

## DEPARTMENT OF ECONOMICS

(With Effect from 2019-20)

<b>Semester</b>	<b>III</b>	<b>Total Credit</b>	<b>4</b>
<b>Course Code</b>	<b>GE</b>	<b>Credit Pattern</b>	<b>L-40, T-10, P-10</b>
<b>Course Title</b>	<b>Fundamentals of Macro Economics</b>		

### Course Outcomes: Students will be able to

<b>1</b>	<b>Identify the macro variables in any economy</b>
<b>2</b>	<b>Describe the economic theories and variations in macro variables</b>

### Syllabus:

<b>Unit Number</b>	<b>Contents</b>	<b>Number of Sessions</b>	
<b>1</b>	<b>Unit 1: National Income (NI)</b> Introduction, Basic Concepts, Estimation of NI and Difficulties, Circular Flow of Aggregate Income and Expenditure, NI as A Measure of Economic Development In Comparison With Other Indicators	<b>L= 11</b>	
		<b>T= 2</b>	<b>P= 2</b>
<b>2</b>	<b>Unit 2:Determination of Output and Employment:</b> Classical theory, Assumptions, Say's Law of Market, Goods, Money and labour markets, Wage and Price flexibility, Limitations	<b>L= 11</b>	
		<b>T= 2</b>	<b>P= 2</b>
<b>3</b>	<b>Unit 3: Keynesian Theory and Macro Economic Policies</b> Consumption Function, Aggregate Demand, Keynesian Psychological Law of Consumption, Keynesian theory of Aggregate Demand and Effective Demand, Multipliers – types, uses and limitations, <b>Macroeconomic policies</b> , Objectives and Instruments of Monetary and Fiscal Policies, Recent Issues in Monetary and Fiscal Policies	<b>L=11</b>	
		<b>T=2</b>	<b>P=2</b>
<b>4</b>	<b>Unit 4: Business Cycles, Inflation &amp; Unemployment</b> Definition, Phases of Business Cycle, Graphical Representation, Need for controlling business cycles, Policy measures to control business cycles, Inflation: Meaning and Types, Economic effects of inflation, Policies to control inflation, Phillips curve – relationship between unemployment and inflation	<b>L= 11</b>	
		<b>T= 2</b>	<b>P= 2</b>

### Learning Resources

1	<b>Text Books</b>	<ul style="list-style-type: none"> <li>• C.Rangarajan and Dholokia B.H, Principles of Macro Economics, Tata Mcgraw-Hill, New Delhi, (1998).</li> <li>• Blanchard, Olivier (2000), <i>Macroeconomics</i>, Prentice Hall.</li> </ul>
2	<b>Reference books</b>	<ul style="list-style-type: none"> <li>• Mankiw Gregory (2002), <i>Macroeconomics</i>, 5th Edition, Worth Publishers</li> <li>• Ahuja H L(2015), <i>Macroeconomics Theory And Policy</i>, 19th Edition, SCHAND</li> <li>• Gupta G S(2011), <i>Keynesian and Post Keynesian</i></li> </ul>
3	<b>Websites</b>	<a href="http://www.rbi.org.in">www.rbi.org.in</a> <a href="http://www.mygov.gov.in">www.mygov.gov.in</a> <a href="http://www.cmie.com">www.cmie.com</a>
4	<b>Journals</b>	Arth Samwad Economic and Political Weekly Indian-Economic-Journal Journal-of Indian-School-of-Political-Economy
5	<b>Supplementary Reading</b>	Economics Survey Union Budget of India
6	<b>Practical Component</b>	<ul style="list-style-type: none"> <li>• <b>Identify macroeconomic policies implemented in India and prepare a critical analysis of the policies based on Reference books and relevant news items published in news papers</b></li> </ul>