



ST. ALOYSIUS COLLEGE(AUTONOMOUS), JABALPUR

Reaccredited 'A+' Grade by NAAC(CGPA:3.68/4.00)

College with Potential for Excellence by UGC

DST-FIST Supported & STAR College Scheme by DBT

Faculty of Arts

SUBJECT: ECONOMICS

B.A. III Semester

Paper-Elective

MACRO ECONOMICS

Course Outcomes

CO. No.	Course Outcomes	Cognitive Level
CO 1	After completing this course, students will be able to explain the difference between macroeconomics and microeconomics, common macroeconomic variables, national income and determination of output and employment in classical and Keynesian approaches.	R and U
CO 2	Students will be capable of developing theoretical and An applied understanding of employment trends and consumption prospects in an economy.	U and Apply
CO 3	They will be able to understand the consumption and investment function of an economy and to derive IS-LM curves and use the framework to explain the working of an economy.	U
CO 4	Understand and analyses the practical and theoretical aspects related to inflation, deflation and its effect on different segments of the economy.	U and An

Credit and Marking Scheme

	Credits	Marks		Total Marks
		Internal	External	
Theory (Elective)	4	40	60	100

Evaluation Scheme

	Marks	
	Internal	External
Theory	3 Internal Exams of 20 Marks (During the Semester) (Best 2 will be taken)	1 External Exams (At the End of Semester)





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Content of the Course

Theory

No. of Lectures (in hours per week): 3 Hrs. per week

Total No. of Lectures: 45 Hrs.

Maximum Marks: 60

Unit	Topics	No. of Lecture
Unit 1- Concept of Macro Economics	<ol style="list-style-type: none">1. Definition of Macro Economics, Subject Matter, Importance and Limitations2. Interrelationship between Micro and Macro Economics.3. Macro Economics Variables- Stock and Flow.4. Circular Flow of Income5. Definition and Different Concepts of National Income6. Methods of Measuring National Income7. Social Accounting of National Income8. National Income and Economic Welfare9. Ancient Indian Concept of Income, Debt and Charity. (Market Failure and Charity) - Rig Ved-117 Hymn, Bhsim Parv of Mahabharata (Book/Vol -VI)	15
Unit -2 Determination of Employment	<ol style="list-style-type: none">1. Classical Theory of Employment- Say's Market Law, Wage Price Flexibility.2. Keynes' Employment Theory- Aggregate Demand Function, Aggregate Supply Function and Effective Demand.3. Applicability of Keynes' Employment Theory in Developing Countries.4. Psychological Law of Consumption.5. Consumption Function- Marginal Propensity to consume, Average Propensity to Consume, Marginal Propensity to Save and Average Propensity to Save.6. Principle of Multiplier.7. Accelerator Principle	15
Unit -3 Investment	<ol style="list-style-type: none">1. Investment – Meaning, Types and Motivation.2. Marginal Efficiency of Capital (MEC).3. Marginal Efficiency of Investment (MEI).4. Keynes's Liquidity Preference Theory5. Determination of Equilibrium IS Curve in Real Sector and Equilibrium LM Curve in Monetary sector-IS-LM Model.6. Monetary Policy- Meaning, Tools and Effectiveness.7. Fiscal Policy- Meaning, Tools and Effectiveness.	15



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Unit -4 Inflation and Deflation	<ol style="list-style-type: none">1. Meaning of Inflation, Deflation and Stagflation.2. Types and Effects of Inflation.3. Principles of Inflation- Demand pull Inflation and Cost Push Inflation.4. Measures to control Inflation.5. Effects of Deflation and Measure to control Deflation.6. Philips Curve.7. Measurements of Inflation in India-Wholesale Price Index (WPI), Consumer Price Index (CPI), GDP deflator	15

Suggested Readings:

1. Shapiro E. - Macro Economic Analysis, Galgotia Publications, New Delhi
2. Jhingan M.L. - Macro Economics, Vrinda Publications, New Delhi
3. Allen R.G.D. - Macro Economic Theory-A Mathematical Treatment, Macmillan Press, London
4. Schaum's Series - Macro Economic Theory, McGrall Hill, Singapore
5. Vaish M.C. - Macro Economic Theory, Vikas Publishing House Pvt. Ltd., New Delhi
6. Mithani D.M. - Macro Economics, Himalaya Publishing Company, Mumbai

