ST. JOSEPH’S COLLEGE FOR WOMEN (AUTONOMOUS) VISAKHAPATNAM

III SEMESTER   **ECONOMICS**  TIME:4 HRS/WEEK

# EC-Mi1-3701(4) **MACRO ECONOMICS** MARKS:100

w.e.f 2023-2024 (24AL Batch) **SYLLABUS**

**COURSE OBJECTIVE:** This course is to learn about basic concepts, principles and theories in Macroeconomics to understand the functioning of a macro economy.

# **COURSE LEARNING OUTCOMES:**

After studying this course, the student shall be able to achieve the following outcomes:

**CO1:** Explainthefunctioningamacroeconomywithitsinter-linkagesandmeasure and analyze the national income of the country

**CO2:** AnalysetheClassicalandKeynestheoriesofemploymentanditsapplicationin current Economy

**CO3:** Explain the importance of money and banking along with their functions Analyze RBI policies

**CO4:** Analysecausesandevaluatethemeasurestocontrolinflationandtradecycles in the economy

**CO5:** Evaluate the macroeconomic policy targets

# **UNIT-1: Introduction to Macroeconomics and National Income**

* Macroeconomics:Definition,ScopeandImportance;MacroeconomicVariable:Stock and Flow
* Circular Flow of Income: Two, Three and Four Sector Models
* National Income: Definition ,Concepts, Importance
* Measurement of National Income and Difficulties

# **UNIT-2: Theories of Employment, Consumption and Investment**

* Classical Theory of Employment: Assumptions, Say's Law of Market,
* Consumption:Factors,ConsumptionFunction,Keynes’PsychologicalLawof Consumption
* Investment:Types,Factors,InvestmentFunction;MarginalEfficiencyofCapital, Multiplier and Accelerator
* Keynesian Theory of Employment :Assumption, Concepts and Model

# **UNIT–3: Money and Banking**

* Money: Definition, Types, Functions; RBI classification of Money
* Theories of Money: Fisher and Cambridge
* Banking: Definition, Types, Importance ,Functions; NBFCs
* Central Bank: Objectives, Functions, Monetary Policy

# **UNIT–4: Inflation and Trade Cycles**

* + Inflation :Meaning, Types, Importance, Measurement
  + Causes, Consequences and Controlling of Inflation
  + Inflation vs Unemployment ,Phillip's Curve
  + Trade Cycles :Phases, Causes and Controlling Measures

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# **UNIT-5: Financial Market and Macroeconomic Policies**

* + Financial Markets :Types, Instruments ,Functions
  + Stock Market :Functions, Indices Sensex and Nifty
  + MacroeconomicPolicy:Targets,IndicatorsandInstruments;FiscalPolicyand Crowding-Out Effect

# **REFERENCES:**

1. Macro-economic Analysis ,Bilingual Textbook, APSCHE
2. H.L. Ahuja, Advanced Economic Theory, S.Chand, 2004
3. P.N.Chopra, Macroeconomics, KalyaniPublishers, Ludhiana,2014.
4. D.M.Mithani, MacroEconomicAnalysis and Policy, HimalayaPublications, NewDelhi
5. TeluguAcademyPublicationsonMacroeconomics
6. Macroeconomics,Dr.Br.AmbedkarOpenUniversityMaterial
7. Macroeconomics,IGNOU Material

# **SUGGESTED ACTIVITIES:**

Unit-1: Practical Exercise on national income measurement

Unit-2: Group discussion on application of classical and Keynesian employment theories to current economics

Unit-3: Field visit to commercial bank and submit a report

Unit-4: Assignment on current measures to control inflation

Unit-5: Quiz on financial markets and debate on monetary vs fiscal policy

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