

UG LEVEL SYLLABUS FOR HONOURS COURSE IN ECONOMICS

Under CBCS (Choice Based Credit System) and Continuous Assessment

& Grading Pattern (CAGP)

SEM	Core Course (14)	Ability Enhancement Compulsory Course (AECC) (2)	Skill Enhancement Course (SEC) (2)	Elective Discipline Specific DSE (4)	Elective Generic (GE) (4)
I	C-1: Introductory Microeconomics	AECC-1: Eng/Hind/MIL Communication			GE-1: Principle of Microeconomics -I
	C-2: Introductory Macroeconomics				
II	C-3: Intermediate Microeconomics-I	AECC-2: Environmental Science			GE-2: Principle of Macroeconomics -I
	C-4: Mathematical Methods for Economics-I				
III	C-5: Intermediate Macro Economics-I		SEC1: Data Analysis		GE-3: Development Economics
	C-6: Mathematical Methods for Economics-II				
	C-7: Statistical Methods for Economics				
IV	C-8: Intermediate Microeconomics-II		SEC-2: Field study and its importance		GE-4: International Economics
	C-9: Intermediate Macro Economics-II				
	C-10: Introductory Econometrics				
V	C-11: Indian Economy-I			DSE-1: Public Finance	
	C-12: Development Economics-I			DSE-2: Applied Econometrics/ Money and Financial Markets	
VI	C-13: Indian Economy-II			DSE-3: International Economics	
	C-14: Development Economics-II			DSE-4: Environmental Economics/ Comparative Economic Development (1850-1950)	

UG Syllabus Structure for B.A. Honours Course
Department of Economics: Bodoland University

SEMESTER-I		
Course Code	Course Title	Respective Course Designing/Remarks
AECC-1	English-I (Communication)	Contents will be done by English department
CC-1	Introductory Microeconomics	
CC-2	Introductory Macroeconomics	
GE-1	Principle of Microeconomics-I	For the major students of other disciplines
SEMESTER-II		
AECC-2	Environmental Science	Contents will be done by Academic Branch
CC-3	Intermediate Microeconomics-I	
CC-4	Mathematical Methods for Economics-I	
GE-2	Principle of Macroeconomics-I	For the major students of other disciplines
SEMESTER-III		
SEC-1	Data Analysis	
CC-5	Intermediate Macro Economics-I	
CC-6	Mathematical Methods for Economics-II	
CC-7	Statistical Methods for Economics	
GE-3	Development Economics	For the major students of other disciplines
SEMESTER-IV		
SEC-2	Extension Education	
CC-8	Intermediate Microeconomics-II	
CC-9	Intermediate Macro Economics-II	
CC-10	Introductory Econometrics	
GE-4	International Economics	For the major students of other disciplines
SEMESTER-V		
CC-11	Indian Economy-I	
CC-12	Development Economics-I	
DSE-1	Public Finance	
DSE-2	Applied Econometrics/ Money and Financial Markets	Students need to choose any one of the give two papers
SEMESTER-VI		
CC-13	Indian Economy-II	
CC-14	Development Economics-II	
DSE-3	International Economics	
DSE-4	Environmental Economics/ Comparative Economic Development (1850-1950)	Students need to choose any one of the give two papers

Outline of the Courses

Course Code	Course Title	Credit Points	Remarks
Core Courses			
CC-1	Introductory Microeconomics	6	
CC-2	Introductory Macroeconomics	6	
CC-3	Intermediate Microeconomics-I	6	
CC-4	Mathematical Methods for Economics-I	6	
CC-5	Intermediate Macro Economics-I	6	
CC-6	Mathematical Methods for Economics-II	6	
CC-7	Statistical Methods for Economics	6	
CC-8	Intermediate Microeconomics-II	6	
CC-9	Intermediate Macro Economics-II	6	
CC-10	Introductory Econometrics	6	
CC-11	Indian Economy-I	6	
CC-12	Development Economics-I	6	
CC-13	Indian Economy-II	6	
CC-14	Development Economics-II	6	
Generic Elective (GE)			
GE-1	Principle of Microeconomics-I	6	
GE-2	Principle of Macroeconomics-I	6	
GE-3	Development Economics	6	
GE-4	International Economics	6	
Skill Enhancement Course (SEC)			
SEC-1	Data Analysis	2	
SEC-2	Extension Education	2	
Discipline Specific Elective (DSE)			
DSE-1	Public Finance	6	
DSE-2	Applied Econometrics/ Money and Financial Markets	6	
DSE-3	International Economics	6	
DSE-4	Environmental Economics/ Comparative Economic Development (1850-1950)	6	

SEMESTER-J

C-I: Introductory Microeconomics

Unit 1: INTRODUCTION

Basic concepts- dependent and independent variables- exogenous and endogenous variable - The Economic Problem- Scarcity and Choice; Concepts of Equilibrium - Stable and Unstable, Static, Comparative Static, Dynamic, The Basic Market Model.

