

# MACROECONOMICS

## LA321/LAL200

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# Syllabus

- **Module 1: National Income Accounting**

Circular flow of income, key concepts in national income accounting, accounting structure and key concepts in NI accounting, different approaches to NI measurement, social aspects of growth.

- **Classical Vs. Keynesian Models**

Say's Law, quantity theory of money, price flexibility and full employment, classical equilibrium, Keynesian Model – involuntary unemployment, liquidity preference, liquidity trap, consumption and investment theories, IS-LM model – goods and money market equilibrium, government's role - fiscal and monetary policies, Crowding out effect.

# Syllabus

- **Module 3: Macroeconomic adjustments**

Inflation and unemployment, long - run Phillips curve, inflation targeting, expectations formations - adaptive and rational expectations theories, Lucas' critique.

- **Module 4: Open Economy Macroeconomics**

Market for foreign exchange, real and nominal exchange rates, fixed versus floating exchange rates  
Mundell Fleming model, role of fiscal and monetary policies under alternative exchange rate regimes.

# Reference Texts

1. Mankiw, N. G. (2022). Principles of Macroeconomics, 8th Edition. Cengage India.
2. Froyen, R. T. (2013). Macroeconomics, 10th Edition. Pearson Education.
3. Dornbusch, R., Fisher, S., and Startz, R. (2018). Macroeconomics, 12th Edition. McGraw Hill Education

THANK YOU