

Course Code : ECON E 3015

Type : Core

Title : Macro Economics

Learning Outcomes: At the end of this course, students will be able to explain the major theories of Macroeconomics, analyze the Macroeconomics policy issues and problems, understand the theories of international trade, analyze world markets and the effects of market distortions, analyze the economic effects arising from the trade restrictions and understand the applied problems and policy issues of international trade.

Course Contents : Introduction, scope and methodology of Macroeconomics, National income, Circular flow of income: Closed and open economy models, Aggregate demand: Consumption, savings and investment, Keynesian consumption function and multiplier, Macroeconomic equilibrium, Classical and Keynesian macroeconomic theories: Quantity theory of money – Fisher and Cambridge versions, New quantity theory of money, Classical theory of interest rate, Loanable funds theory, Liquidity preference theory and liquidity trap: Theories of employment, Theories of inflation, IS-LM analysis, Business cycle, Macroeconomic policy, International trade theories, Trade and economic development, Tariff barriers, Balance of payments and relevant problems, Exchange rate, International monetary institution and International monetary problems, Foreign aid and debts, Foreign investment, Macroeconomic policy

Methods of Teaching and Learning : Seminars, Study guides, Tutorials, Assignments

Scheme of Assessment : Assignment 20% Written Test 80%

Recommended Readings:

Freedman, M; (1956), *Studies in the Quantity Theory of Money*, Princeton University Press.

Friedman, M; (1957) *Theory of Consumption Function*, Princeton University Press.

Keyns J.M; (1936), *The Genaral Theory of Employment Interest and Money*, Harcourt Bureau Joannovicg.

Mcconnell, C, Brue S and Flynn, S; (2011) *Macroeconomics*, McGraw – Hill.

Williamson, S.D; (2013) *Macroeconomics*, 6th Edition

Ahuja. H.L; (2006) *Macroeconomics Theory and Policy*, S. Chand & Company Ltd, New Delhi.

එච්.එම් නවරත්න බණ්ඩා, *සාර්ව ආර්ථික විද්‍යාව මූලධර්ම* (පරිවර්තනය), 2003.

සතියරෝ.එච්.වී, (1996) *සාර්ව ආර්ථික විද්‍යා විශ්ලේෂණය*, පස්වැනි සංස්කරණය, (පරිවර්තනය) ආර්ථික විද්‍යා අධ්‍යයන අංශය, පළමු වෙළුම සහ දෙවන වෙළුම, කොළඹ විශ්වවිද්‍යාලය.

හෙට්ටිආරච්චි. උපාලි (2006) “ ජාතික ආදායම න්‍යාය සහ භාවිතය” ආර්ථික විද්‍යා අධ්‍යයන අංශය කැලණිය විශ්වවිද්‍යාලය.

හෙට්ටිආරච්චි, උපාලි (2007) *සාර්ව ආර්ථික සමතුලිතය, IS-LM විග්‍රහය* ආර්ථික විද්‍යා අධ්‍යයන අංශය, කැලණිය විශ්වවිද්‍යාලය.