

International Islamic University Chittagong
Department of Economics & Banking
Mid-term Examination; Program: BSS (Hons) in E&B
Semester: Autumn-2023
Course Code: ECON-1201; Course Title: Principles of Macroeconomics
Time: 1.5 Hrs; Marks: 30

(Answer the following questions, Different parts of the same question should be answered serially)

Sl.	Description of Question	Marks	CLOs	Bloom's taxonomy
1.	a) "Macroeconomics is the study of Aggregates"- Discuss. How is macroeconomics different from microeconomics?	4	CLO 1&2	Understanding
	b) Briefly discuss the subject matter of Macroeconomics.	4	CLO 1&2	Understanding
	c) Briefly explain the emergence of Macroeconomics.	2	CLO 1&2	Understanding
2.	a) What is GNP? How is GNP different from GDP? Can they be ever equal? Explain.	3	CLO 3,4&5	Analyzing
	b) How is real GDP different from nominal GDP? In what sense real GDP is a good measure of the economy compared to nominal GDP?	4	CLO 3,4&5	Understanding & Analyzing
	c) If Bangladesh's GDP for 2022 was \$460.20 Billion, which was a 10.55% increase from 2021. It is also known that CPI(Deflator) for 2022 is 12%. Calculate the real GDP for 2022 and comment on the growth rate of GDP.	3	CLO 3,4&5	Analyzing
Or,	a) Briefly discuss the circular flow of income and expenditure among different sectors of an economy.	4		Analyzing
	b) How does the double-counting problem occur? What is the simplest way to avoid it?	3	CLO 3,4&5	Evaluating/ Applying
	c) Consider the following data (measured in thousand-dollar) Net National Product at market price =4400 Depreciation = 500 Home Factors Income at Foreign=220 Foreign Factors Income at Home=70 Government transfers =210 Personal Taxes = 400 Indirect Taxes minus Subsidies=100 Employing the data given above, find out GNP, GDP, NI, and Disposable Income.	3		
3.	a) What does the consumption function show? What are the properties of the Keynesian consumption function?	4	CLO 3&5	Understanding / Applying
	b) You are given the following consumption function- $C = 200 + 0.75Y_d$ Where, C stands for consumption expenditure, and Y_d stands for disposable income i) Interpret autonomous consumption and marginal propensity to consume. ii) Delineate the saving function. iii) Interpret autonomous saving and marginal propensity to save. iv) What will be the APC and APS when disposable income is Tk1000? v) For the above consumption function, show that- $APC + APS = 1$, $MPC + MPS = 1$	6		Applying