

MACRO ECONOMICS

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The word “Macro” has been derived from the Greek word “Mackros” which means “large”. “Macro economics deals with the function of the economic system as a whole



SCOPE OF MACRO ECONOMICS

- National Income
- Employment
- Monetary Theory
- General Pricing Level
- Business Cycle
- Economic Growth
- Macro Distribution
- International Trade



IMPORTANCE OF MACRO ECONOMICS

- Knowledge of working of the whole system
- Achievement of national economic objectives
- Formulation of economic policies
- Stabilization of prices
- Study of national income
- Study of Business cycles
- Aid in the study of Micro-Economics
- Helpful in economic planning
- Economic growth
- Macro-economic paradoxes



LIMITATIONS OF MACRO ECONOMICS

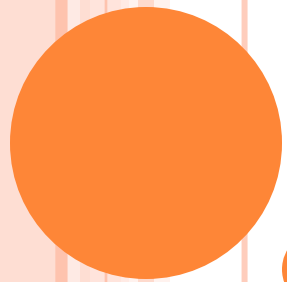
- Too much generalisation
- Opposite effects on components
- Problem in aggregation
- Misleading aggregates
- Neglects of components



RELATIONSHIP BETWEEN MICRO AND MACRO ECONOMICS

- Dependence of Micro on Macro Economics
- Dependence of Macro in Micro Economics





THE END