

B.A .	BEC-C301	Semester-III
BEC-C301	Principles of Macroeconomics-I	70+30

NOTE: The question paper shall consist of three sections (Sec.-A, Sec.-B and Sec.-C). Sec.-A shall contain 10 objective type questions of one mark each and student shall be required to attempt all questions. Sec.-B shall contain 10 short answer type questions of four marks each and student shall be required to attempt any five questions. Sec.-C shall contain 8 descriptive type questions of ten marks each and student shall be required to attempt any four questions. Questions shall be uniformly distributed from the entire syllabus. The previous year paper/model paper can be used as a guideline and the following syllabus should be strictly followed while setting the question paper.

Core Economics III: Principles of Macroeconomics–I

Course Description

This course introduces students to the basic concepts in Macroeconomics. Macroeconomics deals with the aggregate economy. In this course the students are introduced to the definition, measurement of the macroeconomic variables like GDP, consumption, savings, investment and balance of payments. Difference between micro & macro economics.

Course Outline

1. Introduction

What is macroeconomics? Macroeconomic issues in an economy.

2. National Income Accounting

Concepts of GDP and National Income; measurement of national income and related aggregates; nominal and real income; limitations of the GDP concept.

3. Determination of GDP

Actual and potential GDP; aggregate expenditure; consumption function; investment function; equilibrium GDP; concepts of MPS, APS, MPC, APC; autonomous expenditure; Concept of multiplier.

4. National Income Determination in an Open Economy with Government

Fiscal Policy, Money in a Modern Economy : Concept of money in a modern economy; monetary aggregates; demand for money; quantity theory of money; liquidity preference and rate of interest; money supply and credit creation; monetary policy.

Suggested Readings :

1. Agarwal, V. (2010) **Macroeconomics: theory and Policy**, Dorling Kindersley (India) Pvt. Ltd., New Delhi
2. Ahuja, H.L. (2012) **Macro Economics, Theory and policy**, S. Chand and Company Ltd., New Delhi
3. Dornbusch, R. and F. Stanley (1997) **Macroeconomics**, McGraw Hill, Inc., New York
4. Errol D'souza, (2008) **Macroeconomics**, Dorling Kindersley (India) Pvt. Ltd. New Delhi
5. Jha, R. (1991) **Contemporary Macroeconomic Theory and Policy**, Wiley Eastern Ltd., New Delhi.
6. Mankiw, N.G. (2013) **Principles of Macroeconomics**, Cengage Learning India (Pvt.) Ltd., New Delhi