

# C.U.SHAH UNIVERSITY WADHWANCITY



**Faculty of: Arts & Humanities**  
**Department of: ECONOMICS**

**Semester: I**

**Name of Subject : Macro Economics - I**

**Subject Code: 5AH02MAE1**



## TEACHING & EVALUATION SCHEME

Subject Code	Name of the Subject	Teaching Scheme (Hours)				Evaluation Scheme								
		Th	Tu	P	Total	Theory				Practical (Marks)			Total	
						Sessional Exam		University Exam		Total	Pr/ Viva	TW		Total
						Marks	Hrs	Marks	Hrs					
<b>5AH02MAE1</b>	<b>Macro Economics - I</b>	4	0	0	4	30	1.5	70	3	100	--	--	--	100

### Objectives:

- Macroeconomic/ aggregative economic analyses have great importance in the days of new economic reforms. So macroeconomics is very important to understand macroeconomics policies to the students of this subject.
- Because it establishes the functional relationship between the large aggregates.
- It is essential to analyse the macroeconomic theoretical structure, which is considered for proper comprehension of the different issues and policies
- Macroeconomics now is not only a scientific method of analysis but also a body of empirical economic knowledge
- This paper equips the students at the postgraduate level to understand systematic facts and theoretical developments for empirical analysis.

**Course outline:**

<b>Unit No.</b>	<b>Course Content (Title of the Unit)</b>	<b>Minimum No. of Hours</b>
0	Prerequisites	04
1	<b>Macroeconomics and National Income Accounting:</b> Macroeconomics Methodology and matter Rationale and importance of aggregative analysis- Micro foundations of macroeconomics. Macroeconomic policy. Definitions and concepts of national income importance of income analysis measurement of national income. Keynesian approach to national income and Keynesian development- flow-flow of funds different forms of national accounting. Growth and sec/al breakdown problems in preparation on of social accounting use of national and product accounting.	14
2	<b>Monetary Theories:</b> The Quantity Theory of Money: The Cambridge School-Keynesian General Theory- Post Keynesian Theories: Friedman & Don Patinkin- New classical school: Rational expectations J.R. Hicks on classical and Keynes- Leijonhufwud on Keynesian economics and economics and economics of Keynes Recent development Neutrality of money-classical,Keynesian and Post Keynesian views-neutrality. Theory of money prices-Income Theory of money and prices-Income Theory and Liquidity Theory of money saving and Investment equality meaning,classical Keynesian approach to S&I equality. Transmission mechanism- Intergation of money and value Theories-Patkin's real balance effect wealth effect	14
3	<b>Theory of Investment:</b>	14

	Meaning and determinants of investment- Marginal efficiency of capital(MEC) and investment-impact of inflation-Influence of policy measures on investment Multiplier and acceleration: empirical-evidence-capital-output ratio approach	
4	<b>Demand for Money and Supply of Money:</b>  The concept The Transaction demand-The Assests demand for money Keynesian and classical approaches-Wealth approach-post Keynesian Theories of demand for money : Friedman's Restatement of Quantity Theory, Modighani's approach Recent development in the theory Supply of money The concept and constituent Bank money and Bank money multiplier Exogenous and endogenous variations Liquid assets and potential money supply Interest rates- Financial intermediaries and money supply- High powered money-Inside and outside money-control of money supply-Money market and money market assets/ instruments-recent developments	14
	<b>Total Hours</b>	<b>60</b>

### **Text and Reference Books:**

1. Ackley G(1978):Macroeconomics Theory and policy,Macmillan,New York
2. D/nbusch,R. and F.Stanley(1997). Macroeconomics,McGraw Hill inc,New York
3. Frisch(1983), Theories of Inflation, Cambridge University Press,
4. Ghosh,BN, and Rama Ghosh (1993), Modern Macroeconomics Theory and policy, Himalaya publishing
5. Gupta,S B.(1995),Monetary Planning in India,oxford University Press,New Delhi
6. Gupta, G S(2001) Macroeconomics: Theory and Applications Tata McGraw Hill Publishing Company Ltd., New Delhi.

7. Ladler. DE W (1977) Demand for Money, Theory and Evidence Dum Don Valley, New York
8. Leijonhufwud, A. (1968). On Keynesian Economics and Economics of Keynes, Oxford University Press, London
9. Patinkin, D (1965), Money, Interest and Prices, Harper & Row, New York
10. Taylor, L (1983), Structuralist Macroeconomics, Basic Books, New Longman
11. Branson, W A (1989) Macroeconomic Theory and Policy, (3<sup>rd</sup> Edition) Harper and Row,
12. Romer, DL (1996) Advanced Macroeconomic, McGraw Hill Company Ltd, New York
13. Scarfe, B L (1997) Cycles, Growth and Inflation. McGraw Hill Ltd, New York
14. Gupta R D (1990) Keynes and Post Keynesian Economics