

DEPARTMENT OF ECONOMICS
UNIVERSITY OF DELHI

Subject: B.A.(H) ECONOMICS DSC
Sem.: II
Course & Code: Introductory Macroeconomics ECON004
Duration (per week): 4 (3L+1 T)
Credit 4
Date & Time 24/01/2024 at 1.00 PM
Venue: 116, Department of Economics, Delhi University
Convenor: Dibyendu Maiti

Sub-Committee

Dr. Tanu
Anuj Goyal
Supriti Mishra

In attendance:

College Teachers

Dr. Neha Goswami	Satyawati College Evening
Dr. Neha Atri	SGNDKC
Rimpy Kaushal	PGDAV College
Vandana Sethi	Motilal nehru college
Supriti Mishra	Shyam lal college
Anuj Goyal	Shaheed Bhagat Singh College
Ravi	Miranda House
Prof. ARADHANA NANDA	SGGS College of Commerce
N. Manichandra singg	Arayabhatta college
Vandana sethi	Motilal Nehru College
Dr.Gagandeep Kaur	SGTB KHALSA COLLEGE
Mohini Aggarwal	Rajdhani College

Akanksha Mann	Lady Shri Ram College
Dr.Renu Sinha	Satyawati college (m)
Bindu Oberoi	I P College for Women
Aruna Rao	SVC
Dr. Tanu	Delhi College of Arts and Commerce
Dr. Nidhi Dhamija	Hindu College

Learning Objectives

- To introduce students to the basic concepts of macroeconomics
- To discuss the preliminary concepts associated with determining and measuring aggregate macroeconomic variables like GDP, savings, investment, money, inflation, unemployment and the balance of payments.
- To introduce the simple analytical framework (e.g., the IS-LM Model) for analysing the relationships among key macroeconomic variables.

Learning Outcomes

- The students would be able to familiarise the broad macroeconomic concepts like GDP, inflation, money supply, interest rate and their inter-linkages and their interrelationships.
- By studying the course, the students will be able to critically evaluate various macroeconomic policies and their effects on output and interest rates in the economy.

Suggested number of lectures:

Unit 1: **10 hours**

Unit 2: **10 hours**

Unit 3: **11 hours;**

Unit 4: **14 hours.**

Readings:

1. Andrew B. Abel, Ben S. Bernanke and Dean Croushore (2011). *Macroeconomics*, 7th edition, Pearson.
2. Oliver Blanchard and David R. Johanson (2013). *Macroeconomics*, 6th edition, Pearson
3. Richard T. Froyen (2013). *Macroeconomics: Theories and Policies*, 10th edition, Pearson.
4. Rudiger Dornbusch, Stanley Fischer and Richard Startz (2011). *Macroeconomics*, 11th edition, McGraw-Hill.

To the extent possible data from the Indian economy such as those in the Economic Survey, RBI, etc. should be used to illustrate concepts in the topics below.

Latest Economic Survey should be used.

Topic-wise Readings:

Unit 1. Introduction to Macroeconomics and National Income Accounting (10 hours)

Basic issues studied in macroeconomics; measurements of gross domestic product, income, expenditure and the circular flow; real versus nominal GDP; price indices; national income accounting for open economy, balance of payments accounts, current and capital accounts.

- (i) Abel, Bernanke and Croushore: Chapter 1 (Sections 1.1 and 1.3), Chapter 2 and 5 (upto Section 5.1 - pp. 165-176). Instead of Table 5.1 in book **use latest Economic Survey 2022-23, Table 5.2 (p. 92-95)**

National Accounts Statistics: Sources and Methods, CSO, Government of India, **[Optional]**

Unit 2. Money (10 hours)

Functions of money; quantity theory of money; determination of money supply and demand; credit creation; tools of monetary policy.

- (i) Abel, Bernanke and Croushore: Chapter 7 (Section 7.1)
(ii) Froyen: Chapter 4 (Section 4.1- till page 70)
(iii) Blanchard: Chapter 4

Unit 3. Simple Theory of Income Determination (11 hours)

Classical and Keynesian systems; simple Keynesian model of income determination.

- (i) Froyen: Chapter 3, Chapter 4 (Section 4.1 - pages 70, 71, 72, Sections 4.2 - 4.4)
(ii) Dornbusch, Fischer and Startz: Chapter 9

Unit 4. IS-LM Analysis and Aggregate Demand (14 hours)

Derivation of the IS-LM Curves; fiscal and monetary multipliers; derivation of aggregate demand.

- (i) Dornbusch, Fischer and Startz: Chapters 10, Chapter 11 (Section 11.4 is optional).

Useful sources for data on the Indian economy:

1. Economic Survey 2022-23: <https://www.indiabudget.gov.in/economicsurvey/>
2. RBI Handbook of Statistics on the Indian Economy: <https://www.rbi.org.in/SCRIPTS/AnnualPublications.aspx?head=Handbook%20of%20Statistics%20on%20Indian%20Economy>

Assessment:

1. Internal Assessment (IA): **30 marks** - one class test, another test or presentation (12 marks each), and six marks for attendance.
2. Continuous Assessment (CA): **40 marks** - projects, presentations etc. (35 marks) and 5 marks for attendance.
3. The end semester exam: **90 marks** will comprise numerical and other questions.

Suggested Weightage for each unit in the final examination

Unit 1 - 20 marks

Unit 2 - 20 marks

Unit 3 - 20 marks

Unit 4 - 30 marks