

National Income Short Questions

1996

Assuming that in the Irish economy,  $MPS = 0.26$ ,  $MPT = 0.24$  and  $MPM = 0.4$ , by how much would national income increase if there were an injection of £10 million into the economy ?

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.....  
.....

(16 marks)

2000

The '**black economy**' is defined as

.....  
.....  
.....

(16 marks)

2002

From the table below, calculate (i) and (ii), showing all your workings.

Period	National Income	Consumption	Investment	Exports	Imports
1	€4,200	€3,750	€400	€600	€550
2	€4,600	€4,050	€500	€700	€650

(i) The Marginal Propensity to Consume.

.....  
.....

(ii) The size of the Multiplier.

.....  
.....

(17 marks)

Explain why GNP rather than GDP (both at Market Prices) is generally regarded as a better measure of average standard of living in Ireland.

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(17 marks)

2004

Define the 'Black Economy' (also referred to as the 'Underground Economy') and state ONE example to support your definition.

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Example: \_\_\_\_\_ (16 marks)

2010

It is estimated that in the Irish economy:  
MPS = 0.25, MPM = 0.3, MPT = 0.2. Calculate the value of the Multiplier in the Irish economy.  
Explain the economic meaning of the Multiplier figure. (See Formulae and Tables Booklet p.29)  
**Show your workings.**

Workings
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**Answer:** \_\_\_\_\_

**Explanation:** \_\_\_\_\_

\_\_\_\_\_

(17 marks)

**2012**

Outline **two** reasons for the growth of the 'Black Economy' **and** state **two** effects for the Exchequer.

**Reason 1:** \_\_\_\_\_

**Reason 2:** \_\_\_\_\_

**Effect 1:** \_\_\_\_\_

**Effect 2:** \_\_\_\_\_

**(16 marks)**

Study the table below and calculate **(i)** and **(ii)**, showing all your workings.

Year	National Income	Consumption	Investment	Exports	Imports
1	€24,000	€15,000	€6,000	€10,000	€7,000
2	€34,000	€22,000	€8,000	€16,000	€12,000

**(i)** The Marginal Propensity to Save (MPS).

**Answer:** \_\_\_\_\_

**(ii)** The size of the Multiplier.

**Answer:** \_\_\_\_\_

**(17 marks)**

**2013**

Define the term 'Average Propensity to Consume' (APC) **and** calculate the APC for 2012 from the information below. (Show your workings.)

WORKINGS
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Year	Disposable Income	Savings
2012	€34,000	€5,200

**Definition:** \_\_\_\_\_

**Answer:** \_\_\_\_\_

**(17 marks)**