

Department of Economics,
Delhi School of Economics
University of Delhi

Minutes of Meeting

Subject : Common Pool of GE Code : ECON026
Semester : II/IV/VI/VIII
Course : Principles of Macroeconomics I
Date : 26/11/2024 at 11:15 AM
Venue : Department of Economics
Chair : Dibyendu Maiti, Swati Saini

The meeting was attended by the following teachers:

S.No.	Name	College
1.	Gurusharan Rastogi	Aryabhatta College
2	Saachi B. Bhagat	Aryabhatta College
3.	Swarup Santra	Satyawati College

No changes were suggested in the syllabus during the meeting. The topic-wise reading list from the minutes of the meeting dated 23.1.2024 is appended below.

Readings:

1. Andrew Abel, Ben Bernanke and Dean Croushore (2020): Macroeconomics (10th edition), Pearson
2. Olivier Blanchard (2017): Macroeconomics (7th edition), Pearson
3. Rudiger Dornbusch, Stanley Fischer and Richard Startz (2011): Macroeconomics (11th edition), McGraw-Hill

Topic-wise Readings:

UNIT – I: Introduction (05 Hours)

What is macroeconomics? Macroeconomic issues in an economy

- (i) *Abel, Bernanke and Croushore: Chapter 1 (Introduction to Macroeconomics)*

UNIT – II: National Income Accounting (10 Hours)

Concepts of GDP and National Income; measurement of national income and related aggregates; nominal and real income; limitations of the GDP concept

- (i) *Abel, Bernanke and Croushore: Chapter 2 (The Measurement and Structure of the National Economy)*

UNIT – III: Determination of GDP (10 Hours)

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, Fischer and Startz: Chapter 1, Section 1.2, pages 14-16 (The Business Cycle and Output Gap)* and *Chapter 9 (Income and Spending)*
(ii) *Abel, Bernanke and Croushore: Chapter 4 (Consumption, Saving and Investment)*

UNIT – IV: National Income Determination in an Open Economy with Government (10 Hours)

Income determination; Fiscal Policy: impact of changes in government expenditure and taxes; net exports function; net exports and equilibrium national income.

- (i) *Dornbusch, Fischer and Startz: Chapter 9 (Income and Spending)*
(i) *Abel, Bernanke and Croushore: Chapter 5, Section 5.2, pages 214-215 (Goods Market Equilibrium in an Open Economy)*

UNIT – V: Money in a Modern Economy (10 Hours)

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) *Abel, Bernanke and Croushore: Chapter 7, Section 7.1, pages 274-281 (What is Money)*
(ii) *Blanchard: Chapter 4 (Financial Markets I)*

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 (adding up to 15 marks),
(ii) A group research project with presentation, preferably looking at Indian data, especially for concepts and aggregates discussed in units 1, 2 and 5 (20 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 and II - 20 marks

Unit III - 20 marks

Unit IV - 25 marks

Unit V - 25 marks

There will be **internal choice** within each section.