

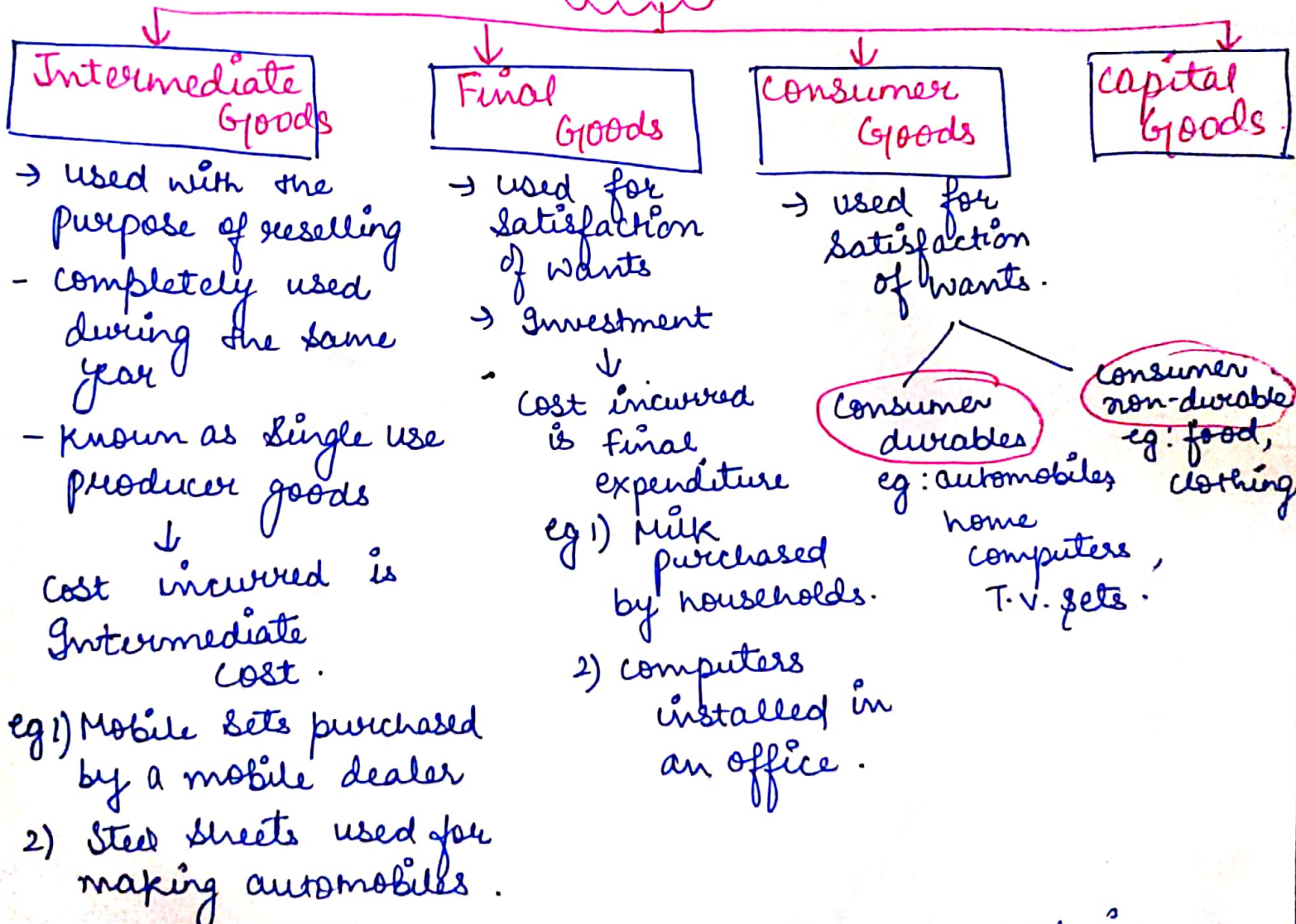
# Unit 1: National Income & Related Aggregates

Macroeconomics: It is that branch of economics which deals with the economy as a whole & whose main tools are aggregate demand & aggregate supply.

- Its main aim is to determine Income & employment level of the economy.
  - It is also known as 'Income & Employment theory'.
- Eg: National Income, General Price level, National Output.

## Basic Concepts of Macroeconomics

Goods



**Capital Goods** - durable goods which are used in the production of other goods & services and have a long span of life.  
Eg: Machines, tools & equipments.