

Lesson Plan

session: 2025-26

class: M.A (Final) 4th semester

International Finance

January: Foreign Exchange Market Evolution of foreign exchange rate determination mechanism, Speculation and arbitrage, role of expectations, currency swaps. future and options, PPP Approach, Portfolio balance approach,

February: Monetary Approach Foreign exchange rate policy; Fixed and pegged exchange rate system, versus Flexible exchange rate system. Managed flexibility, Optimum currency Area, Exchange controls, FOREX management strategy in India. Balance of Payment Concepts, structure and disequilibrium in Balance of payments;

March: Monetary model of BOP under fixed and flexible exchange rates. Devaluation and BOP crisis- Effects of Devaluation; elasticity and Absorption Approach- Marshall-Lerner Condition, J-Curve; Foreign trade multiplier; Recent trends in BOP in India. Open Economy Adjustment Policies Internal and external balance; Swan Diagram, Assignment Problem; Expenditure Switching and changing policies:

April: Mundell-Fleming Model-Combining monetary and fiscal policies under fixed and flexible exchange rate system. Implications of Impossible Trinity in the Indian Context. International Debt Problem; India and External Debt-trends features and strategy. International Financial Management and Institutions International Capital Movements: FDI and Portfolio Investment; Euro currency market and International Bond Market Funding and Risk Management; Global Economic Crisis: East Asian Financial Crisis, Sub-Prime lending Crisis, Greece Crisis, Euro Crisis and Brexit. Evolutionary and Operational developments in International Institutions: International Monetary Fund and International Liquidity, World Trade Organization

Kusum Malik

2025-26

Lesson Plan

session:

class: M.A (Previous) 2nd semester

Macro Economics Analysis

January:

Theory of Demand for money; Classical Approach to Demand for Money - Quantity Theory Approach; Fisher's equilibrium; Cambridge Quantity theory; Keynes Liquidity Approach Transaction; Precautionary and Speculative Demand for Money;

February:

Post Keynesian approaches to demand for money: Tobin (Portfolio balance approach), Baumol (Inventory theoretic approaches), Friedman (Restatement of quantity theory of money), Patinkin's real balance effect. Theory of Supply for money and Interest Rates Measures of money supply and Monetary Aggregates: Determinants of money supply; Money Multiplier Approach; Behavioural model of Money Supply Determination; Instruments of Monetary control. Interest Rates - Theories of Determination of Interest Rate: Classical, Loanable Funds and Keynesian; Theories of Term Structure of Interest Rates

March:

Theory of Inflation Classical, Keynesian and Monetarist approaches; Structuralist theory of inflation; Philips curve analysis - Short run and long run Philips curve; Natural Rate of Unemployment hypothesis; Modified Philips curve - Tobin, Samuelson-Solow Theory of Business Cycles Kaldor, Samuelson, Hicks, and Kalecki; Control of business cycles - relative efficacy of monetary and fiscal policies.

April:

Open Economy Macroeconomics Balance of Payment Disequilibrium and Equilibrium; Real and Nominal Exchange Rates; Dornbusch Exchange rate Overchooting Model; Mundell- Fleming Model under Fixed and Flexible Exchange Rates. Recent Developments Role of Expectations in Economics; Adaptive expectation hypothesis New Classical Macroeconomics: Rational Expectation Hypothesis, Policy Ineffectiveness, Lucas Supply Curve.

Kusum Malik