

Macro Economics

Course Objectives

This subject provides the macro economic environment at national as well as global level for managing business. The subject also provides an introduction to the determination of aggregate income and employment with an analysis of fiscal and monetary policy. Policy issues relating to overall aggregate demand management will be discussed.

Syllabus

Indian Economy and Business environment - Political and legal, economic, technological, International Business environments, Globalization and Indian business environment, Measuring the economy, business cycles, inflation, national income, economic and monetary policies. Industrial policies and structure, industry and inter-industry analysis.

Expected Outcome

On completion of the course the students will acquire knowledge about the linkages and functioning of macro-economic variables like aggregate income, aggregate demand and supply, savings, investment and employment. They also will learn about aggregate output and price levels and general equilibrium, money, credit and dynamics of inflation, national income and sectoral contributions, business environment and the global scenarios.

References

1. Abel, Andrew B, Ben Bernanke and Dean Croushore. Macro Economics. Pearson, 2013.
2. Agarwal, Vanita. Macro Economics: Theory and Policy. Pearson Education India, 2010.
3. Bedi, Suresh. Business Environment. Excel Books, 2005.
4. Datt, Ruddar and KPM Sundharam. Indian Economy. S Chand, 2013 (70th Edition).
5. Fernando, A C. Business Environment. Pearson, 2011.
6. Hall, Robert E and David H Papell. Macro Economics: Economic Growth, Fluctuations and Policy, Viva Books Private Limited, 2010.
7. Hill, Charles WL and Arun Kumar Jain. International Business: Competing in the Global Market- place. Tata McGraw Hill, 2009.
8. Kennedy, M and Maria John. Macro Economic Theory. PHI, 2011.
9. Leontief, Wassily. Structure of American Economy. Oxford University Press, 1951.

10. Mankiw, N Gregory. Principles of Macroeconomics. Cengage Learning, 2015.
11. Misra, SK and VK Puri. Economic Environment of Business (With Case Studies). Himalaya Publishing House, 2012.
12. Paul, Justin. Business Environment: Text and Cases. Tata McGraw Hill, 2010.
13. Vaish, M. C. Macro Economic Theory. Vikas Publishing House, 2009. 14. Wetherly, Paul and Dorron Otter. The Business Environment: Themes and Issues in a Globalizing World. OUP Oxford, 2014.

Course Plan

I Indian Economy and Business environment: Nature and scope, Structure of the Business Environment- Internal and external environment Political and legal environment: Overview, philosophies, political system, judiciary Constitution of India Economic environment: Overview, Nature of Indian economy, Features of Indian economy, Changes in recent times Socio- cultural environment: Socio-cultural factors affecting business

II Globalization and Indian business environment: Meaning and implications, phases, Globalization impact on Indian economy across sectors, Modes of entry strategies India's foreign trade policies: Recent developments, Global outsourcing, MNCs and FDIs in retail, infrastructure, pharma, insurance, banking & finance, and automobile; Impact of WTO on India's foreign trade Technological environment: Technology and development, Integrating technology with business, India and global knowledge market

First Internal Examination

III International Business Environment: Review of global economy, The global recession, Business environment in developed and developing countries International trade theories GATT and WTO: Agreements and implications International cultural aspects: Values and norms, religion and ethics, language, education, impact of cultural differences in business

IV Measuring the economy: Basic economic concepts, Open and closed economies, Primary, secondary and tertiary sectors and their contribution to the economy, SWOT analysis of the Indian economy, Measuring GDP and GDP growth rate, Components of GDP Business Cycle: Features, Phases, Economic time series, Economic indicators, Correlation, persistence, coherence Inflation: Types, Measurement, Kinds of price indices Employment and unemployment rates: Measurement National income: Estimates, Trends, Measurement, Problems in measuring National income

Second Internal Examination

IV Industrial policies and structure: Leontief's inter-industry analysis, Planning, Problems in industrial development during the plan period, classification of industries based on ownership, Industrial policies, Industrial strategy for the future, New industrial policy 1991 Structure of Indian Industry: Public and private sector enterprises, Objectives of PSUs, Performance and short-comings, Private sector - growth, problems and prospects, SSI - Role of Indian economy, Disinvestments in Indian public sector units since 1991 Industry analysis: Textiles, Electronics, Automobile, FMCG, Telecom and Pharma sectors

V Economic Policies: Privatization-problems and prospects Fiscal policy: Objectives, instruments, Union budget, Reforms-Rajah Chelliah Committee Recommendations, Taxes, Role of Government Monetary Policy: Money, Measures of money supply, Monetary system in India, Monetary policy -Tools for credit control, Structure of the banking system, RBI and its functions, Banking structure reforms - Narasimham Committee recommendations

Trimester Examination