

SEMESETR-IV

ECON. 612:

PRINCIPLES OF MACRO-ECONOMICS (General)

3(3-0)

Course Outline

1. Introduction

- The economy in aggregate
- Complexities of the world of business
- Scope of macroeconomics
- Brief account of classical and the development of macroeconomic after the World War-II
- Concept of business cycles: Boom and Depression, three concerns of macroeconomics, Inflation, GDP growth and unemployment,
- Macroeconomic variables and their mutual relationship,
- Macro-models as abstraction from the real economy.

2. National Income

- Definition and concept of national income
- Measures of national income: Gross Domestic Product (GDP) and Gross National Product (GNP), GDP at factor cost and at market prices
- Computation of national income: Product, Income and Expenditure approaches, Circular flow of income, Nominal versus Real income,
- Per capita income and the standard of living

3. Components of Aggregate Demand

- The Concept of Open and closed economy models
- Concept of aggregate markets: Product, Money, Labor and Capital markets
- Components of aggregate demand: Consumption, Investment and Government spending Income and expenditure identities.
- Money and Monetary policy, Fiscal Policy

Recommended Books

1. Mankiw, G – Principles of Economics- latest edition.
2. Samuelson and Nordhaus - Economics –latest edition
3. Parkin, Michael - Macroeconomics, latest edition
4. Miller, R.L. – Economics Today – latest edition