

Scope of Macroeconomics

- 1. Theory of National Income:** In macroeconomics different concepts of national income, its different factors, methods to measure it and social accounting are studied.
- 2. Theory of Employment:** In macroeconomics, employment and unemployment related problems are studied. Different factors that determine level of employment as an effective demand, total supply, total investment, total savings etc. are studied in it.
- 3. Theory of Money:** Change in demand and supply of money affect employment level to a great extent. In macroeconomics function of money and related theories are studied. Banking system and other financial institutions are also studied in this context.
- 4. Theory of General Price Level:** The study of change in general price level is the main problem of macroeconomics. Inflation (general increment in price) and deflation (general decrease in prices) are the main problems in this context.
- 5. Theory of Economic Growth:** In macroeconomics, economic growth means increment in real per capita income, related problems are studied. Under developed economies growth related problems are studied specially. Government's monetary and Financial Policies are studied in this also.
- 6. Theory of International Trade:** In macroeconomics, trade between different countries is studied also. Theories of international trade, tariff, protection etc., are the most important topic of macroeconomics.