

Syllabus template

Semester: VII	
Course : ECONOMICS	
Paper Title: ADVANCED MACROECONOMICS	
Paper code: C4EC230721T	Credits: 6
Hours/week : 4 CLASSES/WEEK + 2 HOURS OF SELF-DIRECTED STUDY	
Category: Core/MDC/SEC/VAC : CORE	
Theory / Practical / Composite : THEORY	
No of Modules : 2	
Course Overview/ Course Objectives:	
<ol style="list-style-type: none"> 1. Provide an alternative overview of the basic macroeconomic model 2. Examine the role of the financial sector and its interaction with the real sector 3. Analyse different forms of expectations in the macroeconomic model 4. Provide micro-foundations of macroeconomics 5. Analyse the working of New Keynesian models 	
Course Outcome: Module 1	
1. CO1: Contrast the traditional IS-LM framework with modern interest-rate targeting models and. (Bloom's Level: Understand/Analyse)	
2. CO2: Analyse and Evaluate the Solow-Blinder model (Bloom's Level: Evaluate)	
3. CO3: Analyse and Evaluate the transmission mechanisms between financial markets and the real economy, specifically comparing the "money view" versus the "credit view." (Bloom's Level: Evaluate)	
4. CO4: Analyse Apply and Evaluate the transmission mechanisms between financial markets and the real economy, under the "money view" (Bloom's Level: Analyse/ Apply/ Evaluate)	
5. CO4: Analyse Apply and Evaluate the transmission mechanisms between financial markets and the real economy, under the "credit view" (Bloom's Level: Analyse/ Apply/ Evaluate)	
6. CO6: Contrast and Integrate the transmission mechanisms between financial markets and the real economy, specifically comparing the "money view" versus the "credit view." (Bloom's Level: Evaluate/ Synthesise)	
Course Outcome: Module 2	
1. CO1: Understand and Analyse the key role of expectations in macroeconomic models (Bloom's Level: Understand/Analyse/)	
2. CO2: Analyse Apply and evaluate the working of an economy under adaptive expectations (Bloom's Level: Analyse/ Apply/ Evaluate)	
3. CO3: Incorporating rational expectations in the macroeconomic model (Bloom's Level: Apply/Analyse/ Evaluate)	
4. CO4: Model the impact of different expectation regimes (Adaptive vs. Rational) on the neutrality of money and policy effectiveness. (Bloom's Level: Apply/Create)	
5. CO5: Deconstruct macroeconomic fluctuations using micro-foundations, such as menu costs and efficiency wages. (Bloom's Level: Analyse, Create)	
6. CO6: Assess the New Keynesian explanations for wage-price rigidity and their implications for non-neutrality of money. (Bloom's Level: Evaluate)	
Prerequisites: Intermediate level knowledge of Microeconomics and Macroeconomics	

SYLLABUS				
Module	CONTENT	HOURS or NUMBER OF CLASSES	CO Mapping	COGNITIVE LEVEL
Module I	<p>1. Alternative views of the basic macroeconomic model: interest rate targeting and Keynesian economics without the LM curve, extension of IS-LM – Solow Blinder model.</p> <p>2. Financial Markets and the Real sector: Effective demand and monetary policy-money view and credit view, Tobin's q and output.</p>	2 Classes/ Week + 2 Hours Of Self-Study Per Week	CO1, CO2, CO3, CO4. CO5, CO6	K1, K2, K3, K4, K5, K6
Module II	<p>1.Expectation and the macro economy: Adaptive expectation; Rational expectations and neutrality of money;</p> <p>2.New Keynesian Macroeconomics: Menu cost, Aggregate demand externality and Non-neutrality of money, Wage price staggering, Efficiency wage.</p>	2 Classes/ Week + 2 Hours Of Self-Study Per Week	CO1, CO2, CO3, CO4. CO5, CO6	K1, K2, K3, K4, K5, K6
Text Books				
1. Ben Heijdra (2017): Foundations of Modern Macroeconomics, Oxford University Press				
2. David Romer: Advanced Macroeconomics, McGraw-Hill.				
3. Blanchard & Fischer: Lectures on Macroeconomics, MIT Press				
Suggested readings				
1. Barro (1976): Rational expectations and the role of monetary Policy, Journal of Monetary Economics, 1976, vol. 2, issue 1, 1-3				
2. Bernanke, S., & Blinder, A. S. (1988). Credit, money and aggregate demand. In American Economic Review, 78(2), 435-439.				
3. Blanchard (1981), Output, the Stock Market, and Interest Rates, American Economic Review, 1981, vol. 71, issue 1, 132-43.				
Evaluation: CIA: 30 (20 +5 + 5)+ End Semester:70				
Paper Structure for Theory Semester Exam Module: Module 1: 3(out of 4)×5+ 2(out of 3)×10 Module 2: : 3(out of 4)×5+ 2(out of 3)×10				

Course outcomes (COs) and Cognitive Level Mapping

COs	CO Description	Cognitive levels
Module 1		
CO1	CO1: Contrast the traditional IS-LM framework with modern interest-rate targeting models and. (Bloom's Level: Understand/Analyse)	K1, K3
CO2	CO2: Analyse and Evaluate the Solow-Blinder model (Bloom's Level: Evaluate)	K3, K5

CO3	CO3: Analyse and Evaluate the transmission mechanisms between financial markets and the real economy, specifically comparing the "money view" versus the "credit view." (Bloom's Level: Evaluate)	K5
CO4	CO4: Analyse Apply and Evaluate the transmission mechanisms between financial markets and the real economy, under the "money view" (Bloom's Level: Analyse/ Apply/ Evaluate)	K3, K4, K5
CO5	CO4: Analyse Apply and Evaluate the transmission mechanisms between financial markets and the real economy, under the "credit view" (Bloom's Level: Analyse/ Apply/ Evaluate)	K3, K4, K5
CO6	CO6: Contrast and Integrate the transmission mechanisms between financial markets and the real economy, specifically comparing the "money view" versus the "credit view." (Bloom's Level: Evaluate/ Synthesise)	K5, K6
Module 2	Course Outcome: Module 2	
CO1	CO1: Understand and Analyse the key role of expectations in macroeconomic models (Bloom's Level: Understand/Analyse/)	K1, k3
CO2	CO2: Analyse Apply and evaluate the working of an economy under adaptive expectations (Bloom's Level: Analyse/ Apply/ Evaluate)	K3, K4, K5
CO3	CO3: Incorporating rational expectations in the macroeconomic model (Bloom's Level: Apply/Analyse/ Evaluate)	K3, K4, K5
CO4	CO4: Model the impact of different expectation regimes (Adaptive vs. Rational) on the neutrality of money and policy effectiveness. (Bloom's Level: Apply/Create)	K3, K6
CO5	CO5: Deconstruct macroeconomic fluctuations using micro-foundations, such as menu costs and efficiency wages. (Bloom's Level: Analyse, Create)	K3, K6
CO6	CO6: Assess the New Keynesian explanations for wage-price rigidity and their implications for non-neutrality of money. (Bloom's Level: Evaluate)	K5