



**PROGRESSIVE EDUCATION SOCIETY'S
MODERN COLLEGE OF ARTS, SCIENCE AND COMMERCE,
GANESHKHIND
PUNE - 411016**

Department of Business Economics.

Subject: BUSINESS ECONOMICS (MACRO)

**Revised Syllabus will be implemented from the academic
year 2023-2024**

Preamble:

An approach to Macro Economics is to examine the economy as a whole. This paper aims to provide knowledge about macroeconomics that includes macro-economic variables and theories. It also aims to make students familiar about the various concepts of macro-economics, national income, macro-economic theories and its implications in the economy.

Scope of the programme -

Basic Knowledge of Macro Economics

Objectives -

- To familiarize the students to the basic theories and concepts of Macro Economics and their application.
- To study the relationship amongst broad aggregates.
- To impart knowledge of business economics.
- To understand macroeconomic concepts.
- To introduce the various concepts of National Income.

Unit	Name and Content of the Chapter	Purpose & Skills to be Developed
Unit 1	Introduction to Macro Economics	Purpose: To make the students aware of concepts in macroeconomics Skills: Analyze & think critically, develop writing skills.
	1.1 Meaning and Definition of Macro Economics.	
	1.2 Nature of Macro Economics.	
	1.3 Scope of Macro Economics.	
	1.4 Significance of Macro Economics.	
	1.5 Limitations of Macro Economics.	
	1.6 Macro Economic Objectives.	
Unit 2	National Income	Purpose: To make the students aware of basic concepts in national income Skills: Analyze & think critically, quantitative aptitude and develop writing skills.
	2.1 Meaning and Importance of National Income.	
	2.2 Various Concepts of National Income and their relationship– GDP, GNP, NNP, NDP, at market price and factor cost, PCI, Personal Income, Disposable Income	
	2.3 Real Income and Nominal Income	
	2.4 Measurement of National Income: I	
	Methods and Difficulties	
	2.5 Circular Flow of Income: Two and Three sector model	
Unit 3	Theories of Output and Employment:	Purpose: To help the students to understand the concept of employment and theory Output. Skills: Understanding, writing skills, critical thinking.
	3.1 The Classical Theory of Employment: J.B. Say	
	3.2 Keynes Criticism on Classical Theories of Employment.	
	3.3 Keynesian Theory of Employment.	
	Consumption, Saving and Investment:	

Unit 4	4.1 The Consumption Function: 4.1.1 Meaning 4.1.2 Marginal Propensity to Consume (MPC) 4.1.3 Keynes's Psychological Law of Consumption. 4.1.4 Determinants of Consumption.	<p>Purpose: To understand the concepts of Multiplier and Accelerator. To impart knowledge of Consumption Function, Saving and Investment Function</p> <p>Skills: Understanding, ability to analyze, quantitative aptitude and writing skills.</p>
	4.2 The Saving Function: 4.2.1 Meaning, 4.2.2 Marginal Propensity to Save (MPS) 4.2.3 Determinants of Savings 4.2.4 Relationship between Consumption and Saving Function (MPC and MPS)	
	4.3 Meaning and Types of Investment: Gross, Net, Induced and Autonomous.	
	4.4 Marginal Efficiency of Capital and its Determinants.	
	4.5 Concepts of Investment Multiplier and Acceleration Principal.	

Teaching Methodology:

Unit No.	Total Lectures	Innovative methods to be Used	Film shows and AV Applications	Project	Expected Outcome
1	08	<ul style="list-style-type: none"> • Open book discussion Digital lectures Reading Projects 	You tube lectures on macro economics	<ul style="list-style-type: none"> • Difference in goals of developed and developing 	Students will understand basic concepts of macroeconomy

				<p>economies</p> <ul style="list-style-type: none"> • Comparison between macro and micro economics 	<p>Will be able to analyze and interpret</p>
2	12	<ul style="list-style-type: none"> • Group discussion • Case studies • Problem solving based learning 	<p>You tube lectures, Lectures on SWAYAM Portal</p>	<ul style="list-style-type: none"> • Difficulties in estimation of National income in India. • Method of National Income used by India 	<p>Will know various concepts of national income</p> <p>Will understand the methods of calculation of national income and difficulties involved therein.</p>
3	14	<ul style="list-style-type: none"> • Pair learning • Group discussion • Open book discussion 	<p>Teacher oriented PPTs.</p> <p>You tube lectures</p>	<p>Critical evaluation of Classical theory</p> <p>Keynesian theory</p> <p>In present context</p>	<p>Will understand Says law of employment</p> <p>Will understand the difference between classical and Keynesian theory</p> <p>Able to interpret Keynes theory of effective demand.</p>
4	14	<ul style="list-style-type: none"> • Group discussion • Teacher • Games and simulation 	<p>You tube lectures</p> <p>Online PPTs</p>	<ul style="list-style-type: none"> • Changing trends of saving and investment in India • Comparison of the trends of saving and investment in India with any other developed or developing country. • Study the impact of multiplier and acceleration by taking an 	<p>Will understand the concept of saving and investment</p> <p>Will know the effect of multiplier and acceleration in the economy.</p>

				hypothetical example.	
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References:

