

# GUJARAT UNIVERSITY SYLLABUS FOR F.Y BBA

## SEMESTER-II

### CORE COURSE – 111 Principles of Economics (Macro)

#### Introduction:

Macro Economics is a broad field of study. It is a branch of Economics dealing with the performance, structure, behavior & decision making of the entire Economy.

#### Objectives:

1. To study the behaviour and working of the economy as a whole.
5. To study relationships among broad aggregates.
6. To apply economic reasoning to problems of business and public policy.

Number of credits: 3

Lectures per week: 3

Total Sessions: 40

Unit	Weightage
Unit I	25%
Unit II	25%
Unit III	25%
Unit IV	25%
Total	100%

#### UNIT –I (10)

##### 14. Introduction to Macro Economics: (2)

Definition, Scope, Importance and Limitations of Macro Economics (2)

##### 15. National Income (NI) Accounting: ( 2+1+3+3+1=8)

Meaning of NI and Circular Flow of NI (in Four sector economy) (2)

Stock and flow concept, NI at Current Price and NI at Constant Price (1)

Various concepts of NI (GNP, GDP, NNP, NDP), Personal Income, Disposable Income (2)

Methods for measurement of NI (2)

Difficulties in measurement of NI (1)

#### UNIT – II (10)

##### 16. Theory of Income and Employment ( 7)

Keynes' consumption function (2),

Investment function (2),

Keynesian theory of Income and employment (2),

Investment multiplier (1)

##### 4. Interest rate theory - Liquidity Preference Theory (3)

#### UNIT – III (5+3+2=10)

##### B. Money (5)

Definition and Functions (2),

Stocks of Money (M1, M2, M3 and M4) (1),  
Credit creation by Commercial Banks (2)

C. Inflation (3)

Meaning of Inflation, Deflation, Stagflation and Causes of inflation, Measures to Control Inflation (3)

D. Business cycle (2)

Meaning, characteristics and phases (2)

UNIT – IV (3+3+4 = 10)

E. Monetary policy (3)

Meaning, Objectives and Tools (3)

F. Fiscal policy (3)

Meaning, Objectives and Tools (3)

G. Balance of Payments (4)

Meaning, Structure, Causes of Disequilibrium and Methods of Correcting Disequilibrium (4)

Text Book

D. Macro Economics by D.M.Mithani (Himalaya Publication)

E. Macro Economics by R. Cauvery (S.Chand Publication.)

Topics for Assignment

13. Functions of Commercial Banks
14. Functions of Central Banks
15. Factors affecting Business Cycle
16. Use of National Income Data
17. Difference between BOT and BOP

Topics for Seminar

5. Inflation in India
6. Economic Growth and Economic Development
7. Role of Economic Policies in Economic Growth
8. Relationship between Inflation and unemployment