

The labour market: wage determination, employment. Aggregate supply curves; interaction of aggregate demand and supply to determine equilibrium output, price level and employment.
Case & Fair Chapters 28 (pages 559-567), 29 (pages 581-586)

Unit-V

(12 hours)

Firms Behaviour in the Macroeconomy: Investment and Employment decisions, Productivity and the Business cycle.

Balance of payments and exchange rate: Meaning, factors, current account, capital account, determination of exchange rate.

Case & Fair Chapters 31 (pages 624-631), 34 (pages 670-671), 35 (pages 687-691)

Suggested Readings:

1. Case, Karl E. & Ray C. Fair, Principles of Economics, Pearson Education, Inc., 10th edition, 2012.
2. Lipsey, R. and Alec Chrystal, Economics, Oxford University Press, Twelfth Edition, 2011