

**B. A. Part II (Economics)**  
**Semester- III**  
**Paper 2: Macro Economics – I**

**Max. Marks: 80**  
**Internal Asses.: 20**  
**Time : 3 hours**

**Unit – I**

**Introduction to Macro Economics and National Income:**

Macro Economics and Open Macro Economics; scope meaning importance and limitations. Concepts of National Income including potential GDP; measurement of National Income; product method; income method; expenditure method; their importance and limitations.

**Unit – II**

**Determination of Income and Employment:**

Say's law of market; classical theory of employment; Keynesian theory of employment; comparison between classical and Keynesian theory; Consumption function and its determinants; psychological law of consumption; investment function: meaning, kind and determinants; marginal efficiency of capital.

**Unit –III**

**Monetary System:**

The Demand and supply of money: concepts, functions and significance; Quantity Theory of Money; Fisher's Approach and Cambridge Quantity Theory; Keynesian Liquidity Theory of Money; Meaning and Determinants; measuring the money supply.

Banking: Functions of Central Banks; Function of Commercial Banks; Recent Reforms in Banking Sector

**Unit –IV**


**Index Number:**

Meaning Uses, Types, Methods of Constructing Index Number (Laspeyra's Method, Paasche's Method and Fisher's Method) and Problems in the Construction of Index Number

**Note:**

The total marks for each theory paper will be of 100 marks including 20 marks for internal assessment.

The question paper will consist of three sections. Candidates will be required to attempt all the sections as per the breakup given below:

  
Ch. U. P. Economics  
Ch. U. P. University, Saran

### Section A (16 Marks)

It will consist of one question having eight parts of two marks each. Candidates will be required to attempt all the parts. Answer to any part should not exceed half page.

### Section B (40 Marks)

It will consist of eight questions. Candidates will be required to attempt five questions, each question carrying eight marks. Answer to any of the questions should not exceed three pages.

### Section C (24 Marks)

It will consist of four questions. Candidates will be required to attempt two questions, each question carrying twelve marks. Answer to any questions should not exceed six pages.

### Suggested Readings:

1. R.G. Lipsey and K.A. Chrystal \_Principles of Economics (9th Ed.)Oxford University Press.
2. Ackley, G (1978), Macroeconomics: Theory and Policy, Macmillan, New York.
3. Banson, W.a. (1989), Macroeconomic Theory and Policy (3rd Ed.), Harper & Row, New York.
4. Shapiro, E (1996), Macroeconomic Analysis Galgotia Publication, New Delhi.
5. Joseph E. Stiglitz and Carl E. Walsh (2002)Principles of Macroeconomics, W.W. Norton & Company, Inc., 500 Fifth Avenue, New York, N.Y. 10110.
6. Shapiro, E (1996), "Macroeconomic Analysis" Galgotia Publication, New Delhi.
7. Stiglitz J. E. and Carl E. Walsh (2002) Principles of Macroeconomics, W.W. Norton & Company, New York. 8. Samuelson Paul and Nordhaus: (2005) "Economics" (18th ed.) Tata Hill Publishing Company, New Delhi.
9. Mankiw N. Gregory: (2007) "Principles of Economics", Thomson, Indian Reprint.
10. Lipsey R.G. and K.A. Ghristal (2007) "Economics", Oxford University Press. Oxford.
11. Gppdwin Neva, J. A. Nelson & J. Harris (2009) "Macroeconomics in Context", PHI Learning Pvt. Ltd, New Delhi.
12. Taylor Lance (2008), "Reconstructing Macroeconomics", Viva Books, Harvard University Press, USA.
13. Dornbusch R, S. Ficher & R. Startz (2009) "Macro Economics" Tata McGraw Hill Publishing Company Ltd. New Delhi.

*Ch. 19/10*  
Chairperson  
Dept. of Economics  
Ch. Univ. of India, New Delhi