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**DEPARTMENT OF MANAGEMENT STUDIES**

**QUESTION BANK**

**I SEMESTER**

**1915101 – ECONOMIC ANALYSIS FOR**

**Regulation – 2019**

**Academic Year 2019 - 2020**

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## DEPARTMENT OF MANAGEMENT STUDIES

### QUESTION BANK

**SUBJECT: 1915101 – ECONOMIC ANALYSIS FOR**

**SEM / YEAR: I Semester / I Year**

UNIT – I – INTRODUCTION			
<b>SYLLABUS:</b> Definition of Economics - Micro Vs. Macroeconomics – Fundamental Economic Problem – Production Possibility Curve – Assumptions and Criticism. Economic Systems and Types – Social, Capital and Mixed Economies and its characteristics.			
PART- A			
S.NO	QUESTIONS	BT LEVEL	COMPETENCE
1	How would you define Economics?	Level 1	Remembering
2	Can you explain when scarcity arises?	Level 2	Understanding
3	State the importance of understanding Economic Problem	Level 3	Applying
4	Can you outline difference between Micro and Macro Economics?	Level 4	Analysing
5	What is your opinion of Production-possibility frontier (PPF)?	Level 5	Evaluating
6	In your opinion what are the differences between Productive and Economic Efficiency?	Level 6	Creating
7	How would you explain Economic Growth?	Level 1	Remembering
8	What is meant by 'Efficiency'?	Level 2	Understanding
9	Describe Economic Stability	Level 3	Applying
10	Identify the role of Government in present Economic Scenario	Level 4	Analysing
11	Explain Transformation Curve.	Level 5	Evaluating
12	Write short note on Economic Stability.	Level 6	Creating
13	What are the elements of Economic Growth?	Level 1	Remembering
14	State the reasons for Economic Problem?	Level 2	Understanding
15	What is meant by Mixed Economy?	Level 3	Applying
16	Identify the criticisms of Production Possibility Curve.	Level 4	Analysing
17	Outline the role of Markets in today's economic scenario.	Level 1	Remembering
18	What are the various types of Economic Efficiency?	Level 2	Understanding

19	What are the assumptions of Production Possibility Curve?	www.FirstRanker.com Level 1	www.FirstRanker.com Remembering
20	How would you explain Productive efficiency?	Level 1	Remembering

PART- B			
S.NO	QUESTIONS	BT LEVEL	COMPETENCE
1	Write a detailed note on the nature of Macro Economics.	Level 1	Remembering
2	i) Explain Economic Efficiency. (5Marks) ii) Explain the various types of Economic Efficiency. (8Marks)	Level 2	Understanding
3	How would you show your understanding of “Scarcity and Efficiency are the twin themes of Economics”?	Level 3	Applying
4	i) What is Production Possibility Frontier? (7Marks) ii) Explain the significance of PPF. (6Marks)	Level 4	Analysing
5	Explain the importance of Macroeconomics.	Level 5	Evaluating
6	Government plays a vital role in today’s economic scenario – Discuss	Level 6	Creating
7	‘The markets and government play a significant role for the economy development of a nation’ - Examine	Level 1	Remembering
8	Outline a detailed role of Markets in today’s economy.	Level 2	Understanding
9	i) Explain the concept of Transformation Curve. (7Marks) ii) State the assumptions of the transformation curve. (6Marks)	Level 3	Applying
10	i) Explain the themes of Economics (7Marks) i) Explain how stability in leads to economic growth . (6Marks)	Level 4	Analysing
11	Suggest measures to overcome fundamental economic problems.	Level 1	Remembering
12	Can you explain the fundamental economic problems?	Level 2	Understanding
13	Compare Productive Efficiency Vs Economic Efficiency.	Level 4	Analysing
14	Explain the significance of economic growth and stability and discuss how to attain them.	Level 1	Remembering

PART - C	
S.NO	QUESTIONS
1	The Government suddenly made a “U” turn in its economic policies in 1991, making a fundamental departure from “Nehruvian Policies of Socialism”, even without discussing the issue in the Parliament. Even Communist and Socialist members of the Parliament, and also pro-labor organizations kept quiet – Discuss about these in groups, regarding the significance and implications.

