ALLAMA IQBAL OPEN UNIVERSITY, ISLAMABAD
(Department of Economics)

Course: Introduction to Macroeconomics (802)   **Semester: Autumn, 2013**
Level: M. Sc. Economics   **Total Marks: 100**
Credit Hours: 03   **Pass Marks: 40**

ASSIGNMENT No. 1
(Units 1–5)

Q. 1 Differentiate between personal income and disposable income. Which of these concepts is more significant from the viewpoint of consumption expenditures? **(20)**

Q. 2 Define multiplier and how the analysis of multiplier is useful in formulating fiscal policy. **(20)**

Q. 3 Compare Classical and Keynesian models of income and output determination. **(20)**

Q. 4 Discuss the impact of Government expenditures on the money supply. **(20)**

Q. 5 Explain why fiscal policy is ineffective if the demand for money is perfectly inelastic? **(20)**

ASSIGNMENT No. 2
Total Marks: 100   **(Units 6–9)**   **Pass Marks: 40**

Q. 1 Explain the basic two approaches for deciding whether to invest or not. **(20)**

Q. 2 Explain the difference between micro and macro analysis of consumer behaviour. **(20)**

Q. 3 Discuss the views of growth of supply side economists. **(20)**

Q. 4 Explain how the aggregate supply and philisps curves are related to each other? **(20)**

Q. 5 Write notes on the following: **(10+10)**
   a) Economic Effects of Inflation in Pakistan
   b) Equilibrium Rate of Growth

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