

Sri ASNM GOVERNMENT COLLEGE (AUTONOMOUS), Palakol.

B.A PROGRAMME – ECONOMICS Syllabus for the year 2020-21

(CBCS PATTERN)

SECOND YEAR – THIRD SEMESTER

PAPER – 3 (CORE)

**TITLE: MACRO – ECONOMICS -1
(INCOME, EMPLOYMENT, AND MONEY)**

Hours:5, Credits:4

Unit-I: Introduction

Meaning definition and importance of Macro Economics –Difference between Micro and Macro Economics –Paradox of Macro Economics-Limitations of Macro Economics-Variables of Macro Economics.

Unit-II: National Income

Meaning, Definitions of National Income – Concepts: GNP & NNP, GDP & NDP, Personal Income (PI), Disposable Income (DI), Per Capita Income (PCI), Real National Income (RNI) – Methods of Estimation of National Income (NI) –Measurement of National Income in India – Problems in measurement of National Income –Circular Flow of Income-Three and Four Sector Economy

Unit-III: Theories of Employment-Classical

Classical theory of employment - Say's law of markers- The Equations of Classical and Keynesian Models

Unit-IV: Theories of Employment-Keynes

Keynesian theory of employment – Consumption function – Investment function – MEC and Rate of Interest. The concepts of Multiplier and Accelerator – Types of Investment

Unit-V: Money and Theories of Money

Meaning and Functions of Money-Classification of money - Gresham's Law - RBI classification of Money. Theories of Money - Fisher's Quantity theory of Money-Cambridge approach (Marshall, Pigou, Robertson & Keynes)-Role of Money in Mixed Economy

[Additional Input Underlined]

Additional Inputs

S.NO	UNIT	Additional Input
1	I	Variables of Macro Economics
2	II	Three and Four Sector Economy
3	III	Equations of Classical and Keynesian Models
4	IV	Types of Investment
5	V	Role of Money in Mixed Economy

Course Codes (Cos)

3	ECO BAE3A	Macro Economics-III	CO1	Difference between Micro and Macro Economics, importance of macro Economics and Macro Economic variables
			CO2	Define and explain the process of calculating national income, identify its components, demonstrate circular flow of income, analyse the various identities with government and international trade
			CO3	Demonstrate the meaning and functions of money, illustrate various versions of quantity theory of money
			CO4	Explain the meaning of consumption function, relationship between APC and MPC, consumption and income, concept of multiplier and accelerator, MEC and rate of interest.
			CO5	Understand Say's law of market, classical theory of employment and Keynes objection to the classical theory, demonstrate the principle of effective demand and income determination

Books for Reference:

1. G Ackley, *Macro Economics Theory and Policy*, Collier Macmillan, 1978.
2. M L Seth, *Macro Economics*, Lakshmi Narayana Agarwal, 2006.
3. K P M Sundaram, *Money Banking & International Trade*, Sultan Chand, 2006.
4. *Telugu Academy*, Publications.
5. M N Mishra & S B Mishra, *Insurance Principles & Practice* S Chand 2007.
6. E. Shapiro - "Macro Economic Analysis", Galgotia Publications, 1999.
7. Central Statistical Organisations - "National Accounts Statistics".
8. R. Dornbush, S. Fisher and R. Startz - "Macro Economics", Tata Mc.Graw Hill, 9/e, 2004.
9. Dillard, D - "The Economics of John Maynard Keynes", Crossby Lockwood & Sons

SRI ASNM GOVERNMENT COLLEGE (AUTONOMOUS): : PALAKOL

Model Question Paper 2020-21

II B.A Paper –III: MACRO ECONOMICS 1

III SEMESTER END EXAMINATIONS

Time: 3 Hrs

Max. Marks: 75

SECTION – A

Answer any **FIVE** of the following

(5 X 5 = 25)

1. Macro- Economic Variables
2. Components of National Income
3. Elaborate NNP at factor cost
4. RBI Classification of Money
5. Gresham's Law
6. J.B. Say's Law of Market
7. Marginal Efficiency of Capital (MEC)
8. Types of Investment

Answer the following questions

(5 X 10 = 10)

1 (a) Define Macro Economics? Explain its importance

(or)

(b) Explain the Difference between Micro and Macro Economics

2.(a). Define National Income? Explain the methods of measuring of National Income

(or)

(b). Explain the circular flow of income in two sector model

1. (a). What is Money? Discuss the functions of money in a growing economy like India

(or)

(b). Critically examine the Fisher's quantity theory of money

4.(a). Critically examine the classical theory of employment
(or)

(b). Explain Keynesian theory of employment

5. (a). What is Multiplier? How far is it applicable to developing countries like India?

(or)

(b). Explain the Consumption Function