2	<p>The City of Pune has a hundred petrol pumps selling identical products, but owned by different owners. The total market demand is given by <math>Q = 50000 - 20000p</math>. The total supply function is given by: <math>Q = 2500P</math>. One of the Oil companies decided to take over all these pumps. There is no apparent cost advantage because the cost function remains the same, regardless of whether it is one large company or many small ones. The users of petrol are disturbed and annoyed at this because they anticipate exploitation. You are required to calculate the following:</p> <p>i. The price prior to the merger.          ii. The price post-merger.</p> <p>Note that the supply function is nothing but the rising part of the relevant cost function.</p> <p><b>Questions:</b></p> <p>i. If the Government steps in and decides to regulate the price, would you recommend a marginal cost pricing regulation? Why or why not? (8 Marks)          ii. Discuss the ideal market structure, given the nature of the commodity. (7 Marks)</p>
3	<p>Explain as to how the study of Economics helps you in better decision making in scenario?</p>
4	<p>How is this going to help me?          Ms. X wants to be a manager. She enjoyed her accounting, finance and marketing courses. Each of these provided her with some clear cut answer. Now the professor in her economics course is telling her that needs and wants are unlimited and the resource are limited. She comes to school to get an answer on how to be an effective manager, and meeting unlimited needs with limited resource is found to be difficult for her to concentrate.</p> <p><b>Questions:</b></p> <p>i. How would you relieve Ms. X's anxiety? How is the course in going to help her? (8Marks)          ii. How does a course in economics differ from other fields? (7Marks)</p>

## UNIT – II – CONSUMER AND PRODUCER BEHAVIOUR

**SYLLABUS:** Law of Demand and Supply – Assumptions – Determinants – Exceptions – Elasticity of Demand and supply and its types. Consumer Behaviour – Approaches – Law of Diminishing Marginal Utility – Law of Equi Marginal Utility – Indifference Curve Analysis. Producer Behaviour – Production Function – Long run and Short run. Law of Diminishing Marginal returns – Returns to scale – Marginal Rate of Technical Substitution – Co Function – Concepts – Long and short run Cost curves – Economies and Diseconomies of Scale – Concept of Consumer Surplus and Producer Surplus.

### PART- A

S.NO	QUESTIONS	BT LEVEL	COMPETENCE
1	Define Law of Supply.	Level 1	Remembering
2	What is Marginal Rate of Technical Substitution?	Level 2	Understanding
3	List the determinants of Demand.	Level 3	Applying

4	Can you explain Demand Analysis?	www.FirstRanker.com Level 4	www.FirstRanker.com Analysing
5	List the various types of Demand.	Level 5	Evaluating
6	Interpret "Law of Equi Marginal Utility"?	Level 6	Creating
7	Explain consumer behaviour.	Level 1	Remembering
8	Why does the demand curve slopes downwards?	Level 2	Understanding
9	What is elasticity of Demand?	Level 3	Applying
10	State the assumptions of Law of Demand.	Level 4	Analysing
11	Explain what is meant by Diseconomies of Scale?	Level 5	Evaluating
12	List the difference between Law of Demand and Elasticity of Demand	Level 6	Creating
13	How would you define Consumer Surplus?	Level 1	Remembering
14	Differentiate between a Price Elasticity and Income Elasticity of Demand.	Level 2	Understanding
15	Explain Law of Diminishing Marginal Utility.	Level 3	Applying
16	State the factors influencing Market Demand	Level 4	Analysing
17	What are Isoquant Curves?	Level 1	Remembering
18	Write a brief note on 'Market Equilibrium'.	Level 2	Understanding
19	What is meant by Indifference Curve? List the properties of Indifference Curve.	Level 1	Remembering
20	Define Cost Function.	Level 1	Remembering

PART- B			
S.NO	QUESTIONS	BT LEVEL	COMPETENCE
1	How would you classify Demand and discuss the determinants of demand?	Level 1	Remembering
2	i) Explain the Law of Demand and the assumptions.(7Marks)	Level 2	Understanding
	ii) Explain why the demand curve slopes downwards?(6Marks)		
3	Explain the different types of elasticity of demand and list out the various factors determining the elasticity of demand.	Level 3	Applying
4	Explain the Law of Supply and state the assumptions of Law of Supply.	Level 4	Analysing
5	i) What does consumer behaviour deal with? (7Marks)	Level 5	Evaluating
	ii) Discuss the various approaches to Consumer Behaviour. (6Marks)		
6	i) What is Supply Elasticity and explain its types? (7Marks)	Level 6	Creating
	ii) Explain the determinants of Elasticity of Supply. (6Marks)		
	i) Briefly explain Market Equilibrium. (5Marks)		

