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## **ECONOMICS**

# BOOKS - RADHA BHUGANA ECONOMICS (HINGLISH)

## **INTRODUCTION- MACROECONOMICS**

Lets Us Recapitulate

**1.** Identify the following as Microeconomic study or Macreconomic study

Output produced by a cloth mill.



2. Identify the following as Microeconomic study or Macreconomic study

Allocation of resources.

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**3.** Identify the following as Microeconomic study or Macreconomic study

Price determination of gold jewellery.



**4.** Identify the following as Microeconomic study or Macreconomic study

General price level.

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**5.** Identify the following as Microeconomic study or Macreconomic study





7. Identify the following as Microeconomic

study or Macreconomic study

Unemployment in the economy.



8. Identify the following as Microeconomic

study or Macreconomic study

Government budget.

9. Identify the following as Microeconomic

study or Macreconomic study

Growth of resources of an economy.

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**10.** Identify the following as Microeconomic study or Macreconomic study

Sugar industry.

1. According to classical theory an economy

always operates at \_\_\_\_\_ employment level.

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2. \_\_\_\_\_ of 1929 led to persistent fall in output,

employment and income level.

<b>3.</b> According to theory, an economy							
may function at less than full employment							
level.							
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<b>4.</b> theory is based on assumption that							
supply creates its own demand.							
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1. The study of macroeconomics includes

A. (a) theory of employment

B. (b) theory of national income

C. (c) theory of money

D. (d) all of these.

Answer: D

2. Example of microeconomic variables

A. aggregate demand

B. total savings

C. aggregate supply

D. none of these.

Answer: D

3.	Great	depression	of	led	to	fall	in	
output and employment.								
	A. 193	9						
	B. 194	9						
	C. 192	9						
	D. 196	3						
An	swer: (	C						

4. According to classical theory there is always

A. full employment equilibrium

B. over-full employment equilibrium

C. under-full employment equilibrium

D. none of these.

Answer: A



5. Microeconomics is also called

A. theory of income and employment

B. classical theory

C. Keynesian theory

D. price theory.

Answer: D

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6. An example of microeconomic theory :

A. consumer behaviour and demand

B. government budget

C. determination of equilibrium level of

income

D. balance of payments

Answer: A

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7. In microeconomics, there exists :

A. limited aggregation

B. no aggregation

C. vast aggregation

D. none of these.

Answer: A

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**8.** Keynesian school of through advocates possibility of :

A. AD = AS

B. AD > AS

 $\mathsf{C}.\,AD < AS$ 

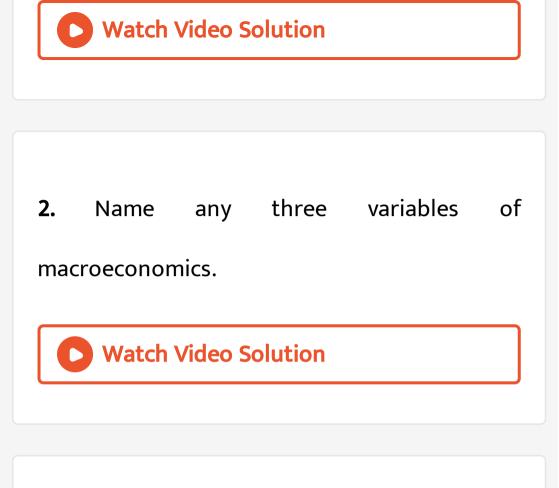
D. all of them.

Answer: D

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**Objective Type Questions** 

**1.** Name any three variables of microeconomics.



#### 3.

Name the branch of economics which deals

with aggregates.

**4.** Identify the following as Microeconomic study or Macreconomic study

Sugar industry.

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## 5.

Which branch of economic solves the problem

of "what, how and for whom" to produce in the

economy?

**Conceptual Questions** 

1. Define microeconomics.

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2. Define macroeconomics

3. Distinguish between microeconomics and

macroeconomics.

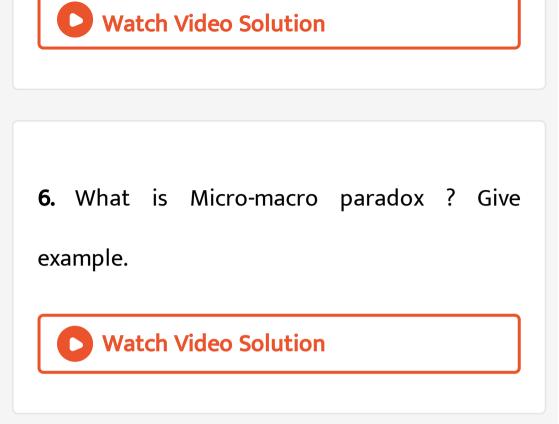
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4. Distinguish between microeconomics and

macroeconomics.



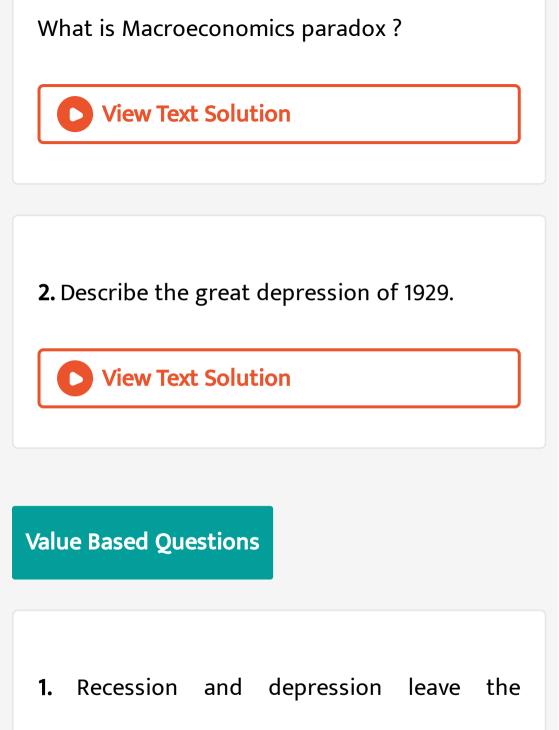
5. Who are economic agents ?



### Hots

1. What is micro-macro paradox ?

Or



economy shattered in the from of falling

income and output levels. What should be the effort of a rational individual to recover economy out of depression ?

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**2.** According to micro-macro parabox, saving is virtue at micro level but at macro level it leads to fall in income. How in your opinion this paradox may be proved wrong ?



1. What are the important features of a

capitalist economy ?

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 Describe the four major sectors in an economy according to the macroconomics point of view.

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