(iii) J. M. Keynes

(iv) None of them

(b) National income is

   (i) NDP at factor cost

   (ii) NNP at factor cost

   (iii) NNP at market price

   (iv) GNP at factor cost

(c) What is effective demand?

(d) Average propensity to consume (APC) =

   (i) $\Delta C / \Delta Y$

   (ii) C / Y

   (iii) Y / C

   (iv) $\Delta S / \Delta Y$

(Continued

(e) If MPC = 0·80, then the value of investment multiplier is

   (i) 4

   (ii) 8

   (iii) 5

   (iv) None of the above

(f) Permanent income hypothesis was given by

   (i) Milton Friedman

   (ii) James Duesenberry

   (iii) J. M. Keynes

   (iv) Modigliani

(g) Shape of the CM curve during depression is

   (i) horizontal to x-axis

   (ii) vertical to x-axis

   (iii) upward sloping

   (iv) downward sloping

(Turn Over)