7	ii) Explain the types of Equilibrium. (8Marks)	Level 1	Remembering
8	Compile the assumptions and properties of Indifference Curve.	Level 2	Understanding
9	i) Describe Marginal Analysis and list its assumptions. (7Marks) ii) Outline the approaches to Marginal Analysis. (6Marks)	Level 3	Applying
10	Describe the relations between production and costs in the short run and long run.	Level 4	Analysing
11	Explain Production Function and the applications of Production Function in Managerial decisions.	Level 1	Remembering
12	What are economies and diseconomies of scale? Explain in detail with suitable examples.	Level 2	Understanding
13	i) What are Isoquant Curves? State its assumptions. (5 Marks) ii) State the various properties of Isoquants. (8 Marks)	Level 4	Analysing
14	i) Discuss the nature of Short-Run and Long- Run Average cost curves. (7Marks) ii) Why is the Long-Run cost curve flatter than Short-Run cost curve? (6Marks)	Level 1	Remembering

PART - C	
S.NO	QUESTIONS
1	Which of the following commodities have most inelastic demand? Give reasons for your answer: i. Soap (5Marks) ii. Salt (5Marks) iii. Penicillin (5Marks)
2	Suppose you are a sales manager of an organization. Explain how the analysis of demand contributes to decision making in the light of the responsibilities of a sales manager.
3	How to determine the demand for FMCG products? Explain your answer with suitable illustration.
4	A controlled economy has a market clearance equations built over years. The policy makers looked at the domestic markets and found that product marketers are almost perfect and that technical rate of substitution has been advantageous. The economic fundamentals were strong enough to open up the economy. There was opposition attributing to inconsistency from outside. The debates were on the following questions: i. What is macro - economic fundamentals? (5Marks) ii. Write short notes on each factor. (5Marks) iii. What if the economy is closed for some time? (5Marks)

**UNIT – III – PRODUCT AND FACTOR MARKET**

**SYLLABUS:** Markets – Definition, types and the role of markets, Market Structure – Characteristics – Perfect and Imperfect Competition – Monopoly – Monopolistic and Oligopoly Markets – Price Fixation. Factor Markets – Factors of Production – Characteristics – Factor market Equilibrium – Determination of Factor price – Theory of Marginal Productivity.

**PART- A**

S.NO	QUESTIONS	BT LEVEL	COMPETENCE
1	Define labor.	Level 1	Remembering
2	What are the different types of markets?	Level 2	Understanding
3	Explain the term Market Structure.	Level 3	Applying
4	List the difference between Perfect Competition and Monopolistic Competition	Level 4	Analysing
5	Can you assess the significance of market efficiency?	Level 5	Evaluating
6	Differentiate between Monopolistic Competition and Monopoly	Level 6	Creating
7	What is meant by Factor Market?	Level 1	Remembering
8	How would you explain Factors of Production?	Level 2	Understanding
9	Explain the Competitive Market	Level 3	Applying
10	How do you define Market?	Level 4	Analysing
11	Outline the concept of Competitive Equilibrium	Level 5	Evaluating
12	How is the demand for Factors of Production determined?	Level 6	Creating
13	What are the determinants of Supply of Factors of Production?	Level 1	Remembering
14	What are the features of a Monopolistic Competition?	Level 2	Understanding
15	How would you show your understanding of firm's equilibrium?	Level 3	Applying
16	What are the factors of market?	Level 4	Analysing
17	How would you explain Marginal Productivity Theory?	Level 1	Remembering
18	Explain Consumer Equilibrium and Producer Equilibrium	Level 2	Understanding
19	How would you explain Market Failure?	Level 1	Remembering
20	What do you mean by Price Leadership?	Level 1	Remembering

