

Class	<u>BBA I (Semester -2) 2021-2022</u>
Subject Name & code	BBA123, Essentials of Business Economics-2
Max.Marks and Duration of exam	100(Written marks:80+ Internal assessment:20) and 3 hours
Duration of lecture	45 min per day
No. of lectures Delivered/week	6 lectures
Submitted By	Rimmy, Department of Economics

Course Objective: The paper aims at making students aware of the basic concepts of macroeconomics relevant for Business decision making and helping them to understand the application of economic principles in business management.

Course Outline (Unit Wise):

UNI T	TOPIC	CONTENT
Unit I	<ul style="list-style-type: none"> • Nature and Scope of Macro Economics, Limitations of Macro Economics. • National Income: Concepts, Methods of National Income, Measurement and Problems involved in National Income Measurement. • Say's Law of Market: Meaning, Implications, • Classical Theory of Income Output and Employment: • Keynesian Theory of Employment, Aggregate Demand and Aggregate Supply function. • Consumption Function: Meaning, Factors influencing Consumption Function, Average and Marginal Propensities to Consume, Propensity to Save, Psychological Law of Consumption and its Importance. 	This unit aims at making students understood about the basic concepts of macro economics. The unit include important concepts and theories related with various macro economics issues and problems.
Unit	<ul style="list-style-type: none"> • Marginal Efficiency of Capital: Meaning, Determinants, 	The unit covers other

II	<p>Theory of Secular Stagnation.</p> <ul style="list-style-type: none"> • Investment: Meaning, Types, Factors Affecting Investment, Importance of Investment. • Multiplier: Meaning, Keynesian Income or Investment Multiplier, Leakages, Uses, Limitations of Multiplier. • Government Policies: Monetary Policy and Fiscal Policy. • Inflation: Meaning, Types, Causes, Effects, Measures to control it. 	<p>concepts related with macro economics. The unit begins with the concept of marginal efficiency of capital and its determination. The students will also learn about the concepts of investment, multiplier, monetary and fiscal policy and inflation problem.</p>
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Teaching Methods and Techniques

1.	Class room teaching with examples
2.	Group Discussions
3.	Power point presentation
4.	Class room tests & assignments

Reference Books:

<u>1.</u>	Dwivedi, D.N., Macro economics, McGraw Hill education.
<u>2.</u>	Shapiro, E., Macro economics Analysis, McGraw Hill Education.
<u>3.</u>	Salvatore, D. Managerial Economics in a Global Economy, 6th Edition, Oxford University Press.
<u>4.</u>	A. Kontsoyianis; Modern Micro-Economics.

<u>5.</u>	Oberoi,PK, Business Economics,Tandon Publication.
<u>7.</u>	Chopra, P.N., Managerial Economics, Kalyani Publishers
<u>8.</u>	Ahuja HL, Managerial Economics, S.Chand Publishing

QUESTION BANK

1 Short Answer type Question:

- What is macro economics? How it is different from micro economics.
- What is National Income? Explain various problems in measuring national income.
- Give difference between classical and Keynesian theory of income and employment determination.
- What is consumption function? Explain various factors affecting the consumption function.
- Explain theory of stagflation.
- Give meaning of investment, its types and importance.
- Explain leakages and limitations of the concept of multiplier.
- What is inflation? Explain its various types.

2.Long Answer Type Question:

- Explain various methods of measuring the national Income? What are the problems involved in measuring the National Income.
- Explain in detail Say's Law of market.
- Critically explain Classical theory of output and employment determination.
- Explain in detail Keynesian theory of output and employment determination.
- Explain in detail psychological law of consumption.
- Give meaning of MEC. Explain its determinants in detail.

- Explain static and dynamic concepts of multiplier.
- Explain in detail various instruments of fiscal policy.
- Explain in detail various instruments of monetary policy.