1. Economics: Paul A Samuelson and William D Nordhaus. McGRAW - HILL international Edition.
2. Macroeconomics: N. Gregory Makiw, Worth Publishers, New York.
3. Macro- Economic Theory: ML Zingan, Vrinda Publications (P) Limited.
4. Samashti Arthshstriy Vishleshan : Shridhar Deshpande, Vinayak Deshpande, Himalaya Publication House.
5. Theories of value: output and employment - John Eatwell, Thames Polytechnic, 1979
6. Businss Economics, Dr. J. P. Mishra, Sahitya Bhavan Publications, Agra.
7. Macroeconomics: A Global Text Sampat Mukherjee, New Central Book Agency Private Limited (Latest Edition), New Delhi
 8. Macroeconomics: A Rough Guide, in Macroeconomics: A Reader, (Ed.) Brian Snowdon and Howard Vane, Routledge
 9. Business Economics (Macro): Dr. Rasal, Bhadane, Fernandes, Idol Publication, Pune-2
 10. Macroeconomics: Theory and Policy, S. Chand & Company Limited. (Latest Edition)
 11. Ben Fine & Ourania Dimakou, Macroeconomics: A Critical Companion, Pluto Press (Latest Edition)
 12. Michel De Vroey, A History of Macroeconomics: From Keynes to Lucas and Beyond, Cambridge University Press (Latest Edition)
 13. Sampat Mukherjee, Analytical Macroeconomics: From Keynes to Mankiw, New Central Book Agency Private Limited
 14. Macroeconomics- KR Gupta, R. K. Mandal, Arnita Gupta, Atlantic Publishers and distributor's pvt. ltd.
 15. Money, Inflation, and Business Cycles the Cantillon Effect and the Economy, Arkadiusz Sieron. Abingdon, Routledge, 2019. New York
 16. Macroeconomics: N. Gregory Maki Worth Publishers, New York
 17. Macro Economics: Rudiger Dornbusch, Stanley Fisher & Richard Startz Tata McGraw Hill Education Private Limited (Latest Edition), US
 18. The General Theory of Employment, Interest, and Money- John Maynard Keynes, General Press
 19. An Analysis of John Maynard Keynes The General Theory of Employment, Interest and Money- John Collins, CRC Press, 2017.

Suggested Web References

Sr. No	Lectures	Films	Animation	PPTs	Articles
1.	https://www.youtube.com/watch?v=byqiVAK0dk4	https://inomics.com/insight/10-movies-all-economists-will-love-1292886	https://www.youtube.com/watch?v=B2YYwIElg0c	https://www.slideshare.net/hassanmujtaba7547/frame-work-of-macro-economics-ppt	https://www.journals.elsevier.com/journal-of-macroeconomics/recent-articles
2.	https://www.economicnetwork.ac.uk/teaching/Video%20and%20Audio%20Lectures/Principles%20of%20Macroeconomics	http://www.studyingeconomics.ac.uk/the-little-bits-we-like/films/	https://www.youtube.co.watch=9q27h9o9gJQ	https://sites.google.com/site/davismacroclass/Home/powerpoint-presentations	https://www.britannica.com/topic/national-income
3.	http://web.econ.ku.dk/okocg/MATOEK/Mak%C3%98k2/Mak%C3%98k2-2015/Forel%C3%A6sninger/Pensum-M2-i-teen-fil-2015.pdf	https://www.cambridge.org/core/books/entertainment-industry-economics/movie-macroeconomics/01IC12934F13A076CD4B6D89f835137 J	https://journals.sagepub.com/doi/pdf/10.1177/056943451105600106	https://www.slideshare.net/rarichanm/national-income-42518576	https://academic.oup.com/qje/article/73/3/407/1873398

Semester IV

Subject: BUSINESS ECONOMICS (MACRO)-II

Preamble –

An approach to Macro Economics is to examine the economy as a whole. This paper aims to provide knowledge about macroeconomics that includes macro-economic variables and theories. It also aims to make students familiar about the various concepts of macroeconomics like functions of money, trade cycle and macroeconomic policies and also about the concepts used in public finance.

Scope of the programme –

Basic Knowledge of Macro Economics

Objectives –

- To familiarize the students to the basic theories and concepts of Macro Economics and their application.
- To understand the theories of money.
- To understand the phases of trade cycle and policy measures to elongate the trade cycle.
- To understand various concepts related to public finance.
- To understand credit creation of banks and money measures of RBI.

