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Using Calculator (No)

University of Palestine



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Using Dictionary (No)

Question One:
True or false:

- 1- Money can be considered a part of the working capital from an economic perspective. ()
- 2- There are only two questions that all economies worldwide have to address when the economic problem occurs.()
- 3- When equilibrium is achieved, there is neither demand surplus nor supply surplus.()
- 4- The circular flow of income does not imply that every dollar spent by someone for purchasing is considered an income for someone else.()
- 5- Net taxes is calculated by deducting the social security payments from the taxes paid to government.()
- 6- Capital Amortization = gross investment + net investment.()
- 7- The main function for saving is: $S = - a + (1 - Y)b$ ()
- 8- The main determinant for the multiplier is the marginal propensity for consumption b.()
- 9- If the economy does not have taxes, then the equilibrium condition in this case would be $S = I + G$ because taxes in this case is zero.()
- 10- When there is a fixed taxes from all employees rich people only will pay all taxes.()

Question two: translate to Arabic:

1- Economy is defined as: the science studying how to employ the economical resources “Production elements” in order to produce goods and services that satisfy the needs of the diverse society members.

2- The answer to the above questions differs from one nation to another, depending on their political and socio-economical situation.

3- Savings: it remaining unspent part of the income for the purpose of spending in the future or may be invested, therefore, this savings would find its way to the financial market.

4- If the fixed taxes increased by 100 Million, then the income would decrease by 400 because the taxes multiplier is(-4).

Question three: answer the following:

1- What we mean by:Production Possibility Curve?

2- Define: Aggregate Demand (AD).

3- Define: Total expenditure.

4- What are the all factors affecting consumption?

Question five:

Referring to the fourth question : Draw a graph showing the first and the new equilibrium income level.

End of Questions
Good Luck