

KU2DSCECO106: INTRODUCTORY MACROECONOMICS

Semester	Course Type	Course Level	Course Code	Credits	Total Hours
II	DSC-Major	100-199	KU2DSCECO106	4	60

Learning Approach (Hours/ Week)			Marks Distribution			Duration of ESE (Hours)
Lecture	Practical/ Internship	Tutorial	CE	ESE	Total	
4	0	0	30	70	100	2

Course Description:

This course introduces the essence of macroeconomics and national income accounting, and delves into macroeconomic phenomena such as unemployment, inflation, and economic growth. It is also designed to introduce the students classical and Keynesian macroeconomic theories. The course enables the students to comprehend the intricacies of national income measurement and also familiarises basic analytical tools to understand various macroeconomic variables and their interactions.

Course Prerequisite: NIL

Course Outcomes:

At the end of the course, the student will be able to;

CO No.	Expected Outcome	Learning Domains
1	Recall the definitions of key macroeconomic concepts such as GDP, GNP, inflation, and unemployment and learn the formulas and methods used in national income accounting.	R, U
2	Understand the relationships between different macroeconomic variables and concepts and the differences between microeconomics and macroeconomics	R, U
3	Apply various measurement methods (value-added, income, expenditure) to calculate national income and GDP and use macroeconomic theories to analyse and interpret economic data	U, A

4	Understand the causes and consequences of macroeconomic issues such as unemployment and inflation	U
5	Understand the changes in macroeconomic variables from Keynesian and classical perspective and make interpretation	U

** Remember (R), Understand (U), Apply (A), Analyse (An), Evaluate (E), Create (C)*

Mapping of Course Outcomes to PSOs

COs	PSO 1	PSO 2	PSO 3	PSO 4	PSO 5	PSO 6	PSO 7
CO 1	✓				✓		
CO 2	✓	✓					
CO 3	✓	✓	✓				
CO 4	✓	✓			✓		
CO 5	✓	✓					

COURSE CONTENTS

Contents for Classroom Transaction:

MODULE	UNIT	DESCRIPTION	HOURS
1	INTRODUCTION TO MACRO ECONOMICS		10
	1	Conceptualising macroeconomics	1
	2	Micro Vs macro economics	1
	3	Concepts in Macroeconomics	6
		a) Macroeconomic variables - stock and flow variables, endogenous and exogenous variables, ex-ante and ex-post variables b) Equilibrium and disequilibrium - partial and general equilibrium, static, comparative and dynamic equilibrium.	

	4	Major macroeconomic issues - unemployment, inflation, business cycle and economic growth.	2
2	BASIC CONCEPTS OF NATIONAL INCOME ACCOUNTING		13
	1	Introduction to National Income Accounting - SNA approach	2
	2	Concepts in national income accounting	5
		a) Concepts of GNP, GDP, NNP, GVA and NDP at market price and at factor cost.	
		b) Personal income and disposable income	
		c) Real versus Nominal GDP	
		d) GDP Deflator and its significance.	
	3	Measuring the value of Economic Activity - Value Added Method, income method and Expenditure Method.	4
	4	Circular flow of income in a four-sector model	2
		Note: <i>Algebraic solutions may be applied to various concepts and methods in the module</i>	-
3	CLASSICAL APPROACH TO MACROECONOMICS		15
	1	The Classical Pillars: Say's law, wage-price flexibility, interest rate flexibility	5
	2	Classical Dichotomy and neutrality of money	3
	3	Equilibrium output and employment: labour demand, labour supply and labour market equilibrium	4
	4	The classical quantity theory of money	3
4	KEYNESIAN APPROACH TO MACRO ECONOMICS		12
	1	The simple Keynesian model: The components of aggregate demand - consumption, investment, government spending and taxes	3
	2	Role of effective demand in Keynesian model of determining equilibrium employment and output	2

	3	Components of Aggregate supply and aggregate demand and equilibrium in two sector model	4
	4	Investment multiplier, government expenditure multiplier and balanced budget multiplier	2
	5	Determination of equilibrium income in three and four sector model	1
5	TEACHER SPECIFIC MODULE		10
	Directions: <i>Exercises from Schaum's Outline</i>		-
	<i>This module would be set as exercise-based module preferably keeping Schaum's outlines of Macroeconomics as basic reference. The content may be based on the theoretical modules in the syllabus or any other topic so as to give better conceptual foundations in Macroeconomic theory.</i>		10

Essential Readings:

1. Mankiw, N. Gregory, "Macroeconomics." (2006) Worth Publishers
2. Mukherjee, Sampat. *Analytical Macroeconomics: From Keynes to Mankiw*. New Central Book Agency (P) Ltd, 2021
3. Mukherjee, Sampat. *Macroeconomics A global Text*. New Central Book Agency (P) Ltd, 2013
4. Dwivedi, D.N. (2006) *Macro Economics – Theory & Policy*, Tata McGraw Hill Publishing Company *Microeconomics Theory & Application* Pearson.
5. List Stonier, A.W. and Hague, D.C.: *A Textbook of Economic Theory*, Longman Group, London
6. Mankiw, N.G.: *Elementary Macroeconomics*, Worth Publishers, 7th edition, 2010.
7. System of National Accounts 2008 - 2008 SNA
[https://unstats.un.org/unsd/nationalaccount/sna2008.asp#:~:text=The%20System%20of%20National%20Accounts,%2C%201993%20\(1993%20SNA\).](https://unstats.un.org/unsd/nationalaccount/sna2008.asp#:~:text=The%20System%20of%20National%20Accounts,%2C%201993%20(1993%20SNA).)

Reference Distribution:

Module	Unit	Reference No.	Remarks
1	1	Essential Reading 1	-
	2	Essential Reading 4	-

	3a	Essential Readings 4 and 8	-
	3b	Essential Reading 4	-
	4	Essential Reading 3	-
2	1	Essential Reading 7	-
	2a	Essential Readings 3 and 4	-
	2b	Essential Reading 3	-
	2c	Essential Readings 3 and 6	-
	2d	Essential Reading 6	-
	3	Essential Reading 3	-
	4	Essential Readings 1 and 2	-
3	1	Essential Reading 3	-
	2	Essential Reading 3	-
	3	Essential Readings 3 and 4	-
	4	Essential Readings 3 and 1	-
4	1	Essential Readings 1 and 3	-
	2	Essential Reading 3	-
	3	Essential Readings 1 and 3	-
	4	Essential Reading 1	-
	5	Essential Readings 1 and 3	-

Suggested Readings:

- 1 List Stonier, A.W. and Hague, D.C.: A Textbook of Economic Theory, Longman Group, London
- 2 Mankiw, N.G.: Elementary Macroeconomics, Worth Publishers, 7th edition, 2010.
- 3 Errol D'Souza, Macroeconomics, Pearson Education, 2009.
- 4 Mankiw, N. G. *Principles of economics*. Cengage Learning, 2021.

Assessment Rubrics:

Evaluation Type		Marks
End Semester Evaluation		70
Continuous Evaluation		30
a)	Test Paper- 1	10
b)	Test Paper-2	10
c)	Assignment	5
d)	Seminar	5
e)	Book/ Article Review	-
f)	Viva-Voce	-
g)	Field Report	-
Total		100