# UNIVERSITY OF DELHI
## DELHI SCHOOL OF ECONOMICS
## DEPARTMENT OF ECONOMICS

## Minutes of Meeting

**Subject:** General Electives (GE-15)
**Course:** ECON028: Principles of Macroeconomics II
**Credits:** 4 (3L+1T)
**Date:** Tuesday 22.01.2024, 11.30 am
**Venue:** Department of Economics, Delhi School of Economics, University of Delhi
**Convenor:** Mausumi Das and Swati Saini

**Attended by:**

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|---|---|
| Divya Shanker Gupta | Mata Sundri College for Women |
| Aakriti Saini | Daulat Ram College |
| Deepika Kandpal | PGDAV College |
| Vipin Negi | Keshav Mahavidyalaya |
| Anil Kumar | Ramjas College |
| Dr. Mamta Ahuja | Sri Guru Nanak Dev Khalsa College |
| Jaspreet kaur | Shaheed bhagat singh college |
| Dr. Kalpna Negi | Lady Shri Ram College for Women |
| Indranil Chowdhury | PGDAV COLLEGE |
| Suvojit Lahiri Chakravarty | Aryabhatta College |
| Dr Gatikrushna Mahanta | Zahir Husain Delhi college (M) |

**Learning Objectives:**
- This course introduces labour markets and derived the aggregate supply (AS) curve.
- Then it integrates with Aggregate Demand (AD) to determine equilibrium prices and output.
- The course discusses Phillips curve and the alleged trade-off between inflation and unemployment.
- Both adaptive and rational expectations are introduced.

**Learning Outcomes:**
- The students would learn an analytical framework to analyse the basic functioning of the aggregate macro economy under closed and open economy.
- It also enables them to analyse the functioning of the economies in terms of the effects of fiscal and monetary policy and trade-off between inflation and unemployment.

**Readings:**
1. Olivier Blanchard (2007): Macroeconomics (4th edition), Pearson
2. Rudiger Dornbusch, Stanley Fischer and Richard Startz (2011): Macroeconomics (12th edition), McGraw-Hill

3. Andrew Abel, Ben Bernanke and Dean Croushore (2014): Macroeconomics (8th edition), Pearson

**Topic-wise Readings:**

**UNIT – I: IS-LM Analysis for Income Determination** (10 Hours)
Derivation of the IS and LM functions; IS-LM and aggregate demand; shifts in the AD curve

**UNIT – II: GDP and Price Level in Short Run and Long Run** (10 Hours)
Aggregate Demand and Aggregate Supply; Multiplier Analysis with AD curve and Changes in Price level; Aggregate Supply in the short-run and long-run

(i) _Dornbusch, Fischer and Startz_**: Chapters 10, 11, and 12** (_Income and Spending; Money, Interest, and Income; Monetary and Fiscal Policy_)
(ii) _Blanchard_**: Chapter 7** (_Putting All Markets Together: The AS-AD Model_)

Supplementary Reading:
(iii) _Abel, Bernanke and Croushore_**: Chapter 8** (_The IS-LM/AD-AS Model: A General Framework for Macroeconomic Analysis_)

**UNIT – III: Inflation and Unemployment** (10 Hours)
Concept of Inflation; Determinants of Inflation; Relationship between Inflation and Unemployment; Phillips Curve in the short-run and long-run

(i) _Blanchard_**: Chapters 8** (_The Natural Rate of Unemployment and the Phillips Curve_)

**UNIT – IV: Balance of Payments and Exchange Rate** (6 Hours)
Balance of Payments; Current account and Capital Account; Market for Foreign Exchange; Determination of Exchange Rate.

(i) _Dornbusch, Fischer and Startz_**: Chapter 13** (_International Linkages_)

**Assessment:**

1. Internal Assessment (IA): **30 marks**
    (i) one class test (12 marks),
    (ii) one assignment (12 marks),
    (iii) class attendance (6 marks)

2. Continuous Assessment (CA): **40 marks**
    (i) two class tests/assignments (adding up to 20 marks),
    (ii) ) A group research project with presentation, preferably looking at Indian data (15 marks)
    (iii) class attendance (5 marks)

3. End-semester (Final) Exam: **90 marks** - will comprise **numerical and other** questions.

Weightage of each unit in the final examination:
Unit I - 25 marks
Unit II- 25 marks
Unit III- 25 marks
Unit IV - 15 marks
There will be **internal choice** within each section.