



[Frequently Asked Questions]

An Introduction to Basic Macroeconomics Concepts

Subject:	Business Economics
Course:	B. A. (Hons.), 3 rd Semester, Undergraduate
Paper No. & Title:	Paper – 301 Macroeconomics - I
Unit No. & Title:	Unit – 1 An Introduction to Basic Macroeconomics Concepts
Lecture No. & Title:	Lecture – 1 An Introduction to Basic Macroeconomics Concepts

Frequently Asked Questions

Q1. What are Flow variables?

A1. Those variables which can be measured after a certain point of time are called flow variables example, Gross Domestic Product, Inflation etc.

Q2. What is Economic Growth and Economic Justice?

A2. Economic Growth: Economic Growth is an increase in the amount of goods and services produced per head of the population over a period of time is said to be economic growth.

Economic justice: Economic justice is a part of social justice. It deals with the set of moral principles for building economic institutions. The ultimate goal of such institutions is to create an opportunity for each person and add a sufficient material foundation upon which to have a dignified, productive, and creative life beyond economics.

Q3. What are the Index used for measuring standard of living?

A3. The index numbers used to measure standard of living are HDI, PQLI, rate of literacy, BPL ratio, Mortality ratio, and infant mortality to name a few.

Q4. Name the macroeconomic Policies used by the authorities to govern economies.

A4. The monetary and fiscal policies top the lists wherein others can be listed as below:

1. Trade policy
2. Industrial policy

3. EXIM policy
4. Banking policy
5. Planning policy

Q5. What is Aggregate Demand?

A5. Aggregate demand price at any level of employment is the amount of money which all the entrepreneurs in the economy taken, together really do expect that they will receive if they sell the output produced by this given number of labour.

Q6. Define Aggregate Supply.

A6. Aggregate supply is the total **supply** of goods and services produced within an economy at a given overall price level in a given time period.

Q7. Define National Income.

A7. It means the sum of all incomes earned by resource suppliers for their contribution of land, labour, capital, entrepreneurial ability which go into the year's net production. In other words National Income shows how much it costs society in terms of economic resources to produce net output.

Q8. What do you mean by Capital Goods?

A8. The goods in which long term investment is required, used over a long period of time and is use to produce other goods or services is Capital goods.

Q9. Define Personal Income.

A9. It is the sum of all incomes realized by all individuals or households during a given year.

Q10. What is Disposable Income?

A10. The amount of money that is available for an individual's expenses and savings after the deduction of taxes from his/her personal income.