

M.A. Economics (Previous)

Macro Economic Analysis

Max. Marks : 100
Time : 3 Hours

- Unit-1: Determination of Output and Employment:** Classical Approach: Keynesian Approach (Two Sector Model Three Sector Model, and Four Sector Model): Kicks-Hanson Synthesis (Extended Model with Fixed Price Level): Equilibrium income and the interest rate in the product market and money market; Fiscal Policy effects on demand, Monetary Policy effect on demand, the Interaction of Monetary and fiscal policies. Extended model with Variable Price Level; Price and Output Level; Wage price flexibility and the Full Employment Equilibrium; Monetary - Fiscal Policies and the Full Employment Equilibrium.
- Unit-2: Behavioural Foundation:** Theories of Consumption: The Absolute Income Hypothesis; Relative Income Hypothesis, The Permanent Income Theory of Consumption; The Life cycle Theory of Consumption: Theories of Investment: The Present Value Criterion for Investment; The marginal Efficiency of Capital and Investment; The Accelerator Theory; The Financial Theory of Investment; The Demand for and Supply of Money: Classical Approach to Demand for Money - Quantity Theory Approach, Fisher's Equilibrium; Cambridge Quantity Theory; Keynes's Liquidity Approach - Transaction, Precautionary and Speculative Demand for Money - Aggregate Demand for Money. Friedman, Pstinkin, Baumal and Money Multiplier.
- Unit-3 Inflation, Unemployment, Economic Growth and Internatinal Adjustment:** Effects of Inflation; Demand side and Supply Side Theories of inflation. Inflation and Unemployment: Pressure Curve, Trade Offs (Trae off and Non Trade Off between Inflation and Unemployment). Adaptive Expeclation and Rational Expeclations. Economic Growth: Harrod Domar Model, Neo-Classifical Model with money and without money. International Adjustment: The Determination of National Income in open Economy; The International Transmission of distur- bances: Transmission under Fixed Exchange Rates, Transmission under Floating Exchange Rates. Mundell-Elerning Model. Issue in Agriculture Price Policy, Its role and functions, Price determination, Evolution of Agriculture.