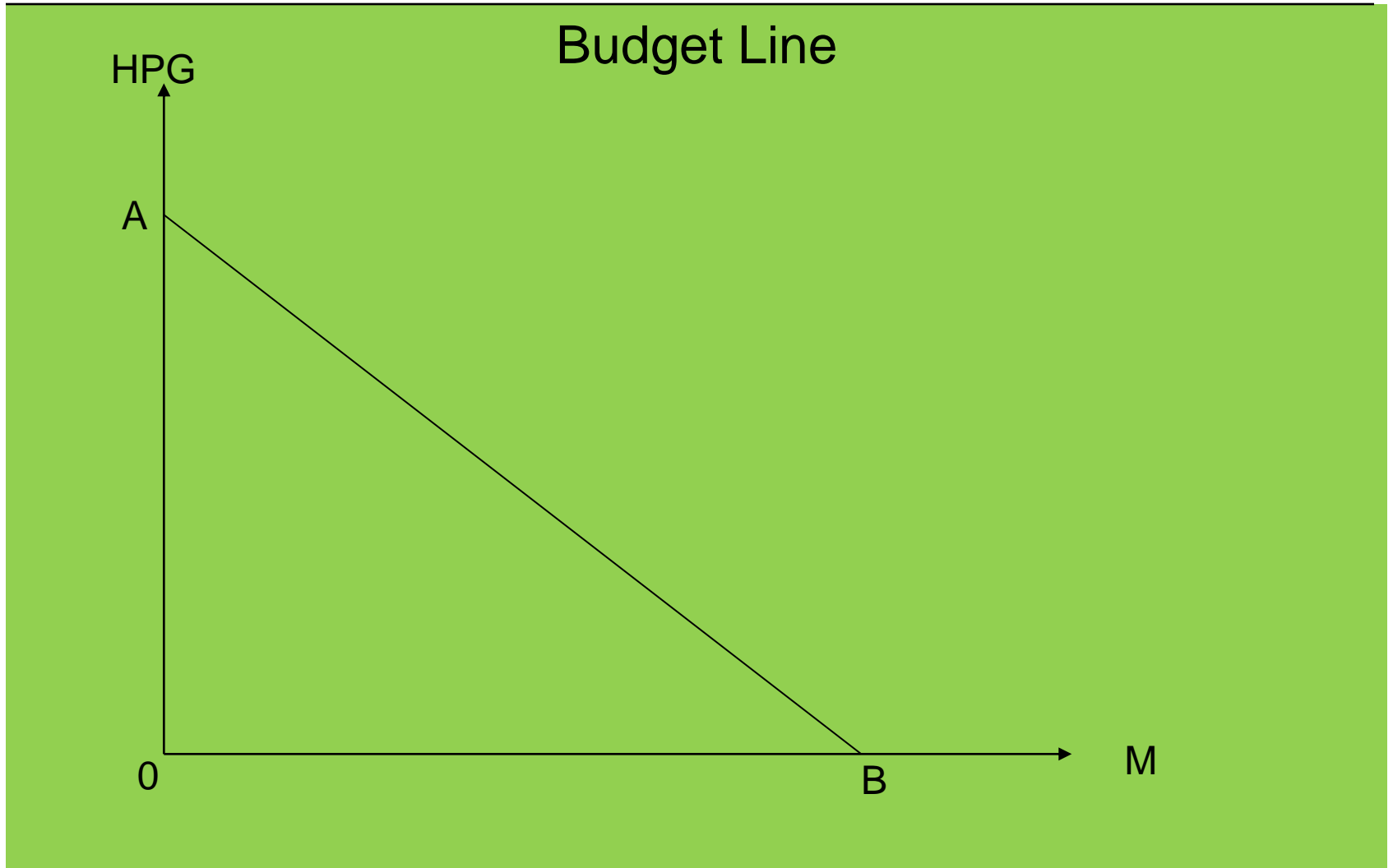


MA/MSSC – 2018/2019 Macro Economics

Macro Economic Equilibrium



Budget Line

