

S.Y.B.A. Economics (Revised Syllabus)

Choice Based Credit System (CBCS)

S -2. Macro Economics

Preamble -

Macroeconomics is the branch of economics that deals with the functioning of an economy as a whole. Macroeconomic analysis involves theoretical, empirical as well as policy-related aspects. The theoretical aspect of macroeconomics involves the conceptual as well as theoretical framework of macroeconomics. It deals with various macroeconomic concepts as well as various macroeconomic theories. The theoretical framework of macroeconomics focuses on functioning of an economy in its totality, determination of the level of national income and employment in an economy, role of aggregate demand as well as aggregate supply, role of money, determination of value of money, determination of general price level as well as rate of inflation and business cycles. The empirical aspect of macroeconomics applies macroeconomic theories to the study of real economies and tests the validity of macroeconomic theories. The policy-related aspect focuses on the role of fiscal and monetary policy in achieving macroeconomic objectives with the help of various policy instruments.

This curriculum integrates conceptual, theoretical, empirical and policy-related aspects of macroeconomics. This curriculum introduces the undergraduate students to the field of macroeconomics and enables them to learn the functioning of the economy in a systematic manner.

Objectives –

- To introduce students to the historical background of the emergence of macroeconomics
- To familiarize students with the differences between microeconomics and macroeconomics
- To familiarize students with various concepts of national income
- To familiarize students with keynesian macroeconomic theoretical framework of consumption and investment functions
- To introduce students to the role of money in an economy.
- To introduce students to the conceptual and theoretical frameworks of inflation, deflation and stagflation, Business Cycle .

- To familiarize students with the conceptual and theoretical framework of business cycles
- To introduce students to the role of monetary and fiscal policies in fulfilling the macroeconomic objectives of stability, full employment and growth.
- To introduce students to the various instruments of monetary and fiscal policies

Method of Teaching:

- Classroom lectures, Use of ICT, You Tube lectures, Online PPTs, Group Discussions, Teacher driven Power Point Presentations

Semester III DSE – 2A - Macro Economics I		
Unit	Name and Contents of the Chapter	Number of Lectures
Unit 1	Introduction	12
1.1	Meaning, Nature and Scope of Macro Economics	
1.2	Importance and Limitations of Macro Economics	
1.3	The difference between Micro Economics and Macro Economics	
Unit 2	National Income	12
2.1	Meaning and Importance of National Income	
2.2	Various Concepts of National Income – GDP, GNP, NNP, PCI, Personal Income, Disposable Income	
2.3	Methods of National Income Measurement Difficulties in the Measurement of National Income	
2.4	Circular Flow of National Income	
Unit 3	Theory of Employment and Output	12
3.1	Classical Theory of Employment , Say’s Law of Market.	
3.2	Keynes’ Criticism on Classical Theory	
3.3	Keynesian Theory of Employment – Aggregate Supply Price and	

	Aggregate Demand Price, Employment Determination	
Unit 4	Consumption and Investment	12
4.1	Consumption Function – Meaning, Various Concepts - APC, MPC, Psychological Law of Consumption, Factors Influencing Consumption Function	
4.2	Saving - APS, MPS. Investment – Meaning, Types, Marginal Efficiency of Capital	
4.3	The Concept of Multiplier; The Principle of Acceleration	
Semester IV DSE – 2B - Macro Economics II		
Unit 1	Money	12
1.1	Money – Meaning and Functions	
1.2	Value of Money – Meaning, Quantity Theory of Money, Cash Balance Approach	
1.3	Supply of Money – Various Measures of RBI	
Unit 2	Inflation	12
2.1	Inflation – Meaning, Types, Causes – Demand Pull and Cost Push Inflation, Effects	
2.2	Measures to Control Inflation	
2.3	Deflation – Meaning, Causes and Effects	
2.4	Philips Curve, Stagflation – Meaning	
Unit 3	Business Cycles	12
3.1	Meaning, Features and Phases of Business Cycle	
3.2	Causes and Effects of Business Cycle	
3.3	Keynes’ Theory of Business Cycle	
3.4	Control of Business Cycles – Monetary and Fiscal Controls	

Unit 4	Macroeconomic Policies	12
4.1	Objectives of Macroeconomic Policies	
4.2	Monetary Policy - Meaning, Instruments, Advantages and Limitations	
4.3	Fiscal Policy - Meaning, Instruments, Advantages and Limitations	

Basic Reading List –

- 1 David Colander, Macro Economics, McGraw Hill Education Private Limited (Latest Edition)
2. D. N. Dwivedi, Macro Economics: Theory and Policy, McGraw Hill Education Private Limited (Latest Edition)
3. H. L. Ahuja, Macro Economics: Theory and Policy, S. Chand & Company Limited. (Latest Edition)
4. M. L. Jhingan, Macro Economic Theory, Vrinda Publications Private Limited (Latest Edition)
5. Wavare Anil Kumar & V.Kumbhar ,(2019)Macro Economics,Ruby Publisher, Kolhapur, MS, India.
6. N. Gregory Mankiw, Principles of Macroeconomics, Cengage Learning (Latest Edition)
7. Olivier Blanchard & David Johnson, Macroeconomics, Pearson (Latest Edition)
8. Rudiger Dornbusch, Stanley Fischer & Richard Startz, Macroeconomics, Tata McGraw Hill Education Private Limited (Latest Edition)
9. Sampat Mukherjee, Macroeconomics: A Global Text, New Central Book Agency Private Limited (Latest Edition)
10. Stephen Williamson, Macroeconomics, Pearson (Latest Edition)
11. Kute Santosh & Rithe M. , Macro Economics, Prashant Publication,Jalgaon,MS,India
12. श्रीधर देशपांडे आणि विनायक देशपांडे, समष्टी अर्थशास्त्रीय विश्लेषण, हिमालय पब्लिशिंग हाउस(Latest Edition)

Advanced Reading List

1. Ben Fine & Ourania Dimakou, Macroeconomics: A Critical Companion, Pluto Press (Latest Edition)
2. Brian Snowdon & Howard Vane (2003), The Development of Modern Macroeconomics: A Rough Guide, in Macroeconomics: A Reader, (Ed.) Brian Snowdon and Howard Vane, Routledge

3. Brian Snowdon & Howard Vane, *Macroeconomics: A Reader*, Routledge (Latest Edition)
4. Brian Snowdon & Howard Vane, *Modern Macroeconomics: Its Origins, Developments and Current State*, Edward Elgar (Latest Edition)
4. David Romer, *Advanced Macroeconomics*, McGraw-Hill (Latest Edition)
5. Dilip Nachane, *Critique of the New Consensus Macroeconomics and Implications for India*, Springer (Latest Edition)
6. John McDonald, *Rethinking Macroeconomics: An Introduction*, Routledge (Latest Edition)
7. Michel De Vroey, *A History of Macroeconomics: From Keynes to Lucas and Beyond*, Cambridge University Press (Latest Edition)
8. N. Gregory Mankiw, *Macroeconomics*, Worth Publishers (Latest Edition)
9. Roger Backhouse, *Interpreting Macroeconomics: Explorations in the History of Macroeconomic Thought*, Routledge (Latest Edition)
10. Sampat Mukherjee, *Analytical Macroeconomics: From Keynes to Mankiw*, New Central Book Agency Private Limited