

**BBAGE 201-18 Managerial Economics-II**

**Course Objective:** This course aims to acquaint students with economy as a whole including measurement of national income, inflation and unemployment, which an objective to inculcate understanding of macroeconomic environment of an economy for better decision making.

**Course Outcomes (COs):** After completion of the course, the students shall be able to:

**CO1:** Explain the concept of national income and its measurement using different approaches.

**CO2:** Describe the underlying theories of demand and supply of money in an economy.

**CO3:** Make use of employment and national income statistics students will be able to describe and analyze the economy in quantitative terms.

**CO4:** Interpret macroeconomic issues like money, inflation and unemployment.

**CO5:** Identify the phases of the business cycle and the problems caused by cyclical fluctuations in the market economy.

**Unit I**

**National Income:** Measuring National Income. Problems in the measurement of National Income. **Theories of Money:** Nature and functions of money – Types of money: Near money, inside money and outside money. Theories of demand for money – defining demand for money – Classical theories of demand for money – Friedman’s re-statement of Quantity Theory of Money; Liquidity preference theory and Keynesian Liquidity Trap. Theories of Supply of money; Defining supply of money; Measuring supply of money.

**Unit II**

**Theories of Inflation and Unemployment:** Meaning, Types and Theories of Inflation. - Cost of inflation and sacrifice ratio. - Measurement of Inflation in India - Policies to control inflation Meaning and types of unemployment. - Cost of unemployment and Oakun’s Law Measurement of unemployment in India. - Concept of Stagflation - Concept of Philips Curve.

**Unit III**

**Business cycle:** Meaning, types and phases. **Monetary, Fiscal and Income policy** – Meaning and instruments. **Multiplier:** Concept, Features and Leakages. Foreign trade multiplier.

**I.K.G. Punjab Technical University**  
**BBA Batch 2018**

**Unit IV**

**Macro-economic Framework in Indian Economy**–Public Finance–Tax system in India–  
Financial Administration: Finance Commission.

**SUGGESTED READINGS:**

1. Ahuja, H.L. (2015) *Macroeconomics-Theory and Policy*. New Delhi: Sultan Chand.
2. Jhingan, M.L. (2016) *Macro Economic Theory*. Delhi: Vrinda Publications Pvt. Ltd
3. Dwivedi, D.N. (2017) *Macroeconomics: Theory and Practice: Theory & Practice*. New Delhi: McGraw Hill.
4. Jain, T.R., Khanna, O.P. (2014) *Managerial Economics*: V.K. Publications
5. Dewett, K.K., Navalur, M.H., (2006) *Modern Economic Theory*: New Delhi: Sultan Chand.