

Smt parvatibai Chowgule College of Arts and Science

SYBA- ECONOMICS

Assignment

Last date of submission: 25.08.2008

Max. Marks:10

Instructions: 1. Assignment should be typed using MS word, Times New Roman, 12 font size and double spacing.

2. Assignment should be enclosed with Bibliography.

1. Gross Domestic Product tries to measure everything that appears on the market. But not everything produced in the economy gets onto the market. And there are things that contribute to our economy's wellbeing that aren't even produced.

I. Give minimum ten examples of goods that are produced but don't get onto the market with justification.

II. Explain with the help of minimum five examples of the things that contribute to our economy's wellbeing that aren't even produced.

2. "Rita's consumption spending is greater than Brenda's. Yet if both were given Rs. 1000 for consumption, than Rita would spend less of Rs. 1000 as compared to Brenda". Keynes believed that consumption behaviour reflects a psychological law that consumption spending to absolute levels of our income.

I. Which law supports this example and why.

II. Bring out the limitations and assumptions of the law.

3. List of references:

I. Gotthell Fred, Principles of Macroeconomics, South- Western College Publishing, 1999.

II. Farmer, E.A. Roger, Macroeconomics, 2nd Edition, Thomson, south-Western, Asia, Singapore, 2002.

III. Salvatore and Diulio, Principles of Economics, Second Edition, Schaum's Outlines, Tata Macgraw hill, 2004.

IV. Gregory and Ruffin, Basic Macroeconomics, Scott, Foresman and company,
USA,