

**SHYAMA PRASED MUKHERJI COLLEGE**

**FOR WOMEN**

**TEACHING PLAN AUGUST 2022-DECEMBER 2022**

COURSE AND YEAR: **B.A. (HONS.) II YEAR**

SEMESTER: **III**

TAUGHT INDIVIDUALLY OR SHARED: **Individually**

PAPER: **Intermediate Macroeconomics - I**

FACULTY: **N. Lalitha**

NUMBER of classes (per week): 5

**Teaching plan**

Name of the Unit: **Aggregate demand and aggregate supply curve**

1. Derivation of aggregate demand *(to be covered between 26th August 2022 & 9th September 2022)*.

2. Wage determination, Wages, prices and employment,

Natural rate of unemployment, From employment to output. *(to be covered between 12th and 16th September 2022)*

3. Interaction of aggregate demand and aggregate supply to determine equilibrium output, price level and employment. *(to be covered between 19th & 23rd September 2022)*.

**Readings prescribed:**

1. Dornbusch, R., and Fischer, S. (1994). In: *Macroeconomics, sixth edition*. Chapter 5 (5.1-5.3) and Chapter 7. McGraw Hill.

2. Blanchard, O. (2006). In: *Macroeconomics, fourth edition*. pp292-294, pp300-306, Chapter 6 and Chapter 7. Pearson Education Inc.

Methodology of teaching: Interactive lectures and tutorials for solving questions.

Name of the Unit: **Inflation, unemployment and expectations**

1. Phillips curve *(to be covered between 26th September & 7th October)*

- 2022).
2. Adaptive and rational expectations (*to be covered between 10th & 14th October 2022*).
  3. Policy ineffectiveness debate (*to be covered between 17th & 21st October 2022*).

**Readings prescribed:**

1. Blanchard, O. (2006). In: *Macroeconomics, fourth edition*. Chapter 8 and Chapter 9, pp300-306 .Pearson Education Inc.
2. Attfield, C.L.F., Demery, D. and Duck, N.W. (1991). *Rational expectations in macroeconomics. Second edition*. pp5-28. Blackwell.
3. Sheffrin, S. (1996). *Rational expectations. Second edition*. Chapter 2, pp34-40. Cambridge University Press.

Methodology of teaching: Interactive lectures and tutorials for reinforcing concepts.

Name of the Unit : **Microeconomic foundation**

**1. Consumption:** Keynesian consumption function; Fisher's theory of optimal inter-temporal choice; life cycle and permanent income hypotheses; rational expectations and random walk of consumption expenditure

*(to be covered between 24th October and 11th November 2022).*

**Readings prescribed**

1. Branson, W.H (2005). *Macroeconomic theory and policy*, third edition. Chapter 12, pp.239-264. East-West Press.

Methodology of teaching: Interactive lectures and tutorials for reinforcing concepts .

**2. Investment**

- a. Determinants of business fixed investment
- b. Residential investment
- c. Inventory investment

*(to be covered between 14th & 25th November 2022)*

**Readings prescribed:**

Dornbush, R., and Fischer, S. (1994). In: *Macroeconomics, sixth edition*.

## Chapter 12.

Methodology of teaching: Interactive lectures and tutorials for reinforcing concepts.

### 3. Demand for Money

- a. Interest sensitivity of money demand function
- b. Baumol's, Tobin's and Friedman's approach to money demand  
(to be covered between 28th November & 9th December 2022).

### **Readings prescribed:**

1. Branson, W.H (2005). *Macroeconomic theory and policy*, third edition. Chapter 14, pp319-342. East-West Press.

Methodology of teaching: Interactive lectures and tutorials for solving questions.

### **Additional Readings**

1. Mankiw, N.G (2010). *Macroeconomics*, 6th edition. Worth Publishers.  
An excellent book for getting a good grasp on various concepts used in the course with real-life examples.
2. Froyen, R.T (2013). *Macroeconomics, Theories and Policies*, 10th edition Pearson.

A good book to revise our understanding of classical economics and Keynesian revolution.

3. Mishkin, F.S (2010). *Macroeconomics-Policy and Practice*, 1st edition Addison Wesley

A useful book to improve the understanding of micro-foundations of macroeconomics as it analyses various policies and economic events that have influenced consumption etc. Interesting to read how consumers are guided by instant gratification and end up making suboptimal choices with very less smoothening of consumption over the lifetime of individuals.

4. Abel, A.B, Bernanke, B.S and Croushore, D.(2014). *Macroeconomics*, 8th edition Pearson.

Useful for understanding the working of the labor market, shifting of Phillips curve, derivation of long run Phillips' curve etc.

5. Saumeyn Sikdar. *Principles of Macroeconomics*, Oxford 3rd Edition.

Relevant for understanding macroeconomics in the Indian context.

### **ASSESSMENT**

TENTATIVE DATE OF ASSESSMENT: 26th September 2022 and 10th November 2022 and Project work in the third week of October 2022.

CRITERIA OF ASSESSMENT: Class tests, Project work and Semester Examination