



MA Economics
Macroeconomic Analysis I
[Core Course]

Semester III	Credit: 4	Subject Code: MEC32001	Lectures: 48
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Course Outcomes:

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

- Analyze and explain and analyze macroeconomic concepts of National Income, Aggregate Demand, Aggregate Supply, Consumption and Investment.
- Demonstrate and examine the concepts such as Multiplier, Consumption Function, Investment Function etc.
- Examine, analyze and evaluate the theoretical bases for open economy macroeconomics.
- Demonstrate analytical and interpretation skills to analyze and apply to real-life macroeconomic situations.

Unit 1: National Income	12
<ul style="list-style-type: none"> • GDP at factor cost and GDP at market price, Nominal GDP and Real GDP; GDP Deflator, Price Indices – Paasche and Laspeyres • Methods of measuring National Income - Income, Output and Expenditure Methods • National Income Accounting – Social Accounting, Input-Output Accounting, Green Accounting, System of National Income Accounting in India 	

Unit 2: Aggregate Demand and Aggregate Supply	08
<ul style="list-style-type: none"> • Determination of Income and Employment, Effects of change in Aggregate Demand and Aggregate Supply Curves-Classical Approach • Determination of Income and Employment - Keynesian Approach • Determination of National Income in an Open Economy • Multiplier Effect, Balanced Budget Multiplier and Foreign Trade Multiplier 	

Unit 3: IS-LM Model and General Equilibrium:	10
<ul style="list-style-type: none"> • Derivation of the IS and the LM Curves and General Equilibrium • Equilibrium in the Goods and Assets under fixed and flexible prices • Derivation of Aggregate Demand Schedule • Monetary and Fiscal policy- The Transmission Mechanism-Liquidity Trap • Fiscal policy and crowding out effect, Optimum Policy mix with IS-LM Model. 	

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Unit 4: Theories of Consumption and Investment:	08
<ul style="list-style-type: none"> • Relative Income Hypothesis • Permanent Income Hypothesis • Life-cycle Hypothesis • MEC and Investment • Theory of Accelerator • Theory of Super-Multiplier 	

Unit 5: Open Economy Macroeconomics:	10
<ul style="list-style-type: none"> • The Rational Expectations Approach - Lucas critique - Rational Expectation Model • Open Economy IS-LM-BPO's, the Mundell-Fleming Model • Stabilization, Macroeconomic Policy and Exchange Rate Regimes 	

*12 lectures are assigned for library work, assignments, guest lectures and contact hours.

Pre-course Reading :
<ul style="list-style-type: none"> • Concepts of National Income - GDP, GNP, NNP, NDP, National Income, PI, PDI, Per Capita Income

Recommended Text Books:
<ul style="list-style-type: none"> • Ackley G. (1978) '<i>Macroeconomics Theory and Policy</i>' Collier Macmillan International Student Edition, • Begg, Fischer, Dornbusch (1994) '<i>Economics</i>' McGraw Hill Book Company, 4th Ed. • Damodaran Suma (2006) '<i>Managerial Economics</i>' Oxford University Press; New Delhi. • D.Wrightsmann '<i>An Introduction to Monetary Theory and Policy</i>' The Free Press New York 1983 • Eugene A. Diulio (1998) '<i>Schaum's Outline of Theory and Problems of Macroeconomics</i>' Tata McGraw Hill Publishing Company Ltd.; New Delhi. 3rd edition • F.S. Brooman (1970) '<i>Macroeconomics</i>' George Allen and Unwin, London. • Fisher, Dornbusch and Schmalensee (1988) '<i>Economics</i>' McGraw Hill International Edition ; 2nd edition • Fisher and Stanley (1988) '<i>Economics</i>' McGraw Hill Companies; 2nd edition • Harrison b. Smith C. and Davies B. (1992) '<i>Introductory Economics</i>' Macmillan Press Ltd. London • Jha R. (1991) '<i>Contemporary Macroeconomic Theory and Policy</i>' New Age

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International (P) Ltd. New Delhi.

- Minhas B. S. (2004) '*National Income Accounts and Data Systems*', OUP India

Reference Books:

- A.B.Abei, B.S. Bernake, D. Croushore (2011) '*Macroeconomics*' Pearson Education; 7th edition
- Agarwala S. K. (2002) '*National Income Accounting*', Worldview Publications.
- Ahuja H.L. (2010) '*Macroeconomics Theory and Policy*' S.Chand and Co.
- August Swanenberg (2005) '*Macroeconomics Demystified*' A Self Teaching Guide
- Dwivedi D.N. (2010) '*Macroeconomics- Theory and Policy*' The McGraw Hill Companies, New Delhi, 3rd edition
- Fisher S and Dornbusch (1998) '*Economics*' McGraw Hill; 2nd
- Gordon R. and Harris S.G. (1998) '*Macroeconomics and Economics*' Addison Wesley
- King David (1984) '*Introduction to National Income Accounting*' E. Arnold Publications
- Mankiw Gregory (2007) '*Macroeconomics*' Worth, New York
- Richard T Froyen (2006) '*Macroeconomics- Theories and Policies*' Pearson Education; 8th edition
- Shapiro Edward (1990) '*Macroeconomic Analysis*' Galgotia Publications, New Delhi, 5th edition
- Soumyen Sikdar (2006) '*Principles of Macroeconomics*' Oxford University Press

