

**TEACHING PLAN FOR GENERIC ELECTIVE (ECONOMICS) SEMESTER- II**

**COURSE: ECON026**

**(PRINCIPLES OF MACROECONOMICS-i)**

**CREDITS: 4**

**READINGS:**

1. Andrew Abel, Ben Bernanke and Dean Croushore (2020): Macroeconomics (10th edition), Pearson
2. Olivier Blanchard (2017): Macroeconomics (7th edition), Pearson
3. Rudiger Dornbusch, Stanley Fischer and Richard Startz (2011): Macroeconomics (11th edition), McGraw-Hil

<b>UNIT</b>	<b>TOPIC</b>	<b>READINGS</b>	<b>NO. OF LECTURES</b>
<b>1. Introduction</b>	What is macroeconomics? Macroeconomic issues in an economy	(i) Abel, Bernanke and Croushore: Chapter 1 (Introduction to Macroeconomics)	<b>05 Hours (Suggested Weightage 20 Marks for Unit 1 &amp; 2)</b>
<b>2. National Income Accounting</b>	Concepts of GDP and National Income; measurement of national income and related aggregates; nominal and real income; limitations of the GDP concept	(i) Abel, Bernanke and Croushore: Chapter 2 (The Measurement and Structure of the National Economy)	<b>10 Hours (Suggested Weightage 20 Marks for Unit 1 &amp; 2)</b>
<b>3. Determination of GDP</b>	Actual and potential GDP; aggregate expenditure; consumption function; investment function; equilibrium GDP; concepts of MPS, APS, MPC, APC;	(i) Dornbusch, Fischer and Startz: Chapter 1, Section 1.2, pages 14-16 (The Business Cycle and Output Gap) And (ii) Chapter 9 (Income and Spending)	<b>10 Hours (Suggested Weightage 20 Marks)</b>

	autonomous expenditure; Concept of multiplier		
<b>4. National Income Determination in an Open Economy with Government</b>	Income determination; Fiscal Policy: impact of changes in government expenditure and taxes; net exports function; net exports and equilibrium national income.	(i) Dornbusch, Fischer and Startz: Chapter 9 (Income and Spending)  (ii) Abel, Bernanke and Croushore: Chapter 5, Section 5.2, pages 214-215 (Goods Market Equilibrium in an Open Economy)	<b>10 Hours</b> <b>( Suggested Weightage 25 Marks)</b>
<b>5. Money in a Modern Economy</b>	Concept of money in a modern economy; monetary aggregates; demand for money; quantity theory of money; liquidity preference and rate of interest; money supply and credit creation; monetary policy.	(i) Abel, Bernanke and Croushore: Chapter 7, Section 7.1, pages 274-281 (What is Money)  (ii) Blanchard: Chapter 4 (Financial Markets I)	<b>10 Hours</b> <b>( Suggested Weightage 25 Marks)</b>

**Useful sources for data on the Indian economy:**

1. Economic Survey: <https://www.indiabudget.gov.in/economicsurvey/>
2. RBI Handbook of Statistics on the Indian Economy:  
<https://www.rbi.org.in/SCRIPTS/AnnualPublications.aspx?head=Handbook%20of%20Statistics%20on%20Indian%20Economy>

**Assessment:**

- 1. Internal Assessment (IA): 30 Marks – one class test, another test or presentation (12 marks each), and 6 marks for attendance.**
- 2. Continuous Assessment ( CA): 40 marks – projects, presentations etc. (35 marks) and 5 marks for attendance.**
- 3. The end semester exam: 90 marks will comprise numerical and other questions.**

**TEACHER: Mr. Aakash Kumar Soni**

**TEACHING PLAN FOR MAJOR/MINOR (ECONOMICS) SEMESTER- II**

**COURSE: ECON008**

**(INTERMEDIATE MACROECONOMICS-I: FOUNDATIONS OF AGGREGATE  
INCOME DETERMINATION)**

**CREDITS: 4**

**READINGS:**

1. **Rudiger Dornbusch, Stanley Fischer and Richard Startz (2011). Macroeconomics, 11th edition, McGraw-Hill.**
2. **Oliver Blanchard and David R. Johanson (2013). Macroeconomics, 6th edition, Pearson**
3. **C.L.F. Attfield, D. Demery and N.W. Duck (1991), Rational Expectations in Macroeconomics: An Introduction to Theory and Evidence, 2nd edition, Wiley-Blackwell.**

<b>UNIT</b>	<b>TOPIC</b>	<b>READINGS</b>	<b>NO. OF LECTURES</b>
<b>1. IS-LM Analysis</b>	Derivations of the IS and LM functions; IS-LM and aggregate demand; shifts in the AD curve	(i) Dornbusch, Fischer and Startz: Chapter 10 (Boxes & Section 10.5 to be excluded)  (ii) Dornbusch, Fischer and Startz: Chapter 11 (Boxes & Section 11.4 to be excluded)	<b>11 Hours (Suggested Weightage 25 Marks)</b>
<b>2. Short-run and medium-run equilibrium</b>	The labour market, Wage determination; wages, prices and unemployment; natural rate of unemployment; from employment to output, Derivation of aggregate supply curve, Interaction of aggregate demand and supply to determine equilibrium output, price level and employment.	(i) Blanchard and Johnson: Chapters 6 and 7	<b>11 Hours (Suggested Weightage 25 Marks)</b>
<b>3. Phillips Curve and Theory of Expectations</b>	Inflation, unemployment and expectations, Phillips Curve; adaptive and rational	(i) Blanchard and Johnson: Chapter 8 (ii) Attfield, Demery and Duck: pp 6 – 9, 18 – 28	<b>08 Hours (Suggested Weightage 15 Marks)</b>

	expectations; policy ineffectiveness debate.		
<b>4. Microeconomic foundations of macroeconomic behaviours</b>	Consumption: Keynesian consumption function; Fisher's theory of optimal intertemporal choice; life-cycle and permanent income hypothesis; other theories of consumption expenditure. Investment: determinants of business fixed investment; residential investment and inventory investment.	(i) Dornbusch, Fischer and Startz: Chapter 13 (Boxes & Optional on pp 338 to be excluded) (ii) Dornbusch, Fischer and Startz: Chapter 14 (Boxes to be excluded)	<b>10 Hours (Suggested Weightage 25 Marks)</b>

**Useful sources for data on the Indian economy:**

1. Economic Survey: <https://www.indiabudget.gov.in/economicsurvey/>
2. RBI Handbook of Statistics on the Indian Economy: <https://www.rbi.org.in/SCRIPTS/AnnualPublications.aspx?head=Handbook%20of%20Statistics%20on%20Indian%20Economy>

**Assessment:**

1. **Internal Assessment (IA): 30 Marks – one class test, another test or presentation (12 marks each), and 6 marks for attendance.**
2. **Continuous Assessment (CA): 40 marks – projects, presentations etc. (35 marks) and 5 marks for attendance.**
3. **The end semester exam: 90 marks will comprise numerical and other questions. The end semester exam (90 marks) will comprise of two sections: A and B. Sections A will comprise short questions of 6 marks each (5 to be attempted out of 7) and Section B will comprise long questions of 12 marks each (5 to be attempted out of 7). Questions based on numerical problems of approximately 20 to 30 marks to be included.**

**TEACHER: Mr. Aakash Kumar Soni**