

Year II Paper I - Macro Economics

Year II Paper II - Quantitative Techniques

2106

BA SECOND YEAR Economics

Paper I- Macro Economics

Objective: The basic objective of this course is to help the learners in proper understanding of the economic aggregates. It deals with the study of basic concepts and theories related to the macro economic variables like income, employment, interest rates and the price level.

Unit I

Introduction

Definition, Nature, Scope and Importance of Macro Economics. Macro Economic Variables and Concepts: Stock and Flow, Macro -Statics, Dynamics and Comparative Analysis. National Income: Concepts and Measurement - Income, Expenditure and Value-Added Method. Circular Flow of National Income, Concept of Green Accounting, National Income and Welfare.

Unit II

Theories of Employment

Classical Theory of Employment, Keynesian Theory of Income and Employment, Aggregate Demand, Aggregate Supply and Effective Demand. Multiplier- Assumptions and Leakage, Dynamic and Static Multiplier, Accelerator.

Unit III

Consumption and Investment

Consumption Function- Meaning, Keynes' Psychological Law of Consumption. Theories of consumption- Absolute Income, Relative Income, Life Cycle and Permanent Income Hypothesis Autonomous and Induced Investment, Gross and Net Investment, Concept of Marginal Efficiency of Capital (MEC), The Marginal Efficiency of Investment (MEI), Relation between MEC and MEI, Factors Affecting Investment.

Unit IV

Money and Banking

Money – Meaning, Functions and Classification, Gresham's Law; Main Components of Money Supply, Concept of Money Multiplier. Theories of Money Demand- Liquidity trap Theory, Quantity Theory of Money – Fisher's equation and Cambridge approach, Keynesian Restatement Quantity Theory of Money, Its superiority over Traditional Theory and its criticism

Commercial Banks – Meaning, Types and Functions, the Process of Credit Creation, Functions of Central Bank, Quantitative and Qualitative Methods of Credit Control. Meaning and Objectives of Monetary Policy.

Unit V

Inflation and Business Cycles

Inflation – Types, Causes and Effects of Inflation, Measures to Control Inflation, Trade-off between Inflation and Unemployment (Phillip's curve). Deflation and Stagflation.

Business cycle – Meaning, Characteristics and Phases of Business Cycles, Samuelson-Hicks Theory of Business Cycles. Control of Business Cycle.

Basic Reading List

1. Ahuja, H. L. –Advanced Macro Economic Theory, S Chand and Co. New Delhi. (Hindi and English Version).
2. Jhingan, M.L. – Macro Economics, Vrinda Publications, New Delhi (Hindi and English Version).
3. Mankiew.G. – Macroeconomics, Worth publishers, Newyork.
4. Mithani, D.M. – Macro Economics, Himalaya Publishing Company, New Delhi.
5. Mithani, D.M.(2000). Money, Banking and Public Finance, Himalaya Publishing House, New Delhi
6. Rana and Verma- Macro Economics, Vishal Publications, Ludhiyana (Hindi and English Version).
7. Schaum's Series – Macro Economic Theory, McGrall Hill, Singapore
8. Seth, M. L. – Money and Banking, Lakshmi Narayan Agrawal, Agra (Hindi and English Version).

9. Sethi, T.T. – Monetary Economics, Laxmi Narayan Agarwal, Agra (Hindi and English Version).
10. Shapiro, E. – Macro Economic Analysis. Galgotia Publications, New Delhi.
11. Vaish, M.C. – Macro Economic Theory, Vikas Publishing House, Pvt. Ltd., New Delhi (Hindi and English Version).
12. आहूजा, एच.एल. – उच्चतर समष्टि अर्थशास्त्र, एस. चन्द एण्ड कम्पनी लि., नई दिल्ली।
13. झिंगन, एम.एल. – समष्टि अर्थशास्त्र, वृंदा पब्लिकेशन्स, नई दिल्ली।