$$\text{HPG} = a - b (M)$$

$$b = \Delta M \div \Delta \text{HPG}$$

b = Price Ratio of Exports & Imports

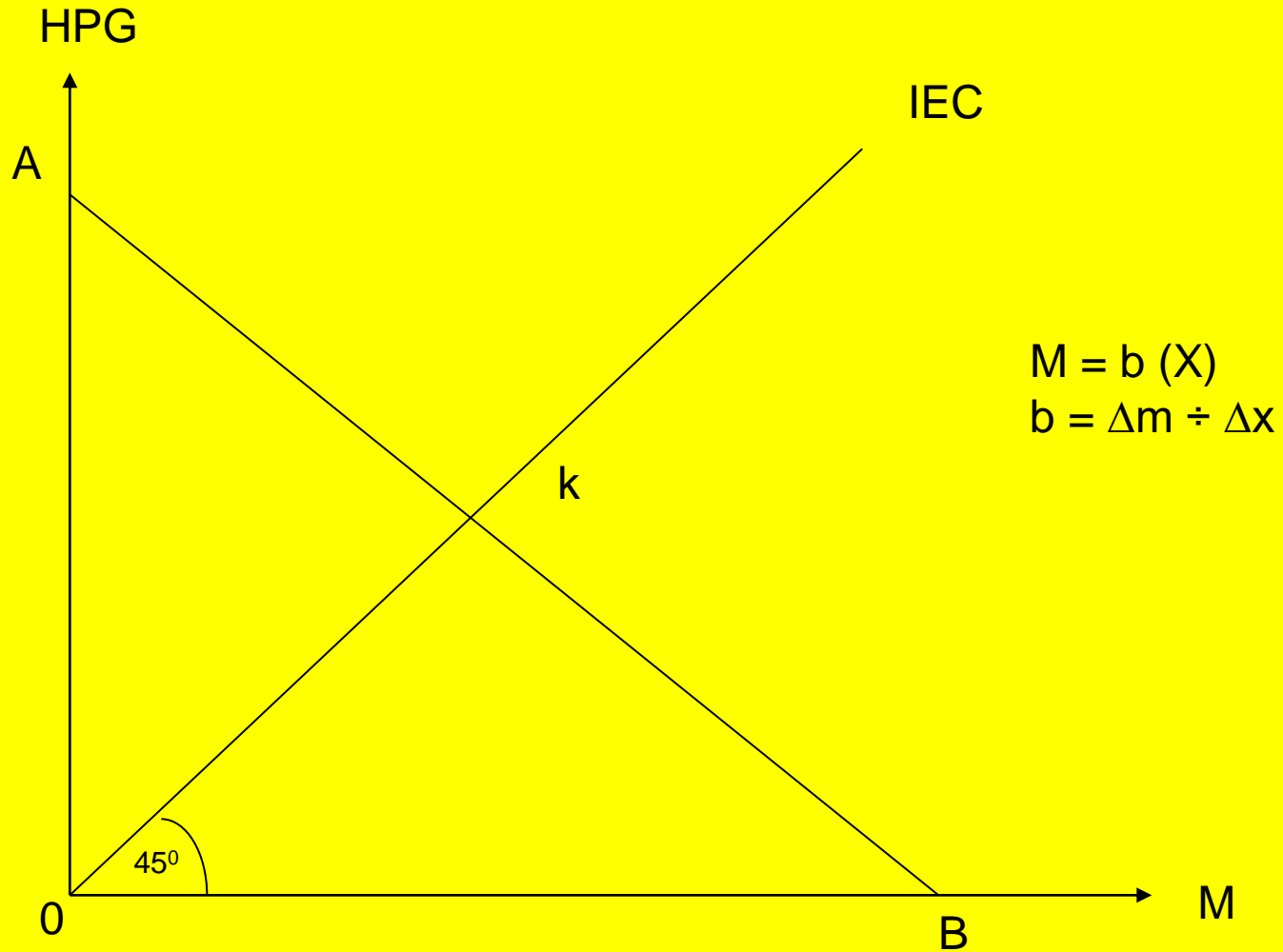
