

Business Economics (Macro)

Semester III	Subject Code: BB31605	Lectures: 60
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Objectives:

The Syllabus aims in equipping students with,

- The understanding of fundamentals of Macroeconomic Theory
- The reasoning capacity developed through the growth of Macroeconomics with the Schools of the Thoughts
- The knowledge of Globalization and the working of an Open Economy
- The use of Mathematical Models wherever necessary

Unit 1: Introduction	06
<ul style="list-style-type: none"> • Introduction to Macroeconomics. Definition, Nature, Scope and Limitations, Difference between Macroeconomics and Microeconomics • The Major Schools of Thought in Macroeconomics • Short Run, Medium Run and the Long Run: Aggregate Demand and Supply Curves. Technological Progress and Growth 	

Unit 2: National Income Accounting	12
<ul style="list-style-type: none"> • Circular Flow of Income in 2 Sectors, 3 Sectors and 4 Sectors Models • National Income Measures – Gross Domestic Product, Gross National Product, Net Domestic Product, Net National Product, Personal Income, Disposable Income, Nominal and Real GDP, The GDP Deflator, Consumer Price Index, Wholesale Price Index • Methods of Measuring National Income in Closed and Open Sectors 	

Unit 3: Theory of Income and Employment	12
<ul style="list-style-type: none"> • The Classical Theory of Output and Employment, The Classical Postulates, Say's Law, The Great Depression and the Collapse of the Classical Economics • The Keynesian Theory of Income Determination – Keynes' Psychological Law of Consumption, The Consumption Function and Savings Function, Income 	



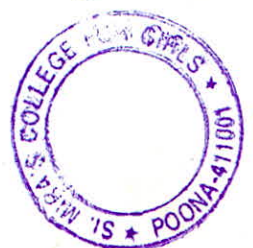
and Output Determination – The Keynesian Cross, The Saving-Investment Approach , Multiplier, Balanced Budget Multiplier	
<ul style="list-style-type: none">• Investment Function, Autonomous and Induced Investment, Marginal Efficiency of Capital and Investment• Acceleration Principle	

Unit 4: Business Cycle, Inflation, Deflation and Unemployment	12
<ul style="list-style-type: none">• Nature, Characteristics and Phases of Business Cycle• Inflation – Meaning, Types, Causes and Control• Deflation – Concept, Causes, Merits and Demerits• Unemployment, Meaning and Measurement, Kinds of Unemployment, Inflation and the Rate of Unemployment, The Phillips Curve	

Unit 5: Macroeconomic Policies	06
<ul style="list-style-type: none">• Creation of Credit• Monetary Policy• Fiscal policy	

***Contact hours – 12 hours**

Recommended Text Book:
<ul style="list-style-type: none">✓ 1. <i>Business Economics (Macro)</i>, Kiran Jotwani, Nirali Prakashan, 2014✓ 2. <i>Business Economics (Macro)</i>, Saroj Kumar and Sarita, Thakur Publishers 2011



Reference Books:

- 1 Ahuja H.L., *Macro Economics: Theory and Policy*, S. Chand & Co. Ltd. New Delhi 2006
- 2 Gupta S.B., *Monetary Economics*, S. Chand & Co. Ltd. New Delhi.2002
- 3 Shapiro E, *Macro Economic Analysis*, Galgotia Publications, New Delhi. 1996 ,5th Ed
- 4 Jhingan M. L., *Macro Economic Theory*, Vrinda Publications, New Delhi. 2006
- 5 William Branson, *Macro Economics:Theory and Policy*, 1988 2nd Edn
- 6 J. Harvey and H. Johnson, *Introduction to Macro Economics*
- 7 D. N. Dwivedi , *Macro Economics* ,Tata McGraw Hill, New Delhi-2006
- 8 Ackley G. Macmillan Publishing Company, *Macro Economics: Theory and Policy*, New York. 1978
9. N. Gregory Mankiw, *Macroeconomics* ,Macmillan Publishing Company, 2000
10. G S Gupta, *Macroeconomics Theory and Applications* ,The McGraw Hill Companies 2008
11. Sampat Mukherjee, *Analytical Macroeconomics From Keynes to Mankiw* ,New Central Book Agency, 20008
12. Lipsey and Chrystal, *An Introduction to Positive Economics*, Oxford University, Press, 1995,1999

