Semester: III

3.4-Minor stream – Macro Economics

Course Title	**Macro Economics**
Course Credits	**4**
Course Outcomes	After going through the course, learners will be able to
	• Identify the various concepts of national income and their measurement. • Discuss the Keynesian approach to effective demand • Explain the post-Keynesian approach toward income determination and consumption function • Summarize the different aspects of supply and demand of money
Module 1 (Credit 1)	**National Income**
Learning Outcomes	After learning the module, learners will be able to
	• Learn different concepts of national income • Illustrate the circular flow of national income in closed and open economies. • Appraise the different methods of national income • Study the meaning and phases of trade cycles.
Content Outline	1.1 Concepts of National Income - GNP, GDP, NNP, NDP, National Income - at Factor Cost and market price, Personal Income, Disposable Income. Per capita Income (PCI), Gross Value Added (GVA) 1.2 Measurement of National Income-Value Added Method, Income Method, Expenditure Method, Green Accounting Method 1.3 Circular flow of National Income in a closed economy and open economy 1.4 Meaning, characteristics, and Phases of Trade Cycles
Module 2(Credit 1)	**Keynesian Economics Analysis**
Learning Outcomes	After learning the module, learners will be able to
	• Grasp the principle of effective demand, aggregate demand, and supply. • Analyze the Keynesian consumption function • Explain the factors influencing the marginal efficiency of capital • Learn the principle of the investment multiplier
Content Outline	2.1 Determination of income and employment with the help of effective demand 2.2 Consumption Function: Average and Marginal Propensities to Consume and Save, subjective and objective factors determining propensity to consume, 2.3 Investment Demand – Marginal efficiency of capital- Meaning, Formula, Diagram & Factors affecting MEC, Relation between MEC & Rate of Interest 2.4 Principle of Investment Multiplier-assumption, leakages, and importance
Module 3(Credit 1)	**Post- Keynesian Economics**

Learning Outcomes	After learning the module, learners will be able to • Explore the IS-LM model integrating commodity and money markets. • Analyze the principle of the accelerator and its interaction with the multiplier. • Review the post-Keynesian theories of consumption, • Evaluate the short-run and long-run Philips curve
Content Outline	3.1 Principle of Accelerator-Interaction between Multiplier and Accelerator 3.2 Derivation of IS curve and LM curve and determination of rate of interest and national income within the framework of IS-LM Model 3.3 Post-Keynesian Theories of Consumption – Dusenberry's Relative Income Hypothesis of Consumption, Modigliani Life Cycle Hypothesis 3.4 Philips Curve – meaning of Philips curve, short run, and long-run Philips curve
Module 4 (Credit 1)	**Supply of and Demand for Money**
Learning Outcomes	After learning the module, learners will be able to • Understand the determinants of money supply • Study the demand for money and its determinants. • Evaluate the theories of the value of money • Analyze the various aspects of inflation
Content Outline	4.1 Supply of money –determinants of money supply, velocity of circulation of money, RBI measures of money supply– M1, M2, M3 & M4. 4.2 Concept of Demand for money, Keynes's theory of liquidity preference 4.3 Value of money – Fisher's Cash transactions approach, Cambridge's Cash Balance approach 4.4 Inflation – Definition and Types of inflation, Cost-Push and Demand-Pull Inflation, Causes, Effects & Measures to control inflation, Concept of Deflation and Stagflation.

Activities towards Comprehensive Continuous Evaluation (CCE

Internal Examination – 50 Marks

Sr. No	Activities	Marks
1	National Income-Practical Assignment- Estimate India's national income using hypothetical or real data by applying any one method: Value Added, Income, Expenditure.	15
2	Keynesian Economics-Case Study Discussion-Analyze a real-world example of **changes in aggregate demand** and their impact on employment.	15
3	Post-Keynesian Economics-Debate-Topic: "The Philips Curve is no longer relevant in modern macroeconomics."	10
4	Supply & Demand for Money-Real-world Analysis -Analyze any recent monetary policy announced by the RBI and relate it to theories discussed**.**	10
	Total 50 Marks	**50**

External Examination – 50 Marks

References:

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