

**SARDAR PATEL UNIVERSITY**  
**Programme: BBA (ITM)**  
**Semester: II**  
**Syllabus with effect from: Nov./Dec. 2019**

<b>Paper Code: UM02CBB151</b>	<b>Total Credit:3</b>
<b>Title of paper: MACRO ECONOMICS</b>	

**Unit : I Introduction** 25 %

Basic Problems of an Economy.  
Economic System, Types of Economics System.  
Circular flow of National Income – Two to Five sector model.  
National Income. Methods of Calculation and Difficulties in Calculation.

**Unit : 2 Theory of Income & Employment.** 25 %

Theory of Income & Employment Consumption Function.  
Investment Multiplier & Accelerator.  
Liquidity Preference Theory of Interest, Liquidity Trap.

**Unit : 3 Banking & International Trade.** 25 %

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(Concept).

**Unit : 4 Macro Economic Problems.** 25 %

Typical Business Cycle.  
Inflation-Meaning, Types, Causes, Effects & Control of Inflation-Philips Curve.  
Direct & Indirect Tax-Merits & Demerits.  
Deficit Financing-Safe Limits.

**Basic Text & Reference Books:**

- Ahuja H.L (2007) Macro Economics Theory & Policy, Sultanchand & Co. New Delhi.
- Dwivedi M D N (2006) Macro Economics-Theory & Policy, Vikas Publishing House Pvt Ltd.
- Manikw G.N (2003), Macro Economics (Vth Edition), Thomson South Western, Delhi.
- Shapiro E (2003) Macro Economics Analysis (Vth Edition), Galgotia Publications, New Delhi.
- Money, Banking Publish Finance & International Trade by D M Mithani Himalaya Publications, Mumbai.