



**Shri Vaishnav Vidyapeeth Vishwavidyalaya, Indore**  
**Shri Vaishnav Institute of Social Sciences, Humanities and Arts**  
**Choice Based Credit System (CBCS) in Light of NEP-2020**  
**B.A. Economics**  
**Semester IV (2023-2026)**

COURSE CODE	CATEGORY	COURSE NAME	TEACHING & EVALUATION SCHEME								
			THEORY			PRACTICAL		L	T	P	CREDITS
			END SEM University Exam	Two Term Exam	Teachers Assessment*	END SEM University Exam	Teachers Assessment*				
BAECO401	Major/Minor	Macro Economics II	60	20	20	0	0	3	0	0	3

**Legends:** L - Lecture; T - Tutorial/Teacher Guided Student Activity; P – Practical; C - Credit.

\*Teacher Assessment shall be based on following components: Quiz/Assignment/ Project/Participation in Class, given that no component shall exceed more than 10 marks.

**Course Educational Objectives:**

- CEO1: To provide the knowledge about consumption function.
- CEO2: To enable students to understand the quantity theory of money.
- CEO3: To help students in identifying various types of inflations.
- CEO4: To relate money supply with its determinants.
- CEO5: To summarise various theory of business cycles.

**Course Outcomes:**

Students will be able to:

- CO1: Comprehend the concept of consumption function.
- CO2: Solve the problems with price level and value for money.
- CO3: Differentiate among various types of inflations .
- CO4: Link money supply with its determinants.
- CO5: Discuss various theories of business cycles.

**Contents**

**UNIT I: Consumption Function**

The Concept of Consumption Function, Average and Marginal Propensity to Consume; Factors Influencing Consumption Function.

**UNIT II: Money and Prices: Quantity Theory of Money**

Value of Money and Price level: Fisher's Transaction Approach, Keynes's Critique of Quantity Theory of Money

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**UNIT III: Inflation and Hyperinflation**

Meaning: Demand-Pull Inflation, Cost-Push Inflation, Measures to Control Inflation through Fiscal Policy and Monetary Policy, Inflation Vs. Stagflation

**UNIT IV: IS-LM Curve**

The Goods Market and Money Market, Links between them, Goods Market Equilibrium, Derivation of IS Curve, Shift in IS Curve, Money Market Equilibrium, The LM Curve, Shift in LM Curve, Interactions of IS and LM Curve

**UNIT V: Analysis of Business Cycles**

Phases of Business Cycles, Features of Business Cycles, Theories of Business Cycles: Sunspot Theory, Keynes Theory of Business Cycle

**Suggested Readings:**

1. Agrawal, V. (2020). *Macroeconomics Theory and Policy*. New Delhi: Pearson Education Inc
2. Ahuja, H. L. (2022). *Principles of Macroeconomics*. New Delhi: S. Chand Publication.
3. Dwivedi, D. N. (2020). *Macroeconomics Theory and Policy*. New Delhi: McGraw Hill Education (India) Pvt. Limited
4. D 'Souza, E. (2019). *Macroeconomics*. New Delhi: Pearson Education Asia
5. Froyen, R.T. (2018). *Macroeconomics*. 2<sup>nd</sup> Edition. New Delhi: Pearson Education Asia

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**Course Educational Objectives:**

- CEO1: To discuss the basics of mathematical economics.
- CEO2: To enable students to represent the theories using equations.
- CEO3: To help students in making use of various series in economics.
- CEO4: To solve various problems of economics using differential and integral calculus.
- CEO5: To practise the problems of matrices and determinants.

**Course Outcomes:**

Students will be able to:

- CO1: Use mathematics in solving basic economic problems.
- CO2: Model economic theories using equations.
- CO3: Make use of various series in economics.
- CO4: Calculate the magnitude and direction of certain economic identities using differential and integral calculus.
- CO5: Carry out various calculations of problems related to economics by applying the concepts of matrices and determinants.

**Syllabus**

**UNIT I: Basic Concepts**

Basic Arithmetic: Fractions, Powers and Roots; Basic Algebra: Operations of Algebraic Equations

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**UNIT II: Linear Equations**

Linear Equations: Variables and Parameters, Linear Functions, Slope-and-Intercept of a Linear Function; Graphs of Linear Functions

**UNIT III: Quadratic Equations**

Quadratic Equations: Solutions by Factorizing and Formula, The Inverse Quadratic Function, Graphs of a Quadratic Equation

**UNIT IV: Sequences and Series**

Sequences, Series, Arithmetic Progression, Geometric Progression, Sum to 'n' terms of Arithmetic Progressions and Geometric Progressions

**UNIT IV: Matrices and Determinants**

Matrices: Types, Operations, Transpose, Symmetric and Skew Symmetric Matrices; Determinants: Concept, Properties

**Suggested Readings:**

1. Allen, R. G. D. (1997). *Mathematical Analysis for Economics*, AITBS Pub.
2. Chiang, A. C. (2021). *Fundamental Methods of Mathematical Economics*, OUP
3. Renshaw, G. (2020). *Maths for Economics*, Oxford University Press

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