

B.Com Programme

Second Year- Semester III

Revised Syllabus and Question Paper Pattern

With effect from Academic Year 2017-18

Business Economics -III

Macro Economics

Sr. No.	Modules	No. of lectures
1	Overview of Macroeconomics	10
2	Basic concepts of Keynesian Economics	10
3	Post Keynesian developments in Macro economics	10
4	Money, prices and Inflation	15
Total		45

Objectives

- To examine the economy as a whole
- To the basic analytical tools of macro economics to evaluate macro economic conditions such as inflation, unemployment and growth
- To make system of overall economy understandable and relevant
- To provide a clear explanation of many aspects of aggregate economic variables to inspire a consistent way of thinking about key macroeconomic phenomena
- To familiarize the commerce students with basic concepts of macroeconomics and with certain common features of economic occurrence in the real world

Module I: Introduction

- **Macroeconomics:** Meaning, Scope and Importance.
- **Circular flow of aggregate income and expenditure** and its Importance- closed and open economy models
- **The Measurement of National Product:** Meaning and Importance of National Income Accounting- conventional and Green GNP and NNP concepts -National Income and Economic Welfare.
- **Trade Cycles:** Features and Phases
- **Classical Macro economics : Say's law of Markets** - Features, Implications and Criticism

Module II : Basic Concepts of Keynesian Economics

- **The Principle of Effective Demand:** Aggregate Demand and Aggregate Supply
- **Consumption Function:** Properties, Assumptions and Implications
- **Investment function and Marginal Efficiency of capital**
- **Investment Multiplier effect on Income and Output:**
Assumptions, Working, Leakages, Criticism and Importance -
paradox of thrift
- **Relevance of Keynesian theory tools to the developing countries**

Module III : Post Keynesian Developments in Macro Economics

- **The IS-LM model** of integration of commodity and money markets
- **Inflation and unemployment** : Philips curve
- **Stagflation** : meaning, causes, and consequences
- **Supply side economics** : Basic propositions and critical appraisal

Module IV: Money, Prices And Inflation

- **Money Supply:** Determinants of Money Supply - Factors influencing Velocity of Circulation of Money
- **Demand for Money :** Classical and Keynesian approaches and Keynes' liquidity preference theory of interest - Friedman's restatement of Demand for money
- **Money and prices :** Quantity theory of money - Fisher's equation of exchange - Cambridge cash balance approach
- **Inflation :** Demand Pull Inflation and Cost Push Inflation - Effects of Inflation- Nature of inflation in a developing economy - policy measures to curb inflation- monetary policy and inflation targeting

Reference Books

- Ackley.G (1976), Macro Economic Theory and Policy, Macmillan Publishing Co. New York
- Ahuja. H.L., Modern Economics — S.Chand Company Ltd. New Delhi.
- Blanchard Olivier (2000), Macro Economics, Englewood Elitt, Prentice Hall
- Bouman John, Principles of Macro Economics
- Dornbush , Rudiger, Fisher Stanley and Startz, Richards Macroeconomics,Nineth edition 2004 Tata-Mac Graw Hill, New Delhi.
- Dwivedi, D.N. (2001), Macro Economics: Theory and Policy, Tata-Mac Graw Hill, New Delhi.
- Friedman Hilton (1953) Essays in Positive Economics, University of Chicago Press, London.
- Gregory .N. Mankiw, Macroeconomics, Fifth Edition (2002) New York:Worth Publishers
- Jhingan, M.L., Principles of Economics — Vrinda Publications (P) Ltd.
- Shapiro, E (1996), Macro-Economic Analysis ,Galgotia Publication, New Delhi.
- Vaish .M.C. (2010) Macro Economic Theory 14th edition, Vikas Publishing House(P)Ltd

Question Paper Pattern

Maximum Marks: 100 Marks

Time: 3 Hours

- Attempt all Questions
- All Questions carry equal marks
- Attempt any two questions out of three in each of question 2, 3, 4 & 5

Question I

Particulars	Marks
Objective Questions:	20Marks
A. Conceptual questions (Any Five out of Eight) (Two from each module)	10 Marks
B. Multiple Choice Questions (10 questions at least two from each Module)	10 Marks

Question 2 from Module I

Particulars	Marks
A) Full Length Question	
B) Full Length Question	20Marks
C) Full Length Question	

Question 3 from Module II

Particulars	Marks
A) Full Length Question	
B) Full Length Question	20Marks
C) Full Length Question	

Question 4 from Module III

Particulars	Marks
A) Full Length Question	
B) Full Length Question	20Marks
C) Full Length Question	

Question 5 from Module IV

Particulars	Marks
A) Full Length Question	
B) Full Length Question	20Marks
C) Full Length Question	

Thank you!

