

TEACHING PLAN FOR B.COM. (PROGRAMME) SEMESTER – VI

Course: PGE 61 Principles of Macroeconomics (Generic Elective, GE)

Credit: 06

Unit	Topic	Readings	No. of Lectures
1. Introduction	What is macroeconomics? Macroeconomic Issues in an economy	(i) Abel and Bernanke Chapter 1 “Introduction to Macroeconomics”; Sections 1.1, 1.2 and 1.3 (pp2 to 23) (Chapter 1 in LPE 5 th edition)	Approx. 5
2. National Income Accounting	Concepts of GDP and National Income; measurement of national income and related aggregates; nominal and real GDP; limitations of the GDP concept.	(i) Abel and Bernanke Chapter 2 “The Measurement and Structure of the National Economy”; Sections 2.1, to 2.5 (pp 24 to 59) (Chapter 2 in LPE 5 th edition)	Approx. 10
3. Determination of GDP	Actual and potential GDP; aggregate expenditure; consumption function; investment function; equilibrium GDP; concepts of MPS, MPC; autonomous expenditure; concepts of multiplier.	(i) Dornbusch, Fisher and Startz Chapter 10 “Income and Spending”; Sections 10.1, 10.2 and 10.3 (pp 198 to 209) (ii) Abel and Bernanke Chapter 4 “Consumption, Saving and Investment”; Section 4.1 and 4.2 (pp 111 - 113, 122- 128) (Chapter 4 in LPE 5 th P edition)	Approx. 20
4. National Income Determination with Government and in an Open Economy	Fiscal policy; impact of changes in government expenditure and taxes; net exports and equilibrium national income.	(i) Dornbusch, Fisher and Startz Chapter 10 “Income and Spending”; Sections 10.4 to 10.6 (pp 209 to 222) (ii) Net exports (Lipsey and Chrystal, pp. 386 to 392, 12 th Edition or pp 421-24, 13 th Edition)	Approx. 10
5. 5. Money in a Modern Economy	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;	(i) Dornbusch, Fisher and Startz Chapter 16 “Demand for Money”; Sections 16.2, 16.3 and 16.5 (pp 385 to 391 and 395 to 399) (ii) Blanchard and Johnson	Approx. 15

	monetary policy.	Chapter 4; Sections 4.1 to 4.4 (pp 83 to 104)	
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Readings:

1. Abel, A., Bernanke, B. (2008). Macroeconomics, 5th ed. Pearson Education.
2. Blanchard, O, Johnson, D. (2017). Macroeconomics, 6th ed. Pearson Education.
3. Dornbusch, R., Fischer, S., Startz, R. (2018). Macroeconomics, 12th ed. McGraw-Hill EducationIndia.
4. Lipsey, R. & Chrystal, A. (2015), Economics, 13th Edition, OUP, (pp 421-24). And 12thEdition (page 386 to 392)

Assessment:

1. Internal evaluation will comprise 1 class test and another test or presentation (10 marks each)and 5 marks for attendance.
2. The end semester exam (75 marks) will comprise of two sections: A and B. Sections A will comprise short questions of 5 marks each (5 to be attempted out of 7) and Section B will comprise long questions of 10 marks each (5 to be attempted out of 7). Questions based on numerical problems of approximately 15 to 20 marks to be included. The examination weightage: Topic 1 and 2: 20%; Topic 3 and 4: 50%; Topic 5: 30%

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