

**SARDAR PATEL UNIVERSITY**  
**BBA (ISM) Programme**  
**Semester: II**  
**Syllabus with effect from: JUNE 2018**

<b>Paper Code: UM02GBBS21</b>	<b>Total Credit:3</b>
<b>Subject:</b> Macro Economics	
<b>Objectives:</b> It provides the basic idea of economics and all monetary and International policies.	

<b>Unit</b>	<b>Description in detail</b>	<b>Weighting (%)</b>
<b>1</b>	<b>Introduction:</b> Basic Problems of an Economy, Economic System, Types of Economic System, Circular flow of National Income, Two to Five sector model National Income (Basic Concepts) – Methods of calculation and Difficulties in calculation.	<b>25 %</b>
<b>2</b>	<b>Theory of Income and Employment:</b> Theory of income and employment: consumption function Investment multiplier and accelerator Liquidity preference theory of interest, liquidity trap, Modern theory of interest	<b>25 %</b>
<b>3</b>	<b>Banking &amp; International Trade:</b> Functions of commercial banks with special emphasis on credit creation Monetary policy of central bank International Trade – comparative cost theory, Balance of payments, Exchange rate	<b>25 %</b>
<b>4</b>	<b>Macro Economic Problems:</b> Typical business cycle Inflation – Meaning, Types, Causes, Effects and Control of inflation – Philips curve Direct and Indirect tax – merits and demerits Public debt and Debt repayment Deficit Financing – safe limits.	<b>25 %</b>

**Basic Text & Reference Books:**

Ahuja H.L. (2007) Macro Economics Theory and Policy, Sultanchand and Co, New Delhi.  
Dwivedi M.D.N (2006) Macro Economics – Theory and Policy, Vikas Publishing House Pvt. Ltd.  
Mankiw G.N (2003), Macro Economics ( Vth Edition), Thomson South Western Delhi.  
Money, Banking, Public Finance and International Trade by D.M.Mithani, Himalaya Publications, Mumbai.