UNIVERSITY OF DELHI
DELHI SCHOOL OF ECONOMICS
DEPARTMENT OF ECONOMICS
Minutes of Meeting

Subject: B.A. Programme Third Semester
Course: PD31 Principles of Macroeconomics I
Date: Wednesday 12th August 2020
Venue: Zoom Meeting hosted by Department of Economics, Delhi School of Economics, University of Delhi
Convenor: Dibyendu Maiti

Attended by:
1. Renuka Sri Aurobindo College
2. Poonam Bamel IP college for women
3. Shubhi Singh IP College for Women
4. Manju Pande ARSD College
5. Shivani Gupta
6. Srividya Subramaniam SGTB Khalsa College
7. Punam Tyagi Kalindi College
8. Meenakshi Kohli Mata Sundri College
9. Menka Singh Motilal Nehru College
10. Gargee Sarkar Indraprastha College for Women
11. Ghanshyam Bairwa SGND Khalsa College
12. Jyoti Atri Shyam Lal College
13. Vandana Sethi Motilal Nehru College
14. Rohit Rao Bhagini Nivedita college
15. Jyotsna SPM College
16. Manisha Jayant SPM College
17. Pummy Yadav Kalindi College
18. Krishnakumar S S Sri Venkateswara College
19. Nidhi Dhamija Hindu College
20. Sutapa Das Miranda House
21. Hena Oak Miranda house
22. Iti Dandona Shivaji College

Suggested number of lectures: Unit 1 and 2 - approximately 15; for Units 3 and 4 together – approximately 30; for Unit 5 - approximately 15.

Readings:
**Topic-wise Readings:**

**Unit 1**
Introduction: What is macroeconomics? Macroeconomic issues in an economy

(i) Abel and Bernanke Chapter 1 “Introduction to Macroeconomics”; Sections 1.1, 1.2 and 1.3 (pp 2 to 23) (Chapter 1 in LPE 5th edition)

**Unit 2**
National Income Accounting: Concepts of GDP and National Income; measurement of national income and related aggregates; nominal and real income; limitations of the GDP concept

(i) Abel and Bernanke Chapter 2 “The Measurement and Structure of the National Economy”; Sections 2.1, to 2.5 (pp 24 to 59) (Chapter 2 in LPE 5th edition)

**Unit 3**
Determination of GDP: Actual and potential GDP; aggregate expenditure; consumption function; investment function; equilibrium GDP; concepts of MPS, APS, MPC, APC; autonomous expenditure; Concept of multiplier.

(i) Dornbusch, Fisher and Startz Chapter 10 “Income and Spending”; Sections 10.1, 10.2 and 10.3 (pp 198 to 209)
(ii) Abel and Bernanke Chapter 4 “Consumption, Saving and Investment”; Section 4.1 and 4.2 (till pp 128) (pp 111 to 128) (Chapter 4 in LPE 5th edition)

**Unit 4**
National Income Determination in an Open Economy with Government; Fiscal Policy: impact of changes in government expenditure and taxes; net exports function; net exports and equilibrium national income.

(i) Dornbusch, Fisher and Startz Chapter 10 “Income and Spending”; Sections 10.4 to 10.6 (pp 209 to 222)

**Unit 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

(i) Dornbusch, Fisher and Startz Chapter 16 “Demand for Money”; Sections 16.2, 16.3 and 16.5 (pp 385 to 391 and 395 to 399)
(ii) Blanchard and Johnson Chapter 4; Sections 4.1 to 4.4 (pp 83 to 104)

**Assessment:**
1. Internal evaluation will comprise 1 class test and another test or presentation (10 marks each) and 5 marks for attendance.
2. The end semester exam (75 marks) will comprise of two sections: A and B. Sections A will comprise short questions of 5 marks each (5 to be attempted out of 7) and Section B will
comprise long questions of 10 marks each (5 to be attempted out of 7). Questions based on numerical problems of approximately 15 to 20 marks to be included. The examination weightage: Topic 1 and 2: 20%; Topic 3 and 4: 50%; Topic 5: 30%