



MANIPAL UNIVERSITY JAIPUR

School of Arts and Law

Department of Economics

Course Hand-out

Macroeconomics | EO 1122 | 4 Credits

Session: Jul- Dec 2016 | Faculty: Dr Oum Kumari

Course Outcomes: At the end of the course, students will be able to

[1122.1] Understand the implications of interference in a market economy, including government policy

[1122.2] Describe the basics of national income accounting

[1122.3] Discuss the causes and consequences of business cycles

[1122.4] Analyze the roles of fiscal and monetary policy in fighting recessions and inflation

[1122.5] Apply economic reasoning to understand the operation of an economy, to fulfil the requirements of present day employers, who demand sound economics skills employability.

A. SYLLABUS

Introduction to Macroeconomics and National Income Accounting Basic issues studied in macroeconomics; measurement of gross domestic product; income, expenditure and the circular flow; real versus nominal GDP; price indices; national income accounting for an open economy; balance of payments: current and capital accounts **Money** Functions of money; quantity theory of money; determination of money supply and demand; credit creation; roles and objectives of central banks, qualities of effective central banks; tools of monetary policy **Inflation** Inflation ; measurement of inflation; cost push & demand pull inflation; hyperinflation; disinflation; Phillips curve **The Closed Economy in the Short Run** Classical and Keynesian systems; simple Keynesian model of income determination; Fiscal and monetary multipliers **Macro -economic policy objectives** The centrality of growth; Difference between actual GDP and Potential GDP; Determinants of a country's growth- sources, measurement and sustainability of economic growth.

B. TEXT BOOKS

- Dornbusch, Fischer and Startz, *Macroeconomics*, McGraw Hill, 2010.
- H L Ahuja, *Macro Economics*, S Chand, 2010
- Stiglitz and Walsh, *Economics*, Fourth Edition, W. W. Norton, 2005.
- N. Gregory Mankiw. *Macroeconomics*, Worth Publishers, 2010.
- Olivier Blanchard, *Macroeconomics*, Pearson Education, Inc., 2009.
- Lipsey & Chrystal, *Economics*, Oxford University Press, 2011.
- Richard T. Froyen, *Macroeconomics*, Pearson Education Asia, 2005.

