

UNIVERSITY OF DELHI
DELHI SCHOOL OF ECONOMICS
DEPARTMENT OF ECONOMICS

Minutes of Meeting: Course 04 – Introductory Macroeconomics

Subject : B.A. (Hons.) Economics, Second Semester (2011-2012)

Course : 04 – Introductory Macroeconomics

Date of Meetings : Wednesday 21st December, 2011, 1.00 P.M. &
Friday 23rd December, 2011, 1.00 P.M.

Venue : Department of Economics, Delhi School of Economics, University of Delhi

Chaired By: Prof. Pami Dua

Convenor : Dr. Mausumi Das

Attended by:

1. Savita Singh, Deshbandhu College
2. Aruna Rao, Sri Venkateshwara College
3. Rashmi Mittal, Dyal Singh College (Morning)
4. Supriti Mishra, ShyamLal College (Morning)
5. Pooja Khanna, Daulat Ram College
6. Kopal Gupta, Shri Ram College of Commerce
7. Lokendra Kumawat, Ramjas College
8. Stuti Gupta, Shyam Lal College (Evening)
9. Akhilesh Kumar Yadav, Satyawati College (Evening)
10. V.K. Purohit, I.P. College for Women
11. Malasika Pal, Miranda House
12. Sanjeev Grewal, St. Stephen's College
13. Jayshree, Lady Shri Ram College
14. Rabi Shankar Prasad, Kirori Mal college
15. Apeksha Singh, Shivaji College

Two meetings of concerned college teachers were held on Dec 21 and Dec. 23, 2011 to finalise the detailed reading list for the course. The meetings were chaired by Prof Pami Dua (HoD, Dept. of Economics) and Prof. Mausumi Das from the Department of Economics, Delhi School of Economics. In addition to finalising the reading list, the following recommendations were made:

1. For internal assessment, there should be two class tests of 10 marks each and 5 marks for attendance.
2. Suggested number of lectures for Unit 1 is around 20, for Unit 2 and 3 together is between 20 and 25, and for Unit 4 is between 20 and 25.
3. It was recommended that the question paper for the final examination should have three questions.
 - a. The first question should be from Unit 1, the second question from Units 2 and 3, and the third question from Unit 4.
 - b. The questions should carry roughly equal marks.
 - c. Each question should have some internal choice.

Detailed Reading List

Unit 1. Introduction to Macroeconomics and National Income Accounting

Basic issues studied in macroeconomics; measurement of gross domestic product; income, expenditure and the circular flow; real versus nominal GDP; price indices; national income accounting for an open economy; balance of payments accounts; current and capital accounts.

- i. Andrew B. Abel, Ben S. Bernanke and Dean Croushore (2011), Chs. 1 & 2.
- ii. Paul R. Krugman and Maurice Obstfeld (2009), Ch. 12.
- iii. Errol. D'Souza (2008), Chs. 1 & 2.1 - 2.2.
- iv. Olivier Blanchard (2006), Ch. 2.

Unit 2. Money

Functions of money; quantity theory of money; determination of money supply and demand; credit creation; tools of monetary policy.

- i. N. Gregory Mankiw (2007), Ch. 4.1 - 4.3.
- ii. Richard T. Froyen (2005), Ch.4.1.
- iii. Errol. D'Souza (2008), Chs.2.3& 6 (including Appendix 6.5 pp 198-201).
- iv. Olivier Blanchard (2006), Ch.4.

Unit 3. Inflation

Inflation and its social costs; hyperinflation.

- i. N. Gregory Mankiw (2007), Ch. 4.4 - 4.8.
- ii. Olivier Blanchard (2006), Ch. 23.

Unit 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. Richard T. Froyen (2005), Chs.3 & 4.2 – 4.4.
- ii. Rudiger Dornbusch and Stanley Fischer (1994), Chs. 3, 4, & 5.1 – 5.3.
- iii. Olivier Blanchard (2006), Chs.3& 5.

