

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 (Discipline Core Course, DCC)
Credit: 6
Date: Thursday 8th July 2021
Venue: Zoom Meeting hosted by Department of Economics, Delhi School of Economics, University of Delhi
Meeting ID: 929 6990 1202
Convenor: Dibyendu Maiti

Attended by:

Pragya Shankar	Ram Lal Anand College Delhi University
Deepika Goel	Aryabhata College
Hena Oak	Miranda House
Chetan kumar	Dyal singh evening college
Saachi Bhutani Bhagat	Daulat Ram College
Bir Singh	Delhi college of Arts and Commerce
Meenakshi Kohli	Mata Sundri college for women
Gunjan Agarwal	Lakshmibai College
Renu Kumari Verma	Motilal Nehru College (Evening)
Tanusree Dash	Kamala Nehru College
Vandana sethi	Motilal Nehru College
Niti Arora	Mata Sundri College for Women
Chander Kanta Gupta	PGDAV College
Menka singh	Motilal Nehru college
Enakshi Sinha Ray Chaudhury	Rajdhani college
Gargee Sarkar	Indraprastha College for Women
Namita Mathur	Indraprastha College for Women
Krishnakumar S	Sri Venkateswara College
Iti Dandona	Shivaji college
Meena Singh	Sri Guru Nanak Dev Khalsa College
Manju Pande	ARSD College
Swati Yadav	BNC
Punam Tyagi	Kalindi college
Richika Rana	Shayama Prasad Mukherjee College for Women
Surendra Kumar Sharma	Shyam Lal college Eve. DU

Course Objective:

This course introduces students to the basic concepts in Macroeconomics. Macroeconomics deals with the aggregate economy. In this course, the students are introduced to the definition, measurement of the macroeconomic variables like GDP, consumption, savings, investment and balance of payments. The course also discusses various theories of determining GDP in the short run.

Course Learning Outcomes: This course is useful for understanding various real macroeconomic issues and evaluating policy outcomes

Course Outline:

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 5th 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 5th)

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 (pp 111 -113, 122- 128) (Chapter 4 in LPE 5th 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)
(ii) Net exports (Lipsey and Chrystal, pp. 386 to 392, 12th Edition or pp 421-24, 13th Edition)

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)

Suggested number of lectures:

Units 1 and 2 - approximately **15**;

Units 3 and 4 – approximately **30**;

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.
4. Lipsey, R. & Chrystal, A. (2015), Economics, 13th Edition, OUP, (pp 421-24). And 12th Edition (page 386 to 392)

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%