Syllabus
B. Com. (Business Economics)
(Sem.- IV)
Title of Paper: Macroeconomics: Analysis of Interaction Between Goods and Money Markets

Sr. No.	Heading	Particulars
1	**Description the course:** **Including but Not limited to :**	This course examines the role of IS-LM analysis in Post-Keynesian economics, highlighting its relevance in understanding macroeconomic equilibrium. It explores the interactions between goods and money markets, the impact of fiscal and monetary policies, investment dynamics, and market adjustments, providing insights into policy effectiveness and economic stability.
2	**Vertical :**	Major
3	**Type :**	Theory
4	**Credit**:	2 credits (1 credit = 15 Hours for Theory or 30 Hours of Practical work in a semester)
5	**Hours Allotted :**	30 Hours
6	**Marks Allotted**:	50 Marks
7	**Course Objectives**: 1. Develop a comprehensive understanding of IS-LM analysis within the Post-Keynesian framework and its role in macroeconomic equilibrium. 2. Examine the effects of fiscal and monetary policies on goods and money markets, assessing their implications for economic stability.	
8	**Course Outcomes**: By the end of the course, students will be able to: 1. Apply IS-LM analysis to explain macroeconomic equilibrium and policy effectiveness. 2. Evaluate the impact of fiscal and monetary interventions on goods and money market interactions.	

9	Syllabus

Module I: The Goods Market   (15 hours)

- Good market: Meaning and components, Government spending and its impact on economic activity, Graphical derivation of the IS curve.
- Equilibrium conditions in goods market, Interaction between private savings, public savings, and investment interact, Factors influencing investment decisions: Interest rates, business confidence, and future expectations.
- Demand-side shocks due to change in consumption, investment, or government spending, Supply-side shocks due to technological advancements and resource limitations, Role of government in economic stabilisation and recovery.

Module 2: The Money Market   (15 hours)

- Money market: Meaning and components, The transactional, precautionary, and speculative motives behind demand for money, Derivation of the LM curve graphically.
- The conditions for simultaneous equilibrium between goods and money markets, Interest rates and level of output determinations using the IS-LM model, Simultaneous equilibrium and macroeconomic stability.
- The liquidity trap and monetary policy, The Crowding-out effect: Impact of increased government spending and reduction in private investment, The Crowding-in effect: Impact of government spending and increase in investment.

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References:
- **Blanchard, Olivier.** *Macroeconomics.* 7th ed., Pearson, 2017.
- **Borjas, George J.** *Labour Economics.* 7th ed., McGraw-Hill Education, 2016.
- **D'Souza, Errol.** *Macroeconomics.* Pearson Education, 2008
- **Krugman, Paul, and Robin Wells.** *Macroeconomics.* 6th ed., Worth Publishers, 2021.
- **Mankiw, N. Gregory.** *Principles of Economics.* 9th ed., Cengage Learning, 2020.
- **Mishkin, Frederic S.** *The Economics of Money, Banking, and Financial Markets.* 12th ed., Pearson, 2019.
- **Mukherjee, Sampat,** Vipul Bhatt, and Lalima Mukherjee. *Macroeconomics: A Global Text.* Global Net Publication, January 2021.

11	**Internal Continuous Assessment: 40% (20 Marks)**

	Continuous evaluation pattern	
1	Class Test Two (5 marks each)	10 Marks
2	Assignment/ Project Presentation/ Case Study writing	10 Marks
3	Book review/Newspaper review (in any language)/ Case Studies	10 Marks
	Take any two of the above (from 1, 2 and 3)	**20 Marks**