

Course Code	Course Title	L	T	P	C
BHUM104L	Macro Economics	3	0	0	3
Pre-requisite	Nil	Syllabus version			
		1.0			
<b>Course Objectives</b>					
<ol style="list-style-type: none"> <li>1. To enable students to identify the determinants of macroeconomic aggregates and the major challenges associated with the measurement of these aggregates.</li> <li>2. Enable students to critically evaluate the consequences of macroeconomic aggregates under differing economic conditions.</li> <li>3. To discuss the linkages between financial markets and the real economy.</li> </ol>					
<b>Course Outcome</b>					
On completion of this course the students will be able to:					
<ol style="list-style-type: none"> <li>1. Describe the macroeconomics aggregates.</li> <li>2. Compute different measures of macroeconomic activity such as the national income.</li> <li>3. Explain the general principles of consumption function and Investment function.</li> <li>4. Develop the skills to use theories of multiplier and accelerator models to analyze everyday problems in real world situations and evaluate economic policies.</li> <li>5. Analyse macroeconomics concepts such as growth and inflation.</li> <li>6. Evaluate how the government and central bank can influence the economy and the markets through fiscal and monetary policies.</li> </ol>					
<b>Module:1</b>	<b>Macroeconomic Principles</b>	<b>5 hours</b>			
Introduction to Macroeconomics – Macroeconomic issues – Importance of Macroeconomics – Macroeconomic Aggregates.					
<b>Module:2</b>	<b>National Income</b>	<b>5 hours</b>			
Circular flow of income, National income: Meaning, - Concepts – Nominal and real income -Methods of measurement – Importance – Problems in measurement.					
<b>Module:3</b>	<b>Theory of Income and Employment Determination</b>	<b>5 hours</b>			
Classical dichotomy – Keynesian income determination model – Money illusion, wage price rigidity – stability of equilibrium– stabilization of fiscal policy, Labour market and unemployment – Aggregate demand, aggregate supply and price level.					
<b>Module:4</b>	<b>Consumption and Investment Function</b>	<b>7 hours</b>			
Consumption: Meaning - Components – Determinants - Consumption function: Meaning – Kinds - Investment: Meaning - Components – Determinants - Investment function: Meaning – Kinds –Application.					
<b>Module:5</b>	<b>Multiplier and Accelerator</b>	<b>7 hours</b>			
Multiplier: Meaning – Working of multiplier – Accelerator: meaning – Working of accelerator – Super multiplier.					
<b>Module:6</b>	<b>Inflation and Deflation</b>	<b>7 hours</b>			
Inflation: Meaning - Types - Causes – Philips curve - The long-run Phillips curve. Inflation Expectations. The rational expectations - Deflation: Meaning – Causes – Consequences.					
<b>Module:7</b>	<b>Money, Banking and Financial Market and Institution</b>	<b>7 hours</b>			
Demand and Supply of money – The IS curve. Money Market and the LM curve. Liquidity trap. The IS-LM model – Central Bank - Monetary policy: meaning – Objectives – Variables – The instruments of Monetary control. Financial Markets - Savings, Investment and Financial System – Financial Markets and Financial Intermediaries. Financial Institution. Global Economic Indicators.					

<b>Module:8</b>	<b>Contemporary Issues</b>	<b>2 hours</b>
		<b>Total Lecture Hours: 45 hours</b>
<b>Text Book (s)</b>		
1.	Mankiw, G. (2019), Macroeconomics, Worth Publishers, 10 <sup>th</sup> Edition.	
<b>Reference Books</b>		
1.	Frederic S. Mishkin (2017), "The Economics of Money Banking and Financial Markets", Pearson, 12 <sup>th</sup> Edition.	
2.	Blanchard, O. (2016), "Macroeconomics", Pearson Education Inc. 17th Edition.	
3.	Paul A Samuelson Williamson (2017), "Macroeconomics", Gaurav-APM2NBMGSCY9L, 19 <sup>th</sup> Edition.	
Mode of Evaluation: Continuous Assessment Tests, Quizzes, Assignment, Final Assessment Test		
Recommended by Board of Studies	23-05-2022	
Approved by Academic Council	No. 66	Date 16-06-2022