

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

Minutes of Meeting

Subject : **B.A. (Hons) Economics**
Course : **12 (Intermediate Macroeconomics-II)**
Date of Meeting : **14 January, 2016; 2 pm**
Venue : **Department of Economics, Delhi School of Economics,
University of Delhi**
Convenor : **Dr. Mausumi Das**

Attended by:

1	Anjana Singh	LSR
2	Jyoti Atri	Shyam Lal
3	Sushant	LSR
4	Suvojit L Chakravarty	Aryabhata
5	Archana Aggarwal	Hindu
6	Lokendra Kumawat	Ramjas
7	Virender Kumar	SRCC
8	Divisha Goyal	Hansraj
9	Pragya Nayyar	SGTB Khalsa
10	Jayesh Adeshra	Shaheed Bhagat Singh
11	Sumeet Goyal	DRC
12	Nitish	MH
13	Parul Kumar	Satyawati Eve.
14	Devendra Kumar	JDMC

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. Robert J. Gordon, *Macroeconomics*, 12th ed., Prentice-Hall India Limited.
6. Ben Heijdra, *Foundations of Modern Macroeconomics*, 2nd ed, OUP.
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)**

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: 24)

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. Dornbusch & Fischer, *Macroeconomics* (6th ed), ch 11.
2. Mankiw, *Macroeconomics* (6th ed.), Ch. 15 (pp 441-447) and ch 16.

B. Investment

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

Readings:

1. Dornbusch & 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. Gordon, *Macroeconomics* (12th ed), chapter 13 (section 13.5 only).

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: 12)

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

Readings:

1. Heijdra, *Foundations of Modern Macroeconomics*, 2nd ed, pages 19-28.
2. 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, 2 questions from topics 3 and 4 together.