

**Department of Economics
UNIVERSITY OF DELHI
DELHI SCHOOL OF ECONOMICS
DEPARTMENT OF ECONOMICS**

Minutes of Meeting

Subject : **B.A. (Hons) Economics**
Core Economics Course: **9 (Intermediate Macroeconomics-II)**
Date of Meeting : **14th January, 2020; 3 pm**
Venue : **Department of Economics, Delhi School of Economics**
Convenor : **Dr. Dibyendu Maiti**

Attended by:

S.N	Name	College
1	Baishakhi Mondal	IP
2	Devendra Kumar	JDMC
3	Krishna Kumar S.	SVC
4	Anjana Singh	LSR
5	Preety Sharma	Lakshmibai College
6	G. Lavanya	JMC
7	Saachi Bhutani	DRC
8	Anurag Kakkar	HRC
9	Archana Aggarwal	Hindu College
10	Manjula Singh	St. Stephens College
11	Malabika Pal	Miranda House
12	Pratibha Agarwal	PGDAV

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. William H. Branson, *Macroeconomic Theory and Policy*, East-West Press, 3rd edition, 2005
6. Robert J. Gordon, *Macroeconomics*, 12th ed., Prentice-Hall India Limited.
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)**

Note: A new textbook (*Branson*) has been introduced for Topic 2, sections A & C. Since the new textbook is much more detailed, the number of lectures for this topic also has also been increased to 30.

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: 30)

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. Branson, *Macroeconomic Theory & Policy* (3rd ed), ch 12, till "The Hall Approach: Rational Expectations".

B. Investment

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

Readings:

1. Rudiger Dornbusch & Stanley 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. Branson, *Macroeconomic Theory & Policy* (3rd ed), chapter 14, till "The Velocity of Money".

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: 6)

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

Readings:

1. 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, 1 question from topics 3 and 4 together and 1 question from any of topics 1, 2, 3 or 4.