**PART- B**

S.NO	QUESTIONS	BT LEVEL	COMPETENCE
1	What are the various methods of improving the efficiency of Competitive market?	Level 1	Remembering
2	i) Differentiate perfect & imperfect market. (6marks)	Level 2	Understanding



	ii) Explain the technique of maintaining the market & firm's equilibrium. (7marks)		
3	How would you show your understanding of the different types of Market Structure?	Level 3	Applying
4	'Market Structures depends on relative cost and demand factors'. Comment. Substantiate your view with valid reasons.	Level 4	Analysing
5	i) Discuss about the interaction of product and market factor? (7marks)	Level 5	Evaluating
	ii) Explain about the producer who will be determining the pricing factors (6marks)		
6	What is your opinion of General equilibrium? Explain in detail.	Level 6	Creating
7	i) Discuss about the factors influencing the price in a perfect market. (6marks)	Level 1	Remembering
	ii) Discuss about the efficiency of competitive market. (7marks)		
8	How would you summarize the essential characteristics of competitive market? Explain how to make such market more efficient.	Level 2	Understanding
9	i) Discuss the determinants of factor price. (7marks)	Level 3	Applying
	ii) Explain characteristics of Monopolistic & Oligopolistic Competition. (6marks)		
10	Narrate how the market and product factor is synchronized to maintain the economic efficiency?	Level 4	Analysing
11	Explain the kinked demand curve. What are the assumptions and criticism of kinked demand curve?	Level 1	Remembering
12	What is imperfect competition? Examine the costs and consequences of it.	Level 2	Understanding
13	i) Define oligopoly. Explain how price & output decisions are taken under oligopoly. (7marks)	Level 4	Analysing
	ii) Compare price and output equilibrium under monopolistic competition with that under perfect competition. (6marks)		
14	Briefly explain the marginal productivity theory of factor pricing. What are its main short comings?	Level 1	Remembering

### PART - C

S.NO	QUESTIONS
1	<p>Perfect competition, monopoly, monopolistic competition and oligopoly are the types of market structures considered in economic analysis. Which of these types would you relate to the following markets?</p> <p>i. Food grains: Rice and Wheat (3Marks)</p> <p>ii. Stock market (3Marks)</p> <p>iii. Market for bus transport in New Delhi (3Marks)</p> <p>iv. Passenger cars (3Marks)</p> <p>v. Confectionary (3Marks)</p>



2	<p>Consider your two favorite soft drinks. Suppose the price of a two-liter bottle of your second choice falls. How much of a price decrease would it take to induce you to substitute the second for your first choice? Estimate the cross elasticity of demand for the drinks. Are they part of the same market?</p>
3	<p>Retail sales at the airports had been growing fast and the sales touched \$27.1 billion in 2007. Such impressive growth made the airport the fastest growing retail channel behind the internet. The increased passenger traffic growth along with the soaring tourists' movements among countries was fueling the growth of airport retailing. But the global economic downturn with increasing oil prices etc. resulted in a rise in air fares, adversely affecting air travel and retail spending at the airports. Whether the airports retailing remain a prominent source of revenue in the global economic downturn remains to be seen.</p> <p><b>Pedagogical Objectives:</b></p> <p>To the dynamics of airport revenues (aeronautical vs. non- aeronautical).</p> <p>To CSFs (critical success factor) of airport retailing.</p> <p>To impacts of the global economic downturn on airport retailing.</p> <p><b>Questions:</b></p> <p>i. What is airport retailing? (8Marks)</p> <p>ii. Discuss the impact of global economic downturn on airport retailing.(7Marks)</p>
4	<p>What is the solution to avoid black marketing of essential goods in short supply?</p>

### UNIT – IV – PERFORMANCE OF AN ECONOMY – MACRO ECONOMICS

**SYLLABUS:** Macro-Economic Components – Household – Firms – Government – Circular Flow of Money in economy. Concept of Macroeconomic Equilibrium. Aggregate Demand and Supply – National Income – Components – Determination and Methods of computing National Income – Multiplier Effect – Fiscal Policy – Role of Government in Macro Economic Equilibrium.

#### PART- A

S.NO	QUESTIONS	BT LEVEL	COMPETENCE
1	What is Gross National Income?	Level 1	Remembering
2	Explain circular flow of income.	Level 2	Understanding
3	Identify the various components of Aggregate Demand.	Level 3	Applying
4	Differentiate between GNP and GDP	Level 4	Analysing
5	State the components of National Income	Level 5	Evaluating
6	Give an account of Multiplier Effect.	Level 6	Creating
7	Define Aggregate Demand.	Level 1	Remembering
8	What are the components of GDP?	Level 2	Understanding
9	How is Fiscal policy effectiveness measured?	Level 3	Applying
10	Classify the various approaches to National Income?	Level 4	Analysing
11	Outline the concept of aggregate supply.	Level 5	Evaluating
12	Explain the term fiscal policy?	Level 6	Creating
13	What does multiplier refer to?	Level 1	Remembering
14	What do you mean by accelerator?	Level 2	Understanding
15	How would you define Effective Demand?	Level 3	Applying
16	Can you explain about the circular flow of economic activity?	Level 4	Analysing
17	Define National income.	Level 1	Remembering
18	What is meant by derived demand?	Level 2	Understanding
19	What is Pump Priming?	Level 1	Remembering
20	Explain Compensatory Spending.	Level 1	Remembering

