

B. A. PART- II (ECONOMICS)
Semester- III
MACROECONOMICS – I

Time:	3 hours
Max. Marks	100
External:	80
Internal :	20

Note for Paper Setter:

1. The question paper will consist of 10 questions out of which 5 questions in all are to be attempted.
2. Question No. 1 and 2 are compulsory.
3. Two questions (Q. No. 3 to Q. No. 10) will be set from each of the four units.
4. Q. No. 1 will be based on a Case Study followed by four short answer type questions (4 marks each).
5. Q. No. 2 will contain 5 multiple choice type questions (1 mark each) 5 matching type questions (1 mark each) and 3 very short answer questions (2 marks each). The question will be spread over the entire syllabus.
6. All questions carry equal marks.

Note for Candidates:- Attempt 5 questions in all. Question No. 1 and 2 are compulsory. Attempt remaining three questions selecting one question each from any of the three units out of the four units. All questions carry equal marks.

UNIT-I

- 1.1.Nature and Scope of Macro Economics
- 1.2.Difference between Micro and Macro Economics
- 1.3.Importance of Macro Economics.
- 1.4.Concepts, Measurement and limitations of National Income Statistics
- 1.5.Circular flow of Income in Two, Three and Four Sector Economy.

UNIT-II

- 2.1.Say's law of Market
- 2.2.Classical Theory of Income and Employment
- 2.3.Keynesian Theory of Income and Employment
- 2.4.Principle of Effective Demand.
- 2.5.Comparison between Classical and Keynesian Theory.

UNIT-III

- 3.1. Consumption Function: Meaning and Technical Attributes.
- 3.2. Significance of MPC
- 3.3. Keynesian Psychological Law of Consumption and its Implications
- 3.4. Short run & Long run Consumption Curves.

UNIT-IV

- 4.1. Meaning of Capital and Investment
- 4.2. Types of Investment
- 4.3. Marginal Efficiency of Capital (MEC).
- 4.4. Relation between MEC and MEI
- 4.5. Factors affecting Inducement to Invest.

Suggested Readings:

- Lipsey R.G. and K.A. Christal (1999) —Principles of Economics □ 9th Ed., Oxford University Press.
- Ackley, G (1978), —Macroeconomics: Theory and Policy □, Macmillan, New York.
- Branson, W. A. (1989), —Macroeconomics: Theory and Policy □, 3rd ed. Harper and Harper and Row, New York.
- Shapiro, E (1996), —Macroeconomics: Analysis □ Galgotia Publication, New Delhi.
- Stiglitz J. E. and Carl E. Walsh (2002), Principles of Macroeconomics, W.W. Norton and Company, New York.
- Paul Samuelson and Nordhaus: (2005) —Economics □ (18th Ed.) Tata Hill Publishing Company, New York.
- Mankiw N. Gregory: (2007) —Principles of Economics, □ Thomson, Indian Reprint.
- Lipsey R.G. and K.A. Chrystal (2007) —Economics □, Oxford University Press, Oxford.