

Semester	III
Paper Number	HECCR3061T
Paper Title	INTERMEDIATE MACROECONOMICS - I
No. of Credits	6
Theory/Composite	Theory
No. of periods assigned	5 Theory + 1 Tutorial
Course description/objective	This course introduces the students to formal modeling of a macro-economy in terms of analytical tools. It discusses various alternative theories of output and employment determination in a closed economy in the short run as well as medium run, and the role of policy in this context. It also introduces the students to various theoretical issues related to an open economy.
Syllabus	<p>Module 1 (40 marks)</p> <p>1. Aggregate Demand and Aggregate Supply Curves Derivation of aggregate demand and aggregate and supply curves; interaction of aggregate demand and supply.</p> <p>2. Inflation, Unemployment and Expectations Phillips curve; adaptive and rational expectations; policy ineffectiveness debate.</p> <hr/> <p>Number of Classes per week: 3</p> <p>Module 2 (40 marks)</p> <p>3. Open Economy Models Short-run open economy models; Mundell-Fleming model; exchange rate determination; purchasing power parity; asset market approach; Dornbusch's overshooting model; monetary approach to balance of payments; international financial markets.</p> <hr/> <p>Number of Classes per week: 2</p> <hr/> <p>Tutorial Classes per week: 1</p>
Readings	<ol style="list-style-type: none"> 1. Dornbusch, Fischer and Startz, <i>Macroeconomics</i>, McGraw Hill, 11th edition, 2010. 2. N. Gregory Mankiw. <i>Macroeconomics</i>, Worth Publishers, 7th edition, 2010. 3. Olivier Blanchard, <i>Macroeconomics</i>, Pearson Education, Inc., 5th edition, 2009. 4. Steven M. Sheffrin, <i>Rational Expectations</i>, Cambridge University Press, 2nd edition, 1996. 5. Andrew B. Abel and Ben S. Bernanke, <i>Macroeconomics</i>, Pearson Education, Inc., 7th edition, 2011. 6. Errol D'Souza, <i>Macroeconomics</i>, Pearson Education, 2009 7. Paul R. Krugman, Maurice Obstfeld and Marc Melitz, <i>International Economics</i>, Pearson Education Asia, 9th edition, 2012. 8. Soumyen Sikdar, <i>Principles of Macroeconomics</i>, Oxford University Press. 9. Chandana Ghosh and Ambar Ghosh, <i>Macroeconomics</i>, PHI Learning Pvt. Ltd., 2011.

Evaluation	Continuous Internal Assessment: 20 marks End- Semester Theory Examination: 80 marks				
Paper Structure for End Sem Theory	Module	No. of Questions to be Answered	No. of Alternatives	Marks	
	Module 1	2	3	5 x 2 = 10	
		2	3	15 x 2 = 30	
	Module 2	2	3	5 x 2 = 10	
		2	3	15 x 2 = 30	
	Total Marks				80