



VIT

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

REG.NO.:

SCHOOL OF SOCIAL SCIENCES AND LANGUAGES
CONTINUOUS ASSESSMENT TEST - I
FALL SEMESTER 2026-2027

SLOT: C1+TC1

Programme Name & Branch : B.Tech (All)
Course Code and Course Name : BAHUM107 - Macro Economics
Faculty Name(s) : AQUIB PARVEZ
Class Number(s) : VL2026270104563
Date of Examination : 11/08/2026
Exam Duration : 90 minutes **Maximum Marks: 50**

General instruction(s):

- Answer All Questions
- M - Max mark; CO - Course Outcome; BL - Blooms Taxonomy Level (1 - Remember, 2 - Understand, 3 - Apply)
- **CO1**-Explain the nature, scope, and importance of macroeconomics and describe key macroeconomic variables and models of national income measurement.
- **CO2**-Analyze the Classical and Keynesian theories of income and employment, and examine the causes and effects of inflation, deflation, and the Phillips Curve relationship between inflation and unemployment.

Q. No	Question	M	CO	BL																				
1.	Describe the Nature and scope of macroeconomics. Write a critical essay on one macroeconomic variable	10	1	1																				
2.	From the following information, calculate the Gross Domestic product at market price as well as Net Domestic Product at factor cost: <table><tr><th>Items</th><th>Amount (in millions)</th></tr><tr><td>Subsidy</td><td>400</td></tr><tr><td>Sales</td><td>8000</td></tr><tr><td>Depreciation</td><td>300</td></tr><tr><td>Exports</td><td>1000</td></tr><tr><td>Closing Stock</td><td>200</td></tr><tr><td>Opening Stock</td><td>500</td></tr><tr><td>Intermediate Purchases</td><td>5000</td></tr><tr><td>Purchase of Machinery for own Use</td><td>2000</td></tr><tr><td>Import of raw materials</td><td>600</td></tr></table>	Items	Amount (in millions)	Subsidy	400	Sales	8000	Depreciation	300	Exports	1000	Closing Stock	200	Opening Stock	500	Intermediate Purchases	5000	Purchase of Machinery for own Use	2000	Import of raw materials	600	10	1	1
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3.	<table><tr><th>Items</th><th>Amount (in millions)</th></tr><tr><td>Compensation of Employees</td><td>300</td></tr><tr><td>Indirect Taxes</td><td>200</td></tr><tr><td>Consumption of Fixed capital</td><td>100</td></tr><tr><td>Subsidies</td><td>50</td></tr><tr><td>GDP at MP</td><td>600</td></tr></table> a) Estimate the Operating Surplus from the above information. b) What is the domestic income of this economy?	Items	Amount (in millions)	Compensation of Employees	300	Indirect Taxes	200	Consumption of Fixed capital	100	Subsidies	50	GDP at MP	600	5	1	2								
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4.	a) Explain Says law of market. b) What role does wage-price flexibility play in the classical theory of employment and income?	5	2	2																				



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5.	The following information is provided to you: price index has jumped to 150 between two points and the GDP at current prices have grown by 25 percent. With this information, explain why we need GDP deflator?	10	2	1
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