



BERJAYA BUSINESS SCHOOL

FINAL EXAMINATION

Student ID (in Figures) :

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Student ID (in Words) : _____

Subject Code & Name : **DBM1303 MACROECONOMICS**
Semester & Year : January –April 2017
Lecturer/Examiner : Foo Yuen Ling
Duration : 2 Hours

INSTRUCTIONS TO CANDIDATES

1. This question paper consists of 2 parts:
PART A (60 marks) : Answer all FIVE (5) short answer questions.
PART B (40 marks) : Answer all FOUR (4) structured questions.
Answers are to be written in the Answer Booklet provided.
2. Candidates are not allowed to bring any unauthorized materials except writing equipment into the Examination Hall. Electronic dictionaries are strictly prohibited.
3. This question paper must be submitted along with all used and/or unused rough papers and/or graph paper (if any). Candidates are NOT allowed to take any examination materials out of the examination hall.
4. Only ballpoint pens are allowed to be used in answering the questions, with the exception of multiple choice questions, where 2B pencils are to be used.

WARNING: The University Examination Board (UEB) of BERJAYA University College of Hospitality regards cheating as a most serious offence and will not hesitate to mete out the appropriate punitive actions according to the severity of the offence committed, and in accordance with the clauses stipulated in the Students’ Handbook, up to and including expulsion from BERJAYA University College of Hospitality.

Total Number of pages = 4 (Including the cover page)

PART A : Answer ALL the Short answer questions (60 MARKS)
INSTRUCTION(S) : Answer all the FIVE (5) questions on the answer sheet provided.

Question 1

- (a) Define real gross domestic product (GDP). (2 marks)
- (b) List **FIVE (5)** factors that influence the standard of living and are not part of GDP. (10 marks)

(Total : 12 marks)

Question 2

- (a) State **FOUR (4)** macroeconomic factors that are key indicators of economic performance. (4 marks)
- (b) List **FOUR (4)** variables involved for the circulation in macroeconomics. (4 marks)
- (c) Briefly explain the term “recessions”. (4 marks)

(Total : 12 marks)

Question 3

- (a) Distinguish between finance and money. (8 marks)
- (b) State **FOUR (4)** main factors that affect the quantity of money that people plan to hold. (4 marks)

(Total : 12 marks)

Question 4

- (a) State **TWO (2)** factors that will cause the labor demand curve to shift to the right. (4 marks)
- (b) List **FOUR (4)** factors that shift aggregate labor supply curve to the left. (8 marks)

(Total : 12 marks)

Question 5

- (a) State the requirement for an equilibrium in goods market. (2 marks)
- (b) Briefly explain the reason for a saving curve to slope upward. (2 marks)
- (c) List **FOUR (4)** determinants that will cause the desired national saving to rise. (8 marks)

(Total : 12 marks)

END OF PART A

PART B : Answer ALL the Structured questions (40 MARKS)
INSTRUCTION(S) : Answer all FOUR (4) questions. Write your answers in the Answer Booklet(s) provided.

Question 1

- (a) Briefly explain “natural unemployment” (4 marks)
- (b) List the indication of the unemployment rate. (2 marks)
- (c) State **TWO (2)** reasons that the unemployment rate is an imperfect measure. (6 marks)

(Total : 12 marks)

Question 2

When aggregate demand changes, the aggregate demand curve shifts. Explain **THREE (3)** factors for the aggregate demand curve to shift upward.

(Total :12 marks)

Question 3

Explain the following:

- (a) Demand- pull inflation (4 marks)
- (b) Cost-push inflation (4 marks)

(Total : 8 marks)

Question 4

- (a) If the money multiplier is 3x, calculate the change in monetary base that can increase the quantity of money to RM450,000. (4 marks)
- (b) Calculate the change in quantity of money if you are informed that the money multiplier is 2.5x and a decrease in monetary base of RM100,000. (4 marks)

(Total : 8 marks)

END OF EXAM PAPER