Semester	VII
Paper Code	
Paper Title	ADVANCED MACROECONOMICS
No. of Credits	6
Theory/Practical/Composite	Theory
No. of periods assigned	4
Minimum No. of preparatory hours per week a student has to devote	6
Learning Outcomes/Course description/objective	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. Analyze different forms of expectations in the macroeconomic model 4. Provide micro-foundations of macroeconomics 5. Analyze the working of New Keynesian models
Syllabus	**Module 1 (35 marks)** **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. 2. **Financial Markets and the Real sector:** Effective demand and monetary policy- money view and credit view, Tobin's q and output. **Module 2(35 marks)** **3. Expectation and the macro economy:** Adaptive expectation; Rational expectations and neutrality of money; **4. New Keynesian Macroeconomics:** Menu cost, Aggregate demand externality and Non-neutrality of money, Wage price staggering, Efficiency wage**.**
Readings	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. 4. Barro (1976): Rational expectations and the role of monetary Policy, Journal of Monetary Economics, 1976, vol. 2, issue 1, 1-3 5. Bernanke, S., & Blinder, A. S. (1988). Credit, money and aggregate demand. In American Economic Review, 78(2), 435-439. 6. Blanchard (1981), Output, the Stock Market, and Interest Rates, American Economic Review, 1981, vol. 71, issue 1, 132-43.
Evaluation	Continuous Internal Assessment: 30 End- Semester Theory Examination: 70

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