

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

THIRD YEAR- SEMESTER - VI

Subject Code	Subject Name	Category	L	T	P	S	Credits	Inst. Hours	Marks		
									CIA	External	Total
304C6A	MACRO ECONOMICS –II	Core - XIII					4	6	25	75	100
Learning Objectives											
C1	To analyse the IS-LM model and its shifts										
C2	To probe the macro economic variables and business cycle										
C3	To trace the macroeconomic theories and analyze the macroeconomic policies.										
C4	To understand the monetary policy and its instruments.										
C5	To know the fiscal policy and its instruments.										

UNIT	Contents	No. of Hours
I	IS-LM Model Investment and Interest Rate – Money Demand, Money Supply and the interest rate – Derivation of IS and LM Curve – Shifts in IS Curve and Shifts in LM Curve.	15
II	Business Cycles Phases of Business Cycles – Macroeconomic Variables and Business Cycles – Classical Theory and Business Cycles – Hawtrey, Von Hayek, Schumpeter Hicks, Kaldor and Samuelson Models – Keynesian theory of Business Cycles	15
III	Monetary Policy Money - Functions of Money - Money Supply and Money Demand – Classical Dichotomy – Keynesian theory of Money Demand – Instruments of Monetary Policy-IS-LM Model and Monetary Policy	15
IV	Fiscal Policy Fiscal Policy -Instruments- Classical and Keynesian Theory of Fiscal Policy– Fiscal Expansion – IS-LM Model and Fiscal Policy – Critique of Fiscal Policy – Three Ranges in LM Curve.	15
V	Supply Side Economics Rational Expectation Hypothesis – New Classical School – Contribution of Robert Lucas – New Keynesian School.	15
Total		75 hours

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Course Outcomes		Programme Outcome
CO	On completion of this course, students will	
1	Understand the IS-LM Model.	PO1,PO2
2	Learn the operation of theories of Business Cycles.	PO2,PO3
3	Analyze the components of Money Supply and Demand.	PO3,PO4
4	Evaluate the effectiveness of Fiscal Policy.	PO3,PO4
5	Understand Supply Side Economics.	PO1,PO2
Textbooks		
1	Mankiw Gregory (2017) Principles of Macroeconomics with coursemate, Books Express Publications.	
2	RudigerDornbusch, FischerStanely, and Richard Startz (2000), Macro Economics, tata McGraw-Hill publishing company, New Delhi	
3	Andrew B. Abel and Ben S.Bernanke, Macro Econmics, Pearson Education, Inc., 7th Edition, 2011.	
4	Vaish M.C.(2003) Macro Economic Theory , S.Chand& Company Ltd New Delhi	
5	Paul Krugman and Robin Wells(2015) Macroeconomics Worth Publisher	
Reference Books		
1.	Ahuja H.L, (2016) Macroeconomics: Theory and Policy. S. Chand	
2.	Mueller, M.G. (Ed.)(1978), Readings in Macro Economics, Surjeet Publications, New Delhi	
3.	Roger E.A. Farmer (2002), Macro Economics, Thompson Asia Pvt. Ltd., Singapore	
4.	Parkin, M., 2014. Macroeconomics 11 th Edition Essex: Pearson Blanchard, Olivier and David R. Johnson (2013) Macroeconomics, Pearson.	
5.	SoumenSikdar,“Principles of Macroeconomics”, OUP India, 2020	
Web Resources		
1.	https://tradingeconomics.com	
2.	https://www.bu.edu/econ/files/2014/08/DLS1.pdf	
3.	https://www.imf.org	
4.	https://www.aeaweb.org/resources/students	
5.	https://www.worldbank.org/en/topic/macroeconomics	

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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	2	3	3	3	3	3
CO 3	3	3	3	3	2	3	3	3
CO 4	3	3	3	3	3	3	3	3
CO 5	3	3	3	3	3	3	2	3
Weightage	15	15	14	15	15	14	14	15
Weighted percentage of course contribution to POS	3.0	3.0	2.8	3.0	2.8	3.0	2.8	3.00

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

Level of Correlation between PSO's and CO's

CO /PO	PSO1	PSO2	PSO3	PSO4	PSO5
CO1	3	3	2	2	2
CO2	3	3	3	2	2
CO3	3	3	3	3	2
CO4	3	2	3	2	3
CO5	3	3	2	3	3
Weightage	15	14	13	12	12
Weighted percentage of Course Contribution to PSOs	3	2.8	2.6	2.4	2.4

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