



BIRLA INSTITUTE OF TECHNOLOGY AND SCIENCE, Pilani
Pilani Campus
AUGS/ AGSR Division

SECOND SEMESTER 2020-2021
COURSE HANDOUT

Date: 18.01.2021

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

Course No : ECON F243
Course Title : MACROECONOMICS
Instructor-in-Charge : ARUN KUMAR GIRI
Instructor(s) : Arun Kumar Giri
Tutorial Instructor : Arun Kumar Giri

1. Course Description:

Basic models of income determination; classical model; obstacles to full employment; Keynes' models; derivation of IS and LM functions; two sector models; three sector models; four sector models; inflation & Phillips curve; open economy macroeconomics; consumption function models, investment theories.

2. Scope and Objective of the Course:

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. Textbook:

TB. Froyen, Richard T, "Macroeconomics: Theories and Policies", Pearson Education Inc.; 10th Edition, 2014

4. Reference Books:

R1. Blanchard, Olivier, "Macroeconomics", 4th Edition, Pearson's Education (Indian Reprint), 2007.

R2. Errol D'Souza, "Macroeconomics", 2st 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, 6th Edition, CENGAGE Learning, 2012

5. Course Plan:

Module No.	Lecture Session	Reference (TB)	Learning outcomes
I Classical Macro economics	L1.1: Introduction	Chapter 1 and Chapter2	To study the dynamics of labour market
	L1.1: Introduction		
	L2.1: Classical Macroeconomics: Output and Employment		
	L2.2: Classical Macroeconomics: Output and Employment	Chapter 3	To study the dynamics of money market
	L3.1: Classical Macroeconomics: Money, Price and Interest		
	L3.2: Classical Macroeconomics: Money, Price and Interest		
	L3.3: Classical Macroeconomics: Money, Price and Interest		



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II	L4.1: The Keynesian System: The Role of Aggregate Demand	Chapter 4	Goods Market: Models of Income Determination
	L4.2: The Keynesian System: The Role of Aggregate Demand		
	L4.3: The Keynesian System: The Role of Aggregate Demand		
	L4.4: The Keynesian System: The Role of Aggregate Demand		
	L4.5: The Keynesian System: The Role of Aggregate Demand		
Keynesian System	L5.1: The Keynesian System: Money, Interest and Income	Chapter 5	Money Market, Relationship between goods market and money market
	L5.2: The Keynesian System: Money, Interest and Income		
	L5.3: The Keynesian System: Money, Interest and Income		
	L5.4: The Keynesian System: Money, Interest and Income		
	L6.1: The Keynesian System: Policy Effects in IS-LM	Chapter 6	Policy Issues of goods and money market
	L6.2: The Keynesian System: Policy Effects in IS-LM		
	L6.3: The Keynesian System: Policy Effects in IS-LM		
	L6.4: The Keynesian System: Policy Effects in IS-LM		
	L6.5: The Keynesian System: Policy Effects in IS-LM		
	L6.6: The Keynesian System: Policy Effects in IS-LM		
	L7.1: The Keynesian System: Aggregate Supply and Demand	Chapter 7	Study the inter-relationship between output, interest, and wages in macro economy.
	L7.2: The Keynesian System: Aggregate Supply and Demand		
	L7.3: The Keynesian System: Aggregate Supply and Demand		
	L7.4: The Keynesian System: Aggregate Supply and Demand		
III	L8.1: Monetarist Counterrevolution	Chapter 8	Monetarist contribution to macroeconomics
	L8.2: Monetarist Counterrevolution		
	L9.1: Output, Inflation and Unemployment: Alternative Views	Chapter 9	To study the nature and properties of Philips curve
	L9.2: Output, Inflation and Unemployment: Alternative Views		
	L9.3: Output, Inflation and Unemployment: Alternative Views		
Monetarist, New Classical and New Keynesian Counter Revolutions	L10.1: New Classical Economics	Chapter 10	Critiques of Keynesian Macroeconomics
	L10.1: New Classical Economics		



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	L11.1: Real Business Cycles and New Keynesian Economics L11.2: Real Business Cycles and New Keynesian Economics	Chapter 11	Real Business Cycle theory and New Keynesian Theory
IV Open Economy Macroeconomics	L12.1: IS-LM Model in an Open economy L12.2: IS-LM Model in an Open economy L12.3 Monetary and Fiscal Policy in Open Economy L12.4 Monetary and Fiscal Policy in Open Economy L12.5 Monetary and Fiscal Policy in Open Economy	R4: 18 and 19, and Chapter 14 of textbook	Open economy Macroeconomics, Monetary and Fiscal Policies in Open Economy.

6. Evaluation Scheme:

Component	Duration	Weightage (%)	Date & Time	Nature of component (Close Book/ Open Book)
Tutorial Tests	20-30 min.	25	Continuous	Open Book
Class Participation		05		--
Mid-Semester Test	90 Min.	30	TBA	Open Book
Comprehensive Examination	2 Hour	40	01/05 (FN)	Partly Open Book

- 7. Make-up Policy:** The application for make-up of mid-semester and comprehensive exam will not be entertained without specifying any genuine reasons. Application must be submitted to instructor-in-charge of the course along with documents supporting the reason for seeking make-up before conducting the respective regular exams (Mid Semester and Comprehensive).
- 8. Class Participation:** Class participation as when students are given opportunities to participate during class by allowing them to ask and answer questions. Students are also expected to respond to the questions asked by the teacher during lecture and tutorial classes. Further, it is also expected students to brainstorm with students in small groups with a specific task in focus. Mere attendance is not class participation.
- 9. Note (if any):** Only prescribed reference materials and hand-written lecture notes are allowed for open book. The use of mobile phone is not permitted during exams, including tutorial tests. Avoid use of internet materials during open book components. Practicing unethical means during test will face penalty of marks and even disciplinary actions.

Instructor-in-charge
Course No. F243