$$b = m \div x$$

x = price of exports

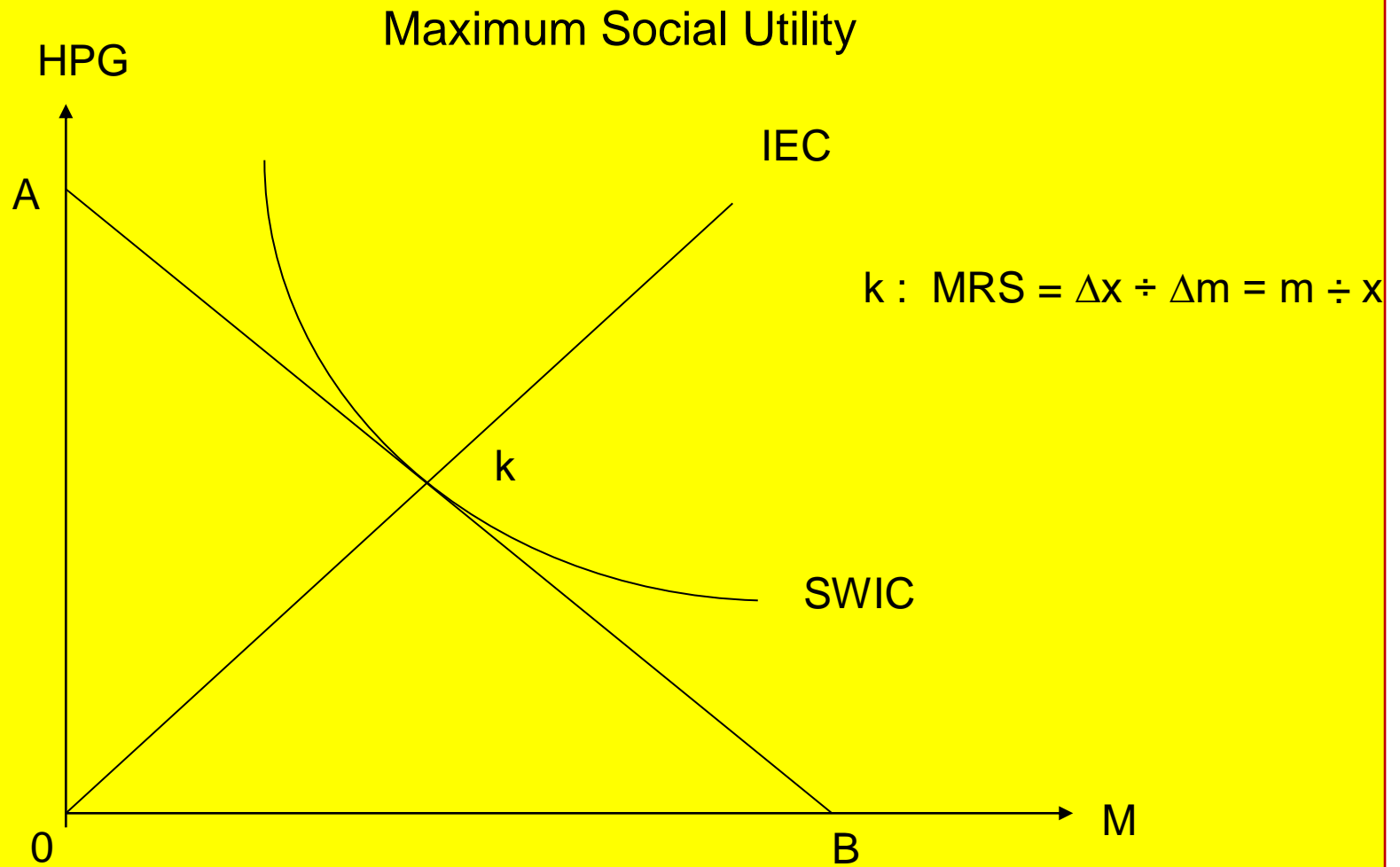
m = price of imports

