

**UNIVERSITY OF DELHI**  
**DELHI SCHOOL OF ECONOMICS**  
**DEPARTMENT OF ECONOMICS**  
**Minutes of Meeting**

**Subject** B.A. Programme Fourth Semester  
**Course** PD41 Principles of Macroeconomics II  
**Date:** Saturday 21<sup>st</sup> December 2021  
**Venue** Zoom Meeting hosted by Department of Economics, Delhi School of Economics, University of Delhi  
**Venue** **Online:** Join Zoom Meeting  
<https://zoom.us/j/6988145585?pwd=YVFkNmhsVzM1Mk4wMEZybjluYjBCUT09>  
Meeting ID: 698 814 5585  
Passcode: 0xVyNR  
**Convenor** Dibyendu Maiti  
Attended by:

Nidhi Dhamija	Hindu College
Renu Kumari Verma	Motilal Nehru College Evening
Chetan Kumar	Dyal Singh evening college
Meenakshi kohli	Mata Sundri college
Kakali Barua	Lady Shri Ram College for Women.
Srividya Subramaniam	SGTB Khalsa College
Pragya Shankar	Ram Lal Anand College
Mamta Ahuja	Sri Guru Nanak Dev Khalsa College.
Deepika Goel	Aryabhatta College
Rakesh Kumar	Maharaja Agrasen College
Renu Sinha	Satyawati College (m)
Gatikrushna Mahanta	Zakir Husain Delhi College (M)

**Suggested number of lectures:**

Unit 1- 20, Unit 2 - 15; for Units 3- 10 and 4 -15.

**Readings:**

1. Abel, A., Bernanke, B. (2008). Macroeconomics, 5th ed. Pearson Education.
2. Blanchard, O, Johnson, D. (2017). Macroeconomics, 6th ed. Pearson Education.
3. Dornbusch, R., Fischer, S., Startz, R. (2018). Macroeconomics, 12th ed. McGraw-Hill Education India.

**Topic-wise Readings:**

**Unit 1**

IS-LM Analysis: Derivations of the IS and LM functions; IS-LM and aggregate demand; shifts in the AD curve

- (i) Dornbusch, Fisher and Startz Chapter 11 "Money, interest and Income"(Section 11-5 to be excluded).

- (ii) Dornbusch, Fisher and Startz Chapter 12 “Monetary and Fiscal Policy” (Section 12-5 to be excluded).

### Unit 2

GDP and Price Level in Short Run and Long Run: Aggregate demand and aggregate supply; multiplier analysis with AD curve and changes in price levels; aggregate supply in the SR and LR

- (i) Blanchard and Johnson Chapter 6 “The Labor Market”.
- (ii) Blanchard and Johnson Chapter 7 “Putting All Markets Together: The AS-AD Model”.

### Unit 3

Inflation and Unemployment: Concept of inflation; determinants of inflation; relationship between inflation and unemployment: Phillips Curve in short run and long run

- (i) Abel and Bernanke Chapter 12 “Unemployment and Inflation”.

### Unit 4

Balance of Payments and Exchange Rate: Balance of payments: current account and capital account; market for foreign exchange; determination of exchange rate

- (i) Abel and Bernanke Chapter 5 “Saving and investment in the Open Economy” (Sections 5.1 and 5.2).
- (ii) Abel and Bernanke Chapter 13 “Exchange rates, Business Cycles and Macroeconomic Policy in the Open Economy” (Section 13.1 and 13.2).

### Assessment:

1. Internal evaluation will comprise 1 class test and another test or presentation (10 marks each) and 5 marks for attendance.
2. The end semester exam (75 marks) will comprise of two sections: A and B. Sections A will comprise short questions of 5 marks each (5 to be attempted out of 7) and Section B will comprise long questions of 10 marks each (5 to be attempted out of 7). Questions based on numerical problems of approximately 15 to 20 marks to be included. The examination weightage: Unit 1 shall have 40% weightage with the rest of the sections having 20% weightage each.