

III. CORE COURSE [CCECO103]:

(Credits: Theory-04, Tutorial-01)

Marks: 30 (MSE: 20Th. 1Hr + 5Attd. + 5Assign.) + 70 (ESE: 3Hrs)=100	Pass Marks (MSE:17 + ESE:28)=45
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Instruction to Question Setter:**Mid Semester Examination (MSE):**

There will be **two** groups of questions in written examinations of 20 marks. **Group A is compulsory** and will contain five questions of **very short answer type** consisting of 1 mark each. **Group B will contain descriptive type five** questions of five marks each, out of which any three are to be answered.

End Semester Examination (ESE):

There will be **two** groups of questions. **Group A is compulsory** and will contain two questions. **Question No.1 will be very short answer type** consisting of five questions of 1 mark each. **Question No.2 will be short answer type** of 5 marks. **Group B will contain descriptive type six** questions of fifteen marks each, out of which any four are to be answered.

Note: There may be subdivisions in each question asked in Theory Examinations

The Mid Semester Examination shall have three components. (a) Two Semester Internal Assessment Test (SIA) of 20 Marks each, (b) Class Attendance Score (CAS) of 5 marks and (c) Class Performance Score (CPS) of 5 marks. “**Best of Two**” shall be applicable for computation of marks for SIA.

(Attendance Upto 75%, 1 mark; 75 < Attd. < 80, 2 marks; 80 < Attd. < 85, 3 marks; 85 < Attd. < 90, 4 marks; 90 < Attd, 5 marks).

MACRO ECONOMIC ANALYSIS**Theory: 60 Lectures; Tutorial: 15 Hrs****Module I: Micro Foundations:**

Macroeconomics: micro foundations, aggregation problem, macroeconomic problems; Structure of national accounts, key concepts in measurement for both closed and open economies, computational issues, input-output accounting.

Module II: Consumption Function:

Absolute Income Hypothesis, Relative Income Hypothesis, Permanent Income and Life Cycle Hypotheses, Consumption under Uncertainty – Modern approach.

Module III: Investment Function:

Keynesian Approach, Accelerator Theory, Neo-Classical Theory of Investment, Tobin's Q Theory of Investment.

Module IV: Demand for Money:

Quantity theory of money, Keynesian approach, Baumol and Tobin's contribution, Friedman's restatement of quantity theory of money, revival of monetarism.

Module V: Supply of Money

Financial intermediation — a mechanistic model of bank deposit determination; A behavioural model of money supply determination, A demand determined money supply process; High powered money and Money multiplier, Budget deficits and money supply; money supply and open economy; control of money supply.

Basic Reading List:

- Branson, W.A. (1989): Macroeconomic Theory and Policy, (3rd Edition), Harper and Row, New York.
- B.L Scarfe. (1977): Cycles, Growth and Inflation, McGraw Hill, New York.
- D.L. Romer, (1996): Advanced Macroeconomics, McGraw Hill Company Ltd., New York.
- E Shapiro. (1996): Macroeconomic Analysis, Galgotia Publications, New Delhi.