a = quantity of imports are zero and maximum home products goods

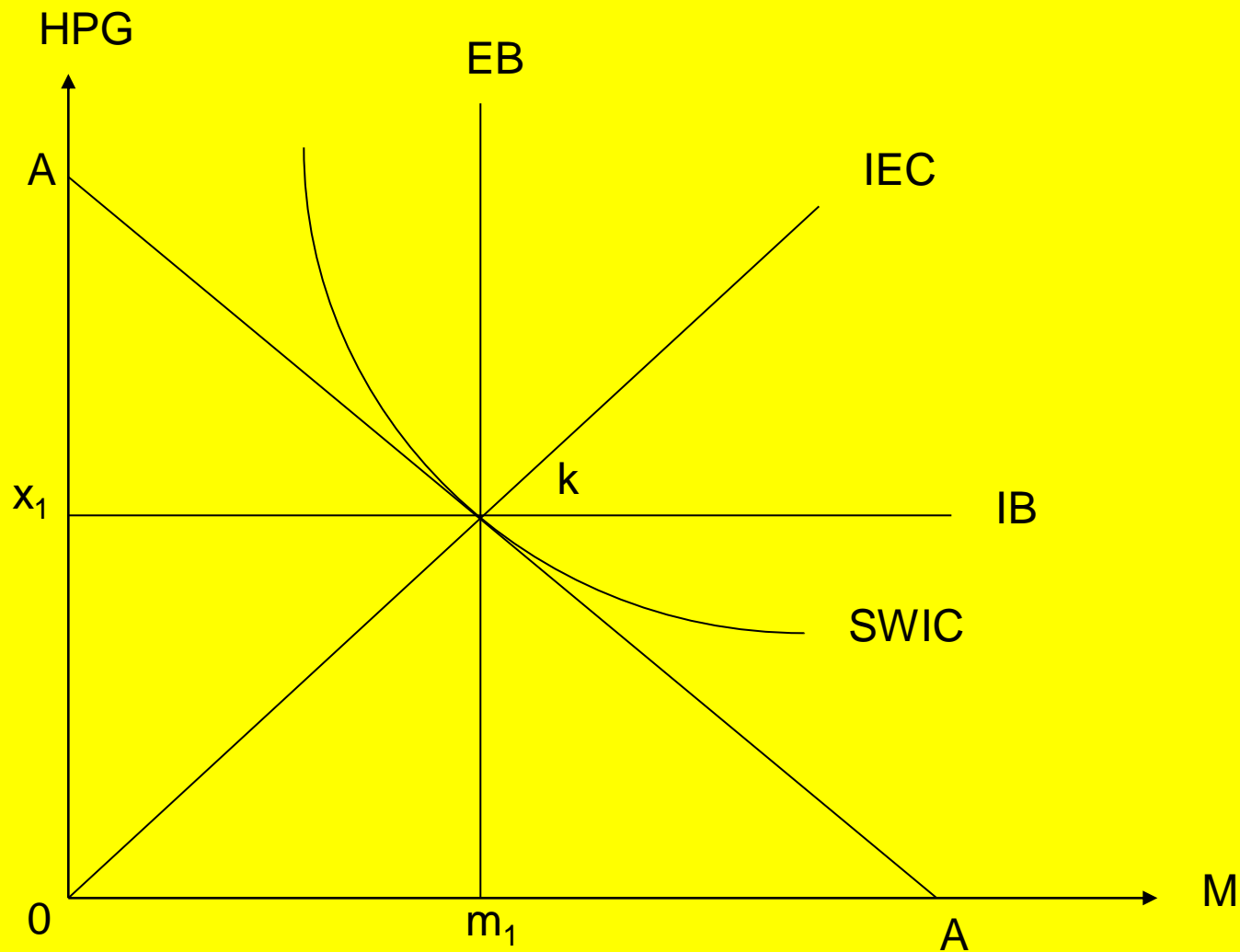
Income Expenditure line (curve)



