



Effective from Session: 2024-25							
Course Code	A080201T / HE108	Title of the Course	Principles of Macroeconomics	L	T	P	C
Year	I st	Semester	II nd	5	1	0	6
Pre-Requisite	Intermediate	Co-requisite	None				
Course Objectives	This Paper is designed to provide a sound knowledge of basic Principles of macro-economic theory. The goal of this course is to provide students with a thorough understanding of the fundamental principles of macroeconomics that establish a functional relationship between large aggregates. This course looks at the determination of income and employment, consumption function, quantity theory of Money.						

Course Outcomes	
CO1	The students are familiarized with basic concepts of macroeconomics and able to distinguish between Macro vs. Micro Economics.
CO2	Students can explain national income, comprehend calculation methods of national income, and concepts related to national income.
CO3	Students can explain the Circular Flow of Income and expenditure in two, three, and four-sector economies.
CO4	Student are able to understand the Circular Flow of Income and expenditure in two, three, and four-sector economy
CO5	Students can comprehend the classical theory of employment and the Keynesian approach.
CO6	Students can comprehend the concept of Principle of Effective Demand and Consumption Function.
CO7	Students can able to understand the basic concepts of Money and Inflation.
CO8	Students can able to understand the determination of exchange rate.

Unit No.	Content of Unit	Contact Hrs.	Mapped CO
1.	Introduction: What is macroeconomics? Macroeconomic issues in an economy. Macro vs. Micro Economics. Limitations of Macroeconomics.	07	CO1
2.	Introduction to National Income; National Income Accounting: Concepts of GDP, GNP, NDP, and NNP at market price and factor cost, Personal Income and Disposable Personal Income.	07	CO2
3.	Measurement of National Income- Income, expenditure, product or Value added Methods and related aggregates; nominal and real income; limitations of the GDP concept. GDP Deflator.	07	CO3
4.	Circular Flow of Income and expenditure in two, three, and four-sector economy. National Income and Economic Welfare; Green Accounting.	07	CO4
5.	Consumption Function-Average and Marginal Propensity to Consume; Saving Function: Average and Marginal Propensity to Save. Keynes's Psychological Law of Consumption; Determinants of Propensity to Consume: Objective and Subjective Factors.	08	CO5
6.	Post-Keynesian Theories of Consumption: Relative Income Theory of Consumption: Demonstration Effect and Ratchet Effect; Life Cycle Theory of Consumption; Permanent Income Theory of Consumption—Long-Run and Short-Run Consumption Function.	08	CO6
7.	Classical Theory of Employment. Say's Law of Markets. Keynes' Objection to the Classical Theory; Aggregate Demand and Aggregate Supply Functions. The Principle of Effective Demand.	08	CO7
8.	Macroeconomic policy- Meaning and objectives, Targets and instruments, Fixed and flexible target approach.	08	CO8

Reference Books:

Ahuja, H.L (2012): Macroeconomics: Theory and Policy, S. Chand & Company, New Delhi.

Branson, W.A (1989): Macroeconomics Theory and Policy, Harper & Row.

Dornbusch, Rudiger & Startz, Richard (2012): Macroeconomics, Tata McGraw Hill Education.

Dwivedi, D.N (2010): Macroeconomics: Theory and Policy, Tata McGraw Hill Education.

Shapiro, Edward (2005): Macroeconomic Analysis, Galgotia Publications, New Delhi.

Jhingan, M.L (2010): Macroeconomics, Vrinda Publications, New Delhi.

Sikdar, Saumyen (2011): Principles of Macroeconomics, Oxford University Press, New Delhi.

E-Learning Source:

<https://swayam.gov.in/>
<http://www.ignouhelp.in/ignou-study-material/>

Course Articulation Matrix: (Mapping of COs with POs and PSOs)											
PO-PSO CO	PO1	PO2	PO3	PO4	PO5	PO6	PO7	PSO1	PSO2	PSO3	PSO4
CO1	3	3	3	2	3	3	2	3	2	2	2
CO2	3	3	2	2	2	3	3	2	1	3	2
CO3	3	3	2	1	1	3	3	3	2	3	3
CO4	3	2	1	1	1	3	3	1	2	2	2
CO5	2	3	2	1	1	3	3	3	3	3	3
CO6	3	3	2	1	3	3	3	3	3	3	2
CO7	3	3	2	1	2	3	3	3	3	3	3
CO8	3	3	2	1	2	3	3	2	2	3	2