Unit 2: CONSUMER BEHAVIOUR AND DEMAND

Utility: Cardinal versus Ordinal; Indifference Curve - Assumptions and Properties; optimal choice Consumer's Equilibrium; Price Effect-Income Effect, Substitution Effect; Engel's Curve; Derivation of the Demand Curve; Giffen Paradox; Merits and Limitations of Indifference Curve Analysis; Consumer's Surplus and Applications and Limitations of the Concept

.Unit 3: THEORY OF PRODUCTION AND COST

Organisation of Production; Production Function and its related concepts; Total, Average and Marginal Products and the Law of Variable Proportions; Production with two variable inputs- Isoquant; Factor Elasticity of Substitution; Returns to Scale; Least cost input combination; Expansion Path; Contract Curve and the derivation of Production Possibility Curve; Cost of Production; Types of Costs- Money Cost, Real Cost, Explicit Cost, Implicit Cost, Sunk Cost, Opportunity Cost, Private Cost, Social Cost

Unit 4: OUTPUT DECISIONS AND PROFIT MAXIMIZATION

Revenue: TR, AR, MR; Relation between AR, MR, Elasticity of Demand; Comparing Costs and Revenues to maximize Profit

Recommended books:

1. Karl E. Case, Ray C. Fair, Principles of Economics, Pearson Education Asia
2. Dominick Salvatore, Micro Economics- Theory and Applications, Oxford University Press
3. Koutsoyiannis. A, Modern Micro Economics, ELBS/ Macmillan
4. Sampat Mukherjee, Modern Economic Theory, New Age International Publishers
5. Rahul A. Shastri, Micro Economic Theory, University Press (India) Limited
6. D. N. Dwivedi, Micro Economic Theory and Applications, Pearson Education
7. R. K. Sharma and Shashi K. Gupta, Management Accounting- Principles and Practice, Kalyani Publishers
8. G S Maddala and Ellen Miller, Micro Economic Theory and Application, Tata Mc Graw- HillM
9. N. Gregory Mankiw (2007), Principal of Economics 6th Edn.thompson
- 10.Hall R. Varian (2010). Intermediate Micro Economics: A Modern Approach.

C-2: Introductory Macroeconomics

Unit 1: Macroeconomics and National Income Accounting

Basic issues studied in Macroeconomics; Definitions of related aggregates of National Income; Methods of estimating National Income; real versus nominal GDP; Circular flow in a two sector economy; GNP as a measure of Economic Welfare and Quality of Life.

Unit 2: The Classical System

Classical Theory and Say's Law of Market; Classicalists Quantity Theory of Money; The Classical Full Employment Model. Keynes' objections to classical theory, Simple Keynesian model of Income Determination

Unit 3: The Simple Keynesian Model in a Closed Economy

Keyne's Effective Demand; Keynesian Consumption Function; Technical Attributes of Consumption function; Simple Keynesian model of Income determination.

Unit 4: Liquidity Preference

Liquidity Preference; Classicalist's view on the Demand for Money; Keyne's Motive of the Demand for Money; Liquidity Trap situation

Recommended Books:

1. Dornbusch, Fisher, Startz (2005): Macroeconomics, Tata Mcgraw-Hill; Publishing Company Ltd New Delhi
2. Suraj B. Gupta: Monetary Economics, S.Chand and Company Ltd.
3. W.Beckerman: An Introduction to National Income Analysis, Universal Book Stall, New Delhi,
4. Raghabendra Jha : Contemporary Macroeconomic Theory and Policy, Wiley Eastern Ltd.,
5. Dudley Dillard: The Economics of John Maynard Keynes, Vikas Publishing House Ltd.
6. Eugene A. Diulio: Theory and Problems of Macroeconomics, Schaum's Outline Series, Mcgraw Hill Book Company, 1983
7. Rana and Verma: Macroeconomic Analysis, Vishal Publications, Jalandhar, 1998

GE-I: Principle of Microeconomics-I

Unit 1: INTRODUCTION

Basic concepts- dependent and independent variables- exogenous and endogenous variable - The Economic Problem- Scarcity and Choice; Concepts of Equilibrium - Stable and Unstable, Static, Comparative Static, Dynamic, The Basic Market Model.

Unit 2: CONSUMER BEHAVIOUR AND DEMAND

Utility: Cardinal versus Ordinal; Indifference Curve - Assumptions and Properties; optimal choice Consumer's Equilibrium; Price Effect-Income Effect, Substitution Effect; Engel's Curve;

Derivation of the Demand Curve; Giffen Paradox; Merits and Limitations of Indifference Curve Analysis; Consumer's Surplus and Applications and Limitations of the Concept

.Unit 3: THEORY OF PRODUCTION AND COST

Organisation of Production; Production Function and its related concepts; Total, Average and Marginal Products and the Law of Variable Proportions; Production with two variable inputs- Isoquant; Factor Elasticity of Substitution; Returns to Scale; Least cost input combination; Expansion Path; Contract Curve and the derivation of Production Possibility Curve; Cost of Production; Types of Costs- Money Cost, Real Cost, Explicit Cost, Implicit Cost, Sunk Cost, Opportunity Cost, Average and Marginal Cost Curves.

