

Paper Code: 41322

M.A. ECONOMICS 2010-11
SEMESTER – I
Paper – II
MONETARY ECONOMICS

Unit – I

Classical and Keynesian Theories of Money Demand, Financial Intermediation – A Mechanistic Model of Bank Deposits Determination, RBI approach to Money Supply, High Powered Money and Money Multiplier, Control of Money Supply.

Unit – II

Quantity Theory of Money – Fisher's equation and Cambridge approach, Keynesian Restatement of Quantity Theory of Money, Its superiority over Traditional Theory and its criticism.

Unit – III

Post Keynesian approaches to Demand for Money – Patinkin and the Real Balance Effect, Approaches of Baumol and Tobin, Friedman and Modern Quantity Theory, Crisis in Keynesian Economics and Revival of Monetarism.

Unit – IV

The IS-LM model – Derivation of LM curve and IS curve, Neo-classical and Keynesian view of Interest, Extension of IS-LM model with government sectors, Relative Effectiveness of Monetary and fiscal policies.

Unit – V

Business Cycle Theories – Schumpeter, Kaldor, Samuelson and Hick's Theories, Control of Business Cycles, Relative effectiveness of Monetary and Fiscal Policies.

Basic Reading List

1. Ackley, G. (1978) – Macroeconomics: Theory and Policy, McMillan, New York.
2. Shapiro, E. (1996) – Macroeconomic Analysis, Galgotia Publications, New Delhi.
3. Keynes, J. M. (1936) – The General Theory of Employment, Interest and Money, Macmillan, London.
4. Romar, D. L. (1996) – Advanced Macroeconomics, McGraw Hill Company Ltd., New York.
5. Patinkin, D. (1965) – Money, Interest and Prices, Harper and Row, New York.
6. Culbertson, J. M. (1968) – Macroeconomic Theory and Stabilization Policy, McGraw Hill, Kogekosh, Tokyo.
7. Branson, W. A. (1989) – Macroeconomic Theory and Policy (3rd edition) Harper and Row, New York.
8. Friedman, M. (1957) – The Theory of Consumption Function, Princeton University Press, Princeton.
9. Hicks, J. R. (1950) – A contribution to the Theory of Trade Cycles, Clarendon Press, Oxford.
10. Hicks, J. R. (1974) – The Crisis in Keynesian Economics, Oxford University Press, New Delhi.
11. Frisch, H. (1983) – Theories of inflation, Cambridge University Press, Cambridge.
12. Turnovsky, S. J. (1977) – Macroeconomic Analysis and Stabilization Policy, Cambridge University Press, Cambridge.
13. Mithani, D.M. – Macroeconomics, Himalaya Publishing Company, New Delhi.
- 14^प आहुजा, एच. एल. (2001) – उच्चतर समष्टि अर्थशास्त्र, एस. चन्द एण्ड कम्पनी लि., नई दिल्ली।
- 15^प झिंगन, एम. एल. – समष्टि अर्थशास्त्र, वृन्दा पब्लिकेशन, नई दिल्ली।
- 16^प वैश्य, एम. सी. – समष्टि अर्थशास्त्र, विकास पब्लिशिंग हाऊस प्राइवेट लि., नई दिल्ली।