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COURSE TITLE : Macro Economics

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Ans: to the Q. No (1)

① Macro economics and Microeconomics: little picture micro economics is concerned with how supply and demand interact in individual markets for goods and services. In macroeconomics, the subject is typically a nation, how all markets interact to generate big phenomena that economists call aggregate variables.

Microeconomics
Microeconomics focuses on the choices made by individual consumers
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summer as well as business concerning the fluctuating cost of goods and services in an economy.

Microeconomics covers several aspects, such as.

- * Supply and Demand for goods in different market places.

- * Consumer behaviour, as an individual or as a group.

- * Demand for service and labour including individual labour markets, firms, and determinants like the wage of an employee.

One of the main features of microeconomics is it focuses on con-

cal situations where a market
Place experiences certain changes in
the existing conditions, it takes a
bottom-up approach to analyse the
economy.

Different components of Microeconomics

- * Market Demand and supply
- * Consumer Behavior.
- * producers are driven by individual preferences.
- * Market-specific labor markets
for example, Demand labor
wage determination specific market
etc.

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Macroeconomics

Macroeconomics studies the economic progress and steps taken by a nation. It also includes the study of policies and other influencing factors that affect the economy as a whole. Macroeconomics follows a top down approach, and involves strategies like,

- * The overall economic growth of a country.
 - * Reasons that are likely to influence unemployment and inflation.
 - * Fiscal policies are likely to influence
- p.t'o

ence unemployment and inflation.

* Fiscal policies are likely to influence factors like interest rates,

* effect of globalization international trade.

* Reasons that affect varying economic growths among countries.

Another feature of macroeconomics is that it focuses on aggregated growth and its economic correlation.

Different components of Macroeconomics:

* National output

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* Unemployment

* Inflation

Microeconomics and Macroeconomics interdependent on each other.

The two parts of economics Microeconomic and macroeconomics are not interrelated but are mutually exclusive. A close connection exists between the two terms. All micro-economic studies can and give the better understanding of econ micro and macroeconomics variables. Such a stu-

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It will help in the formulation of economic policies and programs. As we know, change and processes in the economy are a result of both small and large-scale elements which retain the capacity to affect each other or are directly affected by each other.

example: Although the tax increase is a macroeconomic decision, its impact on business savings is a microeconomic analysis.

Microeconomics	Macroeconomics
Microeconomics studies individual economic units.	Macroeconomics studies a nation's economy, as well as its various aggregates.
Microeconomics primarily deals with individual income, output price of goods etc.	Macroeconomics is the study of aggregates such as national output, income as well as general price levels.
Microeconomics focuses on overcoming the issues concerning the allocation of resources and price discrimination.	Macroeconomics focuses on issues like employment and national household income.

Ans to the Q. no 3/

Q3/ Discuss capitalism

Capitalism is an economic system in which private individuals or businesses own capital goods. At the same time, business owners employ workers who only receive wages, labor does not own the means of production but only uses them on behalf of the owners of capital. The production of goods and services under capitalism is based on supply and demand and in the general market known as a market economy.

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Rather than through central planning known as a planned economy or command economy.

The purest form of capitalism is free market or laissez-faire capitalism. Here, private individuals are unrestricted. Most countries practice a mixed capitalist system that includes some degree of government regulation of business and

Ownership of select industries:

* Capitalism an economic system characterized by private ownership of the means of production

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ation, especially in the industrial sector, with labor paid only wage.

* Capitalism depends on the enforcement of private property rights to which provide incentives for investment in and productive use of productive capital.

* Capitalism developed historically out of previous systems of feudalism and serfdom in Europe, and from mercantilism in Europe, and from industrialization and the large scale availability of mass market consumer goods.

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* pure capitalism can be contrasted with pure socialism where all means of production are collective or state owned and mixed economies;

* The real-world practice of capitalism typically involves some degree of so-called 'crony capitalism' due to demands from business for favourable government intervention and governments, in the name of intervention in the economy.

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Understanding capitalism:

Functionally, capitalism is one system of economic production and resource distribution instead of planning economic decisions. Through centralized political methods, as with socialism or pseudism, economic planning under capitalism occurs via decentralized, competitive and voluntary decision.

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private property rights
 then how capitalism?

For individuals or business to
 deploy their capital goods effi-
 ciently, a system must exist
 that protects their legal
 right to own or transfer
 private property.

