

M.A (ECONOMICS)
MAEC24401T- MACRO ECONOMICS II
SEMESTER – IV

MAX. MARKS:100

EXTERNAL:70

INTERNAL:30

PASS:40%

CREDITS:6

OBJECTIVES

The objective of this paper is to equip the students with theoretical developments, methodology and process of reasoning involved in analyzing the macro economic issues and policies.

INSTRUCTIONS FOR THE PAPER SETTER/EXAMINER:

1. The syllabus prescribed should be strictly adhered to.
2. The question paper will consist of three sections: A, B, and C. Sections A and B will have four questions from the respective sections of the syllabus and will carry 10 marks each. The candidates will attempt two questions from each section.
3. Section C will have fifteen short answer questions covering the entire syllabus. Each question will carry 3 marks. Candidates will attempt any ten questions from this section.
4. The examiner shall give a clear instruction to the candidates to attempt questions only at one place and only once. Second or subsequent attempts, unless the earlier ones have been crossed out, shall not be evaluated.
5. The duration of each paper will be three hours.

INSTRUCTIONS FOR THE CANDIDATES:

Candidates are required to attempt any two questions each from the sections A and B of the question paper and any ten short questions from Section C. They have to attempt questions

only at one place and only once. Second or subsequent attempts, unless the earlier ones have been crossed out, shall not be evaluated

Section A

UNIT 1- Demand and Supply of Labour: Classical and Keynesian Views. Keynesian and Classical Models of Income and Employment Determination.

UNIT 2- Inflation: Types and Effects, Kaldors' Theory of Distribution. Quantity Theory View, Keynes' View.

UNIT 3- Post-Keynesian Analysis of Inflation: Phillips Curve Analysis, Monetarist and Structuralist Views of Inflation.

UNIT 4- Trade Cycle Theories: Accelerator-Multiplier Interaction Models, Kaldor Model, Real Business Cycle Theory.

Section B

UNIT 5- Monetary and Fiscal Policies: Objectives of Monetary and Fiscal Policies, Conflicts among Objectives of Monetary and Fiscal Policies.

UNIT 6- New-Classical Macroeconomics: Policy Ineffectiveness, Time Inconsistency, Lucas Critique.

UNIT 7- New-Keynesian Macroeconomics: Nominal and Real Wage-Price Rigidities: Implicit Wage Contracts

UNIT 8- Efficiency Wage Models, Insider – Outsider Models, Menu Costs and Coordination Failure.

Suggested Readings:

1. Abel, Andrew B. and Bernanke, Ben S. (2007): Macro economics(5th ed.), Pearson Education Inc., New Delhi.
2. Branson, W.H. (Latest Edition): Macroeconomic Theory and Policy, (3rd ed.), Harper Collins.

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- 3. Dornbusch, Fisher and Strartz(2002): Macroeconomics, (9th ed.), Tata McGraw Hills, New Delhi.
- 4. Froyen, R.T. (2002): Macro Economics, (8th ed.), Pearson Education Inc., New Delhi.
- 5. Romer, D. L. (1996): Advanced Macroeconomics, McGraw Hill Co. Ltd., New York.
- 6. Hall, R. E. & Taylor, J. B. (Latest Edition): Macroeconomics, W. W. Norton, New York.
- 7. Heijdra, Ben J. and Ploeg, Frederick Van der (2008): The Foundations of Modern Macroeconomics, Oxford University Press. New Delhi