

**Al-Saudia Virtual Academy**  
**Pakistan Online Tuition – Online Tutor Pakistan**

**M.A (PREVIOUS) EMAMINATION 2000**

**“ECONOMICS’.PAPER-V-B. 2000**

**(NATIONAL INCOME ANALYSIS & ACCOUNTING)**

**Time allowed: Three Hours.**

**Max.Marks:100**

Instructions: 1) Attempt any FIVE questions.

2) All questions carry equal marks.

1. Construct a circular flow chart for a four-sector economy, indicating all key flows, variables and markets, and explain.

2. Define Gross national product (GNP) and explain the expenditure approach for measuring GNP. What are the factors that are ignored in it's estimation.

3. Using the following equations:-

$$C = c_0 + c_1 Y_d, \quad 0 < c_1 < 1, \quad c_0 > 0$$

$$Y_d = Y - T$$

$$I = I_0 - b_1 r, \quad b_1 > 0, \quad I_0 > 0$$

$$T = tY, \quad 0 < t < 1$$

$$G = G_0$$

Where C = aggregate consumption spending.

I = aggregate Investment spending.

G = government spending.

T = total tax revenue.

Y = national Income.

Y<sub>d</sub> = disposable personal Income

T = tax rate, C = marginal propensity to consume.

B = marginal propensity to Invest.

r = rate of interest.

C = autonomous consumption spending &

I = autonomous Investment spending.

Find out:

a) The equilibrium level of national Income.

b) Change in national Income when 'b' changes.

c) Change in national Income when G changes.

d)

4. Explain the marginal efficiency of investment theory. How would you relate the marginal efficiency of investment theory with the principle of acceleration?

5. How do economists explain the Short-run and Long-run behaviors of consumption expenditures?
6. Derive and explain the various concepts of income used in national income accounting.
7. Explain the Fundamental idea and components of an input-output table. How is it useful in preparing national income accounts?
8. Discuss the methods of preparation of national income accounting estimates in Pakistan, identifying problems and suggesting solutions.
9. Write a note on any TWO of the following:-
  - a) Static, Comparative static and dynamic analysis.
  - b) Methods of computing price indices.
  - c) Criticism of national income accounting.