COURSE CODE : DDWG 1423
KOD KURSUS

COURSE NAME : FOUNDATION/PRINCIPLES OF MACROECONOMICS
NAMA KURSUS : ASAS-ASAS/PRINSIP MAKROEKONOMI

YEAR / PROGRAMME : 1 DDWG/2DDWW
TAHUN / PROGRAM

DURATION : 3 HOURS (INCLUDING SUBMISSION HOUR) – REFER ATTACHMENT 1
TEMPOH 3 JAM (TERMASUK MASA PENGHANTARAN) – RUJUK LAMPAIRAN 1

DATE :OCTOBER 2020
TARIKH OKTOBER 2020

INSTRUCTION / *ARAHAN:*

1. Answer **ALL** questions and write your answers on the answer sheet.
   *Jawab **SEMUA**soalan dan tulis jawapan anda pada kertas jawapan.*

2. Write your name, matric no., identity card no., course code, course name, section no. and lecturer's name on the first page (in the upper left corner) and every page thereafter on the answer sheet.
   Tulis nama anda, no. matrik, no. kad pengenalan, kod kursus, nama kursus, no. seksyen dan nama pensyarah pada muka surat pertama(penjuru kiri atas)kertas jawapan dan pada setiap muka surat jawapan.

3. Each answer sheet must have a page number written at the bottom right corner.
   Setiap helai kertas jawapan mesti ditulis nombor muka surat pada bahagian bawah penjuru kanan.

4. Answers should be handwritten, neat and clear.
   Jawapan hendaklah ditulis tangan, kemas dan jelas menggunakan huruf cerai.

This examination paper consists of **10** pages including the cover.
*Kertas soalan ini mengandungi **10** muka surat termasuk kulit hadapan.*

INSTRUCTION: ANSWER ALL QUESTIONS [60 MARKS/*MARKAH*]

[ARAHAN : JAWAB SEMUA SOALAN]

Q1. The table below shows an income data in two countries at last year.

[Jadual di bawah menunjukkan data pendapatan bagi dua buah negara pada tahun lepas.]

Item / [Item]	Amount in RM billion	
	Rukuland	Bearyland
Corporate profit / [Keuntungan korporat]	764	825
Wages paid to labour / [Bayaran upah kepada buruh]	4350	4,981
Net income from abroad / [Pendapatan bersih luar negara]	-63	-45
Corporate taxes / Cukai korporat	135	148
Net interest / [Bunga bersih]	386	449
Rental income / [Pendapatan sewa]	327	163
Proprietor income / [Pendapatan persendirian]	853	577
Depreciation / [Susutnilai]	34	58
Personal taxes / [Cukai individu]	432	385
Transfer payment / [Bayaran pindahan]	312	274
Retained profit / [Keuntungan tertahan]	88	56
Social security contributions / [Sumbangan keselamatan social]	174	165

Based on data above, calculate:

[Berdasarkan data di atas, hitung:]

a.   National income for each countries

     [Pendapatan negara bagi setiap negara]   **(4m)**

b.   Disposable income for each countries

     [Pendapatan boleh guna bagi setiap negara]   **(4m)**

c.   Compare national income and disposable income and comment on the differences between two countries.

     [Bandingkan pendapatan negara dengan pendapatan boleh guna dan komen perbezaan antara dua buah negara.]   **(2m)**

Q2 John Maynard Keynes designated the tendency of consumption varying directly with variations in disposable personal income as the 'fundamental psychological law'. According to this law, 'a person would increase his consumption as the income increase, but the expenditure would be less than the increase in the income.' This means that consumers will spend only a part of the increase in their income and save the rest.

[John Maynard Keynes menetapkan kecenderungan pemakaian yang bervariasi secara langsung dengan variasi dalam pendapatan peribadi boleh guna sebagai 'undang-undang psikologi asas'. Menurut undang-undang ini, 'seseorang akan meningkatkan penggunaannya apabila ada kenaikan pendapatan, tetapi perbelanjaannya akan kurang dari peningkatan pendapatan.' Ini bermaksud pengguna hanya akan membelanjakan sebahagian dari peningkatan pendapatan mereka dan menyimpan selebihnya.]

a. List FOUR (4) non-income determinants that can change the consumption and savings function.

