GLOBAL COLLEGE INTERNATIONAL

MID-TERM EXAMINATION 2023

BACHELOR OF BUSINESS ADMINISTRATION (BBA)

SEMESTER – II

Name:…………………………………………………………………………….…. Section: …………………….

Subject: Macro Economics Course Code: MGT 425

Full Marks: 100 Time: 3 Hours

SECTION A: MULTIPLE CHOICE QUESTIONS (1 × 15 = 15 MARKS) / (TIME: 15 MINUTES)

*Tick the best answers.*

1. Income method of measurement of national income does not include

a) Income earned from input labor

b) Income earned from the sales of share

c) Income earned in terms of dividend

d) Interest earned from capital

2. Which one of the followings is not macroeconomic goal;

a) Higher economic growth

b) Inflation

c) Full employment

d) Balance development

3. Macro dynamic analysis shows

1. the relationship between macroeconomic variables obtained at a single equilibrium point
2. Compares the relationship between macroeconomic variables obtained at two equilibrium points
3. time path of macroeconomic variables
4. none of the above

4. In order to calculate PI from NI, we should subtract;

a) corporate income tax

b) undistributed profit

c) social security payments

d) all of above

5. The relationship between APC and MPC in Keynesian consumption function is;

a) APC = MPC

b) APC < MPC

c) MPC < APC

d) None of above

6. In Keynesian consumption theory the chief factor that determines consumption expenditure is;

a) Personal income

b) Relative income

c) Permanent income

d) Disposable income

7. According to Keynes what causes changes in inducement to invest by entrepreneur

1. MPC and MEI
2. MEC and MPS
3. MEC and rate of interest
4. MPC and rate of interest

8. The concept of super multiplier is based on the assumption of;

1. Import as a function of income
2. Government expenditure financed by tax revenue
3. Total investment is the sum of autonomous and induced investment
4. All of above

9. Investment multiplier is



10. Under Keynesian consumption function, when income increases;

a) APC declines

b) APS increases

c) MPC remains constant

d) All of above

11. NNP means

a) GDP - Depreciation

b) GNP- depression ,

c) GNP - depreciation

d) GNP –depression

12. Which of the following is not the assumption of classical employment theory?

a) Neutrality of money

b) Wage & price flexibility,

c) long run

d) Involuntary unemployment

13. Classical economists believed on :

a) Full employment

b) minimum role of government,

c) law of diminishing returns in production

d) All of above

14. Deficiency in aggregate demand during depression period leads to;

a) Cyclical unemployment

b) Seasonal unemployment,

c) Open unemployment

d) Structural unemployment

15. In Keynesian theory, output and employment are determined by;

1. Production function
2. Demand for and supply of labor
3. Effective demand
4. Saving and investment equality