

History: ECONOMIC

Define economic planning: Economic development

has been closely linked, with planning.

Economic planning has become a craze,

in modern times, especially, in underdeveloped countries and developing

countries.

Importance of planning:

1) Economic Development: The main

Objective of planning is to achieve

the objective to goal of economic Development

2) Increase Employment: Another of

Planning is important planning of utilize

the man power resource and
increase in employment opportunity.

(3) Self sufficient: Bangladesh
is import country dependent
country. It is important to
Plan to make self-sufficient
in food and raw material.

(4) Economic stability: stability
is important for economy.
Planning is necessary for
establishment of stability
in economic.
of Investment and
like to provide

5) Social welfare and service Economic

Planning are important to promote labor welfare, and economic development for backward class and social welfare for poor people. Development for social service & like education, health, technical education, scientific advancement etc. are not possible to ~~pro~~ without proper planning.

> Increase capital formation

Through effectively planning, we can increase the rate of saving in the country.

Industrial development: Today without industrialization, no country can

improve the economic condition

therefor, the establishment to new industries; Planning must

8) Region Disparity: Reduce the region disparity by directly investment to under developed area.

9) Foreign Investment: Create a favorable business environment, attractive

attracting and retaining foreign Direct investment.

10) Technological Advancement: Promote the research, development, and adoption new technologies to boost productivity.

Inflation%

Price increase
but Purchases in money \downarrow decrease

Ex: $\frac{1}{2}$ rupee \rightarrow 2 rupees
money supply \uparrow production \downarrow
कारण \rightarrow $\frac{1}{2}$ rupee \rightarrow 2 rupees

\Rightarrow 4 to 1
 \rightarrow 1 to 4
③ ②

Inflation% means expansion of money or increase in supply of money in the economy. Inflation Actual meaning is increase in money supply faster than the growth in real national income. When inflation occurs, money loses value due to over supply of money and the causes rises in price. \rightarrow things

Reason behind inflation

1) The most common deficit financing

The government of a country tries to grow the economy and spends more on the cause. As a result the process ends up incurring deficit financing.

2) When public expenditure increases but supply of goods does not, the inflation price rises in the economy.

3) Fast growing population of a country.

4) The large inflow of foreign currency in a country. When the

inflow is faster than the absorptive capacity of the economy of a