Course Information

B.A.II Economics (NEP)

Sem- III

Course Title: Macro Economics II (Major Subject- II)

Course Code: HUGECOMJS302
Duration: December 2025 to April 2025 (60 periods scheduled Monday–Saturday**)**
Total Periods: 60 (one period per day, Monday–Saturday)
No. of Credits: 04
Teaching Methodology: Lectures, discussions, numerical examples, diagrams (e.g., circular flow models, Phillips curve, money supply graphs), case studies on Indian economy, and assignments.

Course Objectives:
1. 1. To explain theories of output and employment, including Say's Law and Keynesian principles, to understand economic fluctuations and consumption behaviour.

2. To analyse saving, investment, multipliers, and accelerators for comprehending income propagation and business cycles.
3. To introduce public finance concepts, including expenditure, revenue, taxation, and their role in economic growth and social advantage.
4. To explore international trade theories, policies, and institutions like IMF and World Bank, highlighting differences between internal and international economics.

Learning Outcomes:
Upon completion of the course, students will be able to:
1. Apply Say's Law and Keynesian theory to evaluate employment determinants, consumption functions, and psychological laws in real economies.
2. Calculate and interpret saving propensities, investment functions, multipliers (including limitations), and accelerators to analyse economic stability.
3. Differentiate public vs. private finance, assess taxation principles (including GST), and evaluate public expenditure's impact on growth.
4. Compare free trade vs. protectionism using Ricardian theory, and describe the functions of IMF and World Bank in global financial

Detailed Teaching Plan:

The plan allocates 15 periods per unit, sequentially assigned to Monday–Saturday sessions from December 2025. Each period is 1 hour. Topics are broken down with approximate period allocations for balanced coverage, including time for explanations, examples, and Q&A.

Subtopics and Period Allocation:

Unit I: Output and Employment **Focus:** Theories of employment and consumption determinants.			
Period	**Month**	**Topic/Subtopic**	**Activities/Notes**
1–12	**December-2025**	Say's Law of market	Lecture on supply creates demand; criticisms; classical vs. Keynesian debate; examples from recessions.
		Keynesian theory of employment.	Effective demand model; diagrams for aggregate supply/demand; group discussion on unemployment causes.
		Consumption Function - Concept, Types and Factors Determining Consumption Function (Part 1) Consumption Function... (Part 2); diagrams and real-world applications	APC/MPC concepts; factors (income, wealth); numerical examples. Graphs of consumption curves; Indian consumption patterns; weekly review. (Post-holiday resumption.)
13–15	**January-2026**	Psychological Law of Consumption.	Keynes' law; absolute income hypothesis; behavioural aspects; unit quiz.
Unit II: Saving and Investment. **Focus:** Dynamics of saving, investment, and economic multipliers			
Period	**Month**	**Topic/Subtopic**	**Activities/Notes**
16–24	**January-2026**	he saving function - meaning, Concept and Kinds of propensity to save.	APS/MPS; types (induced/autonomous); saving paradox discussion.
		Investment Function - Concept, Kinds, Marginal Efficiency of Capital (Part 1)	Autonomous/induced investment; MEC schedule; numerical calculations.

		Investment Function... (Part 2); diagrams and factors affecting MEC. Keynesian multiplier - meaning, working of the multiplier & Income Propagation, features, Limitations & leakages of multiplier.	Graphs of investment demand; interest rate links. Multiplier formula; propagation examples; leakages (taxes, imports); case study on fiscal stimulus.
25–28	**February-2026**	The Theory of Accelerator - meaning, working, method of Accelerator & criticisms.	Acceleration principle; numerical on investment changes; criticisms (lags); unit review.
Unit III: Public Finance. **Focus:** Principles and components of public finance.			
Period	**Month**	**Topic/Subtopic**	**Activities/Notes**
29–37	**February-2026**	Public Finance - meaning & Scope Difference between private and public Finance.	Definitions; scope in stabilization; compare allocation in private vs. public sectors.
		The principle of maximum & Social Advantage.	Dalton's principle; social welfare maximization; diagrams for benefit-cost.
		Public Expenditure - meaning, principles and causes of Growth & Effects (Part 1). Public Expenditure... (Part 2).	Wagner's law; growth causes (urbanization); effects on economy. Effects on distribution; case studies from infrastructure spending.
38-40	**March- 2026**	Public Revenue - Meaning, objectives of taxation, Direct a indirect Tax and GST.	Canons of taxation; progressive vs. regressive; GST structure in India; unit quiz.
Unit IV: International Trade & International Financial Institutions. **Focus:** Global trade theories and institutions.			
Period	**Month**	**Topic/Subtopic**	**Activities/Notes**
		International Trade - concept, Importance Difference between	Gains from trade; immobility of factors; comparative advantage basics.

41–49	**March- 2026**	Internal & International Trade.	
		Free Trade & protection Trade - Advantages and Disadvantages.	Tariffs/quotas pros/cons; infant industry argument; debate session.
		Ricardo Theory of international Trade. International monetary Fund - Meaning, Objectives & Functions	Comparative cost theory; numerical examples on labour productivity; assumptions/criticisms. IMF structure; SDRs; role in crises (e.g., India 1991); comparisons with World Bank.
50-60	**April- 2026**	World Bank - Meaning, Objectives & Functions.	IBRD/IDA functions; development loans; course review, mock exam, and exam prep tips.