

**Department of Economics, Delhi School of Economics
University of Delhi**

Minutes of Meeting

Subject : **B.A. (H) Economics ECON008**
Semester : **III**
Course : **Intermediate Macroeconomics I: Foundations of Aggregate
Income Determination – ECON008**
Date & Time : **13-May at 11:00 AM**
Venue : **Department of Economics**
Chair : **Dibyendu Maiti and Swati Saini**

The meeting was attended by the following teachers:

1	Kajleen Kaur	Sri Guru Gobind Singh College of Commerce
2	Dr. Anjana Singh	Lady Shri Ram College for Women
3	Shruti Singh	Dyal Singh College (M)
4	Hanish Pal	Bharati College
5	Bijoyata Yonzon	Janki Devi Memorial College
6	Brahmareddy D	Sri Venkateshwara College
7	Divya Singh	St. Stephen's College
8	Pallavi Manchanda	Shaheed Bhagat Singh College

Reading list

Topic	Readings
UNIT I: Short-run and medium-run equilibrium (12 lectures)	
The labour market, Wage determination; wages, prices, and unemployment; natural rate of unemployment; from employment to output	Blanchard, Ch. 6 p. 117-138
Derivation of aggregate supply curve, Interaction of aggregate demand and supply to determine equilibrium output, price level and employment	Blanchard, Ch. 7 p. 139-163
UNIT II: Philips curve and theory of expectations (15 lectures)	
Inflation, unemployment and expectations,	Blanchard, Ch. 8-9 p. 165-202; Ch 14 p. 292-

Phillips Curve	294, 300-308
Adaptive and rational expectations; policy ineffectiveness debate	Attfield, Demery and Duck, p. 6-9, 18-28; Sheffrin p. 34-40
UNIT III: Microeconomic foundations of macroeconomic behaviours (18 lectures)	
Consumption: Keynesian consumption function; Fisher's theory of optimal intertemporal choice; life-cycle and permanent income hypotheses; other theories of consumption expenditure – Duesenberry relative income hypothesis, Random walk model	Branson, p. 239-268 (excluding the section on Permanent Income and Adaptive Expectations), 268-273 (excluding the section on Choice Structure and Disequilibrium)
Investment: determinants of business fixed investment; residential investment and inventory investment.	Jones, Ch. 17, p. 470-495

Readings

1. Blanchard, O. (2006). *Macroeconomics*, 4th ed. Pearson Education.
2. C.L.F. Attfield, D. Demery and N.W. Duck (1991), *Rational Expectations in Macroeconomics: An Introduction to Theory and Evidence*, 2e.
3. Sheffrin, Steve (1996), *Rational Expectations*, 3e, Cambridge University Press.
4. Jones, Charles (2018), *Macroeconomics*, 4e, W W Norton & Co.
5. Branson, William H (2005), *Macroeconomic Theory and Policy*, 3e, East-West Press.

Assessment:

1. Semester-end Examination: 90 marks

The question paper will have roughly equal weightage from all three units. The paper will consist of three sections of 30 marks each:

- Section A will have 15 MCQs/one-line-answer questions of 2 marks each, with no choice of any kind.
- In Section B students will be required to do any 6 out of 8 questions of 5 marks each.
- In Section C students will be required to do any 3 out of 4 questions of 10 marks each.

2. Internal Assessment (IA): 30 marks

- 6 marks will be for attendance
- 24 marks will be based on at least two tests of 12 marks each.

3. Continuous Assessment (CA): 40 marks

- 5 marks will be for attendance
- 35 marks will be based on assignments/tests or any other mode of assessment as suggested by the University.