



B.Sc/B.A.	Semester – II	Credits: 4
Course:2	Macro Economic Analysis	Hrs/Wk: 5

Learning Outcomes For The Course

At the end of the course, the student is expected to demonstrate the following cognitive abilities and psychomotor skills.

1. Remembers and states in a systematic way(knowledge):
Various concepts, definitions, laws and principles of macroeconomic theory with reference to income, employment, money, banking and finance
2. Explains(understanding):
 - a) The difference between various concepts and components of national income with illustrations and methods of measuring national income
 - b) various terms, concepts, laws and principles, theories relating to income, employment, consumption, investment, money, price-level and phases of trade cycles
 - c) functions of commercial banks and central bank, creation and control of credit
3. Critically examines using data and figures (analysis and evaluation)
 - a) in order to understand the interrelationship between various components of national income.
 - b) the theories of macroeconomics with reference to their assumptions ,implications and applicability.
 - c) Empirical evidences of Consumption and Investment Functions and factors influencing them
4. Draws critical formulae, diagrams and graphs.
 - a. consumption and investment functions; concepts of multiplier and accelerator
 - b. price indices, inflation and trade cycles

UNIT I:

National Income: Macroeconomics - Definition, Scope and Importance - Difference between Micro economic and Macro economic Analyses – Circular Flow of Income -National Income: Definitions, Concepts, Measurement of National Income - Difficulties - Importance - Concept of Green Accounting

UNIT II:

Theory of Employment: Classical Theory of Employment - Say's Law of Markets - Criticism - Keynesian Theory of Employment - Consumption Function - Keynes' Psychological Law of Consumption - Average and Marginal Propensity to Consume - Factors determining Consumption Function- Investment Function: Marginal Efficiency of Capital -Multiplier and Accelerator - Keynesian Theory of Employment.

UNIT III:

Money and Banking: Definitions of Money - Concepts of Money, Liquidity and Finance - Gresham's Law - RBI classification of Money - Theories of Money: Fisher and Cambridge (Marshall, Pigou, Robertson and Keynes equations) - Banking - Definition and types of Banking - Commercial Banks - Functions -Recent Trends in Banking - Mergers and Acquisitions - Central Bank - Functions - Control of Credit by Central Bank - NBFCs- Factors contributing to their Growth and their Role.



UNIT IV:

Inflation and Trade Cycles: Inflation: Concepts of Inflation, deflation and stagflation - Phillip's Curve - Measurement of Inflation - CPI and WPI -Types of Inflation - Causes and Consequences of Inflation -Measures to Control Inflation. Trade Cycles: Phases of Trade Cycle -Causes and Measures to control Trade Cycles.

UNIT V:

Finance and Insurance: Financial Assets and Financial Instruments - Financial Markets - Functions of Money Market - Functions of Capital Market - Stock Market - Exchanges – Index : Sensex and Nifty – Concept of Insurance -Types and Importance of Insurance.

REFERENCE BOOKS:

1. Dillard. D., *The Economics of John Maynard Keynes*, Cross by Lockwood and sons,London
2. M. C. Vaish - *Macroeconomic Theory*, Vikas Publishing House, NewDelhi.
3. S. B Guptha - *Monetary Economics*, S. Chand & Co,Delhi
4. P. N. Chopra, *Macroeconomics*, Kalyani Publishers, Ludhiana,2014
5. D. M. Mithani, *Macro Economic Analysis and Policy*, Oxford and IBH, NewDelhi
6. M N Mishra & S B Mishra, *Insurance Principles &Practice*, SChand.
7. Lewis, M.K and P.DMizan - *Monetary Economics*, Oxford University Press, NewDelhi
8. Central Statistical Organization, *National AccountsStatistics*.
9. M.L.Seth, *Macroeconomics*, Lakshmi Narayan Agarwal,2006.
10. K. P. M. Sundaram, *Money, Banking & International Trade*, Sultan Chand, 2006.
11. R. R. Paul, *Monetary Economics*, Kalyani Publishers, Ludhiana,2018
12. *Macroeconomics*, Spectrum Publishing House, Hyderabad,2016

