

# BACHELOR OF ARTS

COURSE OF VSK UNIVERSITY

**BAEconomics:Semester III**

**BAECS 301: Macroeconomics**

Sub Code: BAECS 301	No of Lecture Hours per week: 04
Maximum Marks: 100	Internal Marks: 30 and FE: 70

**Objectives:**

- To understand and comprehend different Macroeconomic issues and policies.
- To understand basic concepts regarding Monetary Economics.

**Module I NATIONAL INCOME 10 Hours**

National Income - Meaning and Various concepts – Measurement of National Income - Difficulties in Measuring National income.

**Module II DETERMINANTS OF EMPLOYMENT AND OUTPUT 10Hours**

Classical Theory– Say’s Law of Market – Criticisms of Classical Theory. Keynesian Theory - Principle of Effective Demand – Aggregate Demand & Aggregate Supply functions – Equilibrium level of Output and Employment.

**Module III THEORIES OF CONSUMPTION AND INVESTMENT 10Hours**

Consumption function– Importance – Concepts - Determinants - Keynes Psychological Consumption Theory -. Investment functions – Importance – Concepts – Determinants – Accelerator and Multiplier Effect.

**Module IV INFLATION AND DEFLATION 15 Hours**

Inflation – Meaning – Types - Causes and Effects of Inflation – Control of Inflation. Relationship between Inflation and Unemployment - Philips Curve - Policy Implications. Deflation – Meaning – Types – Causes and Effects - Deflationary gap and Stagflation.

**Module V MONETARY POLICY AND BUSINESS CYCLE 15 Hours**

Monetary Policy – Meaning and objectives of Monetary Policy – Role of Monetary Policy in a developing economy- Trade Cycles – Meaning and Phases of Trade Cycles – Theories – Hayek – Hawtray and Hicks – Control of Trade Cycle

**Text Book:**

M-L-Jhingan -Macro-Economic-Theory.

H.L. Ahuja – Advances in Macroeconomics.

**REFERENCES:**

Ackey G Macro Economics – Theory and Policy

David Roned (2001) Advanced Macroeconomics, McGraw Hill International Edition.

Dekock M H Central Banking.

Edward Shapiro (1997) Macroeconomic Analysis.Thompson Learning.

GardnerAckley (1961) Macro Economic Theory, the MacmillanCompany,New York.

Garz Money & Banking

Mankiew N. Gregory (2003) Macroeconomics,Worth publications, New York.

Mishra M.N Banking Theory Systems

Mithani D.M Macro Economic Analysis& Policy

Rana K.C& K.NVerma (1998) Macro economic Analysis, VishalPublications.

Seth M.L Money, Banking & Trade Practice.