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MAEconomics
Macroeconomic Analysis II
[Core Course]

Semester IV	Credit: 4	Subject Code: MEC42001	Lectures: 48
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Course Outcomes:

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

- Explain the monetary concepts, the theories and policies relating to Money and Money Supply.
- Describe the concept of Demand for Money and to analyze theoretical base to approach to Demand for Money
- Explain and demonstrate the progressive tools relating to macroeconomic concepts and evaluate monetary crisis like inflation and business cycles in real-life situations.
- Demonstrate analytical and interpretation skills to analyze and apply to the monetary phenomenon in real-life situations

Unit 1: Supply of Money	12
<ul style="list-style-type: none">• Definitions of Money, Moneyness and Liquidity• Theory of High-Powered Money• Money Multiplier Process, Factors Affecting High Powered Money• RBI's New Money and Liquidity Measures• The quantity and components of Money Stock in India and broad trend in Money Stock	
Unit 2: Demand for Money	08
<ul style="list-style-type: none">• Tobin's Portfolio Approach to Demand for Money• Baumol's Inventory Approach to Demand for Money• Friedman's Theory of Demand for Money	
Unit 3: Monetary Policy Strategies	10
<ul style="list-style-type: none">• Goals, Indicators, and Instruments of Monetary Policy• Monetary Base Instrument Rule• Money Targeting Rule• Exchange Rate Targeting Rule• Inflation Rate Targeting• Rules versus discretion, Central Bank autonomy	

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Unit 4: Inflation and Unemployment	10
<ul style="list-style-type: none"> • Inflation-Unemployment Trade-Off – Philips Curve • Long Run Philips Curve – Adaptive Expectations Theory • Long Run Philips Curve – Rational Expectations Model • Stagflation and Supply-Side Economics 	

Unit 5: Theories of Business Cycles	08
<ul style="list-style-type: none"> • Samuelson's Model of Business Cycles • Hick's Theory of Business Cycles • Kaldor's Model of Business Cycles • Goodwin's Model of Business Cycles 	

***12 lectures are assigned for library work, assignments, guest lectures and contact hours.**

Recommended Text Books:
<ul style="list-style-type: none"> • Abei A.B; B.S. Bernake, D. Croushore (2011) '<i>Macroeconomics</i>' Pearson Education; 7th edition • Ahuja H.L. (2010) '<i>Macroeconomics Theory and Policy</i>' S.Chand and Co. New Delhi, 16th edition • Dwivedi D.N. (2010) '<i>Macroeconomics- Theory and Policy</i>' The McGraw Hill Companies, New Delhi, 3rd edition • Fisher S. and Dornbusch (1998) '<i>Economics</i>' McGraw Hill International Book Co.; 2nd • Froyen Richard T. (2006) '<i>Macroeconomics – Theories and Policies</i>' Pearson Education; 8th edition • Gordon R. and Harris S.G. (1998) '<i>Macroeconomics and Economics</i>' Addison Wesley • Mankar V.G. etc. (1978) '<i>Business Economics</i>', Himalaya Publishing House • Mankiw Gregory (2007) '<i>Macroeconomics</i>' Worth, New York • Mishkin Frederic (2007), '<i>The Economics of Money Banking and Financial Markets</i>, 8th edition Addison Wesley Longman Publishers • Shapiro Edward (1990) '<i>Macroeconomic Analysis</i>' Galgotia Publications, New Delhi, 5th edition • Soumyen Sikdar (2006) '<i>Principles of Macroeconomics</i>' Oxford University Press

Reference Books :
<ul style="list-style-type: none"> • Begg, Fischer, Dornbusch (1994) '<i>Economics</i>' McGraw Hill Book Company • Brooman F.S. (1970) '<i>Macroeconomics</i>' George Allen and Unwin, London. • Diulio Eugene A. (1998) '<i>Schaum's Outline of Theory and Problems of Macroeconomics</i>' Tata McGraw Hill Publishing Company Ltd.; New Delhi.

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- D.Wrightsmann 'An Introduction to Monetary Theory and Policy' The Free Press New York 1983
- Fisher, Dornbusch and Schamalensee (1988)'Economics' McGraw Hill
- Fisher and Stanley (1988) 'Economics' McGraw Hill Companies; 2nd edition
- Gupta S.B. (2009) 'Monetary Economics – Institutions, Theory and Policy', S. Chand. Publications, 9th edition
- Harrison b. Smith C. and Davies B.(1992) 'Introductory Economics' Macmillan Press Ltd. London
- Jha R.(1991) 'Contemporary Macroeconomic Theory and Policy' New Age International (P) Ltd. New Delhi.
- Lipsey,R.G. and Chrystal,A.(2010) 'Economics' Oxford University Press;
- Jhingan M. L. (2004) "Monetary Economics", Vrinda Publications Ltd.,
- Mankiw Gregory (2007) 'Economics:Principles and Applications' Cengage Learning India, New Delhi
- Mankiw N.G. and Romer D. (1991) *New Keynesian Economics* (2 volumes) MIT Press Cambridge.
- ReynoldsLloyd G. (1982) 'Macroeconomics' Richard D. Irwin Inc. 4th edition
- SamuelsonPaul and William Nordhaus (2010) 'Economics' McGraw Hill Book Company; 19th Edition

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