# Indraprastha College for Women
# University of Delhi

## Work Plan for ODD SEMESTER – 2026

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| Course Name: | B. A. (H) Economics | |
| Paper Title: | Intermediate Macroeconomics I: Foundations of Aggregate Income Determination | |
| Unique Paper Code: | 2272102302 | |
| Semester: | III | |
| Faculty: | Dr. Bindu Oberoi | |
| Year: | 2026 | |

| Work Plan | | | |
|---|---|---|---|
| Unit No. | Learning Objective | Lecture No. | Topics to be Covered |
| 1 | **Short-run and medium-run equilibrium** | 1-15 | The labour market, Wage determination; Wages, Prices and Unemployment; Natural rate of unemployment; from employment to output; Derivation of aggregate supply curve, Interaction of aggregate demand and supply to determine equilibrium output, price level and employment. |
| 2 | **Phillips Curve and theory of expectations** | 16-28 | Inflation, Unemployment and expectations, Phillips Curve; Adaptive and rational expectations; Policy ineffectiveness debate. |
| 3 | **Microeconomic foundations of macroeconomic behaviours** | 29-45 | Consumption: Keynesian consumption function; Fishers's theory of optimal intertemporal choice; Life cycle and permanent income hypotheses; Other theories of consumption expenditure; Investment: Determinants of business fixed investment; Residential investment and Inventory investment. |

| Unit | Contents/Syllabus |
|---|---|
| I | **Short-run and medium-run equilibrium:**<br>The labour market, Wage determination; Wages, Prices and Unemployment; Natural rate of unemployment; from employment to output; Derivation of aggregate supply curve, Interaction of aggregate demand and supply to determine equilibrium output, price level and employment. |
| II | **Phillips Curve and theory of expectations:**<br>Inflation, Unemployment and expectations, Phillips Curve; Adaptive and rational expectations; Policy ineffectiveness debate. |
| III | **Microeconomic foundations of macroeconomic behaviours:**<br>Consumption: Keynesian consumption function; Fishers's theory of optimal intertemporal choice; Life cycle and permanent income hypotheses; Other theories of consumption expenditure; Investment: Determinants of business fixed investment; Residential investment and Inventory investment. |

| S. No. | Name of Authors/Books/Publishers |
|---|---|
| 1. | Blanchard, O. Macroeconomics, 4$^{th}$ ed.Pearson Education. 2006 |
| 2. | C.L.F. Attfield, D. Demery and N.W. Duck, Rational Expectations in Macroeconomics: An Introduction to Theory and Evidence, 1991 |
| 3. | Sheffrin, Steve, rational Expectations, 3e, Cambridge University Press. 1996 |
| 4. | Jones, Charles, Macroeconomics, 4e, W W Norton & Co. 2018 |
| 5. | Branson, William H, Macroeconomic Theory and Policy, 3e, East-West Press. 2005 |

| | **Paper Components** | | |
|---|---|---|---|
| **Credits** | **Lecture (L)** | **Tutorial (T)** | **Practical (P)** |
| **4** | **3** | **1** | |
| **Assessment Scheme** | | | |
| **S.No.** | **Component** | **Marking Scheme** | **Total Marks** |
| 1 | Internal Assessment | 30 | 30 |
| | • Assignment | 12 | |
| | • Class Test | 12 | |

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|---|---|---|---|
| | • Attendance | 6 | |
| 2. | Continuous Assessment (**Tutorial)** | 40 | 40 |
| | • Activity 1 | 20 | |
| | • Activity 2 | 15 | |
| | • Attendance | 5 | |
| 3. | Practical | | |
| | • Continuous Assessment | | |
| | • End Term Written/Practical Exam | | |
| | • Viva | | |
| 4. | End Semester Examination | | 90 |