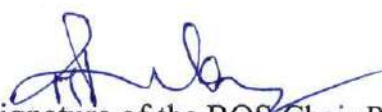


S.V.University 4-Year Honours Degree Programme
B.A.(Economics) Honours Degree Syllabus (w.e.f Academic Year 2025-26)

Model Syllabus for 4-year U.G.Honours in B.A (Economics) as Major in consonance
with curriculum framework w.e.f. A.Y 2025-26

COURSE STRUCTURE

Year	Semester	Course	Title of the Course	No.of Hrs/Week	No.of Credits
1	1	1	Introduction to Economics	4	4
			Micro Economics	4	4
	2	2	Macro Economics	4	4
			Development Economics	4	4


Signature of the BOS Chair Person

SEMESTER-II

COURSE 3: MACROECONOMICS

Theory

Credits: 4

4 hrs/week

Course Objective: The objective of this course is to impart basic concepts, principles and theories of Macroeconomics to make the student understand the functioning of a macro economy.

Course Learning Outcomes:

After the completion of this course, the students will be able to

1. Explain the circular flow of national income in a macro economy, various concepts of national income and their measurement;
2. Compare and contrast the Classical and Keynes theories of employment and their relevance to the present day economies;
3. Evaluate Keynes' theories of consumption and investment functions and their implications to the economy;
4. Analyse causes and the measures to control inflation and trade cycles in the economy;
5. Evaluate the structure and components of balance of payments, exchange rate systems and capital flows to achieve internal and external stability.

Unit - 1: Introduction to Macroeconomics and National Income

- Macroeconomics: Definition, Scope and Importance; Macroeconomic variables: Stock and Flow
- Circular Flow of Income: Two, Three and Four Sector economies
- National Income: Definition, Concepts, Importance
- Measurement of National Income and Difficulties

Unit -2: Theories of Employment

- Classical Theory of Employment, Say's Law of Market,
- Pigou's Wage-Price Flexibility,
- Keynesian Theory of Employment: Assumption, Concepts and Model,
- Classical theory vs Keynesian theory of employment.

Unit -3: Consumption and Investment

- Consumption: Factors, Consumption Function,
- Keynes' Psychological Law of Consumption, life cycle hypothesis
- Investment: Types, Factors, Investment Function, Marginal Efficiency of Capital,
- Working of Multiplier and Accelerator

Unit - 4: Inflation and Trade Cycles

- Inflation: Meaning and types
- Measurement - Consumer Price Index and Wholesale Price Index
- Causes, Consequences and Controlling of Inflation
- Trade Cycles: Phases, Causes and Controlling Measures

Unit- 5: Globalization, External Sector and Macroeconomic Linkages

- Role of Foreign Trade and Capital flows in Domestic Economy
- Exchange rate systems: Fixed, Flexible, and Managed Floating
- Balance of Payments: Structure, current account, capital account and their significance
- Bilateral, Multilateral Trade Agreements and WTO

References:

1. Macroeconomic Analysis, Bilingual Textbook, APSCHE
2. H. L. Ahuja (2004), *Advanced Economic Theory*, New Delhi: S. Chand.
3. P. N. Chopra (2014), *Macroeconomics*, Ludhiana: Kalyani Publishers.
4. D. M. Mithani (1990), *Macro Economic Analysis and Policy*, New Delhi: Himalaya Publications.
5. Telugu Academy Publications on Macroeconomics
6. Macroeconomics, Dr. Br. Ambedkar Open University Material
7. Macroeconomics, IGNOU Material

Suggested Activities:

- Unit-1. Practical Exercise on national income measurement
- Unit-2. Group discussion on relevance of Classical and Keynesian employment theories to current economic situation
- Unit-3. Seminar presentations on the implications of Keynes' Psychological Law of Consumption
- Unit-4. Assignment on current measures to control inflation
- Unit-5. Quiz on sectoral and regional flow of FDI in India and debate on monetary vs fiscal policy

THREE YEAR B.A. DEGREE EXAMINATION –Dec/Jan 2025
CHOICE BASED CREDIT SYSTEM
SEMESTER-II
COURSE-3: MACRO ECONOMICS

Under CBCS New Regulation w.e.f. Academic Year 2025-26

Time:3 Hours

Max.Marks: 75

.....

SECTION-A

Write Short Answer for any Five of the Following. Each Question carries 3 Marks (5X3= 15)

1. What are the main macroeconomic variables?
2. Describe the circular flow of income in a three-sector model.
3. Explain Say's Law of Markets.
4. Explain Pigou's wage-price flexibility theory.
5. What is Keynes' psychological law of consumption?
6. Explain the concept of the Multiplier and accelerator.
7. Discuss the consequences of inflation
8. Suggest measures to control trade cycles.
9. Explain the structure of the balance of payments.
10. What is the role of capital flows in the domestic economy?

SECTION-B

Answer the following Questions. Each Question Carries 12 Marks 5x12=60

11.(a) Discuss the scope and importance of macroeconomics.

(or)

(b) Explain in detail the methods and difficulties in measuring national income.

12.(a) Discuss the classical theory of employment and its limitations.

(or)

(b) Explain the Keynesian theory of employment with a diagram.

13.(a) Explain in detail the various types and determinants of investment.

(or)

(b) Describe the working of multiplier and accelerator with examples.

14.(a) Explain the different types and causes of inflation.

(or)

(b) Explain the phases and causes of a trade cycle with a diagram.

15. (a) Discuss the role of foreign trade and capital flows in the Indian economy.

(or)

(b) Discuss the significance of international trade agreements and the role of WTO.