

Course Plan

Course Title: Macroeconomics	Course Code:21LCLH106
Programme: B.Com. L.L.B	Semester: II
Credits: 4	L-T-P: 3-1-0
ISA Marks: 50	ESA Marks: 50
Course Teacher: Sarala Arun Vaidya	Date of Preparation: 21 February, 2022
Course Plan Reviewer:	Date of Review:25 February, 2022

Course Objective

The objective of the course is to provide basic understanding of macroeconomics variables. The course highlights National Income estimates and is inclusive of calculating Green GDP. The course highlights major economic changes post 1935 with departure from classical philosophy to Keynes Modern economics. It also provides glimpses on monetary and fiscal policy.

Course Outcomes (COs)

At the end of the course students will be able to:

1. Define the National Income concepts and comparatively analyse the methods in calculation of national Income.
- 2.Explain the shift from classical philosophy to Keynesian economics.
3. Examine the factors that determine aggregate demand.
4. Evaluate the impact of inflation or deflation on the economy and assess the impact of price changes leading to economic fluctuations.
5. Analyse the nature of business cycles and its impact on an economy.

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6. Classify and distinguish the roles of commercial banking and central banking in a country.
7. Explain the effectiveness of credit control measures in controlling the price fluctuations of an economy.
8. Analyse the importance of Public finance for a state to become a welfare state.
9. Examine the formulation of tax policy based on canons of taxation.

Mapping of Course Outcomes (COs) with Program Outcomes

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Course Outcomes (COs)	Relevant Program Outcomes (POs)
Define the National Income concepts and comparatively analyse the methods in calculation of national Income.	12
Explain the shift from classical philosophy to Keynesian economics.	14
Examine the factors that determine aggregate demand	12
Evaluate the impact of inflation or deflation on the economy and thus assess the impact of price changes leading to economic fluctuations.	14
Analyse the nature of business cycles and its impact on an economy	13,14
Classify and distinguish the roles of commercial banking and central banking in a country.	13,14
Explain the effectiveness of credit control measures in controlling the price fluctuations of an economy.	13
Analyse the importance of Public finance for a state to become welfare state	14
Examine the formulating of tax policy based on canons of taxation	11

Course Content

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Unit Contents	Number of Sessions
<p>Unit I</p> <p>Meaning, origin and types of Macroeconomics. The scope of Macroeconomics, importance and limitations.</p> <p>Major issues and concerns of macroeconomics. The role of Government in macroeconomy.</p> <p>Circular Flow of Income</p> <p>National income accounting- National Income: Meaning and Definitions. Concepts -GDP, GNP, NNP, NI at factor price, PI and DPI. Measurement of National Income, difficulties in estimation of National Income.</p> <p>Green GDP and National income and social welfare.</p>	15
<p>Unit II</p> <p>Classical Theory of Employment - Say's Law of Market. Departure from Classical theory</p> <p>Keynesian Theory -Concepts of Effective Demand, determination of Income and Employment. Consumption Function: Propensity to consume, Psychological Law of Consumption, Factors Affecting Consumption Function</p> <p>Investment Function: Marginal efficiency of capital and factors affecting Investment Function.</p>	13

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<p>Unit III</p> <p>Meaning and Types of inflation - Demand pull inflation and cost push inflation, Causes and effects of Inflation - Inflationary Gap. Measures to check inflation</p> <p>Deflation: Meaning - Causes and Effects of Deflation - Deflationary Gap. Measures to check deflation</p> <p>Stagflation</p> <p>Business Cycle: Meaning, types and Phases of Business Cycle - Measures to Control Business Cycle.</p>	14
<p>Unit IV</p> <p>Commercial banks- functions, Balance sheet of a Commercial Bank, credit creation by commercial banks. Role of commercial banks in Economic development</p> <p>Central Bank functions, Quantitative and Qualitative Measures of Credit Control.</p> <p>Monetary Policy and its objectives.</p>	11
<p>Unit V</p> <p>Public Finance- meaning and definition and scope</p> <p>Public Revenue- sources of Public Revenue,</p> <p>Tax- meaning, features of good tax system, canons of taxation, Incidence of Tax and functioning of tax system</p> <p>Public expenditure- causes for increase in public expenditure, items of Public expenditure.</p> <p>Public Debt- types and its repayment</p> <p>Fiscal Policy: Objectives and Importance.</p> <p>Budget- types and Deficit Financing</p>	17
Total	70

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Prescribed Text Books

1. Seth, M. L.: Macro Economics, Laxmi Narain Agarwal, Educational Publishers, Agra.
2. Leikhi and Joginder Singh, Public Finance, Kalyani Publishers, New Delhi,
3. Ahuja, H. L.: Macroeconomics (Theory & Policy). S. Chand & Company, New Delhi.
4. Seth, M. L.: Monetary Economics, Lakshmi Narain Agarwal Educational Publisher Agra.

