

Syllabus template

Semester: 2	
Course : Economics	
Paper Title: Basic Macroeconomics	
Paper code: B1EC230211T	Credits: 4
Hours/week : 4	
Category: Core/MDC/SEC/VAC : Minor	
Theory / Practical / Composite : Theory	
No of Modules : 2	
Course Overview:	
<ol style="list-style-type: none"> 1. To study basic macroeconomic concepts. 2. To study the framework and methods of National Income Accounting. 3. To study short-run macroeconomic equilibrium and conduct comparative static analysis. 4. To study the impacts and implications of various macroeconomic policies. 5. To study the causes, consequences, and dynamics of inflation 	
Course Outcome:	
Module 1:	
1. Describe the key issues studied in macroeconomics and distinguish among major national income concepts including GDP, price indices, and real versus nominal measures.	
2. Compute national income aggregates using income, expenditure, and output methods and interpret the circular flow of income for both closed and open economies.	
3. Analyse the structure of the balance of payments and evaluate the linkages between current and capital account transactions in an open economy.	
4. Explain the functions and types of money and demonstrate the mechanisms underlying money supply determination, money demand, and credit creation.	
5. Assess the tools of monetary policy and examine their effects on macroeconomic variables within different institutional settings.	
6. Critically evaluate the Classical macroeconomic model by interpreting wage–price flexibility, full-employment equilibrium, the Quantity Theory of Money, and the implications of the Classical dichotomy and neutrality of money.	
Module 2:	
1. Identify the components of the Simple Keynesian Model and outline the process through which equilibrium income is determined.	
2. Derive various expenditure multipliers—open economy, tax-cut, and balanced budget—and demonstrate how they influence national income.	
3. Investigate the paradox of thrift and discuss its macroeconomic consequences in the short-run Keynesian framework.	
4. Formulate the IS–LM model and compare the effectiveness of fiscal and monetary interventions under different economic conditions.	
5. Distinguish among inflation, deflation, and stagflation, and categorize inflationary pressures into demand-pull and cost-push sources.	
6. Evaluate the social and economic burdens arising from inflation and justify the need for appropriate policy responses.	
Prerequisites: <i>No prior knowledge required</i>	
SYLLABUS	

UNIT/Module	CONTENT	HOURS or NUMBER OF CLASSES	CO Mapping	COGNITIVE LEVEL
I.	<p>Introduction to Macroeconomics and National Income Accounting:</p> <ul style="list-style-type: none"> 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. <p>Money:</p> <ul style="list-style-type: none"> Functions of money, types of money, determination of money supply and demand; credit creation; tools of monetary policy. <p>Classical Model:</p> <ul style="list-style-type: none"> 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. 	2 classes per week	CO1, CO2, CO3, CO4, CO5, CO6	K1,K2, K3, K4, K5, K6
II.	<p>Keynesian Model:</p> <ul style="list-style-type: none"> 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 <p>Inflation:</p> <ul style="list-style-type: none"> Concepts of inflation, deflation, stagflation, distinction between demand pull and cost push inflation, Inflation and its social costs. 	2 classes per week	CO1, CO2, CO3, CO4, CO5, CO6	K1,K2, K3, K4, K5, K6
Text Books				
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.				

Web Resources			
NA			
Evaluation: CIA: 30 (20+5+5) + End Semester:70			
Paper Structure for Theory Semester Exam:			
Module	No. of questions to be answered	No. of alternatives given	Marks
Module 1 (35 marks)	3	4	3×5=15
	2	3	2×10=20
Module 2 (35 marks)	3	4	3×5=15
	2	3	2×10=20
		Total	70

Course outcomes (COs) and Cognitive Level Mapping

COs	CO Description	Cognitive levels
	Module 1	
CO1	Describe the key issues studied in macroeconomics and distinguish among major national income concepts including GDP, price indices, and real versus nominal measures.	K1
CO2	Compute national income aggregates using income, expenditure, and output methods and interpret the circular flow of income for both closed and open economies.	K2
CO3	Analyse the structure of the balance of payments and evaluate the linkages between current and capital account transactions in an open economy.	K3
CO4	Explain the functions and types of money and demonstrate the mechanisms underlying money supply determination, money demand, and credit creation.	K4
CO5	Assess the tools of monetary policy and examine their effects on macroeconomic variables within different institutional settings.	K5
CO6	Critically evaluate the Classical macroeconomic model by interpreting wage–price flexibility, full-employment equilibrium, the Quantity Theory of Money, and the implications of the Classical dichotomy and neutrality of money.	K6
	Module 2	
CO1	Identify the components of the Simple Keynesian Model and outline the process through which equilibrium income is determined.	K1
CO2	Derive various expenditure multipliers—open economy, tax-cut, and balanced budget—and demonstrate how they influence national income.	K2
CO3	Investigate the paradox of thrift and discuss its macroeconomic consequences in the short-run Keynesian framework.	K3

CO4	Formulate the IS–LM model and compare the effectiveness of fiscal and monetary interventions under different economic conditions.	K4
CO5	Distinguish among inflation, deflation, and stagflation, and categorize inflationary pressures into demand-pull and cost-push sources.	K5
CO6	Evaluate the social and economic burdens arising from inflation and justify the need for appropriate policy responses.	K6