

CORE COURSE – III

Subject: BUSINESS ECONOMICS (MACRO) Course

Code: 233 Total Credits: 03

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 macro-economics, national income, macro-economic theories and its implications in the economy.

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 study the relationship amongst broad aggregates.
- To impart knowledge of business economics.
- To understand macroeconomic concepts.
- To introduce the various concepts of National Income.

Unit	Name and Content of the Chapter	Purpose & Skills to be Developed
Unit 1	Introduction to Macro Economics	Purpose: To make the students aware of concepts in macroeconomics Skills: Analyze & think critically, develop writing skills.
	1.1 Meaning and Definition of Macro Economics.	
	1.2 Nature of Macro Economics.	
	1.3 Scope of Macro Economics.	
	1.4 Significance of Macro Economics.	
	1.5 Limitations of Macro Economics.	
	1.6 Macro Economic Objectives.	
Unit 2	National Income	Purpose: To make the students aware of basic concepts in national income Skills: Analyze & think critically, quantitative aptitude and develop writing skills.
	2.1 Meaning and Importance of National Income.	
	2.2 Concepts:	
	2.2.1 Gross National Product (GNP)	
	2.2.2 Net National Product (NNP)	
	2.2.3 Gross Domestic Product (GDP)	
	2.2.4 Per Capita Income (PCI)	
2.2.5 Personal Income (PI)		
2.2.6 Disposable Income (DI)		
	2.3 Measurement of National Income:	

	Methods and Difficulties	
	2.4 Circular Flow of Income: Two sector model	
Unit 3	Theories of Output and Employment:	Purpose: To help the students to understand the concept of Employment and theory Output. Skills: Understanding, writing skills, critical thinking.
	3.1 The Classical Theory of Employment: J.B.Say	
	3.2 Keynes Criticism on Classical Theories of Employment.	
Unit 4	3.3 Keynesian Theory of Employment.	Purpose: To understand the concepts of Multiplier and Accelerator. To impart knowledge of Consumption Function, Saving and Investment Function Skills: Understanding, ability to analyze, quantitative aptitude and writing skills.
	Consumption, Saving and Investment:	
	4.1 The Consumption Function: 4.1.1 Meaning 4.1.2 Marginal Propensity to Consume (MPC) 4.1.3 Keynes's Psychological Law of Consumption. 4.1.4 Determinants of Consumption.	
	4.2 The Saving Function: 4.2.1 Meaning, 4.2.2 Marginal Propensity to Save (MPS) 4.2.3 Determinants of Savings 4.2.4 Relationship between Consumption and Saving Function (MPC and MPS)	
	4.3 Meaning and Types of Investment: Gross, Net, Induced and Autonomous.	
	4.4 Marginal Efficiency of Capital and its Determinants.	
	4.5 Concepts of Investment Multiplier and Acceleration Principal.	

Teaching Methodology:

Unit No.	Total Lectures	Innovative methods to be Used	Film shows and AV Applications	Project	Expected Outcome
1	08	<ul style="list-style-type: none"> Open book discussion Digital lectures Reading Projects 	You tube lectures on macro economics	<ul style="list-style-type: none"> Difference in goals of developed and developing 	Students will understand basic concepts of macroeconomics

				<p>economies</p> <ul style="list-style-type: none"> • Comparison between macro and micro economics 	Will be able to analyze and interpret
2	12	<ul style="list-style-type: none"> • Group discussion • Case studies • Problem solving based learning 	You tube lectures, Lectures on SWAYAM Portal	<ul style="list-style-type: none"> • Difficulties in estimation of National income in India. • Method of National Income used by India 	Will know various concepts of national income Will understand the methods of calculation of national income and difficulties involved therein.
3	14	<ul style="list-style-type: none"> • Pair learning • Group discussion • Open book discussion 	Teacher oriented PPTs. You tube lectures	Critical evaluation of Classical theory Keynesian theory In present context	Will understand Says law of employment Will understand the difference between classical and Keynesian theory Able to interpret Keynes theory of effective demand.
4	14	<ul style="list-style-type: none"> • Group discussion • Teacher • Games and simulation 	You tube lectures Online PPTs	<ul style="list-style-type: none"> • Changing trends of saving and investment in India • Comparison of the trends of saving and investment in India with any other developed or developing country. • Study the impact of multiplier and acceleration by taking an 	Will understand the concept of saving and investment Will know the effect of multiplier and acceleration in the economy.

				hypothetical example.	
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References:

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3. Macro- Economic Theory: M L Zingan, Vrinda Publications (P) Limited.
4. Samashti Arthshstrij Vishleshan : Shridhar Deshpande, Vinayak Deshpande, Himalaya Publication House.
5. Theories of value: output and employment - John Eatwell, Thames Polytechnic, 1979
6. Businss 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. Business Economics (Macro): Dr. Rasal, Bhadane, Fernandes, Idol Publication, Pune-2
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 Keyne's The General Theory of Employment, Interest and Money- John Collins, CRC Press, 2017.

Suggested Web References

Sr. No	Lectures	Films	Animation	PPTs	Articles
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1.	https://www.youtube.com/watch?v=byqiVAk0dk4	https://inomics.com/insight/10-movies-all-economists-will-love-1292886	https://www.youtube.com/watch?v=B2YYwIElg0c	https://www.slideshare.net/hassanmujtaba7547/framework-of-macro-economics-ppt	https://www.journals.elsevier.com/journal-of-macroeconomics/recent-articles
2.	https://www.economicnetwork.ac.uk/teaching/Video%20and%20Audio%20Lectures/Principles%20of%20Macroeconomics	http://www.studyingeconomics.ac.uk/the-little-bits-we-like/films/	https://www.youtube.co.watch=9q27h9o9gJQ	https://sites.google.com/site/davismacroclass/Home/powerpoint-presentations	https://www.britannica.com/topic/national-income
3.	http://web.econ.ku.dk/okocg/MATOEK/Mak%C3%98k2/Mak%C3%98k2-2015/Forel%C3%A6sninger/Pensum-M2-ii-2015-fil-2015.pdf	https://www.cambridge.org/core/books/entertainment-industry-economics/movie-macroeconomics/011C12934F13A076CD4B6D89E8351373	https://journals.sagepub.com/doi/pdf/10.1177/056943451105600106	https://www.slideshare.net/rarichanm/national-income-42518576	https://academic.oup.com/qje/article/73/3/407/1873398

