

TEMPLATE FOR COURSE SYLLABUS FOR NEP IMPLEMENTATION

Discipline: Science ☒ Arts, Humanities & Social Science ☒
Commerce ☐ BBA ☐ BCA ☐

Subject Name: **ECONOMICS**

Subject Code: (Will be provided by the University)

Semester: Semester I ☐ Semester II ☒ Semester III ☐ Semester IV ☐
Semester V ☐ Semester VI ☐ Semester VII ☐ Semester VIII ☐

Course Name: **INTRODUCTORY MACROECONOMICS**

Course Code: **ECONDSC202**

Course Credit: Theoretical Practical/Tutorial

Marks Allotted: Theoretical Practical/Tutorial

Continuing Evaluation Attendance

Course Type (tick the correct alternatives):

Major Core ☐ AEC ☐
Interdisciplinary/ DSE ☒ SEC ☐
Minor / Generic Elective ☐ VAC ☐
Research Project/Dissertation ☐ Vocational ☐

Is the course focused on employability/entrepreneurship? YES ☒ NO ☐

Is the course focused on imparting life skills? YES ☐ NO ☒

Is the course based on Activity? YES ☐ NO ☒

Remarks by Chairman, UG BOS, if any

This is new course for Economics MDC semester 2 under FYUGP

UG BOS Meeting Reference Number:

Date:

Course Code: ECONDS202

Course Name: Introductory Macroeconomics

Brief Course Description:

The course provides an introduction to basic macroeconomic theory. The course is made up of five modules which include national income accounting, classical theory, Simple Keynesian model, inflation and unemployment and money and banking.

Prerequisite(s) and/or Note(s):

Prior knowledge of economics is optional.

Course Objectives:

Knowledge acquired:

- (1) The students will be acquainted with basic concepts and principles of macroeconomics.
- (2) The students will gain knowledge regarding national income accounting.
- (3) The students will gain knowledge regarding the classical theory and Simple Keynesian theory.
- (4) The students will gain knowledge regarding inflation, unemployment, money and banking.

Skills gained:

- (1) The students will be able to understand the basic concepts of macroeconomics and relate them to real world experiences.

Competency Developed:

- (1) Students will be able to understand core macroeconomic concepts and theories.
- (2) Students will acquire the knowledge required to study advanced courses in macroeconomic theory in subsequent semesters.

Course Syllabus Overview:

Introductory Macroeconomics

Module I: National Income Accounting (9 hrs)

What is National Income? Circular flow of Income; Different Concepts of National Income, Distinction between GNP and NNP, GNP and GDP, NNP at factor cost and market price, National income and personal income, nominal and real national income, The concept of disposable income; Different Methods of Measuring National Income-Income Method, Value-added method and expenditure method; Difficulties of Measurement of National Income; Open and closed economy-concepts only; GDP Deflator and Consumer Price Index; National income as a measure of welfare.

Module II: Classical Theory (9 hrs)

Classical Theory of Output and Employment, Say's Law of Market, Criticism against the classical theory; Quantity Theory of Money-Fisher's Version and Cambridge Version.

Module III: The Simple Keynesian Model in a Closed Economy (9 hrs)

Equilibrium analysis under the simple Keynesian model with the government sector: Concept of Effective Demand, Keynesian Consumption Function, Keynesian saving function, Relation between Average and Marginal Propensity to Consume, Factors Determining Consumption Function, The Paradox of Thrift; Concept and theory of Investment Multiplier, Some special types of multiplier: The government Expenditure Multiplier and Balanced Budget Multiplier; Impact of fiscal policy on budget deficit and surplus.

Module IV: Inflation and Unemployment (9 hrs)

Inflation: Concepts of Inflation, Deflation, and Stagflation; Different Types of Inflation, hyperinflations, galloping, walking and creeping; Causes of Inflation-Theories of Demand-pull and Cost-push Inflation and their distinction; Anti-Inflationary Measures; Trade-off between inflation and unemployment –the basic idea of the Phillips Curve; Anti-inflationary policies.

Module V: Money and Banking (9 hrs)

Money: Concept, functions and measurement; Theories of money supply determination; definition of money supply in the Indian context (M1, M2, M3, and M4); Money supply and interest rate cohesion; Recent monetary policy announcement- the Demonetisation.

Banking- Commercial Banks: Balance sheet and portfolio management; Credit creation; Central Banks- functions and instruments of monetary policy- Repo rate and reverse repo rate.

Tutorial Classes: [15 hrs.] Tutorial classes are meant to clarify the course's contents better. Such classes are meant to promote teacher-student academic interactions and help to build a student's confidence and self-esteem.

Continuing Evaluation: The course instructor will finalize the modalities of the continuing evaluation. A few suggestions for continuing evaluation are (a) written examination, (b) take-home assignment, and (c) presentation on the topic suggested by the course instructor.

Suggested Readings:

- Ahuja, H.L. 2010. Modern Economics, S. Chand and Co. Ltd. 44
- Banerjee and Das. 2018. Macroeconomics; From Short Run to Long Run, Sage, Texts.
- Mankiw, N. G. 2007. Economics: Principles and Applications, India edition by South Western, a part of Cengage Learning, Cengage Learning India Private Limited, 4th edition.
- Samuelson P.A. and Nordhaus, W.D. 2019. Economics, McGraw-Hill.
- Dornbusch, R., Fischer, S. and Starz, R. 2010. Macroeconomics, McGraw Hill, 11th edition.
- Modigliani, F. J. F., Jones, F. J. Ferri, and M. G. 2009. Foundations of Financial Markets and Institutions, Pearson Education, 3rd edition.
- Mishkin F. S. and Eakins, S. G. 2009. Financial Markets and Institutions, Pearson Education, 6th edition.
- Bhole, L. M. and Mahukud, J. 2011. Financial Institutions and Markets, Tata McGraw Hill, 5th edition.
- Khan, M. Y. 2011. Indian Financial System, Tata McGraw Hill, 7th edition
- Nadar, E.N. 2013. Money and Banking, Prentice Hall India Learning Private Limited
- Paul, R.R. 2018. Monetary Economics, Kalyani Publishers
- Gupta, S.B. 2011. Monetary Economics-Institutions, Theory, and Policy