References

1. Mithani.D.M.:Modern Economic Analysis, Himalaya Publishing House, Mumbai.
2. Samuelson.P.A.: Economics, 18th Edition, Tata McGraw- Hill Publishing Com., Limited, New Delhi.
3. Vaish. M.C.: Macroeconomic Theory Vikas Publishing House, New Delhi
4. Jhingan M. L.; Macroeconomic Theory, 11th Edition
5. H.L.Ahuja Modern Economics, S Chand and Company Limited, New Delhi, 2015, 19th revised edition

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Unit Wise Plan

Unit Number: I	Planned Sessions: 15
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Unit Learning Outcomes

Unit Learning Outcomes	COs	BL
1. Define National Income and explain the concepts	1	BL-1
2. Students can discuss the various approaches for calculating National income	1	BL-2
3. Discuss the macroeconomic issues and its impact	1	BL-2
4. Explain the problems and challenges a country faces in the process of National income estimates.	1	BL-2

Topic Wise Plan

S.No	Topic	Number of Sessions	Pedagogy
1	Meaning, origin and types of Macroeconomics. The scope of Macroeconomics, importance and limitations	4	Lecture
2	Major issues and concerns of macroeconomics. The role of Government in macro economy	2	Lecture with discussion
3	Circular Flow of Income	2	Lecture
4	National income accounting- National Income: Meaning and Definitions. Concepts, Measurement of National Income, difficulties in estimation of National Income.	5	Lecture
5	Green GDP and National income and social welfare.	2	Lecture

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Prescribed Reading(s) / Learning Resource(s)

1. Seth, M. L.: Macro Economics, Laxmi Narain Agarwal, Educational Publishers, Agra.
2. Ahuja, H. L.: Macroeconomics (Theory & Policy), S. Chand & Company, New Delhi.

Additional Reading(s) / Learning Resource(s)

1. Vaish. M.C.: Macroeconomic Theory, Vikas Publishing House, New Delhi
2. Jhingan M. L.; Macroeconomic Theory, 11th Edition

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Unit Wise Plan

Unit Number: II	Planned Sessions: 10
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Unit Learning Outcomes

Unit Learning Outcomes	COs	BL
Explain the supply side economics and describe the influence of classical philosophy in economic functioning.	2	BL-2
Analyse the factors that caused the failure of Say's Law.	3	BL-4
Identify the causes that led to emergence of Demand side economics with Keynes theory of effective demand.	3	BL-2
Discuss the determination of income and employment under Classical and Keynesian framework	2	BL-2

Topic Wise Plan

S.No	Topic	Number of Sessions	Pedagogy
1	Classical Theory of Employment - Say's Law of Market. Departure from Classical theory	2	Lecture
2	Keynesian Theory -Concepts of Effective Demand, determination of Income and Employment.	4	Lecture with discussion
3	Consumption Function: Propensity to consume, Psychological Law of Consumption, Factors Affecting Consumption Function	2	Lecture
4	Investment Function: Marginal efficiency of capital and factors affecting Investment Function.	2	Lecture

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Prescribed Reading(s) / Learning Resource(s)

1. Seth, M. L.: Macro Economics, Laxmi Narain Agarwal, Educational Publishers, Agra.
2. Ahuja, H. L.: Macroeconomics (Theory & Policy). S. Chand & Company, New Delhi.

Additional Reading(s) / Learning Resource(s)

1. Vaish. M.C.: Macroeconomic Theory, Vikas Publishing House, New Delhi
2. Jhingan M. L.; Macroeconomic Theory, 11th Edition

Unit Wise Plan

Unit Number: III	Planned Sessions: 14
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Unit Learning Outcomes

Unit Learning Outcomes	COs	BL
1. Explains definition, causes and effects of inflation and deflation	4	BL-2
2. Explain the theoretical reasoning for inflation with demand pull and cost push inflation	4	BL-2
3. Students can explain and illustrate the impact of stagflation	4	BL-3
4.. Describe the business cycle and its phases	5	BL-2
5. Analyse the nature of business cycles and policies towards controlling them	5	BL-4
6. Identify major macroeconomic variables and explain how business cycles and economic growth influence these variables.	5	BL-4

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S.No	Topic	Number of Sessions	Pedagogy
1	Meaning and Types of inflation - Demand pull inflation and cost push inflation, Causes and effects of Inflation - Inflationary Gap. Measures to control inflation	5	Lecture/ student presentation/ Group discussion
2	Deflation: Meaning - Causes and Effects of Deflation - Deflationary Gap. Measures to control deflation	3	Lecture with discussion
3	Stagflation	2	Lecture
4	Business Cycle: Meaning, types and Phases of Business Cycle - Measures to Control Business Cycle.	4	Lecture

Prescribed Reading(s) / Learning Resource(s)

1. Seth, M. L.: Macro Economics, Laxmi Narain Agarwal, Educational Publishers, Agra.
2. Ahuja, H. L.: Macroeconomics (Theory & Policy). S. Chand & Company, New Delhi.