[Senaraikan empat (4) faktor selain pendapatan yang akan mempengaruhi fungsi dalam penggunaan dan simpanan.]

(2m)

b. Answer all the following questions below based on the graph provided.

[Jawab semua soalan dibawah berdasarkan graf yang disediakan.

Injections/Leakages/

[Suntikan/Bocoran]
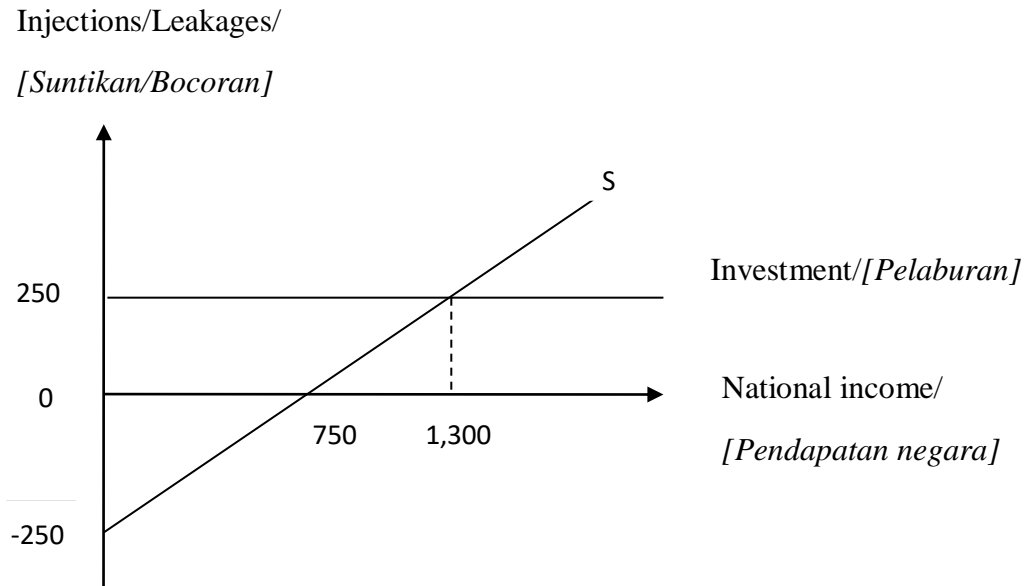
i. Calculate the value of average propensity to save (APS) and average propensity to consume (APC) at an income of RM570.

[Kira nilai kecenderungan menabung purata dan kecenderungan mengguna purata pada tingkat pendapatan RM570.]

(1m)

ii. Formulate saving function and consumption function

[Bentukkan fungsi tabungan dan fungsi penggunaan.]

(1m)

iii. Calculate the value of marginal propensity to save (MPS) and marginal propensity to consume (MPC).

[Kira nilai kecederungan menabung sut dan kecederungan mengguna sut.]

(1m)

iv. Assume that government spending is RM100 million, tax is RM10 and investment is RM50 million. If there is a decrease in government spending by 20%, what is the new national income equilibrium?

[Jikan berlaku penurunan pada perbelanjaan kerajaan sebanyak 10%, apakah keseimbangan pendapatan negara yang baru?

(5m)

Q3. The table shows the money supply of country X for December 2018.

