Category II

Economics Courses for Undergraduate Programme of study with Economics as one of the Core Disciplines

(B.A. Programmes with Economics as Major discipline)

DISCIPLINE SPECIFIC CORE COURSE -7 (DSC-7): Intermediate Macroeconomics I: Foundations of Aggregate Income Determination

Course title & Code	Credits	Duration (per week)			Eligibility Criteria	Prerequisite
		Lecture	Tutorial	Practical/ Practice		
Intermediate Macroeconomics I: Foundations of Aggregate Income Determination – ECON008	**4**	**3**	**1**	**0**	**Class 12th with Mathematics**	**NIL**

Learning Objectives

The Learning Objectives of this course are as follows:

- This course builds upon the basic concepts of macroeconomics. It introduces labour markets and the aggregate supply (AS) curve.
- Aggregate Demand (AD) and Aggregate Supply (AS) are brought together to determine equilibrium prices and output examine the policy impacts.
- The course discusses Phillips curve and the alleged trade-off between inflation and unemployment. Both adaptive and rational expectations are introduced.
- A flavour of micro-foundations is introduced with respect to consumption and investment.

Learning outcomes

The Learning outcomes of this course are as follows:

- This course enables students to analyse the interaction of aggregate demand and supply and the effects of fiscal and monetary policy, trade-off between inflation and unemployment, and consumption and investment behaviour of the households.

Syllabus

UNIT I: Short-run and medium-run equilibrium (15 hours)
The labour market, Wage determination; wages, prices, and unemployment; natural rate of unemployment; from employment to output, Derivation of aggregate supply curve, Interaction of aggregate demand and supply to determine equilibrium output, price level and employment.

UNIT II: Philips Curve and Theory of Expectations (15 hours)
Inflation, unemployment and expectations, Phillips Curve; adaptive and rational expectations; policy ineffectiveness debate.

UNIT III: Microeconomic foundations of macroeconomic behaviours (15 hours)
Consumption: Keynesian consumption function; Fisher's theory of optimal intertemporal choice; life-cycle and permanent income hypotheses; other theories of consumption expenditure.

Investment: determinants of business fixed investment; residential investment and inventory investment.

Recommended readings

- Blanchard, O. (2006). *Macroeconomics*, 4th ed. Pearson Education.
- C.L.F. Attfield, D. Demery and N.W. Duck (1991). *Rational Expectations in Macroeconomics: an introduction to theory and evidence* 2nd Ed.
- Sheffrin, Steve (1996). *Rational Expectations*. 2nd ed., Cambridge University Press.
- Dornbusch, R., Fischer, S. (1994). *Macroeconomics*, 6th ed., McGraw-Hill.
- Branson, W. (2013). *Macroeconomics: Theory and policy*, 3rd ed, East West Press.
- Carlin, W and D Soskice (2007), *Macroeconomics: Imperfections, Institutions and Policies*, Indian Edition, OUP.

Note: Examination scheme and mode shall be as prescribed by the Examination Branch, University of Delhi, from time to time.

DISCIPLINE SPECIFIC CORE COURSE -8 (DSC-8): Basic Econometrics

Course title & Code	Credits	Duration (per week)			Eligibility Criteria	Prerequisite
		Lecture	Tutorial	Practical/ Practice		
Basic Econometrics – ECON024	**4**	**3**	**1**	**0**	**Class 12th with Mathematics**	**Basic Statistics for Economics (ECON022)**

Learning Objectives

The Learning Objectives of this course are as follows:

- This course introduces students to the econometric methods used to conduct empirical analysis based on the basic statistics.
- It offers the basic quantitative techniques needed to undertake applied research projects to establish the relationship between variables of interests across wide variety of disciplines.

Learning outcomes

The Learning outcomes of this course are as follows:

- Students will learn to estimate simple estimation and inferences about population parameters, to formulate empirical models and analyze data.
- An expertise in econometrics increases the job prospect of the students significantly.

Syllabus

UNIT I: Regression Models (15 hours)
OLS estimators, hypothesis Testing using software and practical application; multi- ple Regression Model - estimation, Testing and practical application using software like GRETL/EViews/ R/Stata/EXCEL etc.

UNIT II: Qualitative variables and Estimation (15 hours)
Application of qualitative variables, Nonlinear Models, Applications of dummy variables

UNIT III: Issues with Classical Assumptions (15 hours)
Violation of normal distribution, Collinearity with independent variables, heteroscedasticity, autocorrelation, practical application

Recommended readings

- Christopher Dougherty, *Introduction to Econometrics*, 4th edition, OUP, Indian edition.
- Damodar Gujarati, *Econometrics by Example*, 2nd edition, Palgrave Macmillan, 2014.
- Gujarati, D., Porter, D. (2010). *Essentials of Econometrics*, 4th ed. McGraw-Hill.

Note: Examination scheme and mode shall be as prescribed by the Examination Branch, University of Delhi, from time to time.