Unit	Name and Content of the Units	Purpose & Skills to be Developed
Unit 1	Money	Purpose: To understand the concept of money. To make the students know about Demand, Supply and Value of Money. Skills: Interpretation, comparative analysis, critical thinking, writing skills
	1.1 Meaning and Functions of Money, Concepts of Money Evolution of Money	
	1.2 Demand for Money: 1.2.1 Classical Approach. 1.2.2 Keynesian Approach.	
	1.3 Supply of Money: 1.3.1 Credit Creation of Commercial Banks 1.3.2 Money Measure of RBI (M1, M2, M3, M4). 1.3.3 Credit Control Methods.	
	1.4 Value of Money: 1.4.1. Quantity Theory of Money. 1.4.2 Cash Balance Approach : Marshall, Pigou, Robertson and Keynes	

	Inflation and Deflation	Purpose:
Unit 2	2.1 Meaning and Definition	To understand the concept Inflation.
	2.2 Causes of inflation	To understand the stagflation and Phillips curve.
	2.3 Consequences of Inflation	Skills: Understanding, writing skills, critical thinking
	2.4 Demand Pull and Cost Push Inflation	
	2.5 Stagflation: Meaning and Causes	
Unit 3	Business Cycle:	Purpose:
	3.1 Meaning and Definition of Business Cycle	To understand the concept and phases of trade cycle.
	3.2 Characteristics of Business Cycle	To understand the policy measures
	3.3 Phases of Business Cycle	Skills: Understanding, writing skills, critical thinking
	3.4 Control of Business Cycle: Monetary Measures and Fiscal Measures	
Unit 4	Public Finance:	Purpose: To understand Public Finance. To understand the Procedure of Budget. Skills: Understanding, Critical thinking and writing skills.
	4.1 Meaning and Definitions.	
	4.2 Scope of Public Finance.	
	4.3 Importance of Public Finance.	
	4.4 Meaning and Types of Tax.	
	4.5 Public Expenditure: Meaning and Causes of Increasing Public Expenditure.	
	4.6 Public Debt: Meaning and Importance.	
	4.7 Budget: Meaning and Types, Union Budget	

Teaching methodology:

Unit No	Total Lectures	Innovative methods to be used	Film shows and AV Applications	Project	Expected Outcome
1	14	<ul style="list-style-type: none"> Open book discussion Case studies Problem Solving based Learning Case Studies 	<ul style="list-style-type: none"> YouTube lectures Films 	<ul style="list-style-type: none"> Implication of liquidity trap. Credit control methods used by India. 	<ul style="list-style-type: none"> Students will understand concept and theories of money. Will be able to Critically Evaluate supply of money in The Economics

2	10	<ul style="list-style-type: none"> • Digital lectures • Jigsaw reading • Project based learning 	<ul style="list-style-type: none"> • You tube lectures • Online PPTs 	<ul style="list-style-type: none"> • Inflation trends in developed and developing countries • Trends of agricultural prices in India 	<ul style="list-style-type: none"> • Will understand the causes and consequences of inflation • Will understand the concept of stagflation
3	10	<ul style="list-style-type: none"> • Game oriented classes • Pair learning • Group discussion • Games and simulation 	<ul style="list-style-type: none"> • Films • You tube lectures 	<ul style="list-style-type: none"> • Anti-cyclical policy measures used by various countries • Effect of US recession on the world economy • Implication of these measures 	<ul style="list-style-type: none"> • Will understand phases of trade cycle • Will understand the types of policies • Able to interpret effect of anti-cyclical policies on the economy
4	14	<ul style="list-style-type: none"> • Group discussion • Teacher driven 	<ul style="list-style-type: none"> • You tube lectures • Online PPTs 	<ul style="list-style-type: none"> • Trend of developed and non-developed expenditure in Indian economy • Types of taxes in India • Study of Indian budget 	<ul style="list-style-type: none"> • Will understand public revenue and public expenditure concept • Will be able to analyze, interpret and criticize public policies with theoretical base

References:

1. Economics: Paul A Samuelson and William D Nordhaus. McGRAW – HILL international Edition.
2. Macroeconomics: N. Gregory Makiw, Worth Publishers, New York.

3. Macro- Economic Theory: M L Zingan, Vrinda Publications (P) Limited.
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9. Paisa, Mahagaie Aani Rajasva: Dr. Rasal, Shelar and Bhadane, Idol Publications, Pune.
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19. An Analysis of John Maynard Keynes The General Theory of Employment, Interest and Money- John Collins, CRC Press,2017

Suggested Web

References:

Sr. No.	Lectures	Films	Animation	PPTs	Articles
1.	https://www.economicsnetwork.ac.uk/teaching/Video%20and%20Audio%20Lectures/Public-sector%20Economics%20and%20Public%20Choice%20Theory	http://www.studyingeconomics.ac.uk/the-little-bits-we-like/films/	https://ed.ted.com/lessons?category=macroeconomics	https://www.slideshare.net/NayanVaghela/trade-cycle-chapter-4	https://theconversation.com/global-topics/inflation-645

2.	https://www.youtube.com/watch?v=Ac_i3GEhMF54	https://economics.stackexchange.com/questions/9781/what-are-some-exceptional-movies-documentaries-on-macroeconomics	https://www.ufs.ac.za/econ/unlisted-pages/microeconomics-animations	https://www.slideshare.net/NayanVaghela/public-finance-chapter-7	https://journals.sagepub.com/toc/pfr/current
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