

CORE COURSE - VII - MACRO AND MONETARY ECONOMICS-II

Module -1 : Neo-Classical and Keynesian Synthesis

Neo –Classical and Keynesian views on interest; the IS –LM model; Extension of IS-LM model with government sector; Relative effectiveness of monetary and fiscal policies; extension of IS-LM models with labour market and flexible prices.

Module -2 : Post-Keynesian Demand for Money

Post-Keynesian approaches to demand for money-Patinkin and the Real Balance Effect, Approaches of Baumol; and Tobin: Friedman and the modern quantity theory; Crisis in Keynesian economics and the revival of monetarism.

Module -3 : Macroeconomics in an Open economy

Mundell-Fleming model-Asset markets, expectations and exchange rates; Monetary approach to balance of payments.

Module - 4 : Theory of Inflation

Classical, Keynesian and Monetarist approaches to inflation; Structuralist theory of inflation; Philips curve analysis-Short run and long run Philips curve; Samuelson and Solow- the natural rate of unemployment hypothesis; Tobin's modified Philips curve; Adaptive expectations and rational expectations; policies to control inflation.

Module -5 : New Classical macro economics

The new classical critique of micro foundations, the new classical approach; Policy implications of new classical approach-empirical evidence.

Reference:

1. Ackley, G. (1978), Macroeconomics : Theory and Policy, Macmillan, New York.
2. Blackhouse, R. and A. Salansi (Eds.) (2000), Macroeconomics and the Real World (2 Vols.), Oxford University Press, London.
3. Branson, W.A. (1989), Macroeconomic Theory and Policy, (3rd Edition), Harper and Row, New York.
4. Bornbusch, R. and F. Stanley (1997), Macroeconomics, McGraw Hill, Inc., New York.
5. Hall, R.E. and J.B. Taylor (1986), Macroeconomics, W.W. Norton, New York.
6. Heijdra, B.J. and V.P. Fredericck (2001), Foundations of Modern Macroeconomics, Oxford University Press, New Delhi.
7. Jha, R. (1991), Contemporary Macroeconomic Theory and Policy, Wiley Eastern Ltd., New Delhi.
8. Romer, D.L. (1996), Advanced Macroeconomics, McGraw Hill Company Ltd., New York.
9. Scarfe, B.L. (1977), Cycles, Growth and Inflation, McGraw Hill, New York.
10. Shapiro, E. (1996), Macroeconomic Analysis, Galgotia Publications, New Delhi.
11. Surrey, M.J.C. (Ed.) (1976), Macroeconomic Themes, Oxford University Press, Oxford.