

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

Minutes of Meeting

Subject: B.A. (Hons) Economics Third Semester

Course: ECON008 - Intermediate Macroeconomics I: Foundations of Aggregate Income Determination (Honours course only)

Credits: 4

Duration (per week): 4 hours (3 L + 1 T)

Date: Thursday 8th August 2023

Venue: Department of Economics, Delhi School of Economics, University of Delhi

Convenor: Dibyendu Maiti

Attended by:

Name	Dept & College
Krishna Kumar	Sri Venkateswara College
Lokendra Kumawat	Ramjas College
Archana Aggarwal	Hindu College
Anuradha Gulati Dasgupta	SRCC
Suvojit Lahiri Chakravarty	Aryabhata College
Rahul	LSR
Shruti Goyal	Shivaji College
Pallavi Manchanda	SBSC
Pankaj Yadav	SBSC
Divya Singh	St. Stephen's College
Sona Mandal	Kamala Nehru College
Bibhor Kumar	Sri Aurobindo
Sneha Bhardwaj	Deshbandhu
Alka Budhiraja	Miranda House
Kajleen Kaur	SGGSCC
Saachi Bhutani Bhagat	Daulat Ram College
N.Lalitha	SPM College for Women

Reading List

Topic	Readings
UNIT I: Short-run and medium-run equilibrium (12 lectures)	
The labour market, Wage determination; wages, prices, and unemployment; natural rate of unemployment; from employment to output	Blanchard, Ch. 6 p. 117-138
Derivation of aggregate supply curve, Interaction of aggregate demand and supply to determine equilibrium output, price level and employment	Blanchard, Ch. 7 p. 139-163
UNIT II: Philips curve and theory of expectations (15 lectures)	
Inflation, unemployment and expectations, Phillips Curve	Blanchard, Ch. 8-9 p. 165-202; Ch 14 p. 292-294, 300-308
Adaptive and rational expectations; policy ineffectiveness debate	Attfield, Demery and Duck, p. 6-9, 18-28; Sheffrin p. 34-40
UNIT III: Microeconomic foundations of macroeconomic behaviours (18 lectures)	
Consumption: Keynesian consumption function; Fisher's theory of optimal intertemporal choice; life-cycle and permanent income hypotheses; other theories of consumption expenditure.	Branson, p. 239-264 (excluding the section on Permanent Income and Adaptive Expectations), 268-273 (excluding the section on Choice Structure and Disequilibrium)
Investment: determinants of business fixed investment; residential investment and inventory investment.	Jones, Ch. 17, p. 470-495

Readings

1. Blanchard, O. (2006). *Macroeconomics*, 4th ed. Pearson Education.
2. C.L.F. Attfield, D. Demery and N.W. Duck (1991), *Rational Expectations in Macroeconomics: An Introduction to Theory and Evidence*, 2e.
3. Sheffrin, Steve (1996), *Rational Expectations*, 3e, Cambridge University Press
4. Jones, Charles (2018), *Macroeconomics*, 4e, W W Norton & Co.
5. Branson, William H (2005), *Macroeconomic Theory and Policy*, 3e, East-West Press.

Assessment:

1. Semester-end Examination: 90 marks

The question paper will have roughly equal weightage from all three units. The paper will consist of three sections of 30 marks each:

- Section A will have 15 MCQs/one-line-answer questions of 2 marks each, with no choice of any kind.
- In Section B students will be required to do any 6 out of 8 questions of 5 marks each.
- In Section C students will be required to do any 3 out of 4 questions of 10 marks each.

2. Internal Assessment (IA): 30 marks

- 6 marks will be for attendance
- 24 marks will be based on at least two tests of 12 marks each.

3. Continuous Assessment (CA): 40 marks

- 5 marks will be for attendance
- 35 marks will be based on assignments/tests or any other mode of assessment as suggested by the University.

