

Name:
Enrolment No:



UNIVERSITY OF PETROLEUM & ENERGY STUDIES
End Semester Examination (Online) – July, 2020

Program: BA (Hons.) in Economics
Subject/Course: Macroeconomics I
Course Code: ECON 1003

Semester : II
Max. Marks: 100
Duration : 3 Hours

IMPORTANT INSTRUCTIONS

1. *The student must write his/her name and enrolment no. in the space designated above.*
2. *The questions have to be answered in this MS Word document.*
3. *After attempting the questions in this document, the student has to upload this MS Word document on Blackboard.*

		Marks	COs
Q.1	If we woke up in the morning and found that nominal GDP had doubled overnight, what statistics would you need to check before you began to celebrate? Why?	20	CO3,CO4
Q.2	Explain Keynes' psychological law of consumption. Explain its importance in the determination of income and employment in the economy.	20	CO3,CO4
Q.3	Explain the concept of full employment. Is it consistent with the existence of natural rate of unemployment?	20	CO3,CO4
Q.4	Do you think that additional money supply in the economy during COVID-19 will lead to inflation? Write your view in against and support of monetary approach of inflation.	20	CO3,CO4
Q.5	Explain how Keynes showed that if all people in a society decide to save more, they may actually fail to do so.	20	CO3,CO4

ANSWERS