

SEMESTER II**GENERIC ELECTIVE****1 Paper****Total 100 x 1 = 100 Marks**

(Credits: Theory-05, Tutorial-01)

II. GENERIC ELECTIVE (GE 2)**Marks : 100 (ESE 3Hrs) =100****Pass Marks Th ESE = 40***Instruction to Question Setter for**End Semester Examination (ESE):*

There will be **two** group of questions. **Group A is compulsory** and will contain three questions. **Question No.1 will be very short answer type** consisting of ten questions of 1 mark each. **Question No.2& 3 will be short answer type** of 5 marks. **Group B will contain descriptive type** six questions of 20 marks each, out of which any four are to answer.

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

PRINCIPALS OF MACROECONOMICS Theory: 75 Lectures; Tutorial:15 Lectures**Course Description**

This course introduces the students of the basic concepts in Macroeconomics. Macroeconomics deals with the aggregate economy. In this course, the students are introduced the definition, measurement of the macroeconomic variables like GDP, consumption savings, investment and balance of payments. The course also discusses various theories of determining GDP in the short run.

Course Outline**1. Introduction**

What is macroeconomics? Macroeconomic issues in an economy.

2. National Income Accounting

Concepts of GDP, GNP, NDP and NNP: Measurement of national income, its limitation, nominal and real income.

3. Keynesian theory of consumption and investment.

Consumption function- meaning factors influencing consumption spending, concept of MPC, APC, MPS and APS, Investment function-meaning and factors affecting investment, Marginal efficiency of capital autonomous and induced investment, concept of multiplier.

4. Money in Modern Economy

Concept of money in modern economy and its functions; quantity theory money, cash transaction and cash balance approach, credit creation.

Basic Readings:

- Richard T.Froyen, Macroeconomics Theories and Policies, Published by Dorling Kindersley(India) 8th Ed.
- N. Gregory Mankiw, Macroeconomics, Worth publishers, 7th edition, 2010.
- Olivier Blanchard, Macroeconomics, Pearson Education, Inc., 5th edition, 2009.
- Steven M. Sheffrin, Rational expectations, Cambridge University Press, 2nd edition