

DEPARTMENT OF ECONOMICS
UNIVERSITY OF DELHI

Subject: B.A. (Prog.) Economics DSC
Sem.: II
Course & Code: Introductory Macroeconomics ECON004
Duration (per week):
Date & Time 24/01/2024 at 1.00 PM
Venue: 116, Department of Economics, Delhi University
Convenor: Dibyendu Maiti
Sub Committee: Dr Tanu, Dr Neha Goswami, Sukhvinder Kaur, Laxmi Tiwari

In Attendance

College Teachers

Dr. Neha Goswami	Satyawati College Evening
Dr. Tanu	Delhi College of Arts and Commerce
Sukhvinder Kaur	Mata Sundri College for Women
Laxmi Tiwari	Lakshmi Bai College
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 C9mmerce
N. Manichandra singg	Arayabhatta college

Vandana sethi	Motilal Nehru College
Dr.Gagandeep Kaur	SGTB KHALSA COLLEGE
Akanksha Mann	Lady Shri Ram College
Dr.Renu Sinha	Satyawati college (m)
Bindu Oberoi	I P College for Women
Aruna Rao	SVC
Dr. Nidhi Dhamija	Hindu College
Sukhvinder Kaur	Mata Sundri 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 themselves with broad macroeconomic concepts like GDP, inflation, money supply, interest rate, inter-linkages, and 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.

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. Rudiger Dornbusch, Stanley Fischer and Richard Startz (2011). *Macroeconomics*, 11th edition, McGraw-Hill.

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

Basic issues studied in macroeconomics.

Measurements of Gross Domestic Product - income, expenditure and the circular flow; related aggregates; real versus nominal GDP; price indices and real interest rate.

- (i) Abel, Bernanke and Croushore: Chapter 1 (Sections 1.1 and 1.3)
- (ii) Abel, Bernanke and Croushore: Chapter 2

Unit 2. Simple Theory of Income Determination (11 Hrs)

Simple Keynesian model of income determination; Actual and potential GDP; aggregate expenditure; consumption function; investment function; equilibrium GDP; Concept of the multiplier; government sector and impact of changes in government expenditure and taxes.

- (i) Dornbusch, Fischer and Startz: Chapter 9
- (ii) Abel, Bernanke and Croushore: Chapter 4 (Section 4.1 and 4.2 – till page 121)

Unit 3. Money in a Modern Economy (10 Hrs)

Concept of money in a modern economy; monetary aggregates; functions of money; demand for money; money supply and credit creation; monetary policy tools.

- (i) Abel, Bernanke and Croushore: Chapter 7 (Section 7.1)
- (ii) Blanchard: Chapter 4

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

Derivation of IS-LM Curve; Fiscal and Monetary Multipliers; Derivation of Aggregate Demand

Dornbush Fisher Chapter 10

Assessment:

1. Internal Assessment (IA): **30 marks** - one class test and another test or presentation (12 marks each) and 6 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 - 25 marks

Unit 2 and 3 – 45 marks

Unit 4 - 20 marks