

BBA II Year	BBA-C301		Semester-III		
	Macro Economics				
Time Allotted for End Semester Examination	Marks Allotted for Internal Assessment	Marks Allotted for End Semester Examination (ESE)	Maximum Marks (MM)	Total Credits	Maximum Hours
3 Hrs.	30 (20+10)	70	100	06	60

OBJECTIVE: The purpose of this course is to apply micro economic concepts and techniques in evaluating business decisions taken by firms. The emphasis is on explaining how tools of standard price theory can be employed to formulate a decision problem, evaluate alternative courses of action and finally choose among alternatives. Simple geometry and basic concepts of mathematics will be used in the course of teaching.

- Measurement of macroeconomic variables: National Income Accounts, Gross Domestic Product, National Income, Personal and Personal disposable income; Classical theory of income and employment: Quantity Theory of Money – Cambridge version, effect of fiscal and monetary policy **(15 Hours)**.
- Keynesian theory of Income and employment: simple Keynesian model, components of aggregate demand, equilibrium income, changes in equilibrium, multiplier investment, Government expenditure, lump sum tax, foreign trade), effect of fiscal and monetary policy, crowding out, composition of output and policy mix, policy mix in action; **(15 Hours)**
- Money: functions of money, quantity theory of money, determination of money supply and demand, H theory of money multiplier, indicators and instruments of monetary control; Inflation: meaning, demand and supply side factors, consequences of inflation, anti-inflationary policies, Phillips curve (short run and long run) **(15 Hours)**
- Open Economy: brief introduction to BoP account, market for foreign exchange and exchange rate, monetary and fiscal policy in open economy, Mundell Fleming model (perfect capital mobility and imperfect capital mobility under fixed and flexible exchange rate. **(15 Hours)**

SUGESSTED READINGS:

1. Blanchard,O.(2009). *Macroeconomics* (5th Ed). New Delhi: Pearson education
2. Dornbusch., & Fischer.(2010). *Macroeconomics* (9th Ed.). New Delhi:Tata McGraw Hill.
3. Froyen, R.P. (2011). *Macroeconomics-theories and policies* (8th Ed.). New Delhi:Pearson education.
4. Mankiw,N.G.(2010). *Macroeconomics* (7th Ed.). New York: Worth Publishers..

NOTE: The list of cases, specific references and books including recent articles will be announced in the class by concerned teachers from time to time.