

1-4-2016

**DOON UNIVERSITY DEHRADUN**  
**MID SEMESTER EXAMINATION**  
**MSC. INTEGRATED . SECOND SEMESTER 2016**  
**SCHOOL OF SOCIAL SCIENCE**  
**COURSE {SSEI-151} MACROECONOMICS II**

Time allowed:-2 hrs.

Maximum Mark:- 30

**Section A**

Short answer type (Attempt all questions.)

(1\*5=5)

1. What is Labour Augmenting?
2. Explain what do you understand by MPK ?
3. What are the three factors that affect the growth of an Economy ?
4. Why do countries with high population have less GDP per worker ?
5. What do you understand by Break Even investment when population and technology are improving?

**Section B**

Medium answer type (Attempt all Questions)

(5\*3=15)

1. Explain with the help of a diagram how Savings affect growth and Steady State ?
2. Discuss the effect of Population growth on Steady State .
3. How can an economy find out Steady State value of k that maximizes Consumption (golden rule steady state) ?

**Section C.**

Long answer type (Answer any one)

(10\*1=10)

1. What might happen when Policy makers choose a steady state with more capital OR less capital than in Golden rule steady state ? Explain your answer .
2. Explain how with the help of Demand [consumption function] and Supply (production function) of goods we can find the output produced and how can it be divided and allocated per worker ?