Social Welfare Indifference Curve

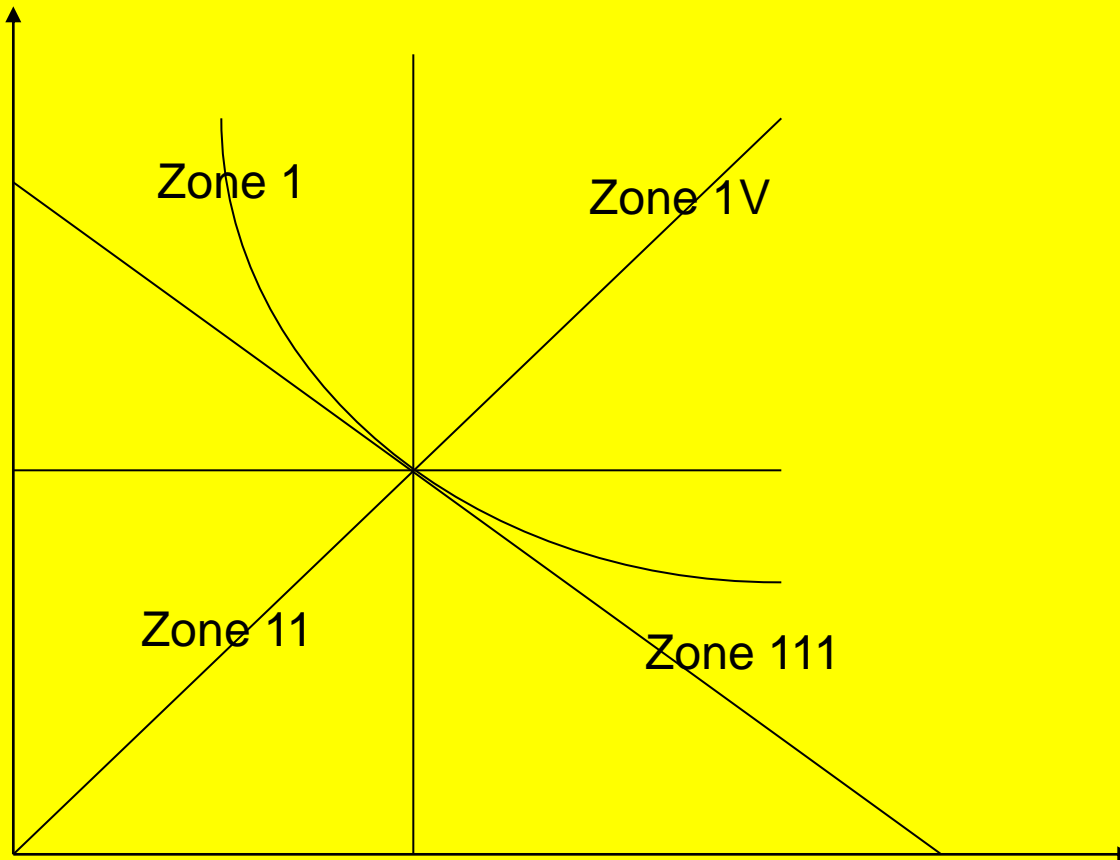


Internal and External Balance

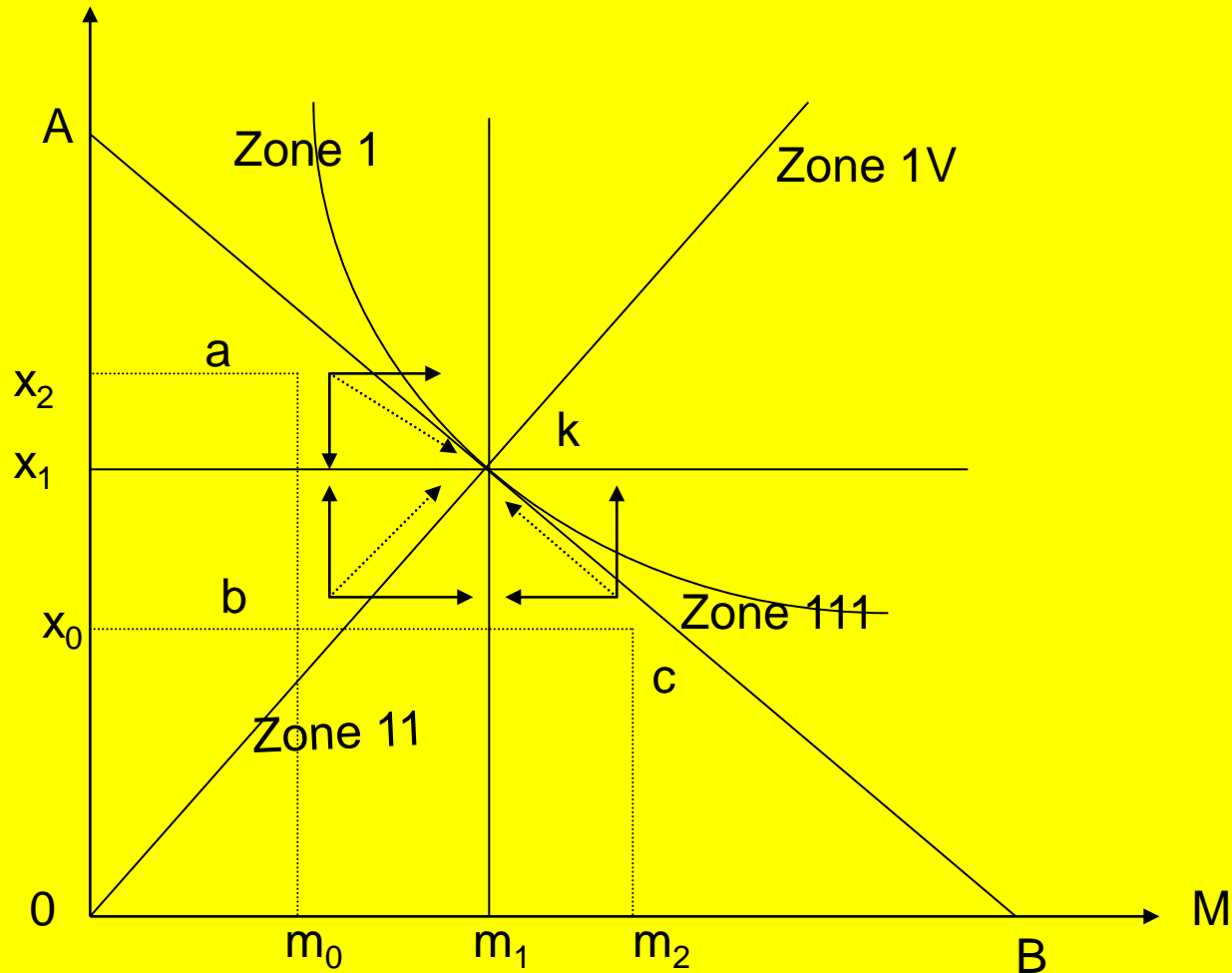


Zone Analysis

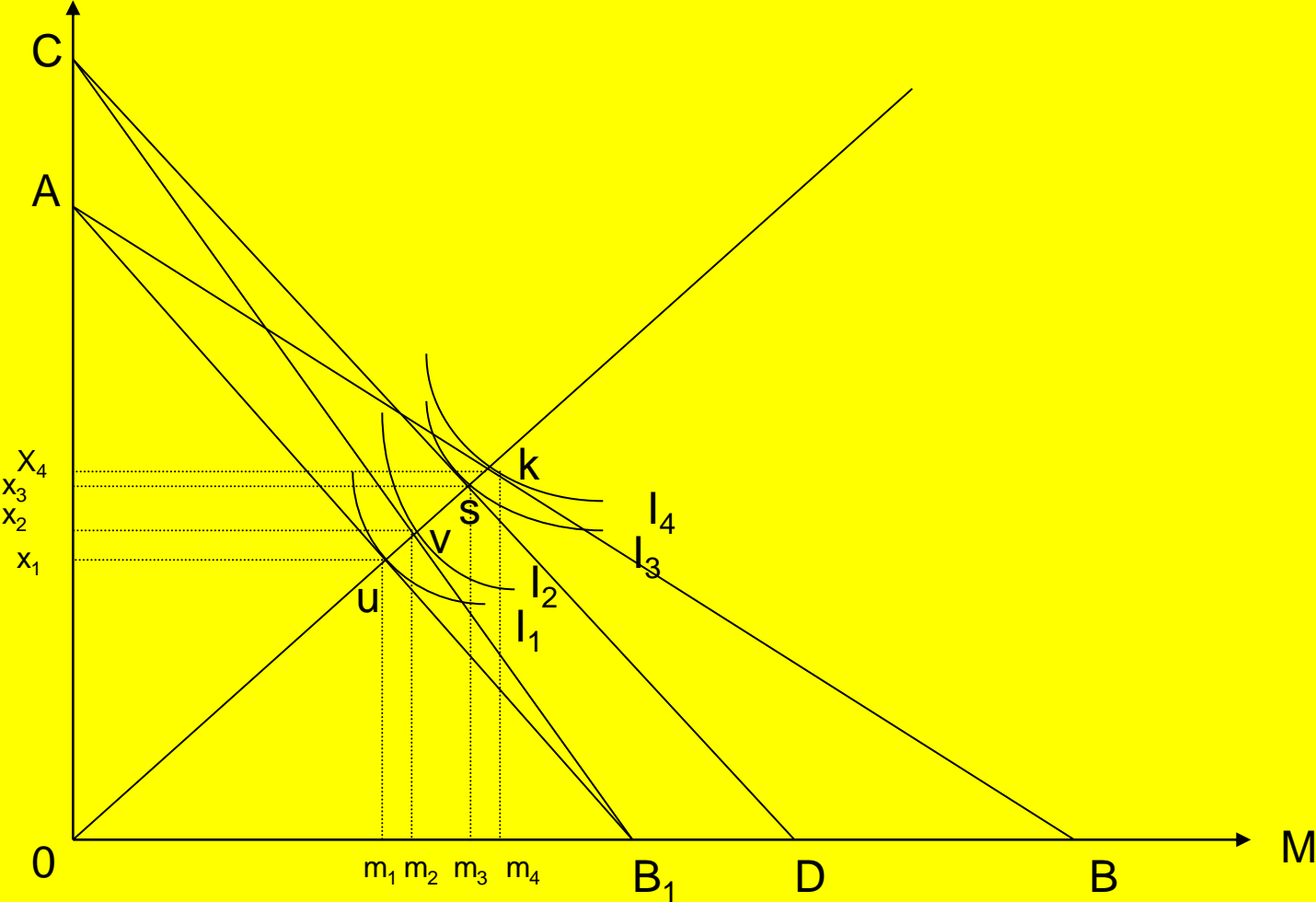
Features of Several Zones



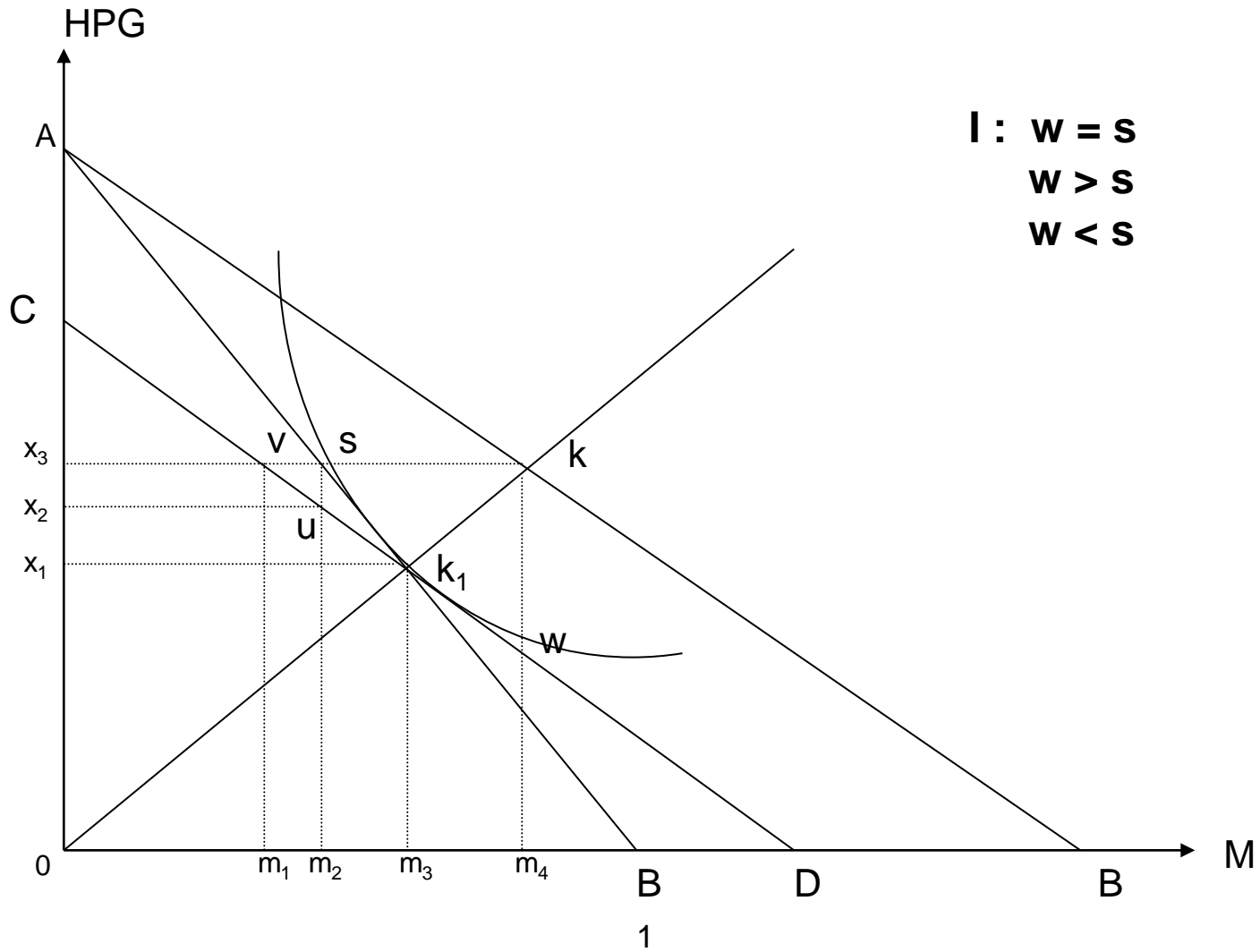
Internal and External Policies



Macro Economic Policies



Macro Economic Policies



කුටුම්භ ආදායම් ව්‍යාප්තිය හා ජිනි සංගුණකය

පන්ති ප්‍රාන්තරය	F	CF	CF %	CF Yi	Cf Yi %	$(F_{i+1} - F_i)(Y_{i+1} + Y_i)$
5000 – 7999	04	04	04.0	6499.5	01.95	$(04.0)(01.95) = 07.80$
8000 – 9999	11	15	15.0	15499.0	04.66	$(11.0)(06.61) = 72.71$
10,000 - 11,999	13	28	28.0	26498.5	07.97	$(13.0)(12.63) = 164.19$
