

**Department of Applied Economics
Telangana University**

Macro Economics – Semester I

**Paper – I
Syllabus**

Unit – I: Demand Analysis: Introduction to Economics – Definition, Nature and Scope of Economics – Micro and Macro Economic Analyses – Concept of Demand and Law of Demand – Determinants of Demand – Types of Demand – Demand Function – Shifts in Demand – Concept of Supply and Law of Supply – Market Equilibrium – Elasticity of Demand – Price, Income and Cross Elasticities of Demand – Measurement Methods of Price Elasticity of Demand

Unit – II: Utility Analysis :

Cardinal and Ordinal Utility Approaches – Law of Diminishing Marginal Utility – Law of Equi-Marginal Utility – Consumer Surplus – Indifference Curve Analysis: Assumptions, Properties, Budget Line and Consumer's Equilibrium – Derivation of Demand Curve with the help of Indifference Curves – Price Effect, Income Effect and Substitution Effect

Unit – III: Production Analysis: Concepts of Production, Production Function and Factors of Production – Factor Payments: Rent, Wages, Interest and Profit – Law of Variable Proportions – Isoquant, Isocost Curves and Producer's Equilibrium – Laws of Returns to Scale – Economies and Diseconomies of Scale – Cost Analysis: Total, Average and Marginal Cost Curves in Short Run and Long Run – Revenue Analysis: Total, Average and Marginal Revenue Curves – Relationship among Average Revenue, Marginal Revenue and Elasticity of Demand

Unit – IV: Market Structure Analysis- I: Concepts of Firm, Industry and Market – Classification of Markets – Objectives of the Firm – Equilibrium of a Firm – Perfect Competition: Concept, Characteristics, Equilibrium of Firm and Industry during Short Run and Long Run – Monopoly: Concept, Types, Characteristics and Equilibrium of the Firm – Price Discrimination – Comparison between Perfect Competition and Monopoly

Unit – V: Market Structure Analysis – II: Monopolistic Competition: Concept, Characteristics, Equilibrium of the Firm and Selling Costs – Oligopoly: Concept, Characteristics and Price Rigidity – Kinky Demand Curve – Duopoly: Concept and Characteristics – Cournot Model

Reference Books:

A Koutsoyiannis	:	Modern Micro Economics
Stonier and Hague	:	A Text Book of Economic Theory
Salvatore	:	Micro Economics
Schaum Series	:	Micro Economics
Pyndick	:	Micro Economics
Gregory Mankiw	:	Principles of Micro Economics
M L Seth	:	Micro Economics
M L Jhingan	:	Micro Economics
H L Ahuja	:	Modern Micro Economics
HS Agarwal	:	Principles of Economics
A Sen	:	Micro Economics: theory and Applications

Department of Applied Economics
Telangana University
Macro Economics – Semester II
Paper – II
Syllabus

Unit – I: Introduction: Meaning, Nature & Scope and Importance of Macro Economics – Concept of Circular Flow of Incomes – Macro Economic Paradox – National Income Analysis: Concepts and Components – Methods of Measurement – Importance of and Difficulties in the Estimation of National Income – Limitations of National Income as a Measure of Welfare – Social Accounting

Unit – II: Theories of Income and Employment: Classical Theory of Employment: Say's Law of Markets and Pigou's Wage Cut Policy – Keynesian Theory of Income and Employment: Effective Demand, Aggregate Demand Function and Aggregate Supply Function – Consumption Function: Average Propensity to Consume (APC) and Marginal Propensity to Consume (MPC) – Factors Determining Consumption Function – Savings Function: Average Propensity to Save and Marginal Propensity to Save – Concepts of Multiplier, Accelerator and Super-Multiplier

Unit – III: Investment & Theories of Interest Rate: Capital and Investment: Types of Investment, Determinants of Level of Investment – Marginal Efficiency of Capital – Ex-Post and Ex-Ante Investment and Savings – Classical, Neo-Classical and Keynesian Theories of Interest – Simultaneous Determination of Interest and Real Income through IS-LM Framework in a Closed Economy

Unit – IV: Supply of Money & Demand for Money: Meaning, Functions and Classification of Money – Money Supply: Measures – Measures of Money Supply with reference to India: M1, M2, M3 and M4 – Classical Theories of Money: Fisher's and Cambridge Versions of Quantity Theory of Money – Keynes' Theory of Money and Prices.

Unit – V: Inflation & Trade Cycles: Inflation: Concept, Types, Causes and Measurement – Effects (Consequences) of Inflation – Measures to Control Inflation – Concepts of Phillips Curve, Deflation and Stagflation – Trade Cycles: Concept, Nature, Causes, Phases and Remedial Measures.

Reference Books:

- Ackley, G (1976) : Macro Economics: Theory and Policy, Macmillan, New York
Shapiro, E (1996) : Macro Economic Analysis, Galgotia Publications, New Delhi
J R Hicks : Social Frame Work
Becan Man Wilfred : Introduction to National Income Analysis
Hansen A H (1953) : A Guide to Keynes, McGraw Hill, New York
Keynes JM (1936) : The General Theory of Employment, Interest and Money,
MC Vaish : Macro Economic Theory
HL Ahuja : Macro Economic Theory & Policy
Vanitha Agarwal : Macro Economic Theory & Policy, Pearson Education
HL Ahuja : Macro Economic Analysis
Branson : Macro Economics
Gupta, SB : Monetary Economics: Institutions, Theory and Policy
Rakshit, M : Studies in Macro Economics of Developing Countries, Oxford University Press, New York
R. Dorn Busch et al : Macro Economics, Tata McGraw Hill, 2004
M.L. Seth : Macro Economics, Lakshmi Narain Agarwal, Agra, 2006