# Bachelor of Management Studies (2023-24)

# First Year SEMESTER II

# (MINOR COURSE) (2 credits) 30 hours Macroeconomics

**MODULE I: Economy in the short run (15 hours)**

Macroeconomics: scope and significance; Circular flow of income- closed economy: two- sector and three-sector models, open economy:four sector model. Leakages and injections - their impact on circular flow of income.

Concepts of national Income: GNP, GDP, NNP at market prices, NNPat factor cost, Personal Income, Disposable Income, Real and Nominal GDP, Current and Nominal GDP, Green GDP, Measurementof National Income. Numerical problems.

Business cycles: meaning, features and phases. Case studies Policies for Economic Stabilisation

# MODULE II: Introduction to Keynesian Economics (15 hours)

Theory of Income and Employment- Classical Theory: Say’s law of markets ; Keynesian Theory of Employment: Aggregate Demand (C + I + G), Aggregate Supply and Effective Demand.

Theory of Consumption: Fundamental psychological law of consumption, average and marginal propensity to consume and their implications, factors affecting consumption: subjective and objective. Case studies and numerical problems.

Theory of Investment: Meaning of investment function, determinants of investment function: marginal efficiency of capital and rate of interest; Factors affecting MEC: Prospective yield and Supply price (Cost of Investment); Relationship between MEC and rate of interest. Investment Multiplier- meaning, assumptions, working, limitations and leakages. Case studies and numerical problems.

# References:

1. N Gregory Mankiw: “Principles of Macroeconomics” Cengage Learning India.
2. Ahuja H.L: “Macroeconomics: Theory and Policy”, S. Chand Company Ltd. New Delhi
3. McConnell & Brue: “Macroeconomic”, McGraw-Hill Education Private Ltd. New Delhi
4. Dornbusch & Fischer: ‘Macroeconomics’ McGraw Hill Education, New Delhi.
5. R. Glenn Hubbard & O’brien: ‘Macroeconomics’, Pearson Education, New Delhi.
6. D N Dwivedi:‘Managerial Economics’ Vikas Publishing House.

# Evaluation Pattern

Weightage to Semester End Examination and Internal Continuous Assessment will be 60:40 respectively.

# For courses carrying 2 credits

Courses carrying 2 credits shall be evaluated for total of 50 marks, which means 30 marks Semester End Examination and 20 marks for Internal Continuous Assessment.

* 1. For Internal Continuous Assessment, there shall be two 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. An average of marks obtained in the 2 tests shall be considered as final marks.

The other component for 10 marks shall be chosen by the department. This can be a project/ assignment/ field study/ seminar/group discussion and so on.

* 1. For Semester End Examination, the question paper pattern shall be as follows: Maximum Marks: 30

Duration: One hour

All questions will be compulsory carrying 15 marks each with internal choice

Q. 1 Based on Module 1 of the syllabus

Answer any two out of the following questions: (7.5 X 2 =15 marks)

1. Descriptive
2. Numerical or application based
3. Numerical or application based / Case study

Q. 2 Based on Module 2 of the syllabus

Answer any out of the following questions: (7.5 X 2 =15 marks)

1. Descriptive
2. Numerical or application based
3. Numerical or application based / Case study

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Signature Signature

(Program Chairperson & Vice Principal) (Principal)