

Semester	V
Course	Major
Paper Code	C3EC230511T
Paper Title	INTERMEDIATE MACROECONOMICS - II
No. of Credits	4
Theory/Practical/Composite	Theory
No. of periods assigned	4
Minimum No. of preparatory hours per week a student has to devote	4
Learning outcomes/Course description/objective	<ol style="list-style-type: none"> <li>1. This course is a sequel to Intermediate Macroeconomics-I.</li> <li>2. In this course, the students are introduced to the major schools of macroeconomics</li> <li>3. Theories of consumption function, investment function and demand for money will be explained</li> <li>4. Concepts related to fiscal policy will be explained and analyzed</li> <li>5. Monetary policy concepts will be examined and analyzed</li> <li>6. Long run dynamic issues like growth and technical progress.</li> </ol>
Syllabus	<p><b>Module 1 (35 marks)</b></p> <p><b>1. Schools of Macroeconomic Thoughts</b> The Classicals, Keynesians, New-Classicals and New-Keynesians.</p> <p><b>2. Microeconomic Foundations</b> a. Consumption: Keynesian consumption function; Fisher's theory of optimal inter-temporal choice; life-cycle, relative income and permanent income hypotheses; rational expectations and random-walk of consumption expenditure b. Investment: determinants of business fixed investment; residential investment and inventory investment. c. Demand for money.</p> <p><b>Number of Classes per week: 2</b></p> <hr/> <p><b>Module 2 (35 marks)</b></p> <p><b>3. Fiscal and Monetary Policy</b> Active or passive; monetary policy objectives and targets; rules versus discretion: time consistency; the government budget constraint; government debt and Ricardian equivalence</p> <p><b>4. Economic Growth</b> Harrod-Domar model; Solow model; golden rule; technological progress and elements of endogenous growth.</p> <p><b>Number of Classes per week: 2</b></p>

Readings	<ol style="list-style-type: none"> <li>1. Dornbusch, Fischer and Startz, <i>Macroeconomics</i>, McGraw Hill, 11<sup>th</sup> edition, 2010.</li> <li>2. N. Gregory Mankiw. <i>Macroeconomics</i>, Worth Publishers, 7<sup>th</sup> edition, 2010.</li> <li>3. Olivier Blanchard, <i>Macroeconomics</i>, Pearson Education, Inc., 5<sup>th</sup> edition, 2009.</li> <li>4. Charles I. Jones, <i>Introduction to Economic Growth</i>, W.W. Norton &amp; Company, 2<sup>nd</sup> edition, 2002.</li> <li>5. Andrew B. Abel and Ben S. Bernanke, <i>Macroeconomics</i>, Pearson Education, Inc., 7<sup>th</sup> edition, 2011.</li> <li>6. Errol D'Souza, <i>Macroeconomics</i>, Pearson Education, 2009.</li> <li>7. Robert J. Gordon, <i>Macroeconomics</i>, Prentice-Hall India Limited, 2011.</li> <li>8. Chandana Ghosh and Ambar Ghosh, <i>Macroeconomics</i>, PHI Learning Pvt. Ltd., 2011</li> </ol>			
Evaluation	Continuous Internal Assessment: 30 marks End- Semester Theory Examination: 70 marks			
Paper Structure for End Sem Theory	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