

CLUSTER UNIVERSITY SRINAGAR

Department of Economics

Eco-01

UG- 2nd Semester (NEP)

Subject: - Economics

Course Title: **Introductory Macroeconomics** → (Major) Total Credits: 04 (Theory: 03; Tutorial/Practical: 01)

Course Code: **UGECO22J201**

Objectives: The basic objective of the course is to expose students to the basic principles of macroeconomics. This will lay a foundation for more advanced courses in Macroeconomics in later semesters.

Learning Outcomes:

LO1: Exhibit a broad understanding of the national income concepts and its measurement which will enable a student to calculate national income under different methods.

LO2: Demonstration and understanding of consumption, Saving and Investment and their impact on macroeconomy.

LO3: Acquisition of skills to calculate price change through different indices.

| Unit I. | National Income Accounting |
|------------------|---|
| | Macroeconomics-Definition and Scope, Emergence of Macroeconomics, Introduction to National Income Accounting: Concepts of GDP, GNP and national income, Approaches to calculating GDP-Product Method, Value Added Method, Expenditure Method, Personal income, Nominal and real GDP, Limitations of the GDP concept, GDP and the black economy, Circular Flow of Income in two, three, and four-sector economy. |
| Unit II. | Behavioural Foundations |
| | Consumption, Saving and Investment Functions, Average and Marginal Propensity to Consume, Average and Marginal Propensity to Save, Marginal Efficiency of Capital, Autonomous Investment and Induced Investment, Physiological Law of Consumption. |
| Unit III. | Money, Inflation and Unemployment |
| | Money: concept and functions, measures of money supply, Inflation: meaning and types, demand pull and cost push inflation, cost and benefits of inflation, Unemployment: meaning and types, Inflation-unemployment trade off. |
| Tutorials | |
| Unit IV. | Assignment/Group Discussions/Presentation/Quiz/Book Review/Field Survey (Followed by Viva-Voce) |
| | a) Calculation of National Income and its associated entities b) Compilation of National Income Statistics by CSO (An Overview) c) Compilation and concepts of money supply measures in India by RBI d) Compilation and concepts of Price Index (WPI, CPI and GDP Deflator) |

Suggested Readings:

1. Ackley, G., Macroeconomics: Theory and Policy, Macmillan, New York
2. Dornbusch, R. and F. Stanley, Macroeconomics, Mc Graw Hill, New York
3. Mankiw, N G (2020) Principles of Macroeconomics, Cengage Learning.
4. Shaprio, E (2005) Macroeconomics Analysis, Galgotia Publications, New Delhi
5. Dwivedi, D N. (2018), Macroeconomics: Theory and Policy, McGraw Hill Education
6. Froyen, R. T. (2013). Macroeconomics: Theories and Policies. Pearson.