

## CORE COURSE – III

**Subject: BUSINESS ECONOMICS (MACRO)-II Course Code: 243**

**Total Credits: 03**

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### Preamble –

An approach to Macro Economics is to examine the economy as a whole. This paper aims to provide knowledge about macroeconomics that includes macro-economic variables and theories. It also aims to make students familiar about the various concepts of macroeconomics like functions of money, trade cycle and macroeconomic policies and also about the concepts used in public finance.

### Scope of the programme –

Basic Knowledge of Macro Economics

### Objectives –

- To familiarize the students to the basic theories and concepts of Macro Economics and their application.
- To understand the theories of money.
- To understand the phases of trade cycle and policy measures to elongate the trade cycle.
- To understand various concepts related to public finance.
- To understand credit creation of banks and money measures of RBI.

Unit	Name and Content of the Chapter	Purpose & Skills to be Developed
Unit 1	<b>Money:</b>	<b>Purpose:</b> To understand the concept of money. To make the students know about Demand, Supply and Value of Money. <b>Skills:</b> Interpretation, comparative analysis, critical thinking, writing skills
	1.1 Meaning and Functions of Money.	
	1.2 Demand for Money: 1.2.1 Classical Approach. 1.2.2 Keynesian Approach.	
	1.3 Supply of Money: 1.3.1 Credit Creation of Commercial Banks 1.3.2 Money Measure of RBI (M1, M2, M3, M4). 1.3.3 Credit Control Methods.	
	1.4 Value of Money: 1.4.1. Quantity Theory of Money. 1.4.2 Cash Balance Approach : Marshall, Pigou, Robertson and Keynes	
<b>Unit</b>	<b>Inflation:</b>	<b>Purpose:</b>

2	2.1 Meaning and Definition	To understand the concept Inflation. To understand the stagflation and Phillips curve. <b>Skills:</b> Understanding, writing skills, critical thinking
	2.2 Causes of inflation	
	2.3 Consequences of Inflation	
	2.4 Demand Pull and Cost Push Inflation	
	2.5 Stagflation: Meaning and Causes	
Unit 3	<b>Trade cycle:</b>	<b>Purpose:</b> To understand the concept and phases of trade cycle. To understand the policy measures <b>Skills:</b> Understanding, writing skills, critical thinking
	3.1 Meaning and Definition of Trade Cycle	
	3.2 Characteristics of Trade Cycle	
	3.3 Phases of Trade Cycle	
	3.4 Control of Trade Cycle: Monetary Measures and Fiscal Measures	
Unit 4	<b>Public Finance:</b>	<b>Purpose:</b> To understand Public Finance. To understand the Procedure of Budget. <b>Skills:</b> Understanding, Critical thinking and writing skills.
	4.1 Meaning and Definitions.	
	4.2 Scope of Public Finance.	
	4.3 Importance of Public Finance.	
	4.4 Meaning and Types of Tax.	
	4.5 Public Expenditure: Meaning and Causes of Increasing Public Expenditure.	
	4.6 Public Debt: Meaning and Importance.	
	4.7 Budget: Meaning and Types.	

#### Teaching methodology:

Unit No	Total Lectures	Innovative methods to be used	Film shows and AV Applications	Project	Expected Outcome
1	14	<ul style="list-style-type: none"> <li>Open discussion</li> <li>Casestudies</li> <li>Problem solving based learning</li> </ul>	<ul style="list-style-type: none"> <li>You tube lectures</li> <li>Films</li> </ul>	<ul style="list-style-type: none"> <li>Implication of liquidity trap.</li> <li>Credit control methods used by India.</li> </ul>	<ul style="list-style-type: none"> <li>Students will understand concept and theories of money.</li> <li>Will be able to critically evaluate supply of money in the economies.</li> </ul>

2	10	<ul style="list-style-type: none"> <li>• Digital lectures</li> <li>• Jigsaw reading</li> <li>• Project based learning</li> </ul>	<ul style="list-style-type: none"> <li>• You tube lectures</li> <li>• Online PPTs</li> </ul>	<ul style="list-style-type: none"> <li>• Inflation trends in developed and developing countries</li> <li>• Trends of agricultural prices in India</li> </ul>	<ul style="list-style-type: none"> <li>• Will understand the causes and consequences of inflation</li> <li>• Will understand the concept of stagflation</li> </ul>
3	10	<ul style="list-style-type: none"> <li>• Game oriented classes</li> <li>• Pair learning</li> <li>• Group discussion</li> <li>• Games and simulation</li> </ul>	<ul style="list-style-type: none"> <li>• Films</li> <li>• You tube lectures</li> </ul>	<ul style="list-style-type: none"> <li>• Anti-cyclical policy measures used by various countries</li> <li>• Effect of US recession on the world economy</li> <li>• Implication of these measures</li> </ul>	<ul style="list-style-type: none"> <li>• Will understand phases of trade cycle</li> <li>• Will understand the types of policies</li> <li>• Able to interpret effect of anti-cyclical policies on the economy</li> </ul>
4	14	<ul style="list-style-type: none"> <li>• Group discussion</li> <li>• Teacher driven</li> </ul>	<ul style="list-style-type: none"> <li>• You tube lectures</li> <li>• Online PPTs</li> </ul>	<ul style="list-style-type: none"> <li>• Trend of developed and non-developed expenditure in Indian economy</li> <li>• Types of taxes in India</li> <li>• Study of Indian budget</li> </ul>	<ul style="list-style-type: none"> <li>• Will understand public revenue and public expenditure concept</li> <li>• Will be able to analyze, interpret and criticize public policies with theoretical base</li> </ul>

