

**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 12<sup>th</sup> 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 Colllege           |
| 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 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:**

1. Abel, A., Bernanke, B. (2008). Macroeconomics, 5th ed. Pearson Education.
2. Blanchard, O, Johnson, D. (2017). Macroeconomics, 6th ed. Pearson Education.
3. Dornbusch, R., Fischer, S., Startz, R. (2018). Macroeconomics, 12th ed. McGraw-Hill Education India.

## 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 5<sup>th</sup> 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 5<sup>th</sup>)

### 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 5<sup>th</sup> 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%