

# **SIMPLIFIED MACRO-MONETARY THEORY**



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*In appreciation of making life more enjoyable,*

*I dedicate this book to my friends*

*Madhav C. Karve, Pune*

*Nandan and Anand Paranjape, Pune*

*and to my favorite cousins,*

*Suresh R. Kakade, Pune*

*and Prabhakar S. Dhekne, Mumbai*



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## Preface

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This book has its origin in my “Modern Monetary Theory” published by Macmillan India Limited in 1999. While all chapters here are thoroughly revised and some new ones are added, there are some parts from earlier book that are left unchanged. Numerous copies of the, “Modern Monetary Theory” were sold in colleges and book-stores and, therefore, we are excited to bring out this version which we consider to be new and improved. While rewriting this edition, special care is taken to make the contents more applied to the current situation in India. This book, therefore is intended to be most useful to all courses that have monetary economics content, especially at the B.A., B.Com and B.Sc intermediate level. I would be delighted to see its adoption to many classes in Indian universities.

Completion of any book of this size is impossible without a valuable help from generous individuals. Mr. Debasis Bhattacharya and Ms. Jennifer Evon typed the chapters with great efficiency. Many of my colleagues in USA and in India, offered comments on earlier drafts and influenced my thinking in other ways. Profs John Cochran, (Metropolitan State College of Denver), Vasudeva Murthy (Creighton University), Chaitram Talele (Columbia State College), Sunil G. Dhekane (Shri Shau Mahavidyalaya), Gautam Bhong (Abasaheb Garware College) deserve my gratitude for being helpful and inspirational whenever I needed support. Editors at Macmillan India Limited, New Delhi office allowed me to use some material from my earlier book, and I am thankful to them for doing so.

I am also grateful to Professors Rod Eggert, Tom Farer, Robert McNown and Erick Erickson for helping me in different ways. To my immediate family of my wife, Jayashree and our two daughters, Lina and Aditi the debt is too enormous to be expressed in words. Finally, thanks to all those students who will hopefully use this book as a source of information on macro-monetary theory, and as a source of inspiration to take more economics classes. I hereby express my firm belief and conviction that economics can in fact be an exciting subject, notwithstanding the blame it has gotten for several years of being a “dismal science”. Your comments for improving the next edition can be sent by e-mail [atkulkarnk@mscd.edu](mailto:atkulkarnk@mscd.edu).

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