Additional Reading(s) / Learning Resource(s)

1. Vaish. M.C.: Macroeconomic Theory Vikas Publishing House, New Delhi
2. Jhingan M. L.; Macroeconomic Theory, 11th Edition
3. H.L.Ahuja Modern Economics, S Chand and Company Limited, New Delhi, 2015, 19th revised edition

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2. Ahuja, H. L.: Macroeconomics (Theory & Policy). S. Chand & Company, New Delhi.

Unit Wise Plan

Unit Number: IV	Planned Sessions: 11
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Unit Learning Outcomes

Unit Learning Outcomes	COs	BL
1. Explain the functions of Commercial banks	6	BL-02
2. Illustrate the process of how money is created by lending, with credit creation process through balance sheet approach	6	BL-04
3. Explain the functions of central bank	6	BL-2
4. To analyse the credit control measures utilised by the central bank to check and control price fluctuations in the economy.	7	BL-4

Topic Wise Plan

S.No	Topic	Number of Sessions	Pedagogy
1	Commercial banks- functions, Balance sheet of a Commercial Bank, credit creation by commercial banks. Role of commercial banks in Economic development	5	Lecture
2	Central Bank functions, Quantitative and Qualitative Measures of Credit Control.	4	Lecture with discussion
3	Monetary Policy and its objectives.	2	Student presentation

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Prescribed Reading(s) / Learning Resource(s)

1. Seth, M. L.: Monetary Economics, Lakshmi Narain Agarwal Educational Publisher Agra.

Additional Reading(s) / Learning Resource(s)

1. H.L.Ahuja Modern Economics, S Chand and Company Limited, New Delhi, 2015, 19th revised edition
2. Ahuja, H. L.: Macroeconomics (Theory & Policy). S. Chand & Company, New Delhi.

Unit Wise Plan

Unit Number: V	Planned Sessions: 17
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Unit Learning Outcomes

Unit Learning Outcomes	COs	BL
1. Define Public finance and explain its scope	8	BL-1
2. Explain the three important variables of public finance- public revenue, public expenditure and public debt	8	BL-2
3. Discuss the framing of tax policy based on canons of taxation	9	BL-2
4 Explain the objectives, means and limits of fiscal policy.	8	BL-2
5. Discuss on types of budget and framing of budget	8	BL-2

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Topic Wise Plan

S.No	Topic	Number of Sessions	Pedagogy
1	Public Finance- meaning and definition and scope	1	Lecture
2	Public Revenue- sources of Public Revenue	2	Lecture with discussion
3	Tax- meaning, features of good tax system, canons of taxation, Incidence of Tax and functioning of tax system	6	Lecture
4	Public expenditure- causes for increase in public expenditure, items of Public expenditure	2	Lecture
5	Public Debt- types and its repayment	2	Student presentation and Discussion
6	Fiscal Policy: Objectives and Importance	1	Student presentation
7	Budget- types and Deficit Financing	3	Special Lecture and budget analysis

Prescribed Reading(s) / Learning Resource(s)

1. Leikhi and Joginder Singh, Public Finance, Kalyani Publishers, New Delhi,
2. Bhatia H L: Public Finance, Vikas Publishing House, New Delhi

Additional Reading(s) / Learning Resource(s)

2. Ahuja, H. L.: Macroeconomics (Theory & Policy). S. Chand & Company, New Delhi.

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Industry/Professional Skills, Human Values, Service Learning

Industry/Professional Skills	Macroeconomics will help legal studies students to equip knowledge and skills pertaining to banking and tax law.
Human Values	Welfare and development of mankind Environment protection.
Service Learning (if any)	

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Evaluation Scheme for ISA

Assessment	Weightage in Marks
Mid-Term Exam	25
Teacher Chosen Assessment	25
Total	50

Teacher Chosen Assessment Method

Component	Details	Weightage
Group assignment	Batch of 5 students each will be assigned a topic. They have to submit return assignment and present the paper	10
Mind mapping	Each student will be given a topic for which mind mapping has to be done	10
Attendance		5

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Weightage of Course Outcomes

Course Outcomes (COs)	Weightage in Assessment
Define the National Income concepts and comparatively analyse the methods in calculation of national Income.	20
Explain the shift from classical philosophy to Keynesian economics.	12
Examine the factors that determine aggregate demand.	8
Evaluate the impact of inflation or deflation on the economy and assess the impact of price changes leading to economic fluctuations.	12
Analyse the nature of business cycles and its impact on an economy.	8
Classify and distinguish the roles of commercial banking and central banking in a country.	12
Explain the effectiveness of credit control measures in controlling the price fluctuations of an economy.	8
Analyse the importance of Public finance for a state to become a welfare state.	12
Examine the formulation of tax policy based on canons of taxation.	8
Total	100

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