

Course Title: DSC2.2:Basic Economics II	
Total Contact Hours: 42	Course Credits: 3
Formative Assessment Marks:40	Duration of ESA/Exam: 3Hrs
Model Syllabus Authors:	Summative Assessment Marks:60

Course Pre-requisite(s): *Basic Economics I*

Course Outcomes (COs):

At the end of the course the student should be able to:

1. Understand the operation of the overall economic system;
2. Calculate national income and related aggregates
3. Explain the relationship between macroeconomic aggregates;
4. Analyse the nature of business cycles and policies towards controlling them;
5. Evaluate the macroeconomic policies for solving major problems like poverty and unemployment

Unit- 1 Macro economic variables and concepts

12Hrs

Chapter No. 1: Macroeconomic model

Introduction to National Income Accounting- Concepts of GDP, GNP and national income- Approaches to calculating GDP, personal income, Nominal and real GDP- Limitations of the GDP concept
5Hrs

Chapter No.2: Demand and supply of money

Meaning- The demand for money – determinants- The supply of money– sources- Credit creation
4Hrs

Chapter No. 3: Inflation

Meaning and causes of inflation- Calculating inflation rate- Impact of inflation
3Hrs

Practicum: 1. Understanding the relationships between various NI concepts used in India's NI accounting;

1. Estimating the components of money supply and interpreting the various price indices.

Unit- 2 Macroeconomic Challenges and Policies

12Hrs

Chapter No.4: Macroeconomic Challenges

Unemployment- Economic Growth- Business Cycles

3Hrs

Chapter No.5: Monetary Policy

Objectives- Instruments

3Hrs

Chapter No.6: Fiscal Policy

Public finance vs. Private finance- Fiscal functions and role of government: allocation, distribution and stabilization- Characteristics of public goods- Rationale of public provision of public goods

6Hrs

Practicum: 1. Reviewing the monetary policy of R. BI;
2. A project to identify the nature and causes of poverty and the latest central budget

Unit- 3 Public Policy and Globalization

18Hrs

Chapter No. 7: Poverty and public policy

Meaning, measurement and types of poverty- Poverty alleviation strategies in India

6Hrs

Chapter No.8: Concepts and Theories of international trade

The economic basis for trade—absolute advantage and comparative advantage,- Terms of trade- Exchange rates- Trade Barriers-tariffs, subsidies and quotas Balance of Payments-The current and capital account

9Hrs

Chapter No.9: Globalization

Meaning- Importance- Pros and cons of Globalization

3Hrs

Practicum: Survey on identification of poor; Calculating the components of BoP of India

References(indicative)

1. Cohen, A.J.(2020) *Macro economics for Life: Smart Choices for All?*+ *My Lab Economics with Pearson e Text* (updated 2nd ed.). Toronto, ON: Pearson Canada Inc. Type: Textbook: ISBN:9780136716532
2. Cohen, A.J. (2015). *Micro economics for Life: Smart Choices for You + My Lab Economics with Pearson e Text*(2nd ed.). Toronto, ON: Pearson Canada Inc. Type: Text book :ISBN: 9780133899368
3. Case Karl E. and Fair Ray C. Principles of Economics, Pearson Education Asia,2014.
4. Mankiw N.Gregory.Principles of Economics, Thomson,2013.
5. Stiglitz J.E. and Walsh C.E. Principles of Economics, W.W. Norton & Co, New York, 2011.