

HSS3101: Macro Economics for Managers

Programme: B.Tech.

Year: III

Semester: V

Course: Macro Economics for Managers (HSS elective) Credits: 3

Hours: 40

Course Context and Overview:

Macro Economics for Managers focuses on the application of economic analysis in a macroeconomic context. It provides the analytical framework required for managers to understand the economic perspective as well as anticipation of the possible impact of changes in policies. In this course the students are introduced to the macroeconomic variables like economic growth, GDP, inflation, budget, balance of payments and exchange rate. This context provides a set of analytical tools for the contemporary manager. An understanding of the impact of macro-economic issues and policies in the domestic as well as global economic environment is necessary for managers to make strategic decisions related to businesses.

Prerequisites Courses: NA

Course outcomes (COs):

On completion of this course, the students will have the ability to:

CO1 analyze the effect of macroeconomic policies on managerial decision making

CO2 apply economic reasoning to understand business decisions by examining issues such as GDP, unemployment, inflation, government expenditure, international trade and exchange rate

CO3 explain the inflation, structure of budget, balance of payments accounts, foreign exchange rate

CO4 understand the structure, dynamics and challenges of Indian and global economy

Course Topics:

Topics	Lecture Hours	
UNIT - I		
1. Introduction to Macro Economics		
1.1 Introduction	2	10
1.2 Micro economics and Macro economics	2	
1.3 Importance of macro economics	2	
1.4 Macroeconomic issues & implications for managerial decision making	3	
1.5 Macroeconomics and financial markets	1	
UNIT - II		
2. National Income		
2.1 Circular flow model of economy	2	10

2.2 National income measures	2	
2.3 Methods of measuring National income	3	
2.4 Importance, Limitations of measuring National income, Green GDP	2	
2.5 Changing composition of India's economy	1	
UNIT - III		
3. Monetary and Fiscal Policy		
3.1 Inflation in India – Causes and measurement	2	10
3.2 Effects of inflation, Inflation & rate of unemployment	2	
3.3 Measures to control inflation	2	
3.4 Classification of Government expenditure and Revenue	2	
3.5 Measures of deficit: Fiscal management in India – FRBM Act	2	
UNIT - IV		
4. The External Sector: Open economy macro economics		
4.1 Rationale for Trade: India and International Trade	2	10
4.2 Balance of Payments: Components of Balance of Payments account, FDI, FII, Current account deficit	3	
4.3 External debt of India	1	
4.4 Foreign Exchange Rate: Meaning and determination, Rupee-Dollar parity	2	
4.5 The Global recession	2	

Textbook references (IEEE format):

Text Book:

1. Gupta, S.G., Macroeconomics Theory & Applications, New Delhi, Tata McGraw-Hill Publication Company Ltd., 2008
2. Dwivedi, D.N., Macroeconomics Theory & Policy, New Delhi, Tata McGraw-Hill Publication Company Ltd., 2010
3. Misra, S. K. & V. K. Puri, Indian Economy, Mumbai, Himalaya Publishing House, 2013.

Reference books:

1. Samuelson, Paul A, Nordhaus, Anindya Sen & Sudip Chaudhuri, Economics, 19th Edition, New Delhi, Tata McGraw Hill Publishing Company Limited, 2010
2. D'souza, Errol, Macroeconomics, 2nd edition, New Delhi, Dorling Kindersley (India) Pvt. Ltd.: Pearson Education in South Asia, 2012.

Additional Resources:

1. Economic Survey (latest), Govt. of India, Ministry of Finance, New Delhi. (Available at - <http://indiabudget.nic.in/survey.asp>)
 2. www.macroskan.org
 3. www.rbi.org.in
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Evaluation Methods:

Evaluation criteria will be shared by the concerned course instructor.

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