

**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:** 30 July, 2015 (Thursday)  
**Venue:** Department of Economics, Delhi School of Economics,  
University of Delhi, Delhi – 110 007  
**Chair:** Dr. Mausumi Das, Department of Economics, Delhi School of Economics

**Attended by:**

1. Devender Kumar, JDM
2. Aas Mohammad, LSR
3. Nidhi Bagoria, Satyawati College
4. Ujjayini Roy, Lakshmi Bai College
5. Archana Aggarwal, Hindu College
6. Suvojit L. Chakravorty, Aryabhata
7. Swapan Chakraborty, Shyamlal College (Eve.)
8. Rajiv Jha, SRCC
9. T.M. Thomas, Deshbandhu College
10. Manjula Singh, St. Stephen's College
11. Sumeet Goyal, D.R. College
12. Geeta Rani, Dayal Singh College
13. Pragya, SGTB Khalsa College
14. Kajleen Kaur, SGGSC of Commerce
15. Jayeshadeshara, Sheed Bhagat Singh College

1. It has been decided to drop the reading of Richard Froyen from Topic 2. The rest remains unchanged.
2. The teachers present at the meeting also felt that given that the same structure of core macro courses have been retained in the CBCS syllabus, there should be joint meeting of teachers of all the 3 macro courses next year to take a more comprehensive view on the distribution of the topics across the 3 courses.

**The modified topic-wise readings for the current semester are as follows:**

**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.), p. 292– p. 294, p. 300–306, Ch. 6 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) C.L.F. Attfield, D. Demery and N.W. Duck (1991, 2<sup>nd</sup> edn.), p. 1– p. 28.
- (c) Steven Sheffrin, (1996, 2<sup>nd</sup> edn.), Ch. 2, p. 25– p. 40.

## **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. Questions should have internal choices. Questions can be mathematical in nature

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**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).



