

**Second Year T.D.C. Arts
Paper – I
MACRO ECONOMICS**

UNIT – I

Definition, Nature, Scope and Importance of Macro Economics, Concepts and Measurement of National Income, Income, Expenditure and Value-Added Method, Circular Flow of National Income, National Income Identities with Government and International Trade, Concept of Green Accounting, National Income and Welfare.

UNIT – II

Classical Theory of Employment, Keynes's Objection to the Classical Theory, Keynesian Theory of Income and Employment, Consumption Function – Average and Marginal Propensity to Consume, Keynes's Psychological Law of Consumption, Basic Concepts of Multiplier.

UNIT – III

Investment – Autonomous and Induced Investment, Gross and Net Investment, Concept of Marginal Efficiency of Capital (MEC), The Marginal Efficiency of Investment (MEI), Relation between MEC and MEI, Factors Affecting Investment, The Acceleration Principle, Savings and Investment – Ex-ante and Ex-post Concepts.

UNIT – IV

Theories of Interest – The Classical Theory of Interest, The Loanable Fund Theory, Keynesian Liquidity Preference Theory of Interest, Modern (IS-LM) Theory of Interest.

UNIT – V

Business cycle – Meaning, Characteristics and Phases of Business Cycles, Theories of Business Cycles- Hawtray's Monetary Theory, Hayek's over Investment Theory, Keynes View on Trade Cycle, Measures to Control Business Cycles and Relative Effectiveness of Monetary and Fiscal Policy in Controlling Business Cycles.

Basic Reading List

1. Shapiro, E. – Macro Economic Analysis. Galgotia Publications, New Delhi.
2. Jhingan, M.L. – Macro Economics, Vrinda Publications, New Delhi.
3. Allen, R.G.D. – Macro Economic Theory-A Mathematical Treatment, Macmillan Press, London.
4. Schaum's Series – Macro Economic Theory, McGrall Hill, Singapore.
5. Vaish, M.C. – Macro Economic Theory, Vikas Publishing House, Pvt. Ltd., New Delhi.
6. Mithani, D.M. – Macro Economics, Himalaya Publishing Company, New Delhi.
7. आहूजा, एच.एल. – उच्चतर समष्टि अर्थशास्त्र, एस. चन्द एण्ड कम्पनी लि., नई दिल्ली।
8. झिंगन, एम.एल. – समष्टि अर्थशास्त्र, वृन्दा पब्लिकेशन्स, नई दिल्ली।
9. सेठी, टी.टी. – समष्टि अर्थशास्त्र, लक्ष्मी नारायण अग्रवाल, आगरा।
10. ओझा, बी. एल. – समष्टि अर्थशास्त्र, आदर्श प्रकाशन जयपुर।
11. वैश्य, एम.सी. – समष्टि अर्थशास्त्र, विकास पब्लिशिंग हाऊस, नई दिल्ली।
12. राणा, के.सी. एवं के.एन. वर्मा – समष्टि आर्थिक विश्लेषण, विशाल पब्लिशिंग कम्पनी, जालंधर।