

## CC: 202: Macro Economics (Core Course)

Theory: Credit: 4 ( 100% )

Total Marks: 100

Unit	Topics Covered under unit	Wt.
<b>I</b>	<b>Macro economics &amp; National income :-</b> Nature, scope and subject matter of macroeconomics, Concept and definition of National Income, circular flow of income – concept of GDP ,GNP & NNP-Methods of Measurement/estimation of National Income & Difficulties in measuring N.I. , significance of national income. Concepts of personal Income – Disposable Income – Real income - Per Capital Income.	25 %
<b>II</b>	<b>Theory of Income &amp; Employment</b> Classical theories of employment –Keynesian macroeconomic theory of employment: Consumption function – Investment function – Propensity to consume and save – Aggregate demand and aggregate supply and level of prices – principle of effective demand – Equilibrium of saving and investment – Investment multiplier, Types, effect and control of Inflation and deflation. philips curve	25%
<b>III</b>	<b>Theory of money &amp; interest</b> <b>a.</b> Money: Definitions of Money – Functions of Money – Value of money –The quantity theory of money – Fisher’s & cambridge cash balance equations – their comparison and criticism – components of money supply – concepts of M1, M2,M3 & M4. <b>b.</b> Theories of Interest rate: Classical theory – Loanable funds theory – Liquidity preference theory and its motives.	25%
<b>IV</b>	<b>Banking</b> Functions of commercial banks – credit creation – Leakage and limitations of credit creation – Functions of central Bank - weapons of credit control – Quantitative and Qualitative methods	15%
<b>V</b>	<b>Business cycle</b> Concept of business cycle – phases of business cycle – characteristics of phases of business cycles.	10%

### Reference Books:

1. Macro economics by D.M.Mithani , Himalaya publication
2. Macro Economics by R. Cauvery (S.Chand Publication.)
3. Ahuja H.L. – Macro Economics: Theory and Policy, S. Chand & Co. Ltd. New Delhi.2006
4. Shapiro E. – Macro Economic Analysis, Galgotia Publications, New Delhi. 1996 5<sup>th</sup>Ed.
5. D. N. Dwivedi – Macro Economics – Tata McGrew Hill, New Delhi-2006