



[Glossary]
[Economics Growth (Part I)]

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:	1: Economics Growth (Part I)

Glossary:

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.

Capital Stock: Growth in physical capital stock i.e. investment in equipment, tools or machines etc. leading to a rise in capital per employee. It is also known as capital deepening.

Labour Force: With the improvement in education level there is growth in the size of the active labour force available for production. The growth in the quality of labour can also attributed to skills, if the available human resources are educated with the required skills the quality of labour increases.

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.

Feasible Output: The purpose of the economic feasibility assessment is to determine the positive economic benefits to the organization that the proposed system will provide. It includes quantification and identification of all the benefits expected.

Potential Output

Potential Output can be described as what an economy can produce when all its resources such as workforce, equipment, technology, natural resources and others are fully utilized.