

**UNIVERSITY OF DELHI
DELHI SCHOOL OF ECONOMICS
DEPARTMENT OF ECONOMICS**

Minutes of Meeting

Subject B.A. (Hons) Economics Second Semester (CBCS)
Course 03 (Introductory Macroeconomics)
and
Generic Elective (GE) Course II (Introductory Macroeconomics)
Date: Monday 13th January 2020
Venue Department of Economics, Delhi School of Economics, University of Delhi
Convenor Shreekant Gupta

Attended by:

S.N	Name	College
1	Anjali	LSR
2	Madhuri	Kalindi College
3	Supriti Mishra	Shyam Lal College
4	Aditi Aeron Bansal	SBSC
5	Megha Jacob	Jesus & Mary College
6	Sakshi Jindal	MSC
7	Saumya Shukla	MAC
8	Kapila Mallah	HRC
9	Jitesh Rana	SVC
10	Rashmi Mittal	Dyal Singh College
11	Alka Budhiraja	Miranda House
12	Rakhi Solanki	Sri Aurobindo College (M)
13	Gurdeep Kaur	Sri Aurobindo College (M)
14	Sangeeta Meena	Dyal Singh College
15	Amulya Sahoo	SPM
16	Dipak Prakash	ARSD
17	Punam Tyagi	Kalindi College
18	Gargee Sarkar	IP College
19	Manoj Kumar	SLC (E)
20	Priyanka	Shivaji College
21	Dorothy Ro chowdhry	DRC
22	Gunjan Agarwal	LBC
23	Nalini Panda	IP College
24	AJC Bose	SRCC
25	Shelly Gupta	CVS
26	Indranil Chowdhury	PGDAV (M)
27	Amit Soni	SBSEC
28	Narender Thakur	BRAC

29	Poonam Kalra	St. Stephens College
30	Srividya Subramaniam	SGTB Khalsa College
31	Rashmi Kumar	SBS (E) College
32	Manjula Singh	St. Stephens College
33	Abdul Rasheed CK	Hindu College
34	Deepti Sethi	JDMC
35	Nidhi Dhamija	Hindu College
36	Nishtha Sadana	Kamala Nehru College
37	Taruna	Dyal Singh College
38	Phunchok Dolker	Kalindi College
39	Kapil Meena	SVC

Suggested number of lectures: Unit 1 - approximately **10-15**; for Units 2 and 3 together – approximately 20; for Unit 4 - approximately **25-30**.

Readings:

1. Andrew Abel, Ben Bernanke and Dean Croushore (2011). *Macroeconomics* (7thedition).
2. Richard T. Froyen (2013). *Macroeconomics: Theories and Policies* (10th ed.), Pearson.
3. N. Gregory Mankiw (2013). *Macroeconomics* (8th edition). [page numbers below refer to the International edition.]
4. O. Blanchard (2006). *Macroeconomics* (6th edition).
5. R. Dornbusch, S. Fischer and R. Startz. *Macroeconomics* (11th edition).

To the extent possible data from the Indian economy such as those in the Economic Survey, RBI, etc. should be used to illustrate concepts in the topics below. **Latest Economic Survey 2019-2020 to be released on 31.1.2020 should be used.**

Topic-wise Readings:

Unit 1. Introduction to Macroeconomics and National Income Accounting

Basic issues studied in macroeconomics; measurements of gross domestic product, income, expenditure and the circular flow; real versus nominal GDP; price indices; national income accounting for open economy, balance of payments accounts, current and capital accounts.

Abel, Bernanke and Croushore: Chapters 1, 2 and section 5.1 (pp. 169-177). Instead of Table 5.1 in book use **Economic Survey 2017-18 vol 2, ch. 6, pp.81-87 and Table 4 (p. 88):**
http://mofapp.nic.in:8080/economicsurvey/pdf/080-098_Chapter_06_Economic_Survey_2017-18.pdf

National Accounts Statistics: Sources and Methods, CSO, Government of India, 2012; Chapters 2,3,4 and 8. **[Optional]**

Unit 2. Money

Functions of money; quantity theory of money; determination of money supply and demand; credit creation; tools of monetary policy.

- (i) Mankiw: section 4.1 (pp. 79-85) and section 5.1 (pp. 100-106).

(ii) Blanchard: Chapter 4.

Unit 3. Inflation

Inflation and its costs; hyperinflation.

- (i) Mankiw: Chapter 5, sections 5.2-5.7 (pp. 99-100; pp. 107-126).
- (ii) Blanchard: Chapter 23.
- (iii) Economic Survey 2017-18 Volume 2, chapter 4:
http://mofapp.nic.in:8080/economicsurvey/pdf/056-067_Chapter_04_Economic_Survey_2017-18.pdf
Latest Economic Survey 2019-2020 to be released on 31.1.2020 should be used.
- (iv) Partha Ray (2013) *Monetary Policy* Oxford India Short Introduction. Chapter 1. What is Monetary Policy? pp. 31-45.
- (v) Pulapre Balakrishnan: The perils of RBI's fixation on inflation," *The Hindu* (January 17, 2020). <https://www.thehindu.com/opinion/lead/the-perils-of-rbis-fixation-on-inflation/article30578704.ece>
- (vi) Partha Sen: "Urjit Patel Committee Report-Flawed Premise, Misplaced Prescription," *The Hindu* (July 26, 2016) [**Supplementary reading**]
<http://www.thehindu.com/opinion/lead/Flawed-premise-misplaced-prescription/article14508120.ece>

Unit 4. The Closed Economy in the Short Run

Classical and Keynesian systems; simple Keynesian model of income determination; IS-LM model; fiscal and monetary multipliers.

- (i) Froyen: Chapter 2 and 3 (sections 2 to 4 – pp. 36-45)..
- (ii) Dornbusch, Fischer and Startz: Chapters 9, 10, and chapter 11.1-11.3 (pp. 250 -271).

Useful sources for data on the Indian economy:

1. Economic Survey: <https://www.indiabudget.gov.in/economicsurvey/>
2. RBI Handbook of Statistics on the Indian Economy:
<https://www.rbi.org.in/SCRIPTS/AnnualPublications.aspx?head=Handbook%20of%20Statistics%20on%20Indian%20Economy>

Assessment:

1. Internal evaluation will comprise 1 class test and another test or presentation (10 marks each) and 5 marks for attendance.
2. The end semester exam (75 marks) will comprise numericals and other questions.