

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

**Minutes of Meeting**

**Subject:** B.A. (Hons) Economics – Third Semester  
**Course:** 08 (Intermediate Macroeconomics-I)  
**Date of Meeting:** 23 July, 2013 (Tuesday)  
**Venue:** Department of Economics, Delhi School of Economics,  
University of Delhi, Delhi – 110 007  
**Chair:** Dr.Mausumi Das

**Attended by:**

1. Alka Budhiraja, Miranda House
2. Dr. Parul Kumar, Satyawati (E)
3. Dr.Anjana Singh , LSRC
4. Dr.Suvojit L.Chakravarty, RLA
5. Mohini Aggarwal, Rajdani College
6. L.H.Nyathingshim, D.R.C.
7. Mr.Anil Kumar, Hindu College
8. Archana Aggarwal, Hindu College
9. Richa Suri, ARSD College
10. Anshu Chopra, Shivaji College
11. T.M.Thomas, Deshbandhu
12. Aditi Aeron Bansal, Shaheed Bhagat Singh College
13. Dr.Punam Tyagi, Kalindi College
14. Kamlesh Gupta, IP College
15. Paramjeet Kaur, SGGSCC
16. Anjan Kocheek, LSR
17. Bijoyata Yonzon, JDM
18. Anand Kumar, College of Vocational Studies
19. Amrat Lal Meena, Motilal Nehru College
20. Lokendra Kumawat, Ramjas College
21. Manjula Singh, St.Stephen’s College

**The following topic-wise readings were agreed upon:**

**Topic wise Readings:**

**Topic 1. The Aggregate Demand and Aggregate Supply Curve  
(Estimated number of lectures 17)**

Derivation of aggregate demand and aggregate supply curves; interaction of aggregate demand and aggregate supply

Readings:

- (a) Rudiger Dornbusch and Stanley Fischer (1994, 6<sup>th</sup> edn.), Chs. 5 (5.1 to 5.3) and 7.
- (b) O. Blanchard (2006, 4<sup>th</sup> edn.), p292– p294, p. 300-306, Ch6 and 7.

**Topic 2. Inflation, Unemployment and Expectations  
(Estimated number of lectures 20)**

Phillips curve; adaptive and rational expectations; the policy ineffectiveness debate.

Readings:

- (a) O. Blanchard (2006, 4<sup>th</sup> edn.), Chs. 8 and 9.
- (b) Richard Froyen, (2004, 8<sup>th</sup> edn.), Ch. 11, p262-275.
- (c) C.L.F. Attfield, D. Demery and N.W. Duck (1991, 2<sup>nd</sup> edn.), p1– p28.
- (d) Steven Sheffrin, (1996, 2<sup>nd</sup> edn.), Ch. 2, p25– p40.

**Topic 3. Open Economy Models  
(Estimated number of lectures 25)**

Short run open economy models: the Mundell Fleming model; exchange rate determination: purchasing power parity, asset market approach; Dornbusch's overshooting model. The monetary approach to balance of payments; international financial markets.

**Readings:**

- (a) Rudiger Dornbusch and Stanley Fischer (1994, 6<sup>th</sup> edn), Chs. 6 and 20 (20.1 and 20.2).
- (b) D. Salvatore (2008, 8<sup>th</sup> edn), Ch. 14 (14.1–14.6D and appendix), Ch. 15 (including appendix) and Ch. 20.6

**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 will have total **five** questions (15 marks each) with the following distribution across topics: **three** questions from topics 1 and 2 and **two** questions from Topic 3. Question should have internal choices. Question can be mathematical in nature.

## Reading List

1. **Rudiger Dornbusch and Stanley Fischer (1994)**, *Macroeconomics*, 6<sup>th</sup> edition, McGraw Hill.
2. **O. Blanchard (2006)**, *Macroeconomics*, 4<sup>th</sup> edition, Pearson Education (Asia).
3. **C.L.F. Attfield, D. Demery and N.W. Duck (1991)**, *Rational Expectations in Macroeconomics*, 2<sup>nd</sup> edition, Blackwell.
4. **Steven Sheffrin (1996)**, *Rational Expectations*, 2<sup>nd</sup> edition, Cambridge University Press.
5. **D. Salvatore (2008)**, *International Economics*, 8<sup>th</sup> edition, Wiley (Asia).
6. **Richard Froyen (2004)**, *Macroeconomics: Theories & Policies*, 8<sup>th</sup> edition, Pearson Education (Asia).