MASTERS OF ARTS (ECONOMICS)
MA (Economics) Semester – I

Course Code	PA01CECO52	Title of the Course	Macro Economics - I
Total Credits of the Course	5	Hours per Week	5

Course Objectives	• To explain the concepts of various kinds of money flows in the economy. • To aware the students about the monetary structure in the economy. • To make students able to understand the various quantitative theories of money. • To give an introduction of various investment approaches.

Course outline

Unit	Unit Description	Weightage*
1.	**Macroeconomics and National Income Accounting** Definitions and concepts of national income- importance of national income analysis. Measurement of national income- Keynesian approach to national income and post Keynesian development- Circular Flow of Income in two-, three- and four-sector economy; different forms of national income accounting — social accounting, input-output accounting, flow of funds accounting and balance of payments accounting.	25%
2.	**Money:** Nature and significance of Money: a veil, a form of wealth, liquid asset-Money and other assets- The significance of money as an asset-Money and monetary economy. **Supply of Money:** Financial intermediation — a mechanistic model of bank deposit determination; A behavioral model of money supply determination, a demand determined money supply process; RBI approach to money supply; High powered money and money multiplier; budget deficits and money supply; money supply and open economy; control of money supply.	25%
3.	**The Quantity theory of Money:** The Cambridge School- Keynesian General theory- Post Keynesian theories: Friedman & Don Patinkin- New Classical School: Rational expectation - J.R. Hicks on Classical and Keynes- Leijon Hufwood on Keynesian economics and economics of Keynes- Recent developments- Neutrality of money-Classical, Keynesian and post Keynesian views- Conditions of neutrality- Theory of money and prices- Income theory of money and Liquidity theory of money- Patinkin's real balance effect- Pigou's wealth effect. The concept- The Transaction demand- The Asset demand for money: Keynesian and Classical approaches- Wealth approach- Post-Keynesian theories of demand for money: Friedman's Restatement of Quantity theory, Modigliani's approach.	25%
4.	**Theory of Investment :** Meaning and determinants of investment-Marginal efficiency of capital (MEC) and investment: Long and short run shifts in investment functions- Interest-elasticity of investment- impact of inflation- Influence of policy measures on investment- Multiplier and acceleration: empirical evidence- Capital-output ratio approach.	25%

Teaching-Learning Environment	The course would be taught/learnt through various means like lectures, discussions, writing assignments, viva-voce, seminars presentations, browsing online-resources relevant to the content, participating in co-curricular, extra-curricular activities.

Evaluation Pattern

Sr. No.	**Details of the Evaluation**	**Weightage**
1.	Internal Written / Practical Examination	15%
2.	Internal Continuous Assessment in the form of Practical, Viva-voce, Quizzes, Seminars, Assignments, Attendance, Participation in co-curricular and extra-curricular activities	15%
3.	University Examination	70%

Course Outcomes: Having completed this course, student should be able to :

1.	Differentiate the various kinds of money flows in the economy.
2.	Understand the monetary structure in the economy.
3.	Apply the various quantitative theories of money in real world.
4.	Familiarize with applications of the various investment approaches.

Suggested References:

Sr. No.	Reference Books / Research papers / Reports / Any reference material used for teaching / learning the content in the course outline
1.	Ackley, G (1978). Macroeconomics: Theory and Policy, MacMillan, New York
2.	Dornbusch, R. and F. Stanley (1997). Macroeconomics, McGraw-Hill Inc, New York.
3.	Frisch, H. (1983). Theories of Inflation, Cambridge University Press,
4.	Ghosh, B.N., and Rama Ghosh (1993). Modern Macroeconomics: Theory and Policy, Himalaya Publishing.
5.	Gupta, S.B: (1995). Monetary Planning in India, Oxford University Press, New Delhi.
6.	Gupta, G.S. (2001). Macroeconomics: Theory and Applications, Tata McGraw-Hill publishing Company Ltd., New Delhi.
7.	Gurley J. and E.S. Shaw (1960). Money in a Theory and Finance, Brookings Institution, Washington.
8.	Hall, R.E. and J.B. Taylor (1986). Macroeconomics, McGraw-Hill Inc. New York.
9.	Jha, R. (1991). Contemporary Macroeconomic Theory and Policy, Wiley Eastern Ltd. New Delhi.
10.	Laidler, D.E.W. (l977).Demand for Money, Theory and Evidence, Dum-Don Valley, New York.

11.	Leijonhufwud, A. (1968). On Keynesian Economics and Economics of Keynes, Oxford University Press, London.
12.	Mankiw, N.G. and D. Romer (Eds.) (1991). New Keynesian Economics, 2 Vols. MlT Press, Cambridge, Massachuttes, USA.
13.	Mueller, M.G. (1966). Reading in Macroeconomics, Holt Rinehart & Winston, N.Y.
14.	Patinkin, D. (1965). Money, Interest and Prices, Harper & Row, New York.
15.	Lucas, R. (1981). Studies in Business Cycle Theory, MIT Press, Cambridge, Massachuttes, USA.
16.	Taylor, L. (1983). Structuralist Macroeconomics, Basic Books, New Longman.