

Core Course 2 (CC 2) BA/BSc (General) / Generic Elective Course II (GE -II) for BA/BSc Honours students [other than students having Economics (Honours)]/ BA (General) Generic Elective Course II (GE-II) for students not having Economics as Core Course

Name of the Course: Introductory Macroeconomics

Total Marks: 100 [Theory(Th) 65 + Tutorial(Tu) 15 + Internal Assessment 10+Attendance: 10] Total Credits: [5(Th)+1(Tu)]= 6 , No. of Lecture hours (Theory): 75, No. of Tutorial contact hours: 15

UNIT	TOPIC	LECTURES	RESPONSIBILITY
1	<p>1. Introduction to Macroeconomics and National Income Accounting</p> <p>1.1 Basic issues of macroeconomics; measurement of gross domestic product; distinction of gross domestic product with gross national product; net domestic product and net national product; net domestic product at market price and at factor cost-the concept of national income. Measurement of national income-income method and the expenditure method- circular flow of income; the concept of value added and the value added method of measuring national income; real versus nominal GDP</p>	14	PH
2	<p>2. The Simple Keynesian Model in a Closed Economy</p> <p>2.1The Keynesian consumption function and the Keynesian saving function. The Simple Keynesian Model of Income determination- the concept of effective demand-the Simple Keynesian Multiplier-the role of the government in Simple Keynesian Mode</p>	14	AD
3	<p>3. The Classical System</p> <p>3.1 Basic ideas of classical system-Say's Law and Quantity Theory of Money- classical theory of income and employment determination.</p>	11	AD
4	<p>4. Money Supply and Money Demand</p> <p>4.1 Supply of money; measures of money supply; high powered money, credit creation by commercial banks, tools of monetary policy.</p> <p>4.2 Demand for money-demand for money in the classical system and in the Keynesian system-the liquidity preference schedule.</p>	11	PH
5	<p>5. Inflation</p> <p>5.1 Demand pull and cost push inflation; inflation and its social costs; hyperinflation; trade off between inflation and unemployment –basic ideas of the Phillips Curve; anti-inflationary Page 63 of 75 monetary and fiscal policies</p>	13	PH
6	<p>6. The External Sector</p> <p>6.1 Basis of trade: concepts of absolute advantage and</p>	12	IM

	comparative advantage; arguments for free trade; arguments for protection 6.2 Balance of Payments-accounting and equilibrium; disequilibrium in balance of payments and devaluation-the role of the Marshall-Lerner condition		
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AD: ABHIJIT DAS, PH: PALASHPRIYA HALDAR, IM: ISITA MUKHERJEE

Text

- Sikdar Soumyen, Principles of Macroeconomics, Oxford University Press

Reference Books

- Stonier, A.W. and Hague, D.C. : A Textbook of Economic Theory, Longman Group, London
- Mankiw, N.G.: Elementary Macroeconomics, Worth Publishers, 7th edition, 2010.
- Errol D_Souza, Macroeconomics, Pearson Education, 2009.