

**Department of Economics
UNIVERSITY OF DELHI
DELHI SCHOOL OF ECONOMICS
DEPARTMENT OF ECONOMICS**

Minutes of Meeting

Subject : **B.A. (Hons) Economics**
Core Economics Course: **9 (Intermediate Macroeconomics-II)**
Date of Meeting : **9 January, 2018; 3 pm**
Venue : **Department of Economics, Delhi School of Economics**
Convenor : **Dr. Mausumi Das**

Attended by:

S.No.	Name	College
1	Rachna Jain	Maitreyi College
2	Henna Sikka	DCAC College
3	Alka Budhiraja	Miranda House
4	Sumeet Goyal	Daulat Ram College
5	Mamta	Kalindi College
6	Anjana Singh	Lady Shri Ram College
7	Abhishek	St. Stephens College
8	Jasmine	Jesus and Mary College
9	Anuradha Gulati Dasgupta	SRCC
10	Kajleen Kaur	Sri Guru Gobind Singh College of Commerce
11	N. Selvaraj	Dyal Singh College
12	Devendra Kr.	JDMC
13	Krishna Kumar S.	Sri Venkateswara College
14	Chhavi Gautam	Daulat Ram College
15	Saachi Bhutani	Daulat Ram College
16	Pratibha Agarwal	PGDAV College
17	Deepika Jajoria	Shyamlal College (E)
18	Suvojit L. Chakravarty	Aryabhata College

The following texts were agreed upon:

Readings:

1. Rudiger Dornbusch & Stanley Fischer, *Macroeconomics*, 6th edn. McGraw Hill.
2. N. Gregory Mankiw, *Macroeconomics*, Worth Publishers, 6th edition, 2010.
3. Olivier Blanchard, *Macroeconomics*, Pearson Education, Inc., 5th edition, 2009.
4. Charles I. Jones, *Introduction to Economic Growth*, W.W. Norton & Company, 2nd edition, 2002.

5. William H. Branson, *Macroeconomic Theory and Policy*, East-West Press, 3rd edition, 2005
6. Robert J. Gordon, *Macroeconomics*, 12th ed., Prentice-Hall India Limited.
7. Frederic Mishkin, *Macroeconomics: Policy & Practice*, Pearson, 2012
8. Amartya Sen (ed), *Growth Economics*, Penguin. **(Book out of print. Scanned copy of relevant pages will be made available at the DSE website)**

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:

Charles Jones: *R&D based Models of Economic Growth*, *Journal of Political Economy*, 1995, Vol 103 (4), Appendix - pages 779-781. **This reading is meant for teachers only.**)

2. Microeconomic Foundations

(Approx. number of lectures: 30)

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.

Readings:

1. Branson, *Macroeconomic Theory & Policy* (3rd ed), ch 12, till "The Hall Approach: Rational Expectations".

B. Investment

Determinants of business fixed investment; residential investment and inventory investment.

Readings:

1. Rudiger Dornbusch & Stanley Fischer, *Macroeconomics*, (6th ed), ch 12.

C. Demand for Money

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

Readings:

1. Branson, *Macroeconomic Theory & Policy* (3rd ed), chapter 14, till "The Velocity of Money".

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:

1. Blanchard, *Macroeconomics*, 5th edition, ch. 24-26.
2. Mishkin, *Macroeconomics*, ch. 14 (pages 345-357 + problems at the end of the chapter); ch 15 (pages 363-368 & 386-390).

4. Schools of Macroeconomic Thoughts

(Approx. number of lectures: 6)

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

Readings:

1. Gordon, *Macroeconomics*, 12th ed, ch. 17.

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.