

Department	Economics	Class	I M.A		Semester	II
Course Title	Macro Economics-II	Hours	Credit	CIA	External	Total
Course Code	18P2VMC7	90	4	25	75	100

Objectives

1. To understand the theories of trade cycle and new classical macro economics
2. To study the rational expectations, supply side economics and macro theories of distribution.

Learning Outcome

Demonstrate an understanding of the macroeconomic implications of decisions.

Unit – I: Theories of Trade Cycle

(18 hours)

Hicks Theory of Trade Cycle – Samuelson’s Trade Cycle Model – Kaldor’s Model of Trade Cycle-explanation-criticisms.

Unit – II: New Classical Macro Economics

(18 hours)

Introduction – The New Classical Critique of Keynesian Micro Foundations- Review of the Keynesian Position – The Foundation of New Classical Macroeconomics – The New Classical Policy Implications –Criticisms New Classical Macroeconomics.

Unit – III: Rational Expectations

(18 hours)

Introduction – Adaptive Expectation –Ineffective Policies – Criticisms of Rational Expectations – Importance – Real Business Cycle Theory- Disturbances – Propagation Mechanism - Criticism.

Unit – IV: Supply Side Economics

(18 hours)

Supply Side Economics - Introduction- Meaning – Classification- Implications of Supply Side – Criticisms – Lucas Theorem - Demand side Vs Supply Side.

Unit – V: Macro Theories of Distributions

(18 hours)

Introduction- The Ricardian or Classical Theory of Income Distribution- The Marxian Theory of Income Distribution –Kalecki’s Model of Distribution – Kaldor’s Model of Income Distribution – Pasinetti Model of Income Distribution.

Text Books

1. D.N. Dwivedi, “**MacroEconomics**”, 2010, Tata Mc Graw Hill Education Private Limited, New Delhi.
2. M.L. Jhingan, “**Macro Economic Theory**”, 2010, Vrinda Publications (P) LTD. New Delhi.

References

1. Neva Goodwin, Julie A. Nelson and Jonathan Harris, “**Macro Economics in Context**” 2009, PHI Learning private Limited. New Delhi.
2. K.C.Rana and K.N.Verma, “**Macro Economic Analysis**” 2009, Vishal Publishing House, New Delhi.
3. Dr. H.L.Ahuja, “**Macro Economics Theory and Policy**”, 2010, S. Chand &Company Ltd, New Delhi.
4. M.Maria John Kennedy, “**Macro Economics Theory**” 2011, PHI Learning private Limited. New Delhi.
5. M.C.Vaish, “**Macro Economics Theory**” 2010, Vikas Publishing House Pvt Ltd, New Delhi.
6. R.D.. Gupta, “**Keynesian and Post-Keynesian Economics**” 1977, Kalayani Publisher, New Delhi.

Website

1. Evgeniy Chernyshov, et al, “**Macro Economics**”,
www.e-booksdirectory.com/details.php?ebook=8471