

SEMESTER- II

Elementary Macro Economics

(2 credits Course)

Course No: ECO18002OE

Course Description: This Course covers basic tenants and views of classical and Keynesian approach regarding Macroeconomics. It intends to present a summary of the concept of two sector models. It also covers basics of Business cycles and Inflation.

Objectives: To enable students from non-economic background to understand the basic concepts of macroeconomics and make a sharp distinction between classical and Keynesian thought.

Unit 1: Two sector models

Classical views on full employment; Quantity theory of money; Determination of output and employment; Classical theory of interest rate; Keynes' criticism of classical macroeconomic theory; Concept of aggregate supply and aggregate demand; Determination of equilibrium level of income.

Unit 2: Inflation and business cycle

Business cycle – features, phases, causes and consequences; Stabilization policies; Fiscal policy and direct controls; Inflation – Meaning and types; Demand pull and cost push inflation; Causes and effects of inflation.

Basic Reading List:

1. Ahuja, H. L (2009), "Macroeconomic -theory and Policy" S. Chand and Company Ltd. New Delhi.
2. Mithani, D. M. (2014), "Macroeconomics" Himalaya Publishing House Pvt. Ltd. Mumbai.
3. Shapiro, E. (2005), Macroeconomic Analysis, Galgotia Publications, New Delhi.

Note: Additional reading list is available with concerned teacher