Readings:

1. Rudiger Dornbusch and Stanley Fischer (1994), *Macroeconomics*, McGraw Hill, 6th edition.
2. N. Gregory Mankiw (2007), *Macroeconomics*, Worth Publishers, 6th edition.
3. Olivier Blanchard (2006), *Macroeconomics*, Pearson Education, Inc., 4th edition.
4. Richard T. Froyen (2005), *Macroeconomics*, Pearson Education Asia, 8th edition.
5. Andrew B. Abel, Ben S. Bernanke and Dean Croushore (2011), *Macroeconomics*, Pearson Education, Inc., 7th edition.
6. Errol. D'Souza (2008), *Macroeconomics*, Pearson Education.
7. Paul R. Krugman and Maurice Obstfeld (2009), *International Economics*, Pearson Education Asia, 8th edition.

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Minutes of Meeting: Course 05 – Statistical Methods in Economics II

Subject : B.A. (Hons.) Economics, Second Semester (2011-2012)

Course : 05 – Statistical Methods in Economics II

Date of Meeting : Wednesday 21st December, 2011, 2.30 P.M.

Venue : Department of Economics, Delhi School of Economics, University of Delhi

Convenor : Prof. Rohini Somanathan

Team Members: Dr. Deepti Goel, Dr. Param Jit

Attended by:

1. Rachna Jain, Maitreyi College
2. Stuti Gupta, Shyam Lal College (Evening)
3. Nupur Kataria, Kamla Nehru College
4. T.M. Thomas, Deshbandhu College
5. Kamlesh Aggarwal, Shyama Prasad Mukherjee College
6. Sanjeev Grewal, St. Stephen's College
7. Lokendra Kumawat, Ramjas College
8. Anand Sharma, PGDAV College
9. Anita Balani, Hans Raj College
10. Malini Sharma, Daulat Ram College
11. Deepika Goel, Ram Lal Anand College (Evening)
12. Anjani Kochak, Lady Shri Ram College
13. Paramjeet Kaur, S.G.G.S.C.C.
14. Neetu Chopra, Miranda House
15. Pragya Ati, A.R.S.D. College
16. N. Raghunathan, St. Stephen's College
17. C. Goswami, Dyal Singh College
18. Ashis Taru Deb, College of Vocational Studies
19. Harish Dhawan, Ram Lal Anand College (Evening)
20. Rahul Kumar Rakesh, Shivaji College
21. Archana Jain, Delhi College of Arts & Commerce
22. Priyanka Bhatia, Shri Ram College of Commerce
23. Shalini Agarwal, Kalindi College
24. Prerna Gupta, Kalindi College
25. Sarvesh Bandhu, Shri Ram College of Commerce

We discussed the method of internal assessment; the structure of the final exam and the coverage of topics in the course. The following decisions were taken:

Internal Assessment: This would be for 25 marks. There will be two class tests of 10 marks each and 5 marks would be awarded based on attendance of classes and tutorials.

Exam Structure:

The topic wise division of marks and the structure of the question paper for the end-semester university exam would be as follows:

Topic 1: 10 marks, students will be required to do 1 out of 2 questions of 10 marks each.

Topic 2: 20 marks, students will be required to do 2 out of 3 questions of 10 marks each.

Topic 3: 25 marks, students will be required to do 1 out of 2 questions of 5 marks each and, in addition, 2 out of 3 questions of 10 marks each.

Topic 4: 20 marks, students will be required to do 2 out of 3 questions of 10 marks each.

Several college teachers expressed concern over the large number of scientific and engineering terms in the problems and examples of the prescribed textbook by J. Devore. It was decided that :

- 1) Scientific terminology would not be included in the exam questions
- 2) Exams would not rely on the students having done any computer-based exercises since not all colleges have the necessary facilities.

Additional Readings and Resources:

- 1) For the topic on Sampling, it was decided to use *Basic Statistics*, by Nagar and Das , pages 185- 197.
- 2) Additional examples and exercises from the Schaum's outline series *Probability and Statistics* by M.R Spiegel, John J. Schiller and R.A.Srinivasan (Tata McGraw-Hill) would be used to supplement those in the textbook.

Course coverage for the coming semester:

The coverage of the course for the coming semester would be restricted to help students make the transition to the new syllabus. The following pages and topics would be **excluded** from the textbook *Probability and Statistics for Engineers* by Jay Devore:

Chapter 6, Estimation: Pages 205-206 (Some Complications).

Chapter 7, Prediction Intervals based on a Single Sample: Pages 235 -237 (A prediction interval for a single future value, tolerance intervals and intervals based on non normal population distributions)

Chapter 8, Tests of Hypotheses Based on a Single Sample: 254- 255, 260-261, 263, (β and sample size determination) and pages 282- 283, (β and choice of sample size).

