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Daffodil International University
Faculty of Business & Entrepreneurship
Department of F&B
Program: BBA in F&B

Semester: Fall-2026
Time: 90 minutes

Examination: Midterm
Full Marks: 25

Course Code: 0311-202
Course Title: Macroeconomics
Teachers' Initial: SKH

Answer all the following questions sequentially:

1. Due to a global financial slowdown, exports of a country fall sharply. Manufacturing output declines, factories reduce working hours, and unemployment rises significantly. Consumer confidence also weakens.
Which phase of the business cycle is described here? Identify two macroeconomic objectives affected negatively. 5 (CLO 1, Level 2)

2. a. "GDP is not a well measure in the context of social welfare" - Do you **agree** with the statement? **Explain** with example and logical support for your answer. 4 (CLO 3, Level 5

b. Suppose Bangladesh produces only three goods: Rice, Fish and Shirts. For simplicity, suppose that the prices and quantities sold in 2023 and 2024 were as follows:

Year	Rice		Fish		Shirt	
	Price (Taka)/KG	Quantity (In KG)	Price (Taka/ KG)	Quantity (in KG)	Price (Taka/piece)	Quantity (in number)
2023	60	500	1000	400	700	800
2024	70	520	1200	450	750	950

Determine the values of: 6 (CLO 3, Level 5)

(i) Nominal GDP for both the years 2023 and 2024
(ii) Considering base-year 2023, GDP deflator for each year and interpret your result.

3. a. In a growing economy, household and firms are working, where, households save part of their income in banks. Banks then lend this money to firms for investment. **Analyze** the following situation:
(i) Leakages and injections using the case mentioned.
(ii) The condition for equilibrium in the circular flow model. 6 (CLO 2, Level 4)

b. Consider that a country has no government and no export. People's consumption expenditure is Taka 700 when they have no income. When their income increases by Taka 100, their consumption increases by Taka 80. Investment level is Taka 50. In such a two-sector economy, how can you **estimate** GDP of this country? 4 (CLO 2, Level 4)

804