

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

**Minutes of Meeting**

Subject : B.A. Programme Economics)  
Course : 03 – Principles of Macroeconomics - I  
Date of Meeting : 5<sup>th</sup> May, 2016 at 3.00 P.M.  
Venue : Department of Economics, Delhi School of Economics  
University of Delhi, Delhi – 110 007  
Chair : Dr. Mausumi Das

Attended by :

<b>S. No.</b>	<b>Name of Teacher</b>	<b>College</b>
1	Baishakhi Mondal	IP College (w)
2	Divya S. Gupta	Mata Sundri college
3	Puja Pal	Janki Devi Memorial College
4	Kittu Kapoor	Mata Sundari College (W)
5	Sujit Kumar	SVC
6	Sushant Kr. Singh	LSR College
7	Subansh Prasad Singh	Sri Aurobindo College (M)
8	Anjali Agarwal	MLNC(E)
9	Anil Kumar	Ramjas College

No changes have been made in the reading list from the last year. However, it has been decided that in the end-semester exam, paper setters may ask numerical questions.

The references and the topic-wise readings for the current semester are as follows:

**Reference:**

1. **Karl E. Case and Ray C. Fair (2007)**, *Principles of Economics*, **8<sup>th</sup> edition**, Pearson Education (Asia).
2. **Soumyen Sikdar (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. **Numerical questions may be asked.**