Chapter 9, Inferences Based on Two Samples: Section 9.3, pages 291 – 298 (Analysis of paired data) and pages 301- 303, (Type II error probabilities and sample sizes)

Chapter 12: Simple Linear Regression and Correlation: Pages 405 – 410

(Regression and Anova), Section 12.4, (inferences concerning $\mu_{x.y}$ and prediction of future Y values) and pages 417 – 418 (other inferences concerning ρ).

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Minutes of Meeting: Course 06 – Mathematical Methods for Economics II

Subject : B.A. (Hons.) Economics, Second Semester (2011-2012)

Course : 06 – Mathematical Methods for Economics II

Date of Meeting : Wednesday 21st December, 2011, 1.00 P.M.

Venue : Department of Economics, Delhi School of Economics, University of Delhi

Convenors : Prof. Sudhir Shah, Dr.Sugata Bag

Attended by:

1. Niti Bhutani, Hindu College
2. Surendra Kumar Sharma, Shyam Lal College (Evening)
3. Bhumika Hingorani, Daulat Ram College
4. Padma Suresh, Sri Venkateshwara College
5. Neelam J. Malhotra, Lady Shri Ram College
6. Gita Golani, Shyama Prasad Mukherjee College
7. Anindita Roy Saha, I.P. College
8. SandhyaVarshney, Dyal Singh College
9. Shashi Bala Garg, Lady Shri Ram College
10. Niti Khandelwal Garg, Kirori Mal College
11. Mandeep Kaur, Maitreyi College
12. Anurag Malhotra, St. Stephen's College

Textbook

The old textbook (K. Sydsaeter and P. Hammond: *Mathematics for Economic Analysis*, Pearson Educational Asia: Delhi (2002) is retained for this sequence of courses.

Mathematical Methods for Economics I (Course 03), Semester I

This semester covers Chapters 1-10 and Chapter 20 of the textbook, leaving out Sections 6.7, 10.4 and 20.2-20.5. Note the addition of material on integration (Sections 10.1-10.3) and difference equations (Section 20.1).

The rough weights attached to the five sections mentioned in the new syllabus are:

I (Preliminaries) have 10% weight, II (Functions of one real variable) has 30% weight, III (Single variable optimization) has 40% weight, IV (Integration of functions) has 10% weight and V (Difference equations) has 10% weight.

Mathematical Methods for Economics II (Course 06), Semester II

This semester covers Chapters 12-18 and Chapter 21 of the textbook, leaving out Sections 13.3, 14.4-14.6, 15.9, 18.3 (see exception below), 18.8-18.10, 21.3-21.6 and 21.8-21.9. Note the addition of material on differential equations (Sections 21.1, 21.2 and 21.7).

Further notes: (a) While the proof of Theorem 13.1 is not to be done, its statement and uses are to be done. (b) While the proof of Leibniz's formula on page 547 is not to be done, its statement and uses are to be done. (c) The determinant criterion for quasi-concavity on pages 647-648 is not to be done. (d) In Section 18.3, only the statement of Lagrange's theorem 1(Theorem 18.1) is to be done. (e) The multiple equality constraints case (pages 672-673) is not to be done.

The rough weights attached to the four sections mentioned in the new syllabus are: I (Differential equations) has 15% weight, II (Linear algebra) has 30% weight, III (Functions of several real variables) has 25% weight and IV (Multi-variable optimization) has 30% weight.

Examination matters

The above weights are only indicative and not ironclad guarantees of the weights attached to these sections in examinations. The examinations should broadly reflect these weights, but may vary from them by as much as 10% points. So, if the weight indicated for a section is (say) 25%, that section's actual weight in an examination can vary between 15% and 35%.

The examinations will not follow any fixed structure or pattern.

Internal assessment for each of these courses will be based on two class tests of 10 marks each and 5 marks for attendance.

Special remarks

In the second semester of the academic year 2011-12, "integration" will be taught as *per* the syllabus for Course 03, but only as a matter of academic service towards the second year courses. Students will not be examined on this material.

This arrangement is only for this year and from academic year 2012- 13 onwards, Courses 03 and 06 will be taught and examined as *per* the prescribed syllabi.