

BACHELOR OF ARTS

6th SEMESTER

GENERIC ELECTIVE – 2 (GE - 2)

EC620G: ECONOMICS: MACROECONOMICS (GENERIC ELECTIVE)

Theory: 4 Credits; Tutorial: 2 Credits

Max Marks- 60; Max Marks- 30

Min Marks- 24; Min Marks- 12

Course Description

This course intends to acquaint the general students with the basic principles in Macroeconomic theory.

Unit I: National Income and Related Aggregates (15 Hours)

Macroeconomics - Concept and its evolution; National Income- Meaning; concepts of National Income; Measurement of National Income- value added method; income method; expenditure method; Nominal and Real income.

Unit II: Classical and Keynesian Theory (15 Hours)

Classical postulates; Classical theory of Income and Employment- Say's law of markets; Keynes criticism of Classical theory. Aggregate expenditure; Keynesian theory of Consumption- APC and MPC; Saving Function- APS and MPS

Unit III: Concept and Role of Money (15 Hours)

Money- Meaning, evolution and functions; Kinds of money; Characteristics of good money; Four measures of Money Supply; Money and Near Money; Significance of Near money.

Unit IV: Inflation and Business Cycle (15 Hours)

Inflation- Concept and types; Causes of Inflation- Demand pull and Cost Push Inflation; Consequences of Inflation; Business cycle- Concept, causes and phases.

TUTORIALS: (2 Credits, 30 Hours)

- (i) Limitations of GDP as a measure of national income.
- (ii) Circular flow of income in two-sector, three-sector and four-sector economy.
- (iii) Investment- Concept and types.
- (iv) Determination of equilibrium output in Keynesian framework.
- (v) Concept of Investment Multiplier.
- (vi) Measures to control Inflation.

Basic Readings:

1. Richard T. Froyen (2013) Macroeconomics Theories and Policies, Pearson Education, New Delhi.
2. Edward Shapiro (2013) Macroeconomic Analysis, Galgotia Publications, New Delhi.
3. Gardner Ackle (2008) Macroeconomic Theory, Surjeet Publications, Delhi.
4. H.L. Ahuja (2016) Macroeconomic Theory and Policy based on UGC model curriculum; S Chand; Latest Edition.
5. D. N. Dwivedi (2005), Macroeconomics Theory and Policy, Tata McGraw Hill New Delhi.
6. Case, Karl E. & Ray C. Fair, Sharon M Oster (2012), Principles of Macroeconomics, Pearson Education, Inc., 10th Edition.

Additional Readings:

Additional reading list to be suggested by the concerned teacher.