Course title: MACROECONOMICS

Credits: 4; Number of lecture hours (including tutorials): 50+6; Evaluation: Mid semester exam – 30%, End semester exam – 70%

Course instructor: Dr. Trishita Ray Barman

(1) Aggregate supply and aggregate demand
   a. Labour market and aggregate supply
   b. The IS-LM model and aggregate demand
   c. Mundell-Fleming model and fiscal and monetary policies
(2) Dynamics in aggregate demand and supply
   a. Stability of IS-LM-AD system
   b. Rational expectations and economic policy
(3) Business cycles
(4) New Keynesians microfoundations
   a. Lucas' imperfect information model
   b. Imperfect competition and price setting
   c. Shapiro-Stiglitz model of efficiency wage
(5) Monetary policy and inflation – Dynamic inconsistency problem
(6) Budget deficits and fiscal policy – Ricardian equivalence
(7) Optimal control theory

Readings

Heijdra, B. J. (2002). *Foundations of Modern Macroeconomics, 2nd Edition.* New York: Oxford University Press Inc.

Romer, D. (2001). *Advanced Macroeconomics.* New York, NY: McGraw-Hill/Irwin.