

Program: Bachelor of Commerce (Economics)				Semester: II	
Course: Applied Macroeconomics Academic Year: 2023-24 Batch: 2023-27				Course Code:	
Teaching Scheme				Evaluation Scheme	
Lecture (Hours per week)	Practical (Hours per week)	Tutorial (Hours per week)	Credit	Continuous Assessment and Evaluation(CAE)	Term End Examinations (TEE)
03	-	-	03	40 marks	60 marks
DETAILED SYLLABUS					
Module: I	<p style="text-align: center;"><u>Business Cycle, Unemployment and Inflation</u></p> <ul style="list-style-type: none"> • Analysis of Business cycle: Features, Phases, Causes: (Causation: A First Glance, Cyclical Impact: durables & Nondurables) Theories of Business Cycle – Pure Monetary Theory, Monetary Over-Investment Theory, Schumpeter’s Innovation Theory, Samuelson’s Multiplier-Accelerator Theory. • Unemployment: Measurement of Unemployment, Types of Unemployment: Frictional, structural, Cyclical, Involuntary unemployment & Labor Market Equilibrium, Definition of Full-employment, Economic & noneconomic Costs of Unemployment. • Inflation: Meaning, Concepts, Measurement, Types: Demand-pull & Cost-Push Inflation, Complexities, Social Costs and effects of Inflation: Costs of Anticipated Inflation, Costs of Unanticipated Inflation, Effects of inflation, Measures to control inflation. Hyperinflation: Concept, Causes, Effects & Measures <p style="text-align: center;">Case Study: Zimbabwe, Venezuela, Bolivia, Portugal, Germany.</p>				10
Module: II	<p style="text-align: center;"><u>Aggregate Demand and Aggregate Supply</u></p> <ul style="list-style-type: none"> • Aggregate Demand Curve, Changes in Aggregate Demand, aggregate Supply, Nature of Aggregate Supply curve, Changes in Aggregate Supply, Long run Aggregate Supply curve, Shifts in Long run aggregate Supply Curve, Macroeconomic Equilibrium : AD-AS Model, Economic Fluctuations: AS-AD model, Role of Fiscal & Monetary policies on aggregate output. • Economic Stabilisation: Introduction – goals of Macroeconomic Policy – Discretionary Fiscal Policy, Non-Discretionary Fiscal Policy: Automatic Stabilizers – Crowding-Out Effect & Effectiveness of Fiscal Policy. 				12

	<ul style="list-style-type: none"> Economic Stabilisation: Introduction – Monetary policy – Introduction- Tools of Monetary Policy – Expansionary & Contractionary Monetary Policy. 	
Module: III	<p><u>Post-Keynesian developments in Macroeconomics</u></p> <ul style="list-style-type: none"> IS-LM Curves Model: The goods market & money market: goods market equilibrium: the derivation of IS curve, shift in IS Curve – money market equilibrium: The LM Curve, shift in LM Curve, Intersection of IS-LM Curves: simultaneous equilibrium of the goods and money market, algebraic analysis of IS-LM model, Numerical Problems; Supply-side economics – basic propositions - adverse supply shocks – Tax Revenue & Laffer Curve, critical appraisal of supply-side economics. Major debates in Economics: Should Monetary & Fiscal Policymakers try to stabilize the Economy? Should the Government Fight Recessions with Spending Hikes Rather Than Tax Cuts? Should Monetary Policy be made by Rule Rather than by Discretion? Should the Central Bank Aim for Zero Inflation? Should the Government Balance its Budget? Should the Tax Laws be reformed to Encourage Saving? 	13
Module: IV	<p><u>Government and the Macroeconomy</u></p> <ul style="list-style-type: none"> Public Expenditure: Importance, Types, Growth of Public Expenditure, Effects of Public Expenditure on production and distribution Taxation: Direct and Indirect tax, Progressive and Proportional Taxes, Canons of Good Tax System, Benefits Received and Ability to Pay Theories Deficit Financing of Budget Deficit and Money Financing of Budget Deficit: Wealth Effect, Ricardian Equivalence, Printed Money and Inflation Tax, Inflation Tax Revenue 	10
<p><u>Essential Readings:</u></p> <ol style="list-style-type: none"> Ahuja. H.L Macroeconomics: Theory and Policy, 20th edition, S.Chand Company Ltd. New Delhi N.Gregory Mankiw (2022): “Principles of Macroeconomics” Cengage Learning India. Mc.Connell & Brue (2020): “Macroeconomics”, McGraw-Hill Education Private Ltd. New Delhi. 		
<p><u>Supplementary Readings:</u></p> <ol style="list-style-type: none"> R. Glenn Hubbard & O’Brien (2020): ‘Macroeconomics’, Pearson Education, New Delhi. Dornbusch & Fischer (201 8): ‘Macroeconomics’ McGraw Hill Education, New Delhi. 		

4. Errol D'Souza (2012): 'Macroeconomics', Pearson Education, New Delhi.
5. D N Dwivedi: (2021): 'Managerial Economics' Vikas Publishing House.

Evaluation Pattern

Courses carrying 3 or 4 credits shall be evaluated for total of 100 marks, which means 60 marks Semester End Examination and 40 marks for Internal Continuous Assessment.

- a. For Internal Continuous Assessment, there shall be three tests of 10 marks each held at regular intervals during the semester. These tests may be conducted either in online mode or as a pen paper test. Total of marks obtained at best of two out of three tests shall be considered as final marks.

The other component for 20 marks shall be chosen by the department. This can be a project/ assignment/ field study/ seminar/group discussion and so on.

- b. For Semester End Examination, the question paper pattern shall be as follows:

Maximum Marks: 60

Duration: Two hours

All questions are compulsory. There will be 4 questions carrying 15 marks each.

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| Q. 1 Answer any two out of three (Module 1) | (15 marks) |
| Q. 2 Answer any two out of three (Module 2) | (15 marks) |
| Q. 3 Answer any two out of three (Module 3). | (15 marks) |
| Q. 4 Answer any two out of three (Module 4) | (15 marks) |

Note: 1 or 2 sub questions (upto 15 marks) will be application-based questions/case study