



**[Academic Script]
[Economics Growth (Part II)]**

Subject:	Business Economics
Course:	B.A., 4 th Semester, Undergraduate
Paper No. & Title:	Paper – 401 Macroeconomics-II
Unit No. & Title:	Unit - 4 Economics Growth
Lecture No. & Title:	2: Economics Growth (Part II)

Glossary:

Convergence: Convergence is the process of “catching up” of one economy with another economy.

Golden Rule of Accumulation: The Golden Rule of Accumulation in the Golden-Age per capita consumption is maximised when the saving rate equals the profit rate.

Economic Growth: Economic growth is a long-term expansion of the productive potential of the economy. Growth can be long term or short term, in both the cases there is slight difference. Let us understand the meaning of long-run as well as short run growth.

Short run growth: In short-run we are concern with annual percentage change in real national output.

Long-run growth: Long-run growth is represented by increase in potential GDP and thus the country's long-run aggregate supply curve shifts outward.

Balanced growth: It is balancing growth between rural and urban, rich and poor, and eradicating imbalances between all the sectors of economy. It plans the policies in such a way that there is balance between the sectors and within the sectors too.