ECONOMICS
COURSE NO: ECO-301
MACRO ECONOMICS – I

Unit I – National Income and Social Accounting

1. National income: Concepts and Measurement
    a) GDP
    b) GNP
    c) NDP
    d) NNP
2. Factors determining National Income
    a) Natural and Human Resource
    b) Technical Knowledge
    c) Political Stability
    d) Terms of Trade
    e) Foreign investment.
3. Difficulties in Calculation of National Income.
4. Importance of National Income.
5. Social Accounting.
    a) Meaning
    b) Development of National Accounting.
6. Technique of Social Accounting
    a) Output Method
    b) Income Method
    c) Expenditure Method.
    d) Preparation of Accounts
    e) Nature of Double Entry.
    f) Purpose of Each Account
    g) Flow of Funds Account
    h) Balance of Payment Account
    i) Green Accounting.

Unit II – Output and Employment

1. Say's Law of Market.
    a) Explanation
    b) Implication
    c) Assumption
2. Classical theory of Employment.
    a) Explanation
    b) Assumption
    c) Criticism of Classical Theory of Keynes.
3. Aggregate Demand and Aggregate Supply function
    a) Aggregate Demand
    b) Aggregate Supply
    c) Principal of Effective Demand.

4. Keynes determination of Income and Employment
    a) Explanation
    b) Assumption
    c) Implication
    d) Criticism

Unit III – Consumption Functions

1. Consumption
    a) Short run consumption
    b) Long run consumption
    c) Concept of Consumption Function
2. Factors influencing average and marginal propensity to consume
3. Keynes psychological law of consumption.
    a) Proposition
    b) Assumption
    c) Implication
4. Relative Income Hypothesis
    a) Demonstration effect
    b) Ratchet effect

Unit IV – Theory of Interest

1. Classical view on Interest
    a) Assumption
    b) Features
    c) Criticism
2. Neo – Classical theories of Interest
    a) Assumption
    b) Improvement over Classical theory
    c) Criticism
3. Keynesian theory of Interest
    a) Supply of Money
    b) Demand of Money
    c) Criticism
4. Modern theory of Interest
    a) IS Curve
    b) LM Curve
    c) Determination of rate of interest.

Unit V – Investment Theory

1. Theories of investment
    a) Autonomous investment
    b) Induced investment
2. Marginal efficiency of Capital
    a) Short run factors
    b) Long run Factors
    c) Criticism

3. General Equilibrium
    a) Goods Market (IS)
    b) Money Market (LM)
4. Investment Multiplier
    a) Keynes Multiplier
    b) Assumption
    c) Leakages