

ECONOMICS
COURSE NO. ECO-301:
MACRO- ECONOMICS-I

Unit I: National Income and Social Accounting.

- a. National Income: Concepts and Measurement.
- b. Factors determining national income.
- c. Difficulties in calculation of national income.
- d. Importance of national income.
- e. Social Accounting: Meaning and development of national accounting.
- f. Technique of social accounting, preparation of accounts, nature of double entry.
- g. Purpose of each account, Flow of funds account.
- h. Balance of Payment Accounts and Green accounting.

Unit II: Output and Employment.

- a. Say's Law of Market.
- b. Classical Theory of Employment; Keynes Objection to Classical Theory.
- c. Aggregate demand and Aggregate Supply functions.
- d. Principle of Effective demand.
- e. Keynes determination of Income and Employment.

Unit III: Consumption function.

- a. Consumption: Short and Long run.
- b. Factors influencing average and marginal propensity to consume.
- c. Keynes Psychological Law of Consumption.
- d. Relative Income Hypothesis.

Unit IV: Theory of Interest.

- a. Classical View on Interest.
- b. Neo-Classical theories of Interest.
- c. Keynesian theory of Interest.
- d. Modern theory of Interest.

Unit V: Investment theory.

- a. Theory of Investment: Autonomous and Induced Investment.
- b. Marginal Efficiency of Capital.
- c. General Equilibrium: IS and LM Curve.
- d. Investment Multiplier and its effectiveness in LDC's.

READING LIST:

1. Book No.9010001301/Macro-Theory and Policy by Dr.H.L Ahuja.
Publishers-S.Chand and Company Ltd.ISBN-81-219-0433-1.
2. Book No.9010001371/Money Banking,International Trade and Ppublic
Finance by M.L Jhingam. Publishers-Vrinda Publicatins(p)Ltd.ISBN-97-881-
8281-384-7.