

**BBA-110**

**Mangerial Economics II**

**Max. Marks:100**

**External Assessment: 80**

**Internal Assessment:20**

**Note: There will be eight questions in all. A candidate is required to attempt five questions including the question no. 1 which is compulsory. Question no. 1 will comprise of six short answer questions. All questions shall carry equal marks**

Concept of Macro economics.

National income; Concepts and measurement. Classical theory of output and employment, Say's law of markets.

Keynesian & Friedmanian theory of income determination, determinants of Macro equilibrium with aggregate demand and aggregate supply functions under employment equilibrium. Concept of multiplier.

Consumption: Meaning determinants and importance. Theory of consumption: Absolute income hypothesis, relative income hypothesis, permanent income hypothesis, life cycle hypothesis.

Theory of investment: Types of investment determinants of investment, marginal efficiency of capital, interest rate determination, classical, neoclassical and Keynesian theories.

Inflation: Meaning, types, and theories. Stabilization policies: Monetary and fiscal policies.

**References:**

<b>Dornbusch &amp; Fisher:</b>	Macroeconomics.
<b>Branson:</b>	Macroeconomic Theory.
<b>Shapiro:</b>	Macroeconomics Analysis.
<b>Dwivedi:</b>	Macroeconomics.
<b>Ackley:</b>	Macroeconomic Theory and Policy.