

**UNIVERSITY OF DELHI
DELHI SCHOOL OF ECONOMICS
DEPARTMENT OF ECONOMICS**

Minutes of Meeting

Subject: General Electives (GE-4)

Course: ECON026: Principles of Macroeconomics I

Credits: 4 (3L+1T)

Date: Tuesday 23.01.2024

Venue: Department of Economics, Delhi School of Economics, University of Delhi

Convenor: Mausumi Das and Swati Saini

Attended by:

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)

This course will follow what was decided in the meeting dated 14.03.2023 (last year).

- The only change is in terms of distribution of marks for Continuous Assessment (CA): **5 marks have been allotted for attendance.**
- The topic wise readings and other details from the minutes of meeting dated 14 March, 2023 are appended here again.

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.