



Economics S2
Macroeconomics
[Discipline Specific Course]

Semester: III	Credits: 3	Subject Code: A32110	Lectures: 48
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Course Outcomes:

At the end of the course, the learner will be able to:

- Apply various concepts and measurement of National Income
- Recognize the mechanism of income determination in an economy
- Discuss the theoretical base of consumption and investment functions
- Apply and analyze the different approaches to consumption
- Demonstrate problem solving under National Income and Consumption

Unit 1: Introduction to Macroeconomics and National Income Accounting	14
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- Introduction to Macroeconomics – Meaning, Importance, Scope and Limitations of Macroeconomics
- Macroeconomic Paradoxes
- Concepts of National Income- GDP, GNP, NNP, NDP, National Income, PI, PDI, Per Capita Income, GDP at factor cost and GDP at market price, Nominal GDP and Real GDP; Numerical Problems
- Methods and Importance of Measuring National Income
- Difficulties and Limitations in measuring National Income
- Circular Flow of Income - a Two-sector, a Three- sector and an Open Economy model
- Withdrawals and Injections in a Circular Flow of Income
- Conditions of Equilibrium Level of Income

Unit 2: Theories of Income and Employment	12
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- Classical Theory of Income and Employment – Say's Law of Market, Capital Market Equilibrium, Labour Market Equilibrium
- Keynes Criticism of Classical Theory
- Keynesian Theory of Income and Employment- Effective Demand, Aggregate Supply Function, Aggregate Demand Function, Under-employment Equilibrium
- Comparison between Classical and Keynesian Principles of Economics

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Unit 3: Consumption Function	12
<ul style="list-style-type: none">• Concepts - Consumption Function, APC and MPC, Savings Function, APS and MPS; Numerical Problems• Determinants of Consumption Function• Keynes Psychological Law of Consumption• Post-Keynesian Approaches to Consumption	

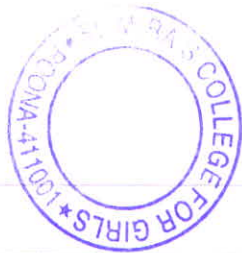
Unit 4: Investment Function	10
<ul style="list-style-type: none">• Concepts – Investment, Capital, Investment Function, Marginal Efficiency of Capital• Types of Investment• Factors affecting Marginal Efficiency of Capital• Theory of Investment Multiplier, Importance, Leakages and Limitations of the Theory of Multiplier; Numerical Problems• Principle of Acceleration and a Concept of Super-multiplier	

12 hours for Library work, practical or field work or research purposes

Recommended Text Books:

- A.B.Abei, B.S. Bernake, D. Croushore (2020) '*Macroeconomics*' Pearson Education; 10th edition
- Ahuja H.L. (2016) '*Macroeconomics Theory and Policy*' S.Chand and Co. New Delhi, 20th edition
- August Swanenberg (2005) '*Macroeconomics Demystified*' McGraw Hill Publications, A Self Teaching Guide
- Dwivedi D.N. (2018) '*Macroeconomics- Theory and Policy*' The McGraw Hill Companies, New Delhi, 5th edition
- Fisher S and Dornbusch (2018) '*Economics*' McGraw Hill International Book Co.; 13th edition
- Gordon R. and Harris S.G. (1998) '*Macroeconomics and Economics*' Addison Wesley
- Mankar V.G. (1999) '*Business Economics*', Macmillan Publishers India.
- Mankiw Gregory and Mark Taylor (2017) '*Macroeconomics*' Cengage Learning India Pvt. Ltd; 4th edition
- Richard T Froyen (2013) '*Macroeconomics – Theories and Policies*' Pearson Education India; 10th edition
- Shapiro Edward (2013) '*Macroeconomic Analysis*' Galgotia Publications, New Delhi, 5th edition
- SoumyenSikdar (2011) '*Principles of Macroeconomics*' Oxford University Press, 2nd edition

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Reference Books:

