

BA II Year	BEC-C401: Principles of Macroeconomics-II		Semester 4
Marks Allotted for Internal Assessment	Marks Allotted for End Semester Examination (ESE)	Maximum Marks	Total Credits
30	70	100	6
<p>Learning Outcomes: Student will be able to</p> <ul style="list-style-type: none"> • Relate factors determine national income such as consumption, saving and investment. • Interpret macroeconomic issues such as money, foreign exchange, inflation, unemployment, economic growth, and foreign trade. • Understand the components of balance of payments maintained in the economy. • Identify the nature of foreign exchange markets. • Recognize the various exchange rate regimes that have evolved over time. 			
Unit 1	<p>IS-LM ANALYSIS: Derivations of the IS and LM functions; IS-LM and aggregate demand; shifts in the AD curve.</p>		
Unit 2	<p>GDP AND PRICE LEVEL IN SHORT RUN AND LONG RUN: Aggregate demand and aggregate supply; multiplier Analysis with AD curve and changes in price levels; aggregate supply in the SR and LR.</p>		
Unit 3	<p>INFLATION AND UNEMPLOYMENT: Concept of inflation; determinants of inflation; relationship between inflation and unemployment: Phillips Curve in short run and long run.</p>		
Unit 4	<p>BALANCE OF PAYMENTS: Balance of trade, Balance of payments: current account and capital account, autonomous and accommodating items.</p>		
Unit 5	<p>EXCHANGE RATE: Market for foreign exchange; types of exchange rate regimes, determination of exchange rate.</p>		
<p>Suggested Readings:</p> <ul style="list-style-type: none"> • Errol D'Souza, Macroeconomics, Pearson Education, 2009. • Paul R. Krugman, Maurice Obstfeld and Marc Melitz, International Economics, Pearson Education Asia, 9th edition, 2012. • Case, Karl E. & Ray C. Fair, Principles of Economics, Pearson Education, Inc., 8th edition, 2007. • Sikdar, Shoumyen, Principles of Macroeconomics, 2nd Edition, Oxford University Press, India 			

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