



## Chapter 1: Basic Concepts of Macro Economics

### Long Questions:

1. What are the basic/central problems of economy? What are the reasons behind these central problems?
2. 5 sector circular flow of economics.
3. Scope and importance of macro economics.
4. Limitations of macro economics

### Short Notes:

1. Difference between Micro and Macro economics
2. Leakages and injections of economy
3. Role of government in the economy.

## Chapter 2: National Income accounting

### Long Questions:

1. Define National Income and explain features of national Income.
2. Explain all aggregates necessary to calculate National Income
3. Explain all the three methods of calculating National income in details.

### Short Notes:

1. Why it is important to calculate the National Income?
2. What items are not included in calculating the national income?
3. Aggregate output method
4. Aggregate Income method
5. Aggregate Expenditure method
6. Difficulties in calculating National Income.



## **Chapter 3: Theory of income and employment**

### **Long Questions:**

1. “Supply creates its own demand” explain in details How says has explained this in his market law.
2. Explain in detail the Keynesian theory of income and Employment

### **Short Notes:**

1. Say’s law of market
2. Assumption of say’s law
3. Criticism of say’s law
4. Effective demand
5. Importance of Government expenditure in economy
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## **Chapter 4: Consumption Saving and Investment**

### **Long Questions:**

1. Explain consumption function and saving function with Schedule and graph.
2. Explain Investment function with schedule and graph.
3. Explain Marginal propensity to consume and Marginal propensity to save in detail.
4. Factors influencing the consumption function and saving function.



**Short Notes:**

1. Consumption function
2. Saving function
3. Investment Function
4. Autonomous Consumption
5. Autonomous Investment
6. Marginal Efficiency of capital

