School of Arts
M.A. (Economics) Programme
Subject Code MA02CECO02 & Macro Economics - II

Teaching and Evaluation Scheme:

Teaching Scheme				Examination Scheme			
Credits				Component Weightage			
				CCE		SEE	
L	T	P	Total	TH	PWE	TH	PWE
4	-	-	4	50	-	50	-

Programme Name	Master of Arts (Economics)
Semester	II
Course Code	MA02CECO02
Course Title	Macro Economics - II
Course Content Type (Th./Pr.)	Theory
Course Credit	4
Sessions+ Lab. Per Week	4 Sessions + N.A.
Total Teaching/Lab. Hours	60 Hours
* 2 Laboratory = 1 Session	

Learning Objectives

1. To enable students to understand post-Keynesian theories of consumption and the working of the multiplier.
2. To enable students to understand the determination of interest rates under different economic theories.
3. To enable students to understand the causes, consequences, and control of inflation.
4. To enable students to understand the role and effectiveness of monetary policy in a modern economy.

Prerequisites (if any)

1. Basic understanding of macro economics.

Learning Outcomes

1. After Completion of this course, students will be able to understand:
2. Consumption function hypotheses and analyses the multiplier and balanced budget multiplier.
3. Nominal and real interest rates and analyse classical, Keynesian, and IS–LM theories of interest.

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4. Different types of inflation, the Phillips Curve, and measures to control inflation.
5. Monetary policy instruments, objectives, limitations, and their role in a liberalised market economy.

Detailed Contents

UNIT	TOPIC/SUB-TOPIC	TEACHING HOURS
I	**Post-Keynesian Consumption Function Hypotheses** ❖ Absolute & Relative Income Hypothesis - Dusenberry's Demonstration Effect ❖ Friedman's Permanent Income Hypothesis - Modigliani's Life Cycle Theory ❖ Multiplier: Meaning - Working and Importance - Leakages - Balanced Budget Multiplier	15
II	**Theory of Interest** ❖ Interest Rates and Price Expectations ❖ Nominal and Real Interest Rates ❖ Inflationary Expectations and Interest Rates ❖ Theories of Interest Rates: Classical, Neo-Classical and Keynesian theory ❖ IS-LM Theory of Rate of Interest by Hicks and Hansen	15
III	**Theory of Inflation** ❖ Demand-Pull and Cost-Push factors ❖ Sectoral Demand Shift ❖ International Aspect of Inflation ❖ Ratchet Inflation- Inflationary Gap – Stagnation - Stagflation ❖ Control of Inflation (Income policy, demand restriction, monetary policy, fiscal policy) ❖ Phillips Curve - Tobin's Modified Phillips Curve	15

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IV	**Monetary Policy** ❖ Meaning – Instruments ❖ Indicators and Targets of Monetary Policy ❖ External versus Internal Stability ❖ Neutral Money Policy ❖ Monetary Policy and Full Employment ❖ Cheap Money Policy ❖ Long-term Objectives of Monetary Policy ❖ Limitations of Monetary Policy ❖ Role of Monetary Policy in Liberalization and Market Economy	15

Text Book(s)

1. માંડવિયા, જે.એમ ., અને અન્ય) .૨૦૨૪). *સમગ્રલક્ષી અર્થશાસ્ત્ર પરિચય.* સીજમનાદાસ . કંપની
2. શ્રીમાળી, રાહુલકુમાર) .૨૦૨૩). *સમગ્રલક્ષી અર્થશાસ્ત્ર.* અક્ષર પબ્લિકેશન.
3. જોશી, આર.સી ., વારસાણી, ડી.એલ ., રામી, ગૌરાંગ ડી., અને વાંસિયા, યોગેશ એન .)૨૦૨૬). *સમગ્રલક્ષી અર્થશાસ્ત્ર.* ન્યુ પોપ્યુલર પ્રકાશન.

Reference Books

1. Ackley, G. (1978). *Macroeconomic theory*. Macmillan
2. Agarwal V.(2010). Macroeconomics- Theory & Policy. Pearson. Delhi.
3. Ahuja, H. L. (2018). *Advanced economic theory*. S. Chand & Company.
4. Chakraborty S.K. (2010). Macro Economics. HPH, Mumbai
5. Dornbusch, R., Fischer, S., & Startz, R. (2018). *Macroeconomics*. McGraw-Hill Education.
6. Gupta G.S. (2001). Macro Economics- Theory & Applications, Tata McGraw Hill. New Delhi
7. Gupta, S. B. (2011). *Monetary economics*. S. Chand & Company.
8. Jhingan, M. L. (2016). *Macroeconomic theory*. Vrinda Publications.
9. Keynes, J. M. (1936). *The general theory of employment, interest and money*. Macmillan.
10. Kurihara, K. K. (1960). *Monetary theory and public policy*. George Allen & Unwin.
11. Misra, S. K., & Puri, V. K. (2016). *Indian economic development*. Himalaya Publishing House.
12. Patinkin, D. (1965). *Money, interest and prices*. Harper & Row.
13. Shapiro, E. (2014). *Macroeconomics*. Galgotia Publications.

Web Resources

www.ebooks.ipude.in

www.swayam.gov.in

Required Software(s) (if any)

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Practical(s) (if any)

L:: Lecture, **T::** Tutorial , **P::**Practical
CCE:: Continuous and Comprehensive Evaluation
(CCE Theory includes Mid Semester Examination, Assignment, MCQ quizzes, Seminar, Reflective notes, class participation, case analysis and presentation, slip tests (announced/ surprised), attendance etc. or any combination of these)

PWE:: Practical Work Examination
(PWE includes Laboratory practical work, project work, viva simulation exercise work etc.)

SEE:: Semester End Evaluation

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