Capitalism and the Profit
Motive = profits are closely
 associated with the concept
 of private property. By defi-
 nition, an individual
 only enters into a voluntary
 profit

exchange of private property when they believe the exchange in such trades each party gains extra subjective value, or profit, from the transaction. The profit motive, or the desire to earn profits from business activity, is the driving force of capitalism. It creates a competitive environment where businesses compete to be the low cost producer of a certain good in order to gain market share.

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If it is more profitable to produce a different type of goods, then a business is incentivized to switch.

Preconditions to Capitalism

Capitalism is a relatively new type of social arrangement for producing goods in an economy. It arose largely along with the advent of the industrial revolution, some time in the 18th century. Feudalism, other systems of production and social organization were prevalent out of which capitalism emerged.

Ans: to the Q. No 4

Q. A mixed economy represents an economic system in which both the private important roles in allocating resources and regulating economic activities. In a mixed economy, the government typically sets policies and regulations to ensure fair competition and protect consumers, while the private sector is responsible for producing goods and services and generating profits. Bangladesh is a developing country with a mixed economy. The country with a

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has made significant progress in recent years, with steady economic growth and poverty reduction. The Bangladeshi Government has implemented various policies and programs to promote economic development, including investment in infrastructure, education, and healthcare.

In Bangladesh, the private sector plays a major role in the economy with many small and medium-sized enterprises operating in various sectors. The government also plays an

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an active role in the economy particularly in areas such as agriculture, energy, and transportation. The government has implemented policies to promote foreign investment and encourage the growth of export-oriented industries.

However, Bangladesh faces several challenges in maintaining a successful mixed economy. One major challenge is the lack of infrastructure, which can hinder economic growth and private sector development. Corruption and bureaucratic

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Red tape can also be obstacles to economic development. The country also faces environmental challenges, such as air and water pollution which can have negative impacts on both public health and the country's economy.

Overall, a mixed economy can provide opportunities for both private sector growth and government intervention to promote economic development. However, successful implementation requires careful planning and effective policies to address

The challenges range from

The issue of expropriation, as the government and the private sector coexist, there may be a degree of fear in this regard. The same thing happens with the decisions that the government can make regarding taxes, since in this context they take unilateral decisions more frequently. That could put the countries into debt, slowing down economic growth in the long run. The taxes are higher as there is more government could protect the free market so much

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much that it doesn't regulate enough. For example, the businesses that took on too much risk could receive taxpayer funded bailouts. With more state intervention in the economy, it would mean that government would invest more and we'd get their burdens largely from tax revenues. In bottom line, many new economists would argue that the government should try and intervene in all areas of the

Ans: to the a.n. a.n. (3)

⑤ economic planning impact
economic environment:

Economic planning refers to the process of setting goals, formulating policies, and implementing strategies to guide and manage the economic development of a country or region. The impact of economic planning on the economic environment can be significant. Here are some ways in which economic planning can influence economic planning:

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environment.

Stability and predictability

economic planning aims to create stability planning aims to create and predictability in the economic environment. By setting long term goals, ~~at~~ establishing policies and implementing strategies, economic planning provides a framework for business, investors, and individuals to make informed decisions. This stability fosters confidence and reduces uncertainty in the

encouraging investment, entrepreneurship, and economic growth

Allocation of Resources:

Economic planning involves the allocation of resources, such as capital, labor and natural resources, based on the priorities and goals of the economy. Through planning, governments can direct resources towards, strategic sectors, industries, or regions aiming to promote balanced economic development and address social needs, which achieve desired outcome

Infrastructure Development

economic planning often includes the development of infrastructure such as transportation networks, such as transportation power generation facilities communication systems, and public services. By strategically investing in infrastructure projects economic planning can create a conducive environment for economic activities to thrive.

Industrial and Sectoral Development

Economic planning can influence the development and

growth of specific industries and sectors, Governments may prioritize certain industries through policies such as incentives, subsidies, or regulations to promote their expansion. By identifying key sectors and providing targeted support, economic planning can foster competitiveness, innovation, and diversification, leading to overall economic growth and job creation.

Regional Development:

Economic planning can address regional disparities and promote balanced development across different geographic areas.

Economic Stability and Crisis

Management: Economic planning plays a crucial role in maintaining economic stability and managing crises.

Social and Environmental Consideration

Economic planning increasingly takes into account social and environment factors.

Overall, economic planning influences the economic environment by providing stability, allocation resources, directing