

**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: 5 May, 2016 at 1.00 P.M.
Venue: Department of Economics, Delhi School of Economics,
University of Delhi, Delhi – 110 007

Chair: Mausumi Das, Department of Economics, Delhi School of Economics

Attended by:

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|----|------------------|-----------------------|
| 1 | Nidhi Gupta | SRCC |
| 2 | Sumeet Goyal | DRC |
| 3 | Kajleen Kaur | SGGSCC |
| 4 | Mohini Aggarwal | Rajdhani |
| 5 | Devendra Kr. | JDMC |
| 6 | S.L. Chakravarty | Aryabhatta |
| 7 | Anjana Singh | LSR |
| 8 | Rashmi Chaudhary | Kalindi College |
| 9 | Daisy Sals | JMC |
| 10 | Nita Singh | Satyawati College (E) |
| 11 | D.B.Reddy | S.V.college |
| 12 | Henna Sikka | DCAC college |
| 13 | Malabika Pal | MH |

NOTE: The teachers present in the meeting once again underscored the need for a joint meeting of teachers of all the 3 macro courses of CBCS syllabus in December, 2016 to take a more comprehensive view on the distribution of the topics across the 3 courses.

No changes have been made in the reading list from the last year. However it was suggested that teachers take a look at the book: “Ben Heijdra: Foundations of Modern Macroeconomics (2nd ed) Chapter 3” as a possible reference for Topic 2. Whether to include this as a reading or not will be decided in the next meeting.

The 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, 6thedn.), Chs.5 (5.1 to 5.3) and 7.
- (b) O. Blanchard (2006, 4thedn.), 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, 4thedn), Chs. 8 and 9.
- (b) C.L.F. Attfield, D. Demery and N.W. Duck (1991, 2nd end.), p1– p28.
- (c) Steven Sheffrin, (1996, 2ndedn.), 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, 6thedn), Chs.6 and 20 (20.1 and 20.2).
- (b) D. Salvatore (2008, 8thedn), 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*, 6th edition, McGraw Hill.
2. **O. Blanchard (2006)**, *Macroeconomics*, 4th edition, Pearson Education (Asia).
3. **C.L.F. Attfield, D. Demery and N.W. Duck (1991)**, *Rational Expectations in Macroeconomics*, 2nd edition, Blackwell.
4. **Steven Sheffrin (1996)**, *Rational Expectations*, 2nd edition, Cambridge University Press.
5. **D. Salvatore (2008)**, *International Economics*, 8th edition, Wiley (Asia).