Recommended books:

1. Karl E. Case, Ray C. Fair, Principles of Economics, Pearson Education Asia
2. Dominick Salvatore, Micro Economics- Theory and Applications, Oxford University Press
3. Koutsoyiannis. A, Modern Micro Economics, ELBS/ Macmillan
4. Sampat Mukherjee, Modern Economic Theory, New Age International Publishers
5. Rahul A. Shastri, Micro Economic Theory, University Press (India) Limited
6. D. N. Dwivedi, Micro Economic Theory and Applications, Pearson Education
7. R. K. Sharma and Shashi K. Gupta, Management Accounting- Principles and Practice, Kalyani Publishers
8. G S Maddala and Ellen Miller, Micro Economic Theory and Application, Tata Mc Graw- HillM
9. N. Gregory Mankiw (2007), Principal of Economics 6th Edn.thompson
- 10.Hall R. Varian (2010). Intermediate Micro Economics: A Modern Approach.

SEMESTER-II

C-3: Intermediate Microeconomics-I

Unit-1: Consumer Theory

Preference; utility; budget constraint; choice; demand; Slutsky equation; buying and selling; choice under risk and intertemporal choice; revealed preference

Unit-2: Production, Costs and Perfect Competition

Technology; isoquants; production with one and more variable inputs; returns to scale; short run and long run costs; cost curves in the short run and long run; review of perfect competition.

Unit-3: Determination of Factor Pricing

Pricing of Factors under Perfect Competition–Factor Share and Technical Progress- Backward Bending Supply Curve of Labour–Monopsony. Principal agent problem-Monopoly & Competitive solution. Hidden action & hidden information and monopoly solution. Signaling

Readings:

1. Hal R. Varian, *Intermediate Microeconomics, a Modern Approach*, W.W. Norton and Company/Affiliated East-West Press (India), 8th edition, 2010. The workbook by Varian and Bergstrom may be used for problems.

2. C. Snyder and W. Nicholson, *Fundamentals of Microeconomics*, Cengage Learning (India), 2010.

1. B. Douglas Bernheim and Michael D. Whinston, *Microeconomics*, Tata McGraw- Hill (India), 2009.

C-4: MATHEMATICAL METHODS IN ECONOMICS-I

1. Preliminaries

Logic and proof techniques; sets and set operations; relations; functions and their properties; number systems.

2. Functions of one real variable

Graphs; elementary types of functions: quadratic, polynomial, power, exponential, logarithmic; sequences and series: convergence, algebraic properties and applications; continuous functions: characterizations, properties with respect to various operations and applications; differentiable functions: characterizations, properties with respect to various operations and applications; second and higher order derivatives: properties and applications.

3. Single-variable optimization

Geometric properties of functions: convex functions, their characterizations and applications; local and global optima: geometric characterizations, characterizations using calculus and applications.

4. Integration of functions

5. Difference equations

Readings:

K. Sydsaeter and P. Hammond, *Mathematics for Economic Analysis*, Pearson Educational Asia: Delhi, 2002.

GE-2: Principle of Macroeconomics-1

Unit 1: Macroeconomics and National Income Accounting

Basic issues studied in Macroeconomics; Definitions of related aggregates of National Income; Methods of estimating National Income; real versus nominal GDP; Circular flow in a two sector economy; GNP as a measure of Economic Welfare and Quality of Life.

Unit 2: The Classical System

Classical Theory and Say's Law of Market; Classicalists Quantity Theory of Money; The Classical Full Employment Model. Keynes' objections to classical theory, Simple Keynesian model of Income Determination

Unit 3: The Simple Keynesian Model in a Closed Economy

Keyne's Effective Demand; Keynesian Consumption Function; Technical Attributes of Consumption function; Simple Keynesian model of Income determination.

Recommended Books:

1. Dornbusch, Fisher, Startz (2005): Macroeconomics, Tata Mcgraw-Hill; Publishing Company Ltd New Delhi
2. Suraj B. Gupta: Monetary Economics, S.Chand and Company Ltd.
3. W.Beckerman: An Introduction to National Income Analysis, Universal Book Stall, New Delhi,
4. Raghendra Jha : Contemporary Macroeconomic Theory and Policy, Wiley Eastern Ltd.,
5. Dudley Dillard: The Economics of John Maynard Keynes, Vikas Publishing House Ltd.
6. Eugene A. Diulio: Theory and Problems of Macroeconomics, Schaum's Outline Series, Mcgraw Hill Book Company, 1983
7. Rana and Verma: Macroeconomic Analysis, Vishal Publications, Jalandhar, 1998

SEMESTER-III

C-5: Intermediate Macroeconomics-I

1. Aggregate Demand and Aggregate Supply Curves

Derivation of aggregate demand and aggregate and supply curves; interaction of aggregate demand and supply.

2. Inflation, Unemployment and Expectations

Phillips curve