- Ackley G. (1978) '*Macroeconomics Theory and Policy*' Collier Macmillan International Student Edition,
- Begg, Fischer, Dornbusch (1994) '*Economics*'; McGraw Hill Book Company, 4th edition
- Damodaran Suma (2010) '*Managerial Economics*' Oxford University Press; New Delhi; 2nd edition
- Eugene A. Diulio (2016) '*Schaum's Outline of Theory and Problems of Macroeconomics*' Tata McGraw Hill Publishing Company Ltd.; New Delhi. 3rd edition
- F.S. Brooman (1970) '*Macroeconomics*' George Allen and Unwin, London; 4th edition.
- Fisher, Dornbusch and Schamalensee (1988) '*Economics*' McGraw Hill International Edition; 2nd edition
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- Harrison b. Smith C. and Davies B. (2002) '*Introductory Economics*' Macmillan Press Ltd. London
- Jha R. (2019) '*Contemporary Macroeconomic Theory and Policy*' New Age International (P) Ltd. New Delhi; 2nd edition
- Lipsey, R.G. and Chrystal, A. (2015) '*Economics*' Oxford University Press; 13th edition
- Lloyd G Reynolds (1982) '*Macroeconomics*' Richard D. Irwin Inc. 4th edition
- Mankiw Gregory (2008) '*Economics: Principles and Applications*' Cengage Learning India, New Delhi
- Mankiw N.G. and Romer D. (1991) '*New Keynesian Economics*' (2 volumes) MIT Press Cambridge.
- Paul Samuelson and William Nordhaus (2019) '*Economics*' McGraw Hill India; 20th Edition

Websites:

- <https://ocw.mit.edu/courses/economics/14-451-macroeconomic-theory-i-spring-2007/>
- <https://libguides.humboldt.edu/openedu/econ>

E-Resources:

- <https://epgp.inflibnet.ac.in/Home/ViewSubject?catid=11> – E PG Pathshala

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Economics S2
Macroeconomics
[Discipline Specific Course]

Semester: IV	Credits: 3	Subject Code: A42110	Lectures: 48
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Course Outcomes:

At the end of the course, the learner will be able to:

- Apply the various concepts of Monetary Economics
- Explain and apply the concepts and theories of Inflation, Deflation and Stagflation
- Discuss the conceptual and theoretical framework of Business Cycles
- Analyze the role and the instruments of Monetary and Fiscal Policies
- Demonstrate sensitivity towards the effects of economic crisis like Inflation, Deflation and Business Cycles
- Describe the framework of macroeconomic policies and apply and analyze the macroeconomic policies

Unit 1: Money

14

- Concepts -Money, Value of Money, Supply of Money
- Evolution, Characteristics and Functions of Money
- Determinants of Money Supply
- Credit Creation by Commercial Banks
- Credit Control Measures by the Central Bank: objectives, quantitative and qualitative instruments and their limitations
- RBI's New Monetary Aggregates
- Approaches to Demand for Money - Classical (Fisher), Neoclassical (Cambridge), Keynesian and Friedman's Approaches

Unit 2: Inflation and Deflation

14

- Concepts - Inflation, Deflation and Stagflation
- Types of Inflation - Demand Pull and Cost Push Inflation and other types
- Causes and Effects of Inflation
- Causes and Effects of Deflation
- Control of Inflation and Deflation – Fiscal and Monetary Policy
- Trade-off between Inflation and Unemployment – Short Run Phillips Curve

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Unit 3: Business Cycles	10
<ul style="list-style-type: none"> • Meaning, Features, Types and Causes of Business Cycles • Phases of Business Cycles • Keynesian Theory of Business Cycles • Control of Business Cycles – Fiscal and Monetary Policy 	

Unit 4: Macroeconomic Objectives and Policies	10
<ul style="list-style-type: none"> • Objectives of Macroeconomic Policies – Price Stabilization, Economic Growth, Full Employment and Social Justice • Monetary Policy – Meaning, Instruments, Advantages and Limitations • Fiscal Policy - Meaning, Instruments, Advantages and Limitations 	

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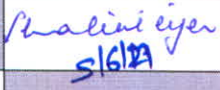
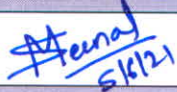

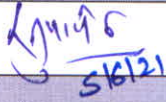



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St. Mira's College for Girls, Pune
(SYBA 2021-2024)

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Chairperson (HoD)	Dr. Manisha Pimpalkhare		
Faculty	Dr. Shalini Iyer		
Faculty	Dr. Meenal Sumant		
Subject Expert (Outside SPPU)	Dr. Manjushree Bobade		
Subject Expert (Outside SPPU)	Dr. Subhash Patil		
VC Nominee	Dr. Saili Belsare		
Industry Expert	Dr. Girija Lagad		
Alumni	Ms. Suchismita Mohanty		

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