

B.COM- SEM –IV
MACRO ECONOMICS

UNIT-I **EMPLOYMENT AND INCOME DETERMINATION**

Classical theory of employment – J.B.Say’s law of market- Pigou’s wage cut
Theory- Keynesian theory of income and employment – consumption function
- average and marginal efficiency of consumption - factors affecting propensity
To consume.

UNIT-II **INVESTMENT FUNCTION**

Investment function-Marginal efficiency of capital- factors affecting marginal
Efficiency of capital= Relationship between marginal efficiency of capital and
Level of investment and marginal efficiency of capital and rate of interest –
Concept of multiplier and accelerations-Trade cycle- meaning, characteristics
And phases.

UNIT-III **INTERNATIONAL TRADE**

Balance of trade and balance of payment – Disequilibrium in balance of
Payment –its causes and remedies – Determination of rate of exchange-
Purchasing power parity theory – Managed Floating System of RBI

UNIT-IV **PUBLIC FINANCE**

Taxation – meaning – impact of taxation- incidence of taxation – taxation
Capacity- objective of public expenditure- effects of public expenditure on
Productions and distribution – public debt- meaning and Type, burden of
Public debt.

References :

Sayers : Modern Banking
Musgrave : Theory of Public finance
Haberler : The Theory of international Trade.