

SYLLABUS
DIBRUGARH UNIVERSITY
FYUGP



ECONOMICS

(Recommended by B.O.S. in Economics, D.U. in its meetings held on 22/11/2022)

B.A. IN ECONOMICS (NEP)

DETAILED SYLLABUS OF 2ND SEMESTER

| | | |
|------------------------------|---|-----------------------------------|
| Title of the Course | : | Elementary Macroeconomics |
| Course Code | : | MINECO2 |
| Nature of the Course | : | Minor |
| Total Credits | : | 04 |
| Distribution of Marks | : | 80 (End Sem) + 20 (In-Sem) |

COURSE OBJECTIVES:

1. To help students know the meaning of macroeconomics and how the overall production of economy is computed;
2. To familiarize the students with concepts of aggregate demand and aggregate supply;
3. To introduce the students with the classical and Keynesian theories of employment and output determination; and
4. To help students understand the meanings of money and other concepts related to money.

| UNITS | CONTENTS | L | T | P | Total Hours |
|-------------------|---|----|---|---|-------------|
| I (14 Marks) | Introduction Microeconomics vs Macroeconomics; Evolution of Macroeconomics as a separate discipline; Nature and scope of macroeconomics; Schools of macroeconomic thought – the classical, the Keynesian and the monetarist; Microeconomic thinking and Macroeconomic models; Objectives of Macroeconomics – short term vs long run, economic growth vs stabilization | 10 | | | |
| II (16 Marks) | National Income Accounting Measuring the value of economic activity and its importance; Meaning of GDP and GNP; Stocks and flows; Circular flow in an economy; Approaches to measuring GDP – Income method, expenditure method, and value added method; GDP deflator; Real GDP vs Nominal GDP; GDP and the underground economy; GDP and Social welfare; | 12 | | | |
| III (14 Marks) | Introduction to Aggregate Demand and Aggregate Supply Concept of aggregate demand; Components and determinants of aggregate demand –consumption, government spending, firms’ consumption, and net exports; Consumption function – MPC and APC; Saving – determinants of saving – MPS and APS; Investment – determinants of investment demand; investment function; Concept of Aggregate supply; determinants of aggregate supply; factors shifting aggregate supply | 10 | | | |

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|------------------|---|-----------|--|--|--|
| IV (18 Marks) | Determination of output and employment The classical theory of determination of output and employment; Say's law of markets; The Great Depression of 1930s – failure of classical school and the Keynesian revolution; the Keynesian theory – equality between output and aggregate demand, the concept of multiplier, equilibrium income | 14 | | | |
| V (18 Marks) | Introduction to money and inflation Definition of money; Functions of money; Types of money – money in barter system, fiat money, fiduciary money, metallic money, paper money; Measures of Money – M0, M1, M2, M3, and M4; Quantity theory of money; Money, prices and inflation; Inflation – meaning, types and causes; social costs of inflation; Benefit of inflation; Interest rates – nominal vs real; Nominal interest rate and demand for money | 14 | | | |
| | Total | 60 | | | |

Where,

L: Lectures

T: Tutorials

P: Practicals

MODES OF IN-SEMESTER ASSESSMENT:

(20 Marks)

- One Internal Examination - 10 Marks
- Others (Any one) - 10 Marks
 - Home assignment
 - Viva voce
 - Seminar
 - Group discussion
 - Quiz

LEARNING OUTCOMES:

After the completion of this course, the learner will be able to:

1. Understand what macroeconomics is all about and how it is different from microeconomics;
2. Assess the overall performance of economies on the basis of data related to macroeconomics indicators like GDP, deflator, capital formation, etc.
3. Analyse the changes in various components of aggregate demand and how such changes affect equilibrium output and employment;
4. To have a critical perspective on the money supply decision of RBI and its implication on the price level.

SUGGESTED READINGS:

- Dornbusch, R., Fischer, S. & Startz, R. (2018). *Macroeconomics* (12thed.). McGraw Hill Education
- Froyen, R.T. (2014). *Macroeconomic Theories and Policies* (10thed.). Pearson Education
- Mankiw, N.G. (2007). *Macroeconomics* (6thed.). Worth Publishers
- Sikdar, S. (2006). *Principles of Macroeconomics*. Oxford University Press