

**NORTH-EASTERN HILL UNIVERSITY -**  
**Proposed TDC Syllabus in Economics under Semester System**

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**Paper - II**  
**MACROECONOMICS**

**Unit-I**

**National Income:** Meaning, concepts and their inter-relationship; methods of measuring national income and their limitations; national income identities with government and international trade; circular flow of income – four sector model; green accounting.

**Unit-II**

**Output and Employment:** Classical theory of employment; Keynesian theory of income and employment; the principle of effective demand; consumption and saving functions; investment multiplier; marginal efficiency of capital; savings and investment: ex post and ex ante (concepts only); equality and equilibrium (classical approach).

**Unit-III**

**Money, Banking and Inflation:** Demand for money (Classical and Keynesian); supply of money- Fisher and Cambridge equations, high powered money; commercial banks: functions and credit creation; central bank: functions and instruments of credit control; inflation: types, causes, effects and control.

**Unit-IV**

**Trade Cycle:** Nature and characteristics; Hawtrey monetary theory; Hayek's over-investment theory and Keynes' view on trade cycle; the concept of accelerator; Hicksian interaction model; control of trade cycles. **Balance of Trade and Balance of Payments:** concepts and components, equilibrium and disequilibrium in the balance of payments; consequences of disequilibrium and measures to correct the deficit in the balance of payments.

**Suggested Readings**

1. Ackley, G. (1976), *Macroeconomics: Theory and Policy*, Macmillan Publishing Company, New York.
2. Gupta, S. B. (1994), *Monetary Economics*, S. Chand and Company, Delhi.
3. Jhingran, M. L. (2007), *Monetary Economics*, Vrinda Publications, New Delhi.
4. Mankiw, N. G. (2007), *Principles of Macroeconomics*, Thomson Learning INC, New Delhi.
5. Mukherjee, Sampat (1990), *Modern Economic Theory*, Wiley Eastern Ltd., New Delhi.
6. Samuelson, P. A. and W. D. Nordhaus (1998), *Economics*, Tata McGraw Hill, New Delhi.
7. Shapiro, B. (1996), *Macroeconomic Analysis*, Galgotia Publications, New Delhi.