Minutes of Meeting

Subject: B.A. (Hons) Economics
Course: 12 (Intermediate Macroeconomics-II)
Date of Meeting: 9 January, 2017; 3 pm
Venue: Department of Economics, Delhi School of Economics, University of Delhi
Convenor: Mausumi Das

Attended by:
1. Rashmi Chaudhary    Kalindi College
2. Henna Sikka    DCAC
3. Anjana Singh    LSR
4. Archana Aggarwal    Hindu College
5. Kamlesh Gupta    IP College
6. Suvojit L Chakravarty    Aryabhatta College
7. Brijesh Kumar Patel    Lakshmibai College
8. Krishna Kumar S.    Sri Venkateswara College
9. Abhishek    St. Stephens College
10. Apeksha Singh    Dyal Singh College
11. Mohini Aggarwal    Rajdhani College
12. Lokendra Kumawat    Ramjas College
13. Sumeet Goyal    Daulat Ram College
14. Joytiprakash Verma    Hansraj College
15. Devendra Kumar    JDMC

The following texts were agreed upon:

Readings:

Note: A new textbook (*Branson*) has been introduced for Topic 2, sections A & C. Since the new textbook is much more detailed, the number of lectures for this topic also has also been increased to 30.

**Topic wise Readings:**

**1. Economic Growth**
(Approx. number of lectures: 12)
Harrod model; Solow model; golden rule; technological progress and elements of endogenous growth.

**Readings:**
1. A. Sen (ed.): *Growth Economics*, Introduction, pages 9-14 only. (*Notice: book out of print. Scanned copy of the relevant pages will be made available at the DSE website*)
2. Mankiw: *Macroeconomics* (6th ed.), Ch.s 7 & 8
3. Jones: *Introduction to Economics Growth* (2nd ed.), Ch.s 4 & 5*

(* For the R&D based growth models, Chapter 5 of Jones may be supplemented by the following reading:

**2. Microeconomic Foundations**
(Approx. number of lectures: 30)

**A. Consumption**
Keynesian consumption function; fisher’s theory of optimal intertemporal choice; lifecycle and permanent income hypotheses; rational expectations and random-walk of consumption expenditure.

**Readings:**

**B. Investment**
Determinants of business fixed investment; residential investment and inventory investment.

**Readings:**
(It was decided that next year Branson, *Macroeconomics*, ch 13 will be considered as the prescribed reading for this part as well. However for the current semester, the reading remains Dornbusch & Fischer, ch 12)

**C. Demand for Money**

Interest sensitivity of money demand function; Baumol’s, Tobin’s and Friedman’s approach to money demand.

**Readings:**

**3. Fiscal and Monetary Policy**

(Approx. number of lectures: 12)

Active or passive; monetary policy objectives and targets; rules versus discretion: time consistency; the government budget constraint; government debt and Ricardian equivalence, Finance Systems & Regulation of Financial sectors; Financial Crises & Regulatory response.

**Readings:**

**4. Schools of Macroeconomic Thoughts**

(Approx. number of lectures: 6)

Classicals; Keynesians; New-Classicals and New-Keynesians.

**Readings:**

**Assessment:**
1. The internal evaluation will consist of two class tests of 10 marks each, with 5 marks being allocated for attendance.
2. The End-semester Examination (75 marks) will have the following format:
The question paper should have total five questions (of equal marks) with the following distribution across topics: 1 question from topic 1, 2 questions from topics 2A, 2B and 2C together, 1 question from topics 3 and 4 together and 1 question from any of topics 1, 2, 3 or 4.