**MACRO ECONOMIC ANALYSIS-I**

**Unit-I**

Nov Week 2,3 - National Income and Accounts National income accounting.

– social accounting, input-output accounting, flow of funds accounting

Nov Week 4 -Balance of payments accounting

Dec Week 1-Classical and Keynesian Models of income determination.

Dec Week 2 - Consumption function, Keynes’ Psychological law of consumption – implications

of the law; Empirical evidence on consumption function

Dec Week 3-Reconciliation of short run and long run consumption function

Dec Week 4– Absolute income, relative income, permanent income and life cycle hypotheses.

**Unit-II**

Jan week 1-Investment Theories, Investment Function; The Marginal Efficiency of Capital Approach

Jan Week 2-Accelerator- Simple & amp; Flexible; Profits Theory; Financial Theory;

The Neoclassical Model.

**Unit-III**

Jan week 3-Demand for Money

Classical and Keynesian approach (The Regressive Expectations model)

Jan week 4-Post Keynesian approaches to demand for money-Tobin (Portfolio balance approach)

Feb week 1- Baumol (Inventory theoretic approaches) and Friedman (Restatement of quantity theory of money).

Feb Week 2- Patinkin’s real balance effect.

**Unit-IV :** Feb 3rd Week

Supply of Money, Measures of money supply

- RBI’s approach to money supply; Mechanism of Monetary expansion and contraction (deterministic and behavioural models)

-Determinants of money supply; Instruments of Monetary control.

Neo-classical and Keynesian Synthesis, -The Basic IS-LM model, extension of IS-LM model with government sector, labour market and variable price level.

Lesson plan by

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