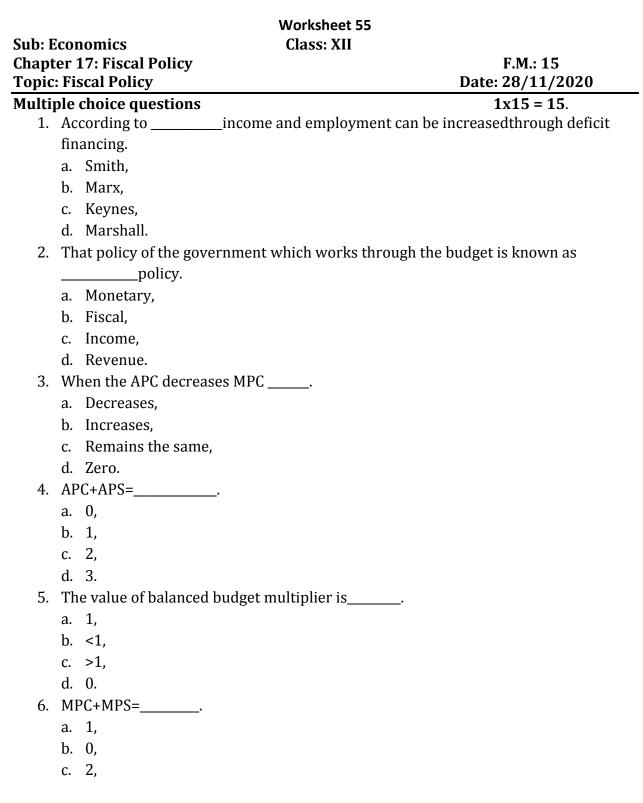


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d. 3.

- 7. The objective of anti-inflationary fiscal policy is to reduce______.
 - a. Aggregate demand,
 - b. Rate of interest,
 - c. Supply of money,
 - d. National income.
- 8. Inflation is a process through which ______increases continuously.
 - a. Money supply,
 - b. Price level,
 - c. Production,
 - d. Income level.
- 9. If MPC=0.6 then the value of MPS=____.
 - a. 0.6
 - b. 0.4
 - c. 1.6,
 - d. 0.36.

10. If in the budget total revenue is less than total expenditure it is known as

- _____budget.
- a. Surplus,
- b. Deficit,
- c. Balanced,
- d. Capital.
- 11. If APC =0.5 then APS will be _____.
 - a. 0.5,
 - b. 0.1,
 - c. 1,
 - d. 0.25.

12. To control inflation, inflationary gap should be _____.

- a. Increased,
- b. Reduced,
- c. Zero,
- d. Maximum.
- 13. Autonomous investment curve will be _____.
 - a. Upward rising,
 - b. Downward sloping,
 - c. Horizontal,
 - d. Vertical.
- 14. The relation between consumption expenditure and income is known as ______ function.
 - a. Demand,

- b. Consumption,
- c. Utility,
- d. Cost.
- 15. If MPC= 0.5, then MPS =_____.
 - a. 0.5,
 - b. 0.4,
 - c. 1,
 - d. 0.6.

Debaleena Ganguly.

28.11.2020