



SEMESTER- II

B.A./B.B.A. LL.B. (Hons.)

PAPER CODE: BL 202

**COURSE TITLE: ECONOMICS-II
(Macro Economics)**

CREDITS-04

Module-1

Introduction to Macroeconomics and National Income Accounting

- 1.1 Basic issues studied in macroeconomics; Statics, Comparative Statics and Macro-Dynamics,
- 1.2 Introduction to National Income, Basic Concepts, Concepts of GDP, GNP, NDP and NNP at market price and factor cost; Private Income, Personal Income and Disposable personal Income; Real versus Nominal GDP, GDP Deflator
- 1.3 Rules and approaches of Measurement of GDP (Income, expenditure, product and Value-added approaches),
- 1.4 Difficulties of Estimating National Income, Circular Flow of Income and expenditure in two sectors
- 1.5 National Income and Economic Welfare, Environmental Concern – Green Accounting Concept

Module-2

Theories of Employment and Consumption and Investment Function

- 2.1 Classical assumptions, Say's Law of Market, Classical theory of employment, output, prices and interest, Limitations of Classical Theories,
- 2.2 Keynesian theory of employment: Determination of effective demand, Aggregate Demand and Aggregate Supply, equilibrium aggregate output, Comparison and contrast between Classical and Keynesian contribution, Relevance of Keynesian economics to developing countries
- 2.3 Short run and Long run consumption functions, APC, MPC, APS, MPS
- 2.4 Fundamental Psychological Law of Consumption; Factors Influencing Consumption Function
- 2.5 Investment Function, Types of Investment, Factors determining Investment, Investment Multiplier: Its working and leakages, Importance and critique

Module-3

Money and Supply of Money

- 3.1 Money, Functions
- 3.2 Quantity theory of money: Fisher's equation and Cambridge equation
- 3.3 Keynesian theory of money and prices
- 3.4 Supply of Money; Concept of money in modern economy credit creation and measures to control credit creation- quantitative and qualitative measures
- 3.5 credit creation and measures to control credit creation- quantitative and qualitative measures

Module-4

Inflation and Trade Cycle

- 4.1 Inflation: Types and meaning, Cost-push and demand-pull theories of Inflation
- 4.2 deflation and stagflation, Monetary and Fiscal Policies, Role of Monetary and Fiscal Policies for Stabilization
- 4.3 Trade Cycles: Meaning, Types, Phases, theories of Trade Cycles- Hawtrey's monetary theory,
- 4.4 Theories of Trade Cycles- Hawtrey's monetary theory
- 4.5 Keynes view on trade cycle, Schumpeter's Innovation theory

Prescribed Books:

1. D.D. Chaturvedi, *Macro Economic Theory*.
2. D.N. Dwivedi, *Macro-Economics*.
3. Rana, K.C. and K.N., Verma, *Macro Economic Analysis*.
4. Dornbusch, Fischer and Startz, *Macroeconomics*.
5. N. Gregory Mankiw, *Macroeconomics*.
6. Olivier Blanchard, *Macroeconomics*.
7. Richard T. Froyen, *Macroeconomics*.
8. Andrew B. Abel and Ben S. Bernanke, *Macroeconomics*.
9. Errol D'Souza, *Macroeconomics*.
10. Paul R. Krugman, Maurice Obstfeld and Marc Melitz, *International Economics*.
11. E. Shapiro, *Macro-Economic Analysis*.
12. M.C. Vaish, *Macro-Economic Theory*.
13. Mishra, S.K. and V.K. Puri, *Modern Macroeconomic Theory*.

Cum
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