ Surplus budget
- ☒ Deficit budget
- ☐ Balanced budget
- ☐ None of the above

Clear selection

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

- ☒ for an accounting firm: the accountants' knowledge of tax laws and a laptop
- ☐ for a grocery store: grocery carts and shelving
- ☐ for a school: chalkboard and desks
- ☐ for a library: the building and the reference librarians' knowledge of the Internet

Clear selection

Santosh intends to invest a sum of money which will amount to Rs 50,000 in 10 years at 5% interest rate compounded annually. What amount should Santosh invest?

- ☐ Rs 29,690
- ☐ Rs 30,690
- ☐ Rs 31,690
- ☐ Rs 32,690

Which of the following is not considered a factor income?

- ☐ Wage
- ☐ Profit
- ☐ Rent
- ☒ Gift from abroad

Clear selection

In a closed economy, if GDP represented by 'Y', Consumption expenditure by 'C', and Government purchase by 'G', then what does $(Y - C - G)$ represents?

- ☐ Disposable Income
- ☐ Public Saving
- ☐ Budget deficit
- ☐ Investment

Name of the Student *

Your answer

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

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

Clear selection

The price of a pen was Rs. 2 in the 1980. The consumer price index rose from 300 in 1980 to 600 in 2020. How much should the pen cost in today's rupees?

- ☐ Rs 1
- ☐ Rs 5
- ☐ Rs 4
- ☐ Rs 3

The amount today that would be needed, at prevailing interest rate to produce a particular sum in the future is defined as

- ☐ Annual value
- ☐ Future Value
- ☒ Present value
- ☐ Annuity

Clear selection

If government decides to increase the tax on interest income, then what will happen in the loanable funds market?

- ☐ The saving curve would shift right.
- ☒ The investment curve would shift right.
- ☐ The saving curve would shift left.
- ☐ The investment curve would shift left.

Clear selection

The bond that never matures and pays interest forever without repaying the principle amount, called as -

- ☐ Long-term Bond
- ☐ Short-term Bond
- ☐ Junk Bond
- ☒ Perpetuity bond

Clear selection

A steel manufacturing company sells steel to a bicycle company for \$4500. The bicycle company uses the steel to produce a bicycle, which it sells for \$10000. Taken together, these two financial transactions contribute how much to GDP?

- ☐ \$4500
- ☐ \$10000
- ☐ \$14500
- ☐ \$5500

Anil can gather 10 coconuts or catch 1 fish per hour. His friend Sunil can gather 30 coconuts or catch 2 fish per hour. What is Anil's opportunity cost of catching one fish in terms of coconuts?

- ☐ 5
- ☒ 10
- ☐ 15
- ☐ 20

[Clear selection](#)

In a shoe manufacturing unit, each worker works 10 hours per day. If the shoe manufacturing unit's productivity is one shoe per labour hour and it produces 80 shoes a day, then how many workers are working in the shoe manufacturing unit?

- ☐ 7
- ☒ 8
- ☐ 9
- ☐ 10

Real GDP per person is \$30,000 in Country A, \$20,000 in Country B, and \$11,000 in Country C. Saving per person is \$1,000 in all three countries. Other things equal, we would expect that

- ☐ Country A will grow the fastest.
- ☐ Country B will grow the fastest.
- ☐ Country C will grow the fastest.
- ☐ all three countries will grow at the same rate.

If you put Rs. 100 in a bank account today, how much will it be worth in 3 years, if rate of interest is 5% compounded annually?

- ☐ Rs 100.76
- ☐ Rs 114.76
- ☐ Rs 115.76
- ☐ Rs 120.76

Sujit can read 20 pages or write 5 pages per hour. His friend Ajit can read 40 pages or write 10 pages per hour. What is Sujit's opportunity cost of writing one page in terms of reading.

- ☐ 3
- ☐ 5
- ☐ 4
- ☒ 1/4

Clear selection

Which of the following equations represents GDP for an open economy? Where, $Y = \text{GDP}$, $C = \text{consumption expenditure by household}$, $I = \text{investment expenditure by firm}$, $G = \text{Govt. purchase}$, $X = \text{export sales}$, $M = \text{Import payment}$,

- ☐ $Y = C + I + G$
- ☐ $Y = C + I + G + X$
- ☐ $Y = C + I + G + X - M$
- ☒ $Y = C + I + NX$

Clear selection

Section *

Your answer

Unemployment that results from the process of job search, best suitable to workers' tastes and skills is termed as which type of unemployment?

- ☐ Natural rate of unemployment.
- ☐ Cyclical Unemployment
- ☐ Structural Unemployment
- ☒ Frictional Unemployment

Clear selection

I DON'T KNOW ANSWERS ARE CORRECT OR NOT

If a cobbler buys leather for Rs. 100/- and thread for Rs. 50 and uses them to produce and sell Rs 500/- worth of shoes to consumer. The contribution to GDP is how much?

- ☐ Rs 50
- ☐ Rs 100
- ☒ Rs 500
- ☐ Rs 650

Clear selection

If in an year nominal GDP was \$50 billion and the GDP deflator was 50, what was the real GDP?

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

If the nominal interest rate is 20 percent and inflation rate is 10 percent, then the real interest rate is how much?

- ☐ (-)5 percent.
- ☐ (-)10 percent.
- ☐ 10 percent.
- ☐ 30 percent.

