Integral University, Lucknow

Effective from Session: 2025-26							
Course Code	A080201T /HE108	**Title of the Course**	Principles of Macro Economics	**L**	**T**	**P**	**C**
Year	Ist	**Semester**	IInd	6	0	0	6
Pre-Requisite	Intermediate	**Co-requisite**	None				
Course Objectives	This Paper is designed to provide a sound knowledge 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, theories of investment, multiplier, and accelerator.						

	Course Outcomes
CO1	Given basic macroeconomic concepts and real-world examples, students will be able to distinguish between macro and microeconomic phenomena and analyze their relevance to everyday economic situations.
CO2	With various national income accounting methods, students will be able to compute and evaluate GDP, GNP, NNP, and related aggregates, demonstrating a comprehensive understanding of income flows in the economy.
CO3	Given different economic structures, students will analyze the circular flow of income in two, three, and four-sector models and evaluate the implications for economic welfare and green accounting.
CO4	By comparing classical and Keynesian approaches, students will critically assess the determination of income and employment, including the principle of effective demand and consumption behavior.
CO5	Using the multiplier and accelerator concepts, students will analyze investment behavior and evaluate their effectiveness in influencing output in developing economies.
CO6	Given various theories of interest, students will evaluate the determination of interest rates under classical, loanable funds, and Keynesian frameworks, recognizing the limitations of each approach.
CO7	Through IS-LM modeling, students will examine equilibrium in the goods and money markets and evaluate the macroeconomic implications of shifts in aggregate demand.
CO8	Using inflation and unemployment data, students will assess the types and consequences of inflation, analyze the Phillips curve framework, and interpret trade-offs in stabilization policy.

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. Introduction to National Income.	7	CO1
2	National Income Accounting: Concepts of GDP, GNP, NDP, and NNP at market price and factor cost, Personal Income and Disposable Personal Income. 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.	7	CO2
3	Circular Flow of Income and expenditure in two, three, and four-sector economy. National Income and Economic Welfare; Green Accounting.	7	CO3
4	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; Consumption Function-Average and Marginal Propensity to Consume; Factors influencing Consumption Spending.	7	CO4
5	Types of Investment, Determination of Level of Investment: Classical and Keynesian approach. Multiplier: Concept, Investment Multiplier and its Effectiveness in LDCs; Principle of Accelerator. Theory of Investment - Autonomous and Induced Investment; Marginal Efficiency of Capital; Savings and Investment-Ex-Post & Ex-Ante, Equality and Equilibrium. Super Multiplier.	8	CO5
6	Rate of Interest: Classical, Neo-Classical (Loanable fund) and Keynesian Theories of Interest. Indeterminateness in Liquidity Preference Theory.	8	CO6
7	Equilibrium in the product and money markets: Derivations of the IS and LM functions; changes in IS and LM functions, IS-LM and aggregate demand; shifts in the AD curve.	8	CO7
8	Inflation: Definition and measurement of inflation, Types of inflation, Impact of inflation, determinants of inflation, Inflation and Unemployment; the relationship between inflation and unemployment: Phillips Curve in the short run and long run.	8	CO8

Reference Books:

1. Ackley. G (1976): Macroeconomics: Theory And Policy, Macmillan, New York.
2. Ahuja, H.L (2012): Macroeconomics: Theory and Policy, S. Chand & Company, New Delhi.
3. Branson, W.A (1989): Macroeconomics Theory and Policy, Harper & Row.
4. Dornbusch, Rudiger & Startz, Richard (2012): Macroeconomics, Tata McGraw Hill Education.
5. Dwivedi, D.N (2010): Macroeconomics: Theory and Policy, Tata McGraw Hill Education.
6. Shapiro, Edward (2005): Macroeconomic Analysis, Galgotia Publications, New Delhi.
7. Mankiw N.G. and D. Romer (eds.), New Keynesian Economics, (2 Vols.), MIT Press, Cambridge.
8. Romer D.L., Advanced Macroeconomics, McGraw Hill Company Ltd. New York.
9. Surrey, M.J.C (1976): Macroeconomic Themes, Oxford University Press.

10.	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/

PO-PSO CO	Course Articulation Matrix: (Mapping of COs with POs and PSOs)										
	PO1	PO2	PO3	PO4	PO5	PO6	PO7	PO8	PSO1	PSO2	PSO3
CO1	3	3	2	2	3	2	2	2	3	2	2
CO2	3	3	2	2	2	3	2	3	2	2	3
CO3	3	3	2	2	2	3	3	3	3	2	3
CO4	3	3	2	2	2	3	3	3	3	2	2
CO5	3	3	2	2	2	3	3	3	3	3	3
CO6	3	3	2	2	3	3	2	3	3	3	3
CO7	3	3	2	2	2	3	2	3	3	3	3
CO8	3	3	2	2	3	3	3	3	2	2	3

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

Dr. Tahir Hussain Ansari **Name & Sign of Program Coordinator**	**Prof. Zeba Aqil** **Sign & Seal of HoD**