

# MKR GOVERNMENT DEGREE COLLEGE

**DEVARAKONDA (Dist. NALGONDA) – 508 248**

(Accredited with B++ Grade by NAAC)

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ISO-9001



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## DEPARTMENT OF ECONOMICS (2020-21)

### USE OF TECHNOLOGY IN TEACHING HUMANITIES

#### Consumption Function

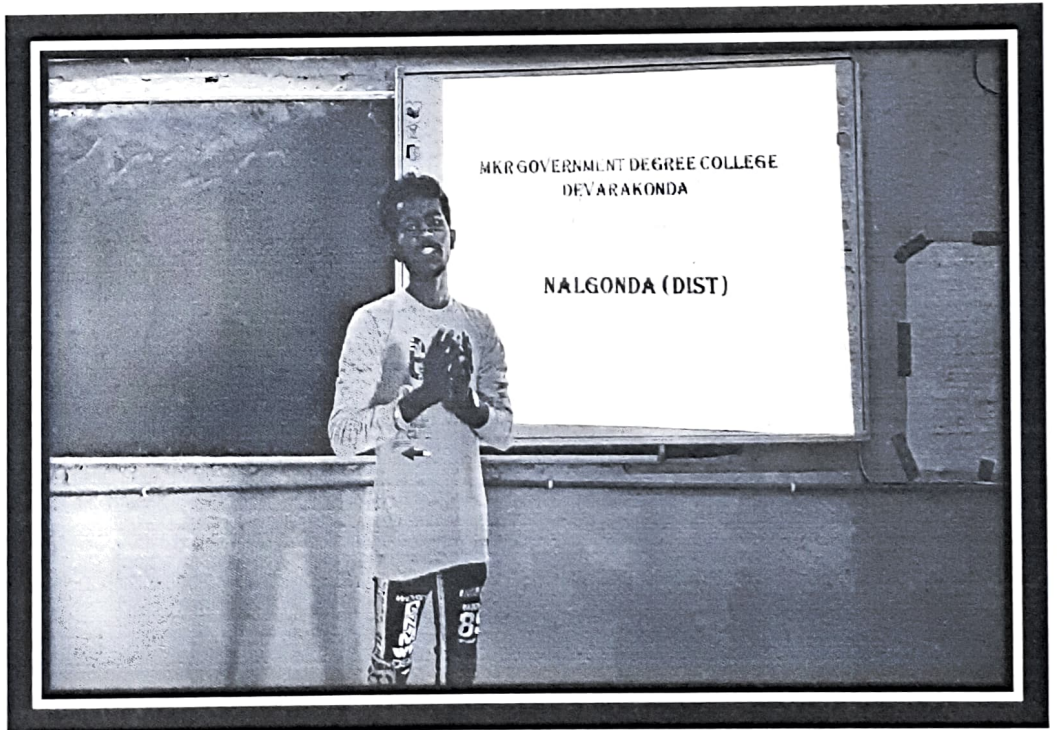
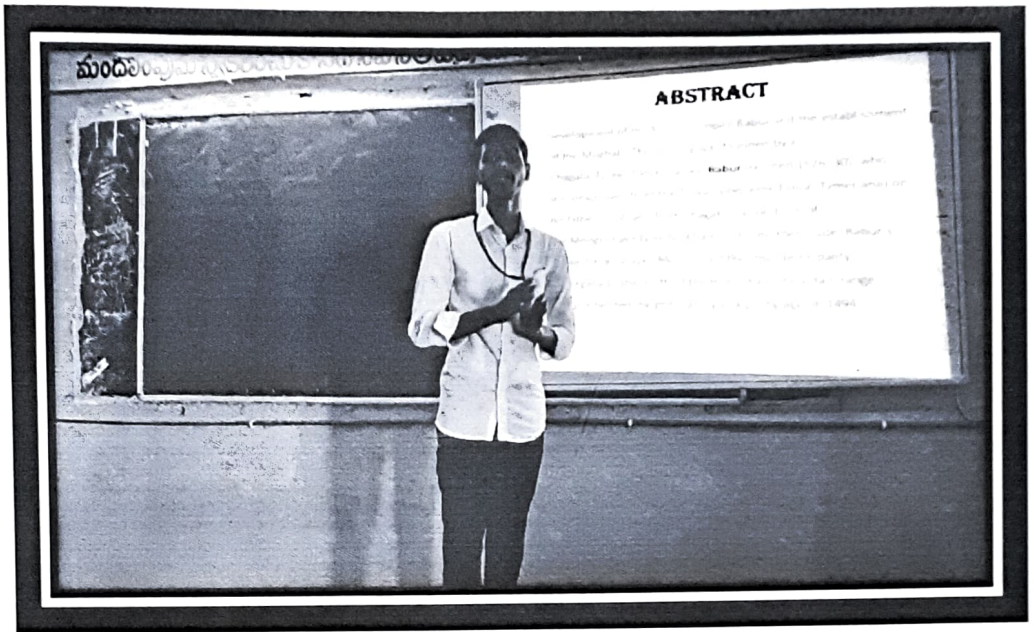
- › Theory of consumption function explain relationship between consumption & income
- › As per JM Keynes, consumption expenditure of household depends mainly on their current income
- › Other factors influence like interest rate, taxation, amount of wealth etc.
- › As per Keynes, when income increases, consumption increases but in a lesser proportion due to savings
- › Consumption Function is also known as Propensity to consume



#### DEFINITION

- ❖ According to C.CROWTHER, "Inflation is State in which the Value of Money is Falling and the Prices are rising."
- ❖ In Economics, the Word inflation Refers to General rise in Prices Measured against a Standard Level of Purchasing Power





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