

DISCIPLINE SPECIFIC CORE COURSE - ECONOMICS

DSC-3 (Minor) : Introductory Macroeconomics

CREDIT DISTRIBUTION, ELIGIBILITY AND PRE-REQUISITES OF THE COURSE

Course title & Code	Credits	Credit distribution of the course			Eligibility criteria	Pre-requisite of the course (if any)
		Lecture	Tutorial	Practical/ Practice		
Introductory Macroeconomics ECON004	4	3	1	0	Class XII pass	NIL

Learning Objectives

The Learning Objectives of this course are as follows:

- To introduce students to the basic concepts of macroeconomics
- To discuss the preliminary concepts associated with the determination and measurement of aggregate macroeconomic variables like GDP, savings, investment, money, inflation, unemployment and the balance of payments
- To introduce the simple analytical frame- work (e.g., the IS-LM model) for analysing the relationships among key macroeconomic variables

Learning outcomes

The Learning Outcomes of this course are as follows:

- The students would be able to familiarise the broad macroeconomic concepts like GDP, inflation, money supply, interest rate and their inter-linkages and their interrelationships.
- By studying the course, the students will able to critically evaluate various macroeconomic policies and their effects on output and interest rate in the economy.

SYLLABUS OF DSC-4

UNIT – I: Introduction to Macroeconomic issues and National Income Accounting

Basic issues studied in macroeconomics; measurements of gross domestic product, income, expenditure and the circular flow; real versus nominal GDP; price indices; national income accounting for open economy, balance of payments accounts; current, capital and financial accounts.

UNIT – II: Money (10 Hours)

Functions of money; quantity theory of money; demand for money; determination of money supply and demand; credit creation; tools of monetary policy.

UNIT – III: Simple Theory of Income Determination

Classical and Keynesian systems; simple Keynesian model of income determination

UNIT – IV: IS-LM Analysis and Aggregate Demand

Derivations of the IS and LM curves; fiscal and monetary multipliers; derivation of aggregate demand

Practical component (if any) - NIL

Essential/recommended readings:

- Andrew Abel, Ben Bernanke and Dean Croushore (2011). *Macroeconomics* (7th edition), Pearson.
- Richard T. Froyen (2013). *Macroeconomics: Theories and Policies* (10th ed.), Pearson.
- Blanchard, O. (2006). *Macroeconomics* (6th edition). Pearson
- Blanchard, O. (2017). *Macroeconomics* (7th edition). Pearson
- Dornbusch, R., S. Fischer and R. Startz. *Macroeconomics* (6th edition). McGraw- Hill
- Dornbusch, R., S. Fischer and R. Startz. *Macroeconomics* (11th edition). McGraw-Hill

Note: Examination scheme and mode shall be as prescribed by the Examination Branch, University of Delhi, from time to time.