

UNIVERSITY OF MADRAS
B.A. DEGREE PROGRAMME IN ECONOMICS
 SYLLABUS WITH EFFECT FROM 2023-2024

THIRD YEAR - SEMESTER - V

Subject Code	Subject Name	Category	L	T	P	S	Credits	Inst. Hours	Marks		
									CIA	External	Total
304C5A	MACRO ECONOMICS-I	Core -IX					4	5	25	75	100
Learning Objectives											
C1	To understand the national income and its related concepts										
C2	To analyse the classical theory of full employment and its advantages										
C3	To illustrate the Keynesian under employment theory and its applications										
C4	To evaluate the theories of Consumption and its types										
C5	To impart students to understand inflation and its types										
UNIT	Contents										No. of Hours
I	National Income National Income: Definition –Concepts: GDP,GNP and Per Capita Income- National Income Measurement: Expenditure, Income and Value Added Approaches- Real and Nominal GDP – National Income Accounting - GDP Deflator – Green GDP – Happiness Index - Circular Flow of Income and Expenditure										15
II	Full Employment: Classical Theory Introduction - Aggregate Demand and Aggregate Supply – Assumptions of Classical Theory – Say’s Law – Wage and Price Flexibility - Employment and Output determination in Classical Model -Three Ranges in Aggregate Supply (AS)Curve										15
III	Under Employment: Keynesian Theory Keynes’s Critique of Classical Theory – Involuntary Unemployment – Underemployment Equilibrium- Effective Demand – Components - Wage Rigidity – Liquidity Preference - Consumption Function: Meaning and Attributes - Investment – Marginal Efficiency of Capital-Multiplier.										18
IV	Theories of Consumption Keynesian Absolute Income Hypothesis – Duesenberry’s Relative Income Hypothesis – Friedman’s Permanent Income Hypothesis – Modigliani’s Life Cycle Hypothesis.										15
V	Inflation Inflation: Definition and Types -Demand Pull -Cost Push and Mark-up Inflation– Consumer Price Index – Wholesale Price Index – Producer Price Index – Headline and Core Inflation- Phillips Curve.										12
Total										75	

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Course Outcomes		Programme Outcomes
CO	On completion of this course, students will	
1	Understand the structure of Macroeconomics and the Concept of GDP	PO1,PO2,PO3
2	Outline the concepts in Classical Theory of Employment	PO1,PO2
3	Analyse the Keynesian Underemployment Theory	PO1,PO2
4	Examine the theories of Consumption Function	PO1,PO2, PO3
5	Understand the types and the impact of Inflation on Economies	PO2,PO3,PO8
Textbooks		
1	Mankiw. N Gregory (2000), Macroeconomics, Worth Publishers, New York	
2	VaishM.C.(2003) Macro Economic Theory , S.Chand& Company Ltd New Delhi	
3	Paul Krugman and Robin Wells(2015) Macroeconomics Worth Publisher	
4	H.L. Ahuja, Macro Economics: Theory and Policy S.Chand, 2016	
5	Andrew B. Abel and Ben S.Bernanke, Macro Economics, Pearson Education, Inc., 7th Edition, 2011.	
Reference Books		
1.	RudigerDornbusch , Stanley Fischer, and Richard Startz (2000), Macroeconomics, Tata McGraw-Hill Publishing Company, New Delhi.	
2.	Parkin, M., 2014. Macro Economics. 11 th Edition. Essex: Pearson	
3.	Blanchard, Olivier and David R. Johnson (2013) Macroeconomics, Pearson.	
4.	Mueller, M.G. (Ed.) (1978), Readingsin Macroeconomics, Surjeet Publications, New Delhi	
5.	Roger E.A. Farmer (2002), Macro Economics, Thompson Asia Pvt Ltd., Singapore.	
Web Resources		
1.	http://www2.econ.iastate.edu/tesfatsi/sources.htm	
2.	https://www.khanacademy.org/economics-finance-domain/macroeconomics	
3.	https://www.econlib.org	
4.	https://economics.mit.edu/	
5.	https://hbswk.hbs.edu/	

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Mapping with Programme Outcomes:

	PO 1	PO 2	PO 3	PO 4	PO 5	PO 6	PO 7	PO 8
CO 1	3	3	3	3	3	3	3	3
CO 2	3	3	3	3	3	3	3	3
CO 3	3	3	3	3	3	3	3	3
CO 4	3	3	3	3	2	3	3	3
CO 5	2	3	2	3	3	3	3	3
Weightage	14	15	14	15	14	15	15	15
Weighted percentage of course contribution to POS	2.8	3.0	2.8	3.0	2.8	3.0	3.0	3.00

S-Strong-3 M-Medium-2 L-Low-1

Level of Correlation between PSO's and CO's

CO /PO	PSO1	PSO2	PSO3	PSO4	PSO5
CO1	3	3	3	3	2
CO2	3	3	3	2	2
CO3	3	3	3	2	2
CO4	3	3	2	2	2
CO5	3	3	3	3	3
Weightage	15	15	14	12	11
Weighted percentage of Course Contribution to PSOs	3	3	2.8	2.6	2.2

Strong-3 M-Medium-2 L-Low-1