

Semester	2
Course	Major
Paper Code	C1EC230211T
Paper Title	INTRODUCTORY MACROECONOMICS
No. of Credits	4
Theory/Composite	Theory
No. of periods assigned	4
Minimum No. of preparatory hours per week a student has to devote	4
Course Outcomes /Learning Outcomes	<ol style="list-style-type: none"> 1) Identification of the basic macroeconomic variables such as output, interest rate, employment, balance of payments and their measurement. 2) Understanding the role of money in the economy 3) Understanding the working of the central bank with respect to monetary policy through the process of creation of money 4) Appreciation of the problems related to inflation and how to address the same 5) Developing the first step towards establishing causal relationships among macroeconomic variables
Syllabus	<p>Module 1 (35 marks)</p> <p>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.</p> <p>2. Money Functions of money; quantity theory of money; determination of money supply and demand; credit creation; tools of monetary policy.</p> <p>3. Inflation Inflation and its social costs; hyperinflation.</p> <p>Number of Classes per week: 2</p> <p>Module 2 (35 marks)</p> <p>4. The Closed Economy in the Short Run Classical and Keynesian systems; simple Keynesian model of income determination; IS-LM model; real balance effect, fiscal and monetary policy.</p> <p>Number of Classes per week: 2</p>
Readings	<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) Richard T. Froyen, <i>Macroeconomics</i>, Pearson Education Asia, 2nd edition, 2005. 4) Andrew B. Abel and Ben S. Bernanke, <i>Macroeconomics</i>, Pearson Education, Inc., 7th edition, 2011.

	<p>5) Soumyen Sikdar, <i>Principles of Macroeconomics</i>, Oxford University Press.</p> <p>6) Chandana Ghosh and Ambar Ghosh, <i>Macroeconomics</i>, PHI Learning Pvt. Ltd., 2011.</p> <p>7) John B. Hall and Robert E. Taylor, <i>Macroeconomics</i>, W.W. Norton & Company; 5Rev Ed edition (1997)</p>
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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	
Evaluation	Continuous Internal Assessment: 30 marks End- Semester Theory Examination: 70 marks			