

DEPARTMENT OF ECONOMICS  
UNIVERSITY OF DELHI

Subject: BA(H) Economics - DSC  
Sem.: V  
Course & Code: ECON014 (DSC-14): Economic Growth and Business Cycles  
Duration (per week): 3 lectures + 1 tutorial  
Date & Time: 14/05/2024 at 3.30 PM  
Venue: 116, Department of Economics, Delhi University  
Convenor: Mausumi Das and Swati Saini

College Teachers attended: (Soni ji, Please append)

Name	College
Archana Aggarwal	Hindu
Lokendra Kumawat	Ramjas
Swaran Lata Meena	ARSD college
Dr. Jai Ram Meena	Shaheed Bhagat Singh College (M)
Dr.Subasini Maharana	Jesus and Mary
Bibek Kumar Rajak	Dyal Singh College
S. Krishna kumar	Sri Venkateswara College
Abhash Kumar	ARSD college
N. Lalitha	SPM College for Women
Shubhi Singh	Lady Shri Ram College for Women
Jagadish konthoujam	Shri Ram College of Commerce
Ritu Khanna	Daulat Ram College

### Learning Objectives

The Learning Objectives of this course are as follows:

- This course introduces the students to the models of economic growth and business cycles.

- The literature on the differences in the growth rates across economies is discussed.
- Further, the student is exposed to the preliminaries of macroeconomic modelling through different growth models.
- It introduces business cycles through the Real Business Cycle and the New Keynesian approaches.

### **Learning outcomes**

The Learning outcomes of this course are as follows:

- The student would understand the basic drivers of economic growth that are developed through the different approaches using exogenous, semi-endogenous and endogenous models.
- The student will be able to appraise and analyse better the business cycles and familiarise with the debates between the schools of macroeconomic thoughts like Real Business Cycles and New Keynesian Economics.

### **Syllabus and Topic-wise Reading List**

#### **UNIT I: Introduction to Economic Growth (10 hours)**

Introduction to economic growth, data on economic growth, stylized facts of economic growth, economic growth and economic development, economic growth and income difference, absolute and conditional convergence.

- a) Jones, Charles I and Vollrath, Dietrich (2013): Chapter 1 and Section 3.2 of Chapter 3

#### **UNIT II Models of Economic Growth (25 hours)**

Solow model and the steady state. Solow model with technology, growth accounting, Economics of ideas and innovation, Romer model, Growth through creative destruction, Growth and technology transfer, institutions, Simple endogenous growth model.

- a) Jones, Charles I and Vollrath, Dietrich (2013): Chapter 2 to Chapter 6.

#### **UNIT III: Business Cycles (10 hours)**

Real business cycle model, productivity shocks and business cycle fluctuations, New Keynesian models, new Keynesian Short-run AS Phillips curve and dynamics IS curve. Comparison between business cycle models. Introduction to dynamic general equilibrium models.

- a) Carlin, Wendy and Soskice, David (**2015 edition**): Chapter 16

### **Recommended readings**

- Jones, Charles I and Vollrath, Dietrich (2013), Introduction to Economic Growth. W.W. Norton & Co.
- Carlin, Wendy and Soskice, David (**2015 edition**), *Macroeconomics: Institutions, Instability and the Financial System*. (Soft copy attached)

### **Supplementary reading (for teachers)**

Weil, David N (2014) Economic Growth. Routledge

## **Assessment**

### **1. Semester-end Examination: 90 marks**

The question paper will have roughly 50% weightage from unit II and the remaining 50% from units I and III together. 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.

**The question paper will have clear instructions for this section that students must write only the correct answers in this section and NOT explanations.**

- In Section B, students will be required to do any 6 out of 8 questions for 5 marks each.
- In Section C, students will be required to do any 3 out of 4 questions of 10 marks each.

**2. Continuous Assessment (40 marks) and Internal Assessment (30 marks):** As per the University guidelines.