

V. CORE COURSE -C 6:

(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.

INTERMEDIATE MACROECONOMICS-I**Theory: 75 Lectures; Tutorial:15 Lectures****Course Description**

This course introduces the students to elementary theories of output and employment determination, concept of Consumption and investment functions, as well as simple income determination model in a closed economy including IS-LM curves. It also introduces the concept of unemployment.

Course outline**1. Theories Output and Employment**

Say's Law' of markets and the classical theory of employment; Keynes objection to the classical theory; aggregate demand and aggregate supply function, the principle of effective demand.

2. Consumption function – average and marginal propensity to consume; factors influencing consumption spending**3. Investment** – autonomous and induced Investment; marginal efficiency of capital and marginal efficiency of investment, determining factors,**4. Simple income determination models** in a closed economy, Keynesian and classical models, IS-LM income and interest determination**5. Unemployment** types and causes, inflation and unemployment**Basic Readings:**

- Dornbusch, Fischer and Startz, macroeconomics, McGraw Hill, 11th edition, 2010.
- N. Gregory Mankiw, macroeconomics, Woorth publishers, 7th edition, 2010.
- Olivier Blanchard, macroeconomics, Pearson Education, Inc., 5th edition, 2009.
- Steven M. Sheffrin, Rational expectations, Cambridge University Press, 2nd edition, 1996.
- 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.