### References:

1. Economics: Paul A Samuelson and William D Nordhaus. McGRAW – HILL international Edition.
2. Macroeconomics: N. Gregory Makiw, Worth Publishers, New York.
3. Macro- Economic Theory: M L Zingan, Vrinda Publications (P) Limited.
4. Samashti Arthshstriy Vishleshan : Shridhar Deshpande, Vinayak Deshpande, Himalaya Publication House.
5. Theories of value: Output and Employment - John Eatwell, Thames Polytechnic, 1979

6. Business Economics, Dr.J.P.Mishra, Sahitya Bhavan Publications, Agra.
7. Macroeconomics: A Global Text, Sampat Mukherjee, New Central Book Agency Private Limited (Latest Edition), New Delhi
8. Macroeconomics: A Rough Guide, in Macroeconomics: A Reader, (Ed.) Brian Snowdon and Howard Vane, Routledge
9. Paisa, Mahagaie Aani Rajasva: Dr. Rasal, Shelar and Bhadane, Idol Publications, Pune.
10. Macroeconomics: Theory and Policy, S. Chand & Company Limited. (Latest Edition)
11. Ben Fine & Ourania Dimakou, Macroeconomics: A Critical Companion, Pluto Press (Latest Edition)
12. Michel De Vroey, A History of Macroeconomics: From Keynes to Lucas and Beyond, Cambridge University Press (Latest Edition)
13. Sampat Mukherjee, Analytical Macroeconomics: From Keynes to Mankiw, New Central Book Agency Private Limited
14. Macroeconomics- K R Gupta, R.K.Mandal, Amita Gupta, Atlantic Publishers and distributor's pvt.ltd.
15. Money, Inflation, and Business Cycles The Cantillon Effect and the Economy, Arkadiusz Sieroń. Abingdon, Routledge, 2019. NewYork
16. Macroeconomics: N. Gregory Maki Worth Publishersw, New York
17. Macro Economics: Rudiger Dornbusch, Stanley Fisher & Richard Startz Tata McGraw Hill Education Private Limited (Latest Edition),US
18. The General Theory of Employment, Interest, and Money- John Maynard Keynes, General Press
19. An Analysis of John Maynard Keynes's The General Theory of Employment, Interest and Money- John Collins, CRC Press,2017

### Suggested Web

#### References:

Sr. No.	Lectures	Films	Animation	PPTs	Articles
1.	<a href="https://www.economicsnetwork.ac.uk/teaching/Video%20and%20Audio%20Lectures/Public-sector%20Economics%20and%20Public%20Choice%20Theory">https://www.economicsnetwork.ac.uk/teaching/Video%20and%20Audio%20Lectures/Public-sector%20Economics%20and%20Public%20Choice%20Theory</a>	<a href="http://www.studyinternational.com/the-little-bits-we-like/films/">http://www.studyinternational.com/the-little-bits-we-like/films/</a>	<a href="https://ed.ted.com/lessons?category=macroeconomics">https://ed.ted.com/lessons?category=macroeconomics</a>	<a href="https://www.slideshare.net/NayanVaghela/trade-cycle-chapter-4">https://www.slideshare.net/NayanVaghela/trade-cycle-chapter-4</a>	<a href="https://theconversation.com/global-topics/inflation-645">https://theconversation.com/global-topics/inflation-645</a>

2.	<a href="https://www.youtube.com/watch?v=Ac_i3GEhMF54">https://www.youtube.com/watch?v=Ac_i3GEhMF54</a>	<a href="https://economic.stackexchange.com/questions/9781/what-are-some-exceptional-movies-documentaries-on-macroeconomics">https://economic.stackexchange.com/questions/9781/what-are-some-exceptional-movies-documentaries-on-macroeconomics</a>	<a href="https://www.ufs.ac.za/econ/unlisted-pages/microeconomics-animations">https://www.ufs.ac.za/econ/unlisted-pages/microeconomics-animations</a>	<a href="https://www.slideshare.net/NayanVaghela/public-finance-chapter-7">https://www.slideshare.net/NayanVaghela/public-finance-chapter-7</a>	<a href="https://journals.sagepub.com/toc/pfr/current">https://journals.sagepub.com/toc/pfr/current</a>
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