

INTERACTIVE WORKSHEETS

CLASS: 12TH

SUBJECT: ECONOMICS

TOPIC: INVESTMENT MULTIPLIER

- 1- Keynes discusses equilibrium level of output, using the concept of:
 - (a) Autonomous investment
 - (b) Induced Investment
 - (c) Both (a) and (b)
 - (d) None of these

- 2- Investment which is independent of the level of income is called:
 - (a) Autonomous investment
 - (b) Induced investment
 - (c) Fixed investment
 - (d) Inventory investment

3- Multiplier =

(a) $\frac{\Delta Y}{\Delta S}$

(b) $\frac{\Delta Y}{\Delta I}$

(c) $\frac{\Delta I}{\Delta Y}$

(d) $\frac{\Delta Y}{\Delta C}$

4- If MPC = 0.9, then value of multiplier will be:

(a) 6

(b) 9

(c) 10

(d) 12

5- Multiplier is estimated as:

(a) $\frac{1}{MPC}$

(b) $\frac{1}{1-MPC}$

(c) $\frac{1}{1+MPC}$

(d) $\frac{1}{1-MPS}$

6- If $MPS = \frac{1}{4}$, the value of multiplier will be:

- (a) 4
- (b) 2
- (c) 8
- (d) 6

7- If $MPC = 0$, the multiplier will be:

- (a) 1
- (b) 0
- (c) 2
- (d) ∞

8- If MPS decreases, the value of the multiplier will:

- (a) Increase
- (b) Decrease
- (c) Remain constant
- (d) Decrease as much as the decrease in MPS

9- If $MPC = MPS$, the value of multiplier will be:

- (a) 0
- (b) 1
- (c) 2
- (d) ∞

10- If entire additional income is converted into additional consumption, the value of multiplier will be:

- (a) 2
- (b) 0
- (c) 1
- (d) ∞