



**SECOND SEMESTER 2015-2016**

**Course Handout Part II**

Dated: 19/01/2016

In addition to part I (General Handout for all courses appended to the time table) this portion gives further specific details regarding the course.

**Course No.** : ECON C321/ECON F243

**Course Title** : Macroeconomics

**Instructor-in-charge** : A. K. GIRI

- 1. Course Description:** Systems of national accounts; input output system; monetary circulation & exchange; basic models of income determination; classical model; obstacles to full employment; Keynes' model; derivation of IS and LM functions; three sector model; four sector model; inflation & Phillips curve; open economy macroeconomics; consumption, investment

**2. Scopes and Objective:**

The course aims at enabling the students to understand the meaning, interdependence and determination of the equilibrium level of the macroeconomic variables like National Income, Saving, Investment, Consumption, Employment, Interest Rate, Price, Wage Rate, Foreign Exchange Rate, etc. The methods and approach to macroeconomic modelling and policy are also emphasized.

**3. Text Book:**

- T1.** Froyen, Richard T, "Macroeconomics: Theory and Policies", Pearson Education Inc.; 10<sup>th</sup> Edition, 2014

**4. Reference Books:**

- R1.** Blanchard, Olivier, "Macroeconomics", 4<sup>rd</sup> Edition, Pearson's Education (Indian Reprint), 2007.  
**R2.** Errol D'Souza, "Macroeconomics", 2<sup>st</sup> Edition, Pearson's Education, 2012  
**R3.** Hubbard RG and O'Brien A P, "Macroeconomics", Pearson's Education, 2006.  
**R4.** Mankiw N. Gregory, Principles of Macroeconomics, 6<sup>th</sup> Edition, CENGAGE Learning, 2012

**5. Course Plan:**

Lecture No.	<i>Learning objectives</i>	<i>Topics to be covered</i>	<i>Reference, Chapter (s) Book</i>
1-2	What is macroeconomics about?	Macroeconomic System: Introduction	T1-1, R2-1,
3-5	National Income Accounting	Measurement of Macroeconomic Variables	T1-2, R4-10
6-9	Sectoral Interdependence of macroeconomic variables	Input-Output-System	Notes





10-12	To study the dynamics of job market	Classical Macroeconomics: Equilibrium Output and Employment	T1-3, R2-7
13-15	To study the dynamics of money market	Classical Macroeconomics: Money, Prices and Interest	T1-4, R4-16
16-19	Goods Market: Models of Income Determination	The Keynesian System: The Role of Aggregate Demand	T1-5, R4-20
20-22	Money Market, Relationship between goods market and money market	The Keynesian System: Money, Interest and Income	T1-6,
23-26	Policy Issues of goods and money market	The Keynesian System: Policy Effects in the IS-LM Model	T1-7, R4-21
27-28	Macroeconomics in an open economy	IS-LM Model in an Open economy	R4-18 & 19
29-31	Nature of output, interest and wages	Aggregate Supply and Aggregate Demand	T1-9, R3-12
32-35	Philips curve analysis	Output, Inflation and Unemployment: Alternative Views	T1-10 and 11, R4-22
36-37	Study the Determinants of Money Supply	Money Growth and Inflation	R4-17
38-39	Real economy	Saving, Investment and Financial System	R4-13
40-41	Household and production sector demand	Consumption and Investment	T1-20; R2-2, 3 & 4
42	Exchange Economy	Money Demand & Conclusion	T1-21, R2-6

#### 6. Evaluation Scheme:

EC. No.	Evaluation Component	Duration	Weightage	Date & Time	Nature of the Component
1.	Mid Term Test	90 mints	30	16/3 2:00 -3:30 PM	<b>Closed Book</b>
2.	Tutorials, continuous evaluations , and Class participation		25	Continuous Evaluation	
3.	Comprehensive	3 hrs	45	9/5 FN	<b>Partly Open Book</b>

**7. Chamber consultation hour:** To be announced in the class.

**8. Notices:** Please lookup Economics & Finance Notice board for Notices concerning the course.

**9. Make-up policy:** Make-up requests received prior to a test component will be examined on a case-by- case basis. Genuine cases will be permitted to take a makeup normally within a week.

**Instructor-in-charge**  
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