

<b>Department</b>	<b>ECONOMICS</b>	<b>Class</b>	<b>I-M.A.</b>		<b>Semester</b>	<b>I</b>
<b>Course Title</b>	<b>Macro Economics - I</b>	<b>Hours</b>	<b>Credit</b>	<b>CIA</b>	<b>External</b>	<b>Total</b>
<b>Course Code</b>	<b>18P1VMC4</b>	<b>90</b>	<b>4</b>	<b>25</b>	<b>75</b>	<b>100</b>

**Objectives**

1. To understand the classical, Keynesian and post Keynesian theories
2. To have an insight into the development of the modern macro economics

**Learning Outcome**

Demonstrate a good understanding of macroeconomic principles, concepts and theories

**Unit – I Introduction to Macro Economics**

**(18 Hours)**

Macro Economic Issues- Growth related issues-. The issue of Business cycle-The issue of Inflation – Issue of Unemployment and Poverty – The issue of budgetary deficit – The International Economic Issue – Concepts used in Macro Analysis: Stock and flow variables Macro Economic Model Building – The Circular Flows in a Two Sector, Three sector and Four sector – Graphic Presentation.

**Unit – II Classical Theory of Employment**

**(18 Hours)**

Classical Theory of Employment – Say’s Law of Market – Keynesian Theory of Income and Employment, Principles of effective demand - Determinants of aggregate demand function – aggregate supply function.

**Unit – III Consumption Function**

**(18 Hours)**

Meaning of consumption Function – Significance of APC and MPC – Keynes’s Psychological Law of consumption function – Absolute Income Hypothesis – Relative Income Hypothesis – Permanent Income Hypothesis -= Life Cycle Hypothesis.

**Unit – IV Investment Function**

**(18 Hours)**

Types of Investment – Autonomous and Induced Investment – Working of Investment Multiplier – concept of employment multiplier, Tax Multiplier, Foreign trade multiplier – Principle of Acceleration and Super Multiplier.

## **Unit - V General Equilibrium and Macro Economic Policy**

**(18 Hours)**

General Equilibrium of product and money market (IS – LM Function) – product market equilibrium – money market equilibrium – General equilibrium of product of money market – shifts IS-LM functions – effectiveness of monetary and fiscal policies – weakness of IS-LM model – Efficacy of fiscal policy.(Keynesian Range, Classical Range, Intermediate Range) – Goals of Macro Economic Policy.

### **Text Books**

1. D.N. Dwivedi, “**MacroEconomics**”, 2010, Tata Mc Graw Hill Education Private Limited, New Delhi.
2. M.L. Jhingan, “**Macro Economic Theory**”, 2010, Vrinda Publications (P) LTD. New Delhi.

### **References**

1. Neva Goodwin, Julie A. Nelson and Jonathan Harris, “**Macro Economics in Context**” 2009, PHI Learning private Limited. New Delhi.
2. Debes Mukherjee, “**Macro Economics**” 2009, New Central Book Agency (P) Ltd, West Bengal.
3. Dr. H.L.Ahuja, “**Macro Economics Theory and Policy**”, 2010, S. Chand &Company Ltd, New Delhi.
4. M.Maria John Kennedy, “**Macro Economics Theory**” 2011, PHI Learning private Limited. New Delhi.
5. M.C.Vaish, “**Macro Economics Theory**” 2010, Vikas Publishing House Pvt Ltd, New Delhi.
6. G.S. Gupta, “**Macro Economics Theory and Applications**” 2002, Tata Mc Graw Hill Education Private Limited, New Delhi.

### **Website**

1. Evgeniy Chernyshov, et al, “**Macro Economics**”,  
[www.e-booksdirectory.com/details.php?ebook=8471](http://www.e-booksdirectory.com/details.php?ebook=8471)