

Semester	2
Course	Minor
Paper Code	B1EC230211T
Paper Title	Basic Macroeconomics
No. of Credits	4
Theory / Practical / Composite	Theory
Minimum No. of preparatory hours per week a student has to devote	Four (04)
Number of Modules	Two (2)
Learning Outcomes / Course Outcomes	<ol style="list-style-type: none"> 1) Understanding basic macroeconomic concepts 2) Introducing National Income Accounting 3) Analysis of short-run macroeconomic equilibrium and comparative statics. 4) Understanding the impacts of macroeconomic policies 5) Studying the problem of inflation
Syllabus	<p>Module I (35 marks)</p> <ol style="list-style-type: none"> 1. Introduction to Macroeconomics and National Income Accounting Basic issues studied 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 payments: current and capital accounts. 2. Money: Functions of money, types of money, determination of money supply and demand; credit creation; tools of monetary policy. 3. Classical Model Wage price flexibility and automatic full employment, vertical aggregate supply curve, Quantity Theory of Money and Aggregate Demand Curve, classical dichotomy and neutrality of money. <p>Module II (35 marks)</p> <ol style="list-style-type: none"> 4. Keynesian Model Simple Keynesian equilibrium, autonomous expenditure multiplier – closed and open economy, tax-cut and balanced budget multiplier, paradox of thrift, Keynesian IS-LM model and policy analysis 5. Inflation Concepts of inflation, deflation, stagflation, distinction between demand pull and cost push inflation, Inflation and its social costs.

Reading/Reference Lists	<ol style="list-style-type: none"> 1. Dornbusch, Fischer and Startz, <i>Macroeconomics</i>, McGraw Hill, 11th edition, 2010. 2. N. Gregory Mankiw. <i>Macroeconomics</i>, Worth Publishers, 7th edition, 2010. 3. Soumyen Sikdar, <i>Principles of Macroeconomics</i>, 3rd edn., Oxford University Press 4. Andrew B. Abel and Ben S. Bernanke, <i>Macroeconomics</i>, Pearson Education, Inc., 7th edition, 2011.
Evaluation	Internal Assessment: 30 Semester Exam: 70
Paper Structure for Theory Semester Exam	

Paper Structure for Semester Exam	Module	No. of Questions to be Answered	No. of Alternatives	Marks
	Module 1	3	4	5 x 3 = 15
2		3	10 x 2 = 20	
Module 2	3	4	5 x 3 = 15	
	2	3	10 x 2 = 20	
Total Marks			70	