

Course Code 203
BBA- Sem -II (CBCS 2019)
Macro Economics

Credits : 4

UE + IA: 70:30

Course Type : Core

Course Objectives:

- To study the behavior and working of the economy as a whole.
- To study relationships among aggregates.
- To apply economic reasoning to problems of business and public policy.
- To enhance knowledge regarding current affairs of the economy as a whole.
- The course is designed to study the impact of monetary and fiscal policy on the aggregate behavior of individuals.

Learning Outcomes:

The learner will get acquainted with the principles of Macroeconomics, determination of and linkages between major economic variables ; level of output and prices, inflation, interest rates and exchange rates.

Unit 1: Basic Issues and features of Indian Economy

Macroeconomics- definition & nature, Scope , Importance, Limitations, Paradoxes, Macro economic variables. Concept and Measures of Development and Underdevelopment; Human Development; Composition of national income and occupational structure, Measurement of macroeconomic variables: National income accounting, Circular flow of income (four sector model), Methods to calculate national income, Stock and flow concept, Gross domestic product(GDP), Gross national product(GNP), Net domestic product(NDP), Net national product(NNP), Personal and Personal disposable income; Classical theory of income and employment:

Unit 2: Policy Regimes

- a) The evolution of planning and import substituting industrialization.
- b) Economic Reforms since 1991.
- c) Monetary and Fiscal policies with their implications on economy

Unit 3:

Theory of Income & Employment, Says law of market, Keynes theory of Income & Employment: simple Keynesian model, components of aggregate demand, equilibrium income, changes in equilibrium, multiplier(investment, Government expenditure, lump sum tax, foreign trade), effect of fiscal and monetary policy, Classical aggregate demand curve, Classical theory of interest rate, effect of fiscal and monetary policy.

Unit 4: Money :

Functions of money, quantity theory of money, determination of money supply and demand, Quantity Theory of Money

Business cycle & Inflation & Deflation:

Business cycle-nature, Features/Characteristics- Prosperity/Boom – Recession, Depression, Revival/Recovery

Inflation: Meaning , demand and supply side factors, causes & control,
Deflation: Meaning , causes & control, Phillips curve, Stagflation, Inflationary gap

Unit 5: :

Macro economic policy: Monetary policy, Fiscal policy

Economic scenario analysis, Out of inflation & deflation , which is worst and why?

What is the current CRR & SLR ratio? Are this ratios appropriate for current condition of the country

Which trade cycle is prevailing in India at present

Which monetary & fiscal policy do you suggest for current condition of India?

Reference Books :

1. AHUJA H L - MACRO ECONOMY
2. BUSINESS ECONOMICS (MACRO) BY GIRIJA SHANKAR & KIRAN JOTWANI
3. M L SETH – MACRO ECONOMICS
4. D N DWIVEDI – MACRO ECONOMY

Online Resources:

<http://www.wisegeek.com/what-is-macroeconomics.htm>

<https://www.thoughtco.com/microeconomics-versus-macroeconomics-1147004>

<https://www.investopedia.com/terms/m/macroeconomics.asp>

MOOCs:

<https://swayam.gov.in/> :

<https://alison.com/>: