

SYLLABUS

PUNJAB UNIVERSITY, CHANDIGARH

ESSENTIALS OF BUSINESS ECONOMICS

BBA-I, Semester-II

Time Allowed: 3 Hours

Maximum Marks: 100
[Theory: 80 Marks
Internal Assessment: 20 Marks]

INSTRUCTIONS FOR THE PAPER SETTERS

Note: The question paper covering the entire course shall be divided into three sections:

Section A: This section will have 6 short-answer questions from the entire syllabus. Students are required to attempt 4 questions from this section. Each question will carry 5 marks; the total weightage being 20 marks. **(20 Marks)**

Section B: This section will consist of essay type/numerical questions from Unit-I of the syllabus. The candidate will be required to attempt two questions out of three questions. Each question will carry 15 marks; the total weightage being 30 marks. **(30 Marks)**

Section C: This section will consist of essay type/numerical questions from Unit-II of the syllabus. The candidate will be required to attempt two questions out of three questions. Each question will carry 15 marks; the total weightage being 30 marks. **(30 Marks)**

Objective: The course aims at providing the knowledge of basic concepts of the Macroeconomics. Modern tools of Macroeconomic analysis are discussed at length.

Unit-I

Nature and Scope of Macro Economics, Limitations of Macro Economics.

National Income: Concepts, Methods of National Income Measurement and Problems involved in National Income Measurement.

Determination of Income and Employment: Classical Theory of Income, Output and Employment. Say's Law of Market.

Determination of Income and Employment: Keynesian Model of Income, Output and Employment. Aggregate Demand and Aggregate Supply Function.

Consumption Function: Concepts of Average Propensity to Consume and Marginal Propensity to Consume, Psychological Law of Consumption, Factors influencing Consumption Function.

Unit-II

Investment Function: Types, Investment Demand Schedule and Factors Affecting Investment Decisions.

Marginal Efficiency of Capital: Meaning, Determinants, Concept of Secular Stagnation.

Multiplier: Meaning, Features and Working of Multiplier.

Money: Distinction between Money and Near Money Assets, Types of Monetary System and Qualities of Good Monetary System.

Government Policies: Monetary Policy and Fiscal Policy.

Inflation: Meaning, Types, Causes and Effects.