

Micro and Macro - R & U - Reason-Based Questions

Q.1. Study of cotton textile industry is a macroeconomic study.

Ans. False. Cotton textile industry is an individual industry. Hence, it is a microeconomic study.

Q.2. Problem of unemployment in India is a macroeconomic study.

Ans. True. Problem of unemployment in India is an economic issue related to the economy as a whole. Hence, it is a macroeconomic study.

Q.3. Aggregation is involved only in macroeconomics.

Ans. False. Both micro and macro economics involve aggregation. The difference lies in the degree of aggregation. While in microeconomics, aggregation is at the level of an individual industry (which is the aggregate of all firms producing a particular commodity), in macroeconomics, aggregation is done at the level of an economy as a whole.