

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

**Minutes of Meeting**

**B.A. Programme - Economics  
Course 03 (Principles of Macroeconomics I)**

**Date: July 29<sup>th</sup>, 2013 (Monday), 3:30 pm**

**Venue: Department of Economics, Delhi School of Economics, University of Delhi**

**Chair:** Shreekant Gupta, Department of Economics, University of Delhi

**Attended by:**

1. Amrat Lal Meena, Motilal Nehru College
2. Ananya Smriti, Lady Sri Ram College
3. Geeta Ahuja, PGDAV College (Evening)
4. Mohd. Shahid Ansari, Daulat Ram College
5. Nalini Panda, IP College
6. Puja Saxena Nigam, Hindu College

**The following texts were agreed upon:**

1. **Karl E. Case and Ray C. Fair (2007)**, *Principles of Economics*, **8<sup>th</sup> edition**, Pearson Education (Asia).
2. **SoumyenSikdar (2006)**, *Principles of Macroeconomics*, Oxford University Press. **(For reference only)**

**Topic wise Readings:**

**Topic 1. Introduction**

What is macroeconomics? Macroeconomic Issues in an economy.

Reading:

**Case & Fair (2007, 8<sup>th</sup> ed.), Chapter 18, pp 399-410 (Boxes on “Further Exploration” on pages 401 and 405 may be avoided)**

**Topic 2: National Income Accounting**

Concepts of GDP and National Income; measurement of national income and related aggregates; nominal and real GDP; limitations of the GDP concept.

Reading:

**Case & Fair (2007, 8<sup>th</sup> ed.), Chapter 19, pp 417-433 (Box on “Further Exploration” on page 422 may be avoided)**

**Topic 3: Determination of GDP**

Actual and potential GDP; aggregate expenditure; consumption function; investment function; equilibrium GDP; concepts of MPS, MPC; autonomous expenditure; concepts of multiplier.

Reading:

**Case & Fair (2007, 8<sup>th</sup> ed.), Chapter 21, pp 455-477 (Box on “News Analysis” on page 468 may be avoided; Box on “Further Exploration” (The Paradox of Thrift) on page 473 is included)**

**Topic 4: National Income Determination with Government and in an Open Economy**

Fiscal policy; impact of changes in government expenditure and taxes; net exports and equilibrium national income.

Reading:

**Case & Fair (2007, 8<sup>th</sup> ed.), Chapter 22, pp 479-490 and Appendices A&B; Chapter 34, pp. 721 -730**

**Topic 5: Money in a Modern Economy**

Concept of money in a modern economy; monetary aggregates; demand for money; quantity theory of money; liquidity preference and rate of interest; money supply and credit creation; monetary policy.

Reading:

**Case & Fair (2007, 8<sup>th</sup> ed.), Chapter 23, pp 501-511, and Chapter 24, pp. 525-537 (Boxes on “News Analysis” on page 503 and 528 may be avoided; Box on “Further Exploration” on page 531 is included)**

**Assessment:**

**Internal Evaluation:** There will be two class tests of 10 marks each and 5 marks for attendance.

**End Semester Exam:** Students will be required to answer 5 questions (15 marks each) out of 8. There will be **one compulsory question** (15 marks) comprising short notes having internal choice which would cover the entire course. Students will also be required to answer 4 out of the remaining 7 questions (15 marks each). Among these 7 questions there will be at least one question from each topic.