

B.A. Semester 6      Course 606  
Macro Economics – 2

Macroeconomics is very important to understand macro economic policies to the students of these subjects, because it established the functional relationship between the large aggregates. It is essential to analyze the macroeconomic theoretical structure, which is considered for the proper comprehensive of the different issues and policies. Macroeconomics now is not only a scientific method of analysis, but also a body of empirical economic knowledge.

Unit 1      Rate of interest  
Classical and Neo- classical approach, Keynesian theory of interest.  
Relative effectiveness of Monetary and fiscal policies.

Unit -2      Trade Cycles  
  
Nature and characteristics: Hawtry's monetary theory, Keynes' vi ew  
on trade cycle, the concept of accelerator, Samuelson and Hicks  
Multiplier accelerator interaction model, control of trade cycle.

Unit -3      Supply of money:-  
  
A behavior model of money and money supply. RBI approach to  
money supply, High powered money and money multiplied, money  
supply and open economy. The control of Money supply –rule versus  
discretion.

Unit – 4      Value of Money:  
  
Meaning of money, measurement of value of money, Price Index  
Numbers (whole sale price and consumer price index) Method o f  
construction price index –Limitations of Index Numbers.

Reference Books;-

1. Backhouse. R and Slansi. A (Eds) (2000), macroeconomics and real world. (2000) Oxford University press, London.
2. Ackly, G. macroeconomics: Theory and policy, Macmilan, New York.
3. Bornbuch. R. and Stanley. F, Macroeconomics, MC. Grow Hill, New York.
4. Hall R.E. and Taylor, J.B. Macroeconomics, w.w.Norton, New York.
5. Eranson, W.A. Macroeconomics: theory and policy Harper and row. New York.