Recommended Co-curricular Activities:

1. Assignments on trends in national income, money supply and inflation
2. Student Seminars/webinars on macroeconomic themes of contemporary importance for Indian economy (Eg., Covid-19 impact on aggregate demand, supply chain disruption, policy response etc.,)
3. Quiz to test critical understanding of the concepts and theories of macroeconomics and their application in practice
4. Group discussions on monetary policy and its effectiveness with reference to recent developments.
5. Group project work to study the trends in national income, inflation, money supply etc.,
6. Chart/poster presentation on National Income Trends, inflation, aggregate demand etc.,
7. Web-based assignment on Banking/money

(BA – S 5212)
B.A. (CBCS) DEGREE EXAMINATION.
Second Semester

Economics
MACRO ECONOMIC ANALYSIS
(Effective from the 2020-2021 admitted batch)

Time: Three hours

Maximum: 75 marks

SECTION A - (5 X 5 = 25marks)

Answer any FIVE from the following Eight questions.

1. Difference between Micro Economics and Macro Economics.
సూక్ష్మ అర్థశాస్త్రము మరియు స్థూల అర్థశాస్త్రము మధ్య వ్యత్యాసము.
2. Circular Flow of Income
ఆదాయ చక్రీయ ప్రభావాము
3. Multiplier
గుణకము
4. Factors contributing growth of NBFC
ఎన్ బి ఎఫ్ సి ల వృద్ధికి దోహదం చేసే కారకాలు.
5. Functions of Many markets.
ద్రవ్య మార్కెట్ విధులు
6. Phillip's Curve
ఫిలిప్స్ రేఖ
7. Types of Inflation
ద్రవ్యోల్పాదం రకాలు
8. Stock Market
స్టాక్ మార్కెట్

SECTION A - (5 X 10 = 50marks)

Answer ALL questions.

9. a) Define National Income and Explain different concepts of National Income.
జాతీయాదాయాన్ని నిర్వచించి జాతీయాదాయ వివిధ భావనలను వివరించండి.
b) Define Macro Economics and Explain the Scope and Importance of Macro Economics
స్థూల అర్థశాస్త్రమును నిర్వచించి, స్థూల అర్థశాస్త్రము యొక్క పరిధి మరియు ప్రాముఖ్యతను వివరించండి.
10. a) Explain the classical theory of Employment through Say's Law of market.
సాంప్రదాయ ఉద్యోగితా సిద్ధాంతమును సే మార్కెట్ సూత్రము ద్వారా వివరింపుము.
b) Write an essay on Keynesian theory of Effective Demand and Employment
జె. యం. కిన్స్ పేర్కొనిన సార్వత్రిక డిమాండ్ మరియు ఉద్యోగితా సిద్ధాంతము పై వ్యాసము వ్రాయుము.
11. a) Explain the functions and the process of credit creation by Commercial Banks.
వాణిజ్య బ్యాంకుల విధులు మరియు పరపతి సృష్టిని వివరింపుము.
b) Explain the Cambridge approach in the theory of Money.
కేంబ్రిడ్జి ద్రవ్యరాశి సిద్ధాంతమును వివరించండి.

12. a) What is inflation? What are its causes and effects?

ద్రవ్యోల్బణం అనగానేమి? దానికి గల కారణములను ప్రభావాలను వివరించండి.

b) What are the various phases of Tarde Cycle and explain the measures to control trade cycles.

వ్యాపార చక్రము యొక్క వివిధ దశలు ఏవి? మరియు వాటిని నివారించడానికి చర్యలేవి.

13. a) Describe the functions of stock exchange.

స్టాక్ ఎక్స్చేంజి యొక్క విధులను వివరించండి.

b) What is insurance? Explain the importance and different types of Insurance.

భీమా అంటే ఏమిటి? భీమా యొక్క ప్రాముఖ్యత మరియు వివిధ రాకాలను వివరించండి.