12,000 - 13,999	12	40	40.0	39498.0	11.89	$(12.0)(19.86) = 238.32$
14,000 - 15,999	15	55	55.0	54197.5	16.31	$(15.0)(28.20) = 423.00$
16,000 - 17,999	04	59	59.0	71197.0	21.43	$(04.0)(37.74) = 150.96$
18,000 - 19,999	09	68	68.0	90196.5	27.15	$(09.0)(48.58) = 437.22$
20,000 - 21,999	06	74	74.0	111196.0	33.47	$(06.0)(60.62) = 363.72$
22,000 - 24,999	06	80	80.0	134695.5	40.54	$(06.0)(74.01) = 444.06$
25,000 - 29,999	06	86	86.0	162195.0	48.82	$(06.0)(89.36) = 536.10$
30,000 - 34,999	04	90	90.0	194694.5	58.60	$(04.0)(107.42) = 429.68$
35,000 - 39,999	02	92	92.0	232194.0	69.89	$(02.0)(128.49) = 256.99$
40,000 - 49,999	03	95	95.0	277193.5	83.44	$(03.0)(158.33) = 474.99$
50,000 <	05	100	100	332193.0	100	$(05.0)(183.44) = 917.20$
එකතුව	100					4917

F = කුටුම්භ සංඛ්‍යාව

F = කුටුම්භ මධ්‍යය මාසික ආදායම
(ආදායම රුපියල් වලින් දක්වා ඇත)

CF = සමුච්චිත කුටුම්භ සංඛ්‍යාව

CF = සමුච්චිත කුටුම්භ මධ්‍යය ආදායම

$$4319.806 \div 10,000 = 0.4319806$$

ජිනි සංගුණකය

$$\begin{aligned}
 &= 1 - \sum (F_{i+1} - F_i) (Y_i + 1 + Y_i) \\
 &= 1 - 0.4319 \\
 &= 0.568019
 \end{aligned}$$

Table 1: Sri Lanka: Relative Income Distribution Data, 1953-2010/11

Decile	1953	1963	1973	78/79	81/82	85/86	90/91	95/96	00/01	05/06	10/11
Lowest	1.51	1.17	1.80	1.20	1.40	0.40	1.60	1.43	1.45	1.79	1.81
Second		3.56		2.70	3.17	2.56	3.10	1.10	3.20	3.12	3.22
		3.47		3.87							
Third		3.56		3.56	4.38	3.60	4.40	2.00	3.90	3.45	3.13
		3.56		4.01							
Fourth		4.37		4.57	5.70	4.76	7.40	3.60	5.00	4.69	4.65
		4.37		5.21							
Fifth		5.71		5.55	7.10	5.93	5.80	4.90	6.10	6.17	6.15
		6.54		6.79							
Sixth		6.31		6.82	8.75	7.29	8.10	6.80	6.93	7.12	7.03
		6.79		8.04							
Seventh		7.94		8.96	10.56	9.20	8.60	8.10	8.27	9.13	8.79
		9.09		10.21							
Eighth		10.39		11.46	12.65	11.23	13.70	11.10	10.27	11.34	11.37
		12.32		11.56							
Ninth		14.16		16.01	15.26	15.26	13.70	12.70	14.10	14.16	14.09
		13.51		12.18							
Highest		42.49		39.24	29.28	39.05	33.80	49.30	40.58	39.39	40.12
		38.56		36.32							

Source: Central Bank of Sri Lanka- Consumer Finance Surveys, Department of Census and Statistics (various years).