

IV. CORE COURSE -C 3:

(Credits: Theory-05, Tutorial-01)

Marks : 25 (MSE: 1Hr) + 75 (ESE: 3Hrs)=100**Pass Marks (MSE + ESE) =40*****Instruction to Question Setter for******Mid Semester Examination (MSE):***

There will be **two** group of questions. **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** six questions of five marks each, out of which any four are to answer.

End Semester Examination (ESE):

There will be **two** group of questions. **Group A is compulsory** and will contain two questions. **Question No.1 will be very short answer type** consisting of ten 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 answer.

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

INTRODUCTORY MACROECONOMICS**Theory: 75 Lectures; Tutorial:15 Lectures****Course Description**

This course aims to introduce the students the basic concepts of Macroeconomics.

Macroeconomics deals with the aggregate economy. This course discusses the preliminary concepts associated with the determination and measurement of aggregate macroeconomic variable like savings, investment, GDP, money, inflation and the balance of payments. This introduces the students to various concept of money, and simple income determination model of a closed economy

Corse outline**1. Introduction to macroeconomics and National Accounting**

Basic issues studies in macroeconomics; measurement of gross domestic product; income, expenditure and the circular flow; real versus nominal GDP; price indices; national income accounting for an open economy; balance of payment: current and capital accounts.

2. Money

Definition of money, broad and narrow money, function of money; quantity theory of money; determination of money supply and demand; creation; tools of monetary policy.

3. Inflation

Concept, cost push, demand pull and mixed inflation, Social costs of inflation

4. The Closed Economy income determination model in the Short Run

Classical and Keynesian systems; simple Keynesian model of income determination; multiplier, balanced budget multiplier

Basic Readings:

- Dornbusch, Fischer and Startz, Macroeconomics, McGraw Hill, 11th edition, 2010.
- N. Gregory Mankiw. Macroeconomics, Worth Publishers, 7th editon, 2010.
- Olivier Blanchaed, Macroeconomics, Pearson Education, Inc., 5th edition, 2009.
- Richard T. Froyen, Macroeconomics, Pearson Education Asia, 2nd edition, 2005.
- Andrew B. Abel and Ben S. Bernanke, Macroeconomics, Pearson Education, Inc., 7th edition, 2011
- Errol D'Souza, Macroeconomics, Pearson Education 2009.
- Paul R. Krugman, Maurice Obstfeld and marc Melitz, International Economics, Pearson Education Asia, 9th edition, 2012.