

TEACHING PLAN FOR GENERIC ELECTIVE SEMESTER- II

(INTRODUCTORY MACROECONOMICS)

UNIT	TOPIC	READINGS	NO. OF LECTURES
1.Introduction to Macroeconomics and National Income Accounting	Basic issues studied in macroeconomics; measurements of gross domestic product, income, expenditure and the circular flow; real versus nominal GDP; price indices; national income accounting for open economy, balance of payments accounts, current and capital accounts.	<p>(i) Abel, Bernanke and Croushore: Chapters 1, 2 and section 5.1 (pp. 169-177). Instead of Table 5.1 in book use Economic Survey 2015-16 vol 2, ch. 4, pp.78-82 (esp. Table 4.3): http://indiabudget.nic.in/es2015-16/echapvol2-04.pdf</p> <p>(ii) National Accounts Statistics: Sources and Methods, CSO, Government of India, 2012; Chapters 2,3,4 and 8. http://sdp.gov.in/writereaddata/sources_method_2012.pdf</p>	Approx15
2. Money	Functions of money; quantity theory of money; determination of money supply and demand;	<p>(i) Mankiw: section 4.1 (pp. 79-85) and section 5.1 (pp. 100-106).</p> <p>(ii) Blanchard: Chapter 4.</p>	Approx10

	credit creation; tools of monetary policy.		
3. Inflation	Inflation and its costs; hyperinflation .	(i) Mankiw: Chapter 5, sections 5.2-5.7 (pp. 99-100; pp. 107-126). (ii) Blanchard: Chapter 23.	Approx10
4. The Closed Economy in the Short Run	Classical and Keynesian systems; simple Keynesian model of income determination ; IS-LM model; fiscal and monetary multipliers.	(i) R. Froyen Chapter 3 (ii) Dornbusch and Fischer Chapters 3, 14, and chapter 11.1-11.3 (pp. 250 -271). (iii) Blanchard Chapter 23	Approx 25

Useful sources for data on the Indian economy:

1. Economic Survey: http://indiabudget.nic.in/vol2_survey.asp
2. RBI Handbook of Statistics on the Indian Economy: <https://dbie.rbi.org.in/>
<https://www.rbi.org.in/SCRIPTS/AnnualPublications.aspx?head=Handbook%20of%20Statistics%20on%20Indian%20Economy>
3. RBI Database on the Indian Economy: <https://dbie.rbi.org.in/DBIE/dbie.rbi?site=home>

Overall 2 tests will be held, one from 2 units during the entire semester.

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TEACHING PLAN FOR INTRODUCTORY ECONOMETRICS

SEMESTER- II

UNIT	TOPIC	READINGS	NO. OF LECTURES
1.Nature and scope of Econometrics	1. Nature and scope of Econometrics	(i) Gujarati: Ch 1	Approx 5
2. Statistical Inference	Statistical Inference Normal distribution; chi-sq, t- and F- distributions; estimation of parameters; testing of hypotheses; defining statistical hypotheses; distributions of test statistics; testing hypotheses related to population parameters; Type-I and Type-II errors; power of a test; tests for comparing parameters from two samples.	(i) Devore: Ch 8: Sec 8.1, Sec 8.2 (excluding “β and sample size determination”, that is pages 313-314 and 318- 320), Sec 8.4 (excluding “More on interpreting p values”, that is pages 335- 337), Ch 9: Sec 9.1 (excluding “β and the choice of sample size”, that is page 350) (ii) Gujarati: Appendix D, pages 507-510	Approx 10
3. Simple linear regression model: 2 variable case	Estimation of model by method of ordinary least squares; Properties of estimators; Goodness of fit; Testing of Hypotheses; Scaling and units of measurement; Confidence intervals; Gauss Markov Theorem; Forecasting	(i) Gujarati: Ch 2, Ch 3 (ii) Dougherty: Ch2 (excluding “A Monte Carlo Experiment”, that is Sec 2.4)	Approx10
4. Multiple Linear Regression Model	Estimation of parameters; Properties of OLS estimators; Goodness of fit- R² and Adjusted R²; Partial regression	(i) Gujarati: Ch 4, Ch 5, Ch 6: Sec 6.1 and 6.2 (i) Dougherty: Ch3	Approx 15

	coefficients; Testing Hypotheses: Individual and Joint; Functional Forms of Regression Models; Qualitative (dummy) independent variables	(excluding Sec 3.4)	
5. Violations of Classical Assumptions: Consequences, Detection and Remedies	Multicollinearity; Heteroscedasticity; Auto-correlation	(i) Gujarati: Ch 8, Ch 9 (Excluding Sec 9.5), Ch 10 (Excluding Sec 10.6, Appendix 10A) (ii) Dougherty: Ch 3 (only sec 3.4 is to done), Ch 7: Goldfeld-Quandt test (p. 285-286 are to be done), Ch12 (pp 434-440 are to be don	Approx 15
6. Specification Analysis	Omission of a relevant variable; Inclusion of irrelevant variable; Tests of specification	(i) Gujarati: Ch 7: Sec 7.1 (ii) Dougherty: Ch 6: Sec 6.1	Approx 5

Overall 2 test and 1 Assisgment/ Project will be taken in the entire semester.

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