#### PART- B

S.NO	QUESTIONS	BT LEVEL	COMPETENCE
1	Discuss the theories of Fiscal Policy.	Level 1	Remembering

2	Discuss the methods, factors influencing and components of national income.	Level 2	Understanding
3	What facts would you select to show the causes of unemployment? Discuss the policy measures to solve the unemployment problem.	Level 3	Applying
4	How do different forces interact to determine over all macroeconomics activity? Illustrate.	Level 4	Analysing
5	i) What is expenditure multiplier? (6Marks) ii) What is the role of budget in National Income? (7Marks)	Level 5	Evaluating
6	i) Narrate in detail about macro-economic aggregate and the performance of economy. (6Marks) ii) How do different forces interact to determine over all macro-economic activity? (7Marks)	Level 6	Creating
7	Discuss the compensatory fiscal policy as a device for controlling cyclical fluctuation.	Level 1	Remembering
8	“Decline in aggregate demand leads to an economic downturn”? Explain.	Level 2	Understanding
9	i) Give an account of Fiscal Policy. (6marks) ii) Examine its impact on . (7marks)	Level 3	Applying
10	In developing countries like India there are peculiar difficulties involved in the estimation of National Income- Elaborate.	Level 4	Analysing
11	Explain the various macro-economic factors influencing the performance of an economy.	Level 1	Remembering
12	Demonstrate with suitable illustrations how the national income is determined?	Level 2	Understanding
13	Explain the various macro-economic factors influencing the performance of an economy.	Level 4	Analysing
14	Demonstrate with suitable illustrations how the national income is determined?	Level 1	Remembering

PART - C	
S.NO	QUESTIONS
1	Why do national income accountants include only final goods in measuring GDP for a particular year? Why don't they include the value of stocks and bonds sold? Why don't they include the value of used furniture bought and sold? What are government's fiscal policy options for ending severe demand-pull inflation? Use the aggregate demand- aggregate supply model to show the impact of these policies on the price level. Which of these fiscal policy options do you think a “conservative” economist might favor?
2	‘A strong Fiscal Policy is very important for the economy of a nation.’ i. State and evaluate the problem of time lags in enacting and applying fiscal policy.(5marks) ii. Explain the notion of a political cycle. (5Marks) iii. What is the crowding-out effect & why is it relevant to fiscal policy? (5Marks)
3	Banks are required to maintain reserves. In this context, answer the following questions: i. Why are commercial banks required to have reserves? (3Marks) ii. Explain why reserves are an asset to commercial banks but liabilities to the Federal

	Reserve Banks. <a href="http://www.FirstRanker.com">www.FirstRanker.com</a> <a href="http://www.FirstRanker.com">www.FirstRanker.com</a> (3Marks)
	iii. What are excess reserves? (3Marks)
	iv. How do you calculate the amount of excess reserves held by a bank? (3Marks)
	v. What is their significance? (3Marks)
4	<p>The Government influences investment, employment, output and income through monetary policy. With this respect answer the following:</p> <p>i. What is the basic objective of monetary policy? (5Marks)</p> <p>ii. State the cause-effect chain through which monetary policy is made effective. (5Marks)</p> <p>iii. What are the major strengths and weaknesses of monetary policy? (5 Marks)</p>

### UNIT – V – AGGREGATE SUPPLY AND THE ROLE OF MONEY

**SYLLABUS:** Macro – Economic Variables – Unemployment and its impact – Okun's Law – Inflation and Deflation – Philips Curve – short run and Long run – Recent Government programs towards employment – RBI and Monetary policy to control inflation.

