



Code	Subject Title	Cr. Hrs	Semester
ECON-231	Economics (Macro) for Commerce	3	III
Year	Discipline		
2	Commerce		

Introduction to Macroeconomics

1. **National Income Accounting**
 - a. Circular flow of income
 - b. Concepts and Measurement of National Income
 - c. Difficulties and importance of National income accounting
2. **Keynesian Macroeconomics**
 - a. Consumption function, Fundamental Psychological law, Saving function, MPC, APC, MPS & APS
 - b. Keynesian theory of investment & MEC
 - c. Keynesian theory of income and employment, Inflationary and deflationary gap
 - d. Taxation, Canons of taxation, types of taxes
 - e. Fiscal policy; its objectives and tools
3. **International Trade**
 - a. Theory of absolute and comparative advantages
 - b. Heckscher-Ohlin Modern theory of Trade
4. **International Institutions**
 - a. The World Bank
 - b. IMF
 - c. WTO

Recommended Books:

1. Samuelson, Paul A.; William D Nordhaus, Economics, McGraw-Hill
2. Blanchard, Olivier (2000), Macroeconomics, Prentice Hall, ISBN 013013306X.
3. McConnell, Campbell & Stanley Brue, and Sean Flynn, Macroeconomics (McGraw-Hill Economics) (Oct 28, 2008)
4. Rizavi, Dr. Sayyid Salman, “An Introduction to Economics”, Syed Mubeen & Co., Lahore
5. Nasir, Saeed, “Text Book of Economics”, Ilmi Kutab Khana, Lahore