VIT

Vellore Institute of Technology

(Deemed to be University under section 3 of UGC Act, 1956)

School of Social Sciences and Languages
Continuous Assessment Test II
Fall Semester 2023-24
(B.Tech –All Branches)

Course Code	: BHUM104L	**Duration**	: 90 Minutes.
Course Name	: Macro Economics	**Max. Marks**	: 50 Marks
Class No	: VL2023240104818 VL2023240105681	**Date**	: 21-10-2023
Slot	: G2+TG2	**Time**	: 9:30 AM - 11:00 AM
Faculty-In-Charge	: **Dr. Sriram G** **Dr. Abdhut Deheri**		

Answer All the Questions (5 x 10 = 50 Marks)

Q. No.	Questions	Max. Marks	CO	BL
1.	Using a suitable diagram explain how the equilibrium income is being determined under the Keynesian system in a three-sector model.	10	5	L4
2.	Illustrate the Keynesian consumption function with a suitable diagram.	10	3	L3
3.	Distinguish between static and dynamic multipliers. Why is the tax multiplier always less than the government expenditure multiplier?	5+5 =10	4	L3
4.	Why does the IS curve have a downward slope? Explain it using an appropriate diagram.	10	5	L4
5.	"When interest rates are higher than normal, people demand less money; when interest rates are lower than normal, people demand more money." Do you agree with this statement? Why? Justify your answer with a suitable diagram.	10	6	L5