

Semester	IV
Paper Number	HECCR4091T
Paper Title	INTERMEDIATE MACROECONOMICS - II
No. of Credits	6
Theory/Composite	Theory
No. of periods assigned	5 Theory + 1 Tutorial
Course description/objective	This course is a sequel to Intermediate Macroeconomics I. In this course, the students are introduced to the long run dynamic issues like growth and technical progress. It also provides the micro-foundations to the various aggregative concepts used in the previous course.
Syllabus	<p>Module 1 (40 marks)</p> <p>1. Schools of Macroeconomic Thoughts Classicals; Keynesians; New-Classicals and New-Keynesians.</p> <p>2. Microeconomic Foundations a. Consumption: Keynesian consumption function; Fisher's theory of optimal intertemporal choice; life-cycle 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>Number of Classes per week: 2</p> <hr/> <p>Module 2 (40 marks)</p> <p>3. Fiscal and Monetary Policy Active or passive; monetary policy objectives and targets; rules versus discretion: time consistency; the government budget constraint; government debt and Ricardian equivalence</p> <p>4. Economic Growth Harrod-Domar model; Solow model; golden rule; technological progress and elements of endogenous growth.</p> <p>Number of Classes per week: 3</p> <hr/> <p>Tutorial Classes per week: 1</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. Olivier Blanchard, <i>Macroeconomics</i>, Pearson Education, Inc., 5th edition, 2009. 4. Charles I. Jones, <i>Introduction to Economic Growth</i>, W.W. Norton & Company, 2nd edition, 2002. 5. Andrew B. Abel and Ben S. Bernanke, <i>Macroeconomics</i>, Pearson Education, Inc., 7th edition, 2011. 6. Errol D'Souza, <i>Macroeconomics</i>, Pearson Education, 2009. 7. Robert J. Gordon, <i>Macroeconomics</i>, Prentice-Hall India Limited, 2011.

	8. Chandana Ghosh and Ambar Ghosh, Macroeconomics, PHI Learning Pvt. Ltd., 2011.			
Evaluation	Continuous Internal Assessment: 20 marks End- Semester Theory Examination: 80 marks			
Paper Structure for End Sem Theory	Module	No. of Questions to be Answered	No. of Alternatives	Marks
	Module 1	2	3	5 x 2 = 10
		2	3	15 x 2 = 30
	Module 2	2	3	5 x 2 = 10
		2	3	15 x 2 = 30
	Total Marks			80