

Dr. BABASAHEB AMBEDKAR MARATHWADA UNIVERSITY, AURANGABAD
DEPARTMENT OF ECONOMICS
M.A. (Economics) SYLLABUS

Course Code No.: ECO-102	No. of Credits: 04	Semester: I
Course Title:	MACRO ECONOMICS - I	
Course Objectives:		
Macroeconomics I effectively purports to a bridge to the Macroeconomics – II course. It develops the subject from consumption, investment analysis to income determination using IS-LM analysis.		
Unit	Course Content	Periods
I	Determination of National Income : Introduction to theory of income determination, Keynes model of National income determination, IS-LM analysis, Phillips curve, Friedman – Phelps amendment.	12
II	Theories of Consumption: Keynes and the consumption function, The Absolute income Hypothesis, Relative income hypothesis, the Permanent income hypothesis – Criticism and policy implications, consumption and other variables.	14
III	Investment Analysis: The investment function, The Accelerator theory of investment, The Internal Funds theory of investment, Neoclassical theory of investment,	12
IV	Supply of Money : Money and its functions, Concept of Money supply, Measures of money supply, High powered money, Money multiplier; controls on money supply.	10
V	Demand for Money: Quantity theory of money, Fisher’s transaction approach, Cambridge Cash Balance Approach, Keynes theory of demand for money – Transaction, Precautionary and speculative Demand for Money, Modern theories of demand for money by Baumol, Tobin and Friedman.	12
Learning outcome:		
Upon successful completion of the course, students will be able to		
a) Understand how equilibrium income is attained		
b) Understand how consumption is determined by the various factors		
c) Know relationship between the income and investment and vice-versa		
d) Know controls of money supply and determinants of demand for money.		

Dr. Mahaji

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