

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

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. Keynesian Multiplier: Concepts
- 1.2. Relation between Multiplier, MPC and MPS
- 1.3. Comparative Static and Dynamic Process.
- 1.4. Working of Multiplier in UDC'S.
- 1.5. Acceleration Principle and Concept of Super Multiplier.

UNIT-II

- 2.1. The Demand for Money: Concepts, Functions and Significance
- 2.2. Quantity Theory of Money -Fisher's Approach and Cambridge Approach
- 2.3. Keynesian Liquidity Theory of Money
- 2.4. Supply of Money: Meaning and Determinants
- 2.5. High Powered Money and Money Multipliers

UNIT-III

- 3.1 Meaning, Causes and Effects of Inflation
- 3.2 Types of Inflation
- 3.3 The Classical Theory of Inflation
- 3.4 Demand Pull and Cost Push Inflation.
- 3.5 Phillips Curve in Short run and Long run.

UNIT-IV

- 4.1. Meaning, Nature and Features of Business Cycles
- 4.2. Types and Phases of Business Cycles
- 4.3. Keynes View of Trade Cycles
- 4.4. Theories of Trade Cycles (Hicks and Samuelson).
- 4.5. Rate of Interest: Classical and Keynesian Theories of Interest.

Suggested Readings:

- Lipsey R.G. and K.A. Chrystal (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.