

I M. Com (CA) - Economics For Decision Making. - 18MCE11C
 Unit - V Ref. Book: Managerial Economics - Sankaran
 I - Semester

National Income - Concepts - Measurements -
 Theory of Income distribution - Business cycle -
 Types - Phases - Controlling business cycles.

Meaning: -

A national income estimate measures the volume of commodities and services turned out during a given period counted without duplication.

National Income Accounts: -

1. Gross National Product
2. Net " "
3. National Income.
4. Personal Income
5. Disposable Personal Income.

Computation of National Income: -

(Approaches) / Measurements:

1. Production Approach.
2. Expenditure " "
3. Expenditure ~~Earning~~ or Income Approach.

Factors Determining National Income: -

1. Quality & Quantity of factors of production
2. The state of technical know-how and
3. Political (stability)

Theory of Income Distribution

Keynes' Theory.
Classical Theory.

- Approaches :-
1. Fundamental Equation
 2. Effective demand
 3. Consumption Function.
 4. Investment Function
 5. Money & Rate of Interest
 6. Trade cycle.
 7. Fiscal policy.

Business cycle:-

Business cycles are fluctuations in the economic activities of organized communities.

- Types :-
1. Inflation
 2. Deflation

- Phases :-
1. Introduction
 2. Boom
 3. Recession
 4. Depression
 5. Recovery.

