

IL BBA 110 PRINCIPLES OF ECONOMICS (MACRO)

UNIT – I

a. Introduction to Macro Economics Definition, Scope, Importance and Limitations of Macro Economics

b. National Income (NI) Accounting:

Meaning of NI and Circular Flow of NI (in Four sector economy) Stock and flow concept, NI at Current Price and NI at Constant Price

Various concepts of NI (GNP, GDP, NNP, NDP), Personal Income, Disposable Income

Methods for measurement of NI Difficulties in measurement of NI

UNIT – II

Theory of Income and Employment Keynes' consumption function Investment function

Keynesian theory of income and employment, Investment multiplier

Interest rate theory – Liquidity Preference Theory

UNIT – III

a. Money

Definition and Functions Stocks of Money (M1, M2, M3 and M4), Credit creation by Commercial Banks

b. Inflation: Meaning of inflation, Deflation, Stagflation and Causes of inflation, Measures to Control inflation.

c. Business cycle Meaning, characteristics and phases

UNIT – IV

a. Monetary policy:

Meaning, Objectives and Tools

b. Fiscal policy: Meaning, Objectives and Tools

c. Balance of Payments: Meaning, Structure, Causes of Disequilibrium and Methods of Correcting Disequilibrium

Suggested Readings:

Macro Economics by D.M. Mithani (Himalaya Publication) Macro Economics by R. Cauvery (S. Chand Publication)