

S.Y. B.Com.
Compulsory Paper
Subject Name -: Business Economics (Macro)
Course Code -: 203

Objectives:

1. The objective of the course is to familiarize the students the basic concept of Macro Economics and application.
2. To Study the behavior of the economy as a whole.
3. To Study the relationship among broad aggregates.
4. To apply economic reasoning to problems of the economy.

Term – I		
Sr. No	Topic	No. of Lectures
UNIT- 1	<u>Basic Concepts of macro Economics</u> 1.1 Meaning of Macro Economics 1.2 Nature and Scope of Macro Economics 1.3 Significance and limitations of Macro Economics 1.4 Difference between Micro and Macro Economics	08
UNIT- 2	<u>National Income</u> 2.1 Meaning & Importance of National Income 2.2 Concept - a) Gross National Product (GNP) b) Net National Product (NNP) c) Income at Factor cost or National Income at Factor Prices d) Per Capita Income e) Personal Income (PI) f) Disposable Income(DI) 2.3 Measurement of National Income – Circular Flow of Income-Two sector model 2.4 Difficulties in Measurement of National Income	14
UNIT- 3	<u>Money</u> 3.1 Meaning and functions of Money 3.2 Demand for Money – Classical and Keynesian Approach 3.3 Supply of Money a) Role of Central Bank – Credit Control- Quantitative and Qualitative b) Reserve Bank of India's New Money Measures 3.4 Role of Commercial Banks – Process of Multiple Credit Creation and its limitations	12
UNIT- 4	<u>Value of Money</u> 4.1 Meaning & Concept of Value of Money 4.2 Quantity Theory of Money 4.3 Cash Balance approach – Cambridge Equation - Pigou, Marshall, Keynes 4.4 Milton Friedman's Approach 4.5 Difference between Quantity Theory and Cash Balance Approach	14

	Theory	
	Term - II	
UNIT- 5	<u>Inflation and Deflation</u> 5.1 Inflation and Deflation – Meaning, Causes and effects 5.2 Demand Pull and cost Push inflation 5.3 Inflationary Gap 5.4 Philips Curve – Supply side Economics 5.5 Stagflation	10
UNIT- 6	<u>Trade Cycle -</u> 6.1 Meaning, Definition and features of Trade Cycle 6.2 Phases of Trade Cycle 6.3 Policy for control of Trade Cycle – Monetary and Fiscal Measures	12
UNIT- 7	<u>Theories of Output and Employment</u> 7.1 Classical Theories of Employment – Says , Pigoue , Fisher 7.2 Keynesian Criticism on Classical Theories of Employment 7.3 Keynesian Theory of Employment	12
UNIT-8	<u>Public Finance</u> 8.1 Meaning, Nature and Scope of Public Finance 8.2 Principle of Maximum Social advantage-Dr. Dalton’s Approach 8.3 Public Revenue and Expenditure 8.4 Types of Taxation 8.5 Principles of Taxation 8.6 Effects of Taxation 8.7 Causes of increasing Public Expenditure	14

Basic Reading List

1. Ackey, G (1976) Macro Economics Theory and Policy, Macmillan Publishing Company, New York
2. Ahuja H. L. (2002) Macroeconomics Theory and Policy, Chand and Co. Ltd New Delhi.
3. D’souza Errol (2008) Macroeconomics : Person Publication, New Delhi.
4. Gupta S.B. (1994) Monetary Economics, S. Chand and Co. Delhi
5. Jingan M.L. (2002) Macro Economic Theory, Vrinda Publication, Delhi
6. Vaish M. C. (2002) Macro Economic Theory, Vikas Publishing House, N. Delhi
7. Shapiro E (1996) Macro Economic Analysis; Galgotia Publication, New Delhi

ADDITIONAL READING LIST

1. Dillard, D. (1960), The Economics of John Maynard Keynes, Crossby Lockwood and Sons, London.
2. Day A.C.L. (1960) Outline of Monetary Economics, Oxford University Press, Oxford
3. Higgins, B. (1963), Economic Development: Principles, Problems and Policies, Central Book Depot, Allahbad.
4. Keynes, J.M. (1936), The General Theory of Employment, Interest and Money, Macmillan, London.
5. Kindleberger, C.P. (1958), Economic Development, McGraw-Hill Book Company, New York.
6. Lucas, R. (1981), Studies in Business Cycle Theory, MIT Press, Cambridge, Massachusetts.