[Jadual menunjukan penawaran wang negara X bagi Disember 2018]

Items *[Item]*	RM Million *[RM juta]*
Coins *[Syiling]*	10,000
Currency in circulation *[Matawang dalam edaran]*	87,000
Demand deposits of the private sector *[Deposit permintaan sektor swasta]*	192,000
Savings and deposits in commercial banks *[Simpanan dan deposit bank perdagangan]*	285,000
Negotiable Certificate Deposit (NCD), Repurchase Agreement (REPO) and BNM certificates *[Sijil deposit bolehubah, Perjanjian pembelian semula, sijil BNM]*	150,000
Deposits placed with other banking institutions *[Deposit oleh institusi kewangan lain]*	15,600

Based on the given data, calculate the value of:

[Berdasarkan data yang diberikan, kira nilai;]

a. Paper money *[Wang kertas]* **(2m)**

b. *M1 [Penawaran wang, M1]* **(2m)**

c. *M2 [Penawaran wang, M2]* **(2m)**

d. M3 *[Penawaran wang, M3]* **(2m)**

e. *Broad quasi money [Separuh wang secara luas]* **(2m)**

Q4. The following data shows the production possibilities of the two countries before specilization.

[Data berikut menunjukkan kemungkinan pengeluaran dua buah negara sebelum pengkhususan].

Country [Negara]	Motocycles (unit) [Motosikal]	Bicycles (unit) [Basikal]
Malaysia	660	510
Singapore	150	500

a. Which country has an absolute advantage in the production of bicyles?

[Negara manakah yang mempunyai faedah mutlak dalam pengeluaran basikal?]   **(1m)**

b. Calculate the opportunity cost of producing each product in each country.

[Kira kos lepas dalam pengeluaran setiap barang bagi setiap negara].   **(3m)**

c. In the production of which goods do Malaysia and Singapore have comparative advantage?

[Dalam pengeluaran apakah Malaysia dan Singapore mempunyai faedah berbanding?]   **(2m)**

d. Which country will import motorcyle? Explain.

[Negara manakah yang akan mengimport motosikal? Terangkan]   **(2m)**

e.   Suggest the possible term of trade that will benefit both country.

[Cadangkan kemungkinan kadar petukaran yang akan memberikan faedah kepada kedua-dua negara.]

(2m)

Q5.   The following schedule shows the amount of tax by individuals in three countries at different income level.

[Jadual berikut menunjukkan bayaran cukai yang dikenakan kepada tiga individu bagi tiga buah negara yang berlainan tingkat pendapatan.]

Country [Negara]	Original income level [Tingkat pendapatan asal]	New income level [Tingkat pendapatan baharu]	Original tax paid [Bayaran cukai asal]	New tax paid [Bayaran cukai baharu]
Calcutta	RM12,000	RM18,000	RM1,320	RM2,340
Busan	RM10,000	RM15,000	RM1,500	RM2,250
Genoa	RM1,3000	RM16,000	RM1,300	RM1,440

a.   Determine the tax structure adopted by each country

[Tentukan struktur cukai yang diamalkan oleh setiap negara].

(6m)

b.   Define what is an automatic fiscal policy and describe how it help solve current economic problems.

[Terangkan apakah dasar fiscal automatik dan huraikan bagaimana ia akan menyelesaikan masalah ekonomi semasa].

(4m)

Q6. The Covid-19 pandemic crisis which has strucked the world early this year has caused many countries to implement the Movement Control Order (MCO) to stop its widespread and to break the covid-19 chain. In Malaysia, the government has implemented the MCO starting on 18 March 2020, which is mandatory for the general public to stay home except for essential services. Discuss the negative impact of the MCO implementation on the economy towards household, firms, government and international trade. Deliberate about the steps taken by the government to mitigate the economic burden of all parties.

[Wabak Covid-19 yang melanda seluruh dunia awal tahun ini meyebabkan banyak negara melaksanakan sekatan perjalanan dan kawalan pergerakan (PKP) demi untuk memutuskan rantaian jangkitan wabak itu. Di Malaysia, kerajaan telah melaksanakan PKP bermula 18 Mac 2020 yang menghendaki orang ramai duduk rumah kecuali yang melibatkan urusan penting. Bincangkan kesan negatif perlaksanaan PKP terhadap isi rumah, firma, kerajaan dan perdagangan antarabangsa. Huraikan langkah yang telah dilaksanakan oleh kerajaan untuk membantu meringankan beban ekonomi yang ditanggung oleh semua pihak.]

(10m)

END OF QUESTIONS/*SOALAN TAMAT*