#### PART- A

S.NO	QUESTIONS	BT LEVEL	COMPETENCE
1	What is Inflation Rate?	Level 1	Remembering
2	Can you explain what does Okun's law convey?	Level 2	Understanding
3	What is money market?	Level 3	Applying
4	Examine unemployment tradeoff?	Level 4	Analysing
5	What is meant by Supply curve of money?	Level 5	Evaluating
6	What facts can you compile to explain the term frictional unemployment?	Level 6	Creating
7	Define unemployment.	Level 1	Remembering
8	List the causes of Unemployment	Level 2	Understanding
9	What are the measures for reducing inflation?	Level 3	Applying
10	Define Monetary Policy.	Level 4	Analysing
11	State the objectives of Monetary Policy	Level 5	Evaluating
12	What do you mean by Commercial Papers?	Level 6	Creating
13	Discuss the role of Central Bank.	Level 1	Remembering
14	Differentiate inflation and deflation.	Level 2	Understanding
15	State the functions of Money Market	Level 3	Applying

16	Write short note on Commercial Bills	www.FirstRanker.com Level 4	www.FirstRanker.com Analysing
17	Explain Philip's curve?	Level 1	Remembering
18	State the meaning of cost push inflation?	Level 2	Understanding
19	Discuss demand pull inflation?	Level 1	Remembering
20	Explain Cyclical Unemployment	Level 1	Remembering

PART- B			
S.NO	QUESTIONS	BT LEVEL	COMPETENCE
1	Discuss the causes of unemployment in India.	Level 1	Remembering
2	Explain the impact of unemployment.	Level 2	Understanding
3	What do you understand by inflation?	Level 3	Applying
4	Describe the impact of Unemployment and offer suitable measures to reduce unemployment.	Level 4	Analysing
5	How do different forces interact to determine overall macro-economic activity? –Illustrate	Level 5	Evaluating
6	(i) Explain the concept of Philips Curve.(5 marks) (ii) Discuss Long run and Short run Philip Curve. (8 marks)	Level 6	Creating
7	Discuss the government policies for removing unemployment in India.	Level 1	Remembering
8	Summarize the reasons for inflation and analyze their impact on supply of money.	Level 2	Understanding
9	i) What are the objectives of a Monetary Policy? (7Marks) ii) Examine the limitations of Monetary Policy. (6Marks)	Level 3	Applying
10	What is meant by Supply Side Policy and explain its implications?	Level 4	Analysing
11	How would you explain the impact of monetary policy on the development of a nation's economy?	Level 1	Remembering
12	Discuss the various remedies to check inflation.	Level 2	Understanding
13	i) Explain the various causes of inflation. (7Marks) ii) Explain the effects of inflation on Multidimensional Public. (6Marks)	Level 4	Analysing
14	How would you define Inflation and explain its various types?	Level 1	Remembering

PART - C	
S.NO	QUESTIONS
1	Suppose the government misjudges the natural rate of unemployment to be much lower than it actually is, and thus undertakes expansionary fiscal and monetary policy to try to achieve the lower rate. In the short-run there is probably a tradeoff between unemployment and inflation. The government's expansionary policy should reduce unemployment as aggregate

	<p>demand increases. However, the government has misjudged the natural rate and will continue its expansionary policy beyond the point of the natural level of unemployment. As aggregate demand continues to rise, prices begin to rise. In the long-run, workers demand higher wages to compensate for these higher prices. Aggregate supply will decrease (shift leftward) toward the natural rate of unemployment. In other words, any reduction of unemployment below the natural rate is only temporary and involves a short-run rise in inflation. This, in turn, causes long-run costs to rise and a decrease in aggregate supply. The end result should be equilibrium at the natural rate of unemployment and a higher price level than the beginning level. The long-run Phillips curve is thus a vertical line connecting the price levels possible at the natural rate of unemployment found on the horizontal axis.</p> <p><b>Questions: Use the concept of:</b></p> <p>i) Short-run Phillips Curve to explain why these policies at first succeed. (8Marks)</p> <p>ii) Long-run Phillips Curve to explain the long-run outcome of these policies. (7Marks)</p>
2	<p>In the context of Public Debt policy, answer the following questions:</p> <p>i) What are the two main ways the size of the public debt is measured? (5Marks)</p> <p>ii) Distinguish between refinancing and retiring the debt. How does and internally held debt differ from an externally held public debt. (5Marks)</p> <p>iii) Contrast the effects of retiring internally held debt from externally held debt (5Marks)</p>
3	<p>How can government fiscal policy be used to offset fluctuations in the level of income in the country?</p>
4	<p>“The budget is an instrument for attaining and maintaining full employment with stability” – Elucidate</p>