1- Low Correlation; 2- Moderate Correlation; 3- Substantial Correlation

Name & Sign of Program Coordinator	Sign & Seal of HoD
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Effective from Session: 2024-25							
Course Code	A080202T/HE110	Title of the Course	Money, Banking and Foreign Exchange	L	T	P	C
Year	I st	Semester	II nd	5	1	0	6
Pre-Requisite	Intermediate	Co-requisite	None				
Course Objectives	This course exposes students to the theory and functioning of the monetary and financial sectors of the economy. It highlights the organization, structure and role of financial markets and institutions. It also discusses interest rates, monetary management and instruments of monetary control. Financial and banking sector reforms and monetary policy with special reference to India are also covered.						

Course Outcomes	
CO1	Understand simple concepts related with monetary economics and banking theory.
CO2	Understand simple concepts of money supply and demand
CO3	Understand the role of financial and money market in economy.
CO4	Appreciate the potential importance of credit and credit creation
CO5	Demonstrate the role and function of commercial banks.
CO6	Understand the role of central bank in economy.
CO7	Identify the different phase of inflation and its effect.
CO8	Students will be able to understand foreign exchange rate and its theories.

Unit No.	Content of Unit	Contact Hrs.	Mapped CO
1	Evolution of money, Money: Meaning and functions, Classification of money, Qualities of a good money material; Role of money in a developing and mixed economy .	8	CO1
2	The supply and demand for money – Various concepts of money supply, Principles and Methods of Note issue .The demand for money: Classical view of the demand for money, The modern view of the demand for money.	8	CO2
3	Money Market; Meaning, nature and functions, Instruments of Money Market : Treasury Bills, Call Money, Commercial paper, CD, Commercial Bill.	6	CO3
4	Meaning and significance of credit, Types of credit , Factors influencing the Volume of credit in a Country, Credit Creation by Banks, Limitations on the power of banks to create credit.	6	CO4
5	Bank: Meaning and Types of Banks, Commercial Banks: Meaning and functions; Role of Commercial Banks in a developing economy, Process of Credit creation by Commercial Banks	8	CO5
6	Central Bank: Meaning and Functions; Objectives of Credit Control: Qualitative and quantitative Methods of Credit Control; Role of Central Bank in Developing Economy: Difference between Central Bank and Commercial Bank.	8	CO6
7	Inflation and Deflation – Meaning and kinds of Inflation, causes, remedies and effects of inflation. Comparison between inflation and deflation	8	CO7
8	Foreign Exchange Rate – Meaning, Causes of changes in the Exchange rates. Determination of Exchange rate under Mint Parity Theory. The purchasing power Parity Theory.	8	CO8

Reference Books:

1. Chick, V. – The Theory of Monetary Policy.
2. Day, A.C.L. – An outline of Monetary Economics
3. Eyer Robert (2009): Money and Banking-An International Text, Routledge.
4. Gupta, S.B (2009) : Monetary Economics-Institutions, Theory & Policy , S. Chand & Company, New Delhi.
5. Jhingan, M.L (2012): Monetary Economics, Vrinda Publications, New Delhi.
6. Johnson H.G. – Essays in Monetary Theory and selected Essays in Monetary Economics.
7. Khanna, Perminder (2005): Advanced Study in Money and Banking: Theory and Policy Relevance in the Indian Economy, Atlantic.

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PO-PSO	Course Articulation Matrix: (Mapping of COs with POs and PSOs)										
	PO1	PO2	PO3	PO4	PO5	PO6	PO7	PSO1	PSO2	PSO3	PSO4
CO1	3	3	3	-	-	3	-	3	3	1	3
CO2	3	3	3	-	-	3	-	3	3	1	3
CO3	3	3	3	-	3	3	-	3	3	1	3
CO4	3	3	3	-	1	3	-	3	3	2	3
CO5	3	3	3	-	3	3	-	3	3	2	3
CO6	3	3	3	-	3	3	-	3	3	2	3
CO7	3	3	3	-	-	3	2	3	3	3	3
CO8	3	3	3	-	-	3	-	3	3	3	3

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Name & Sign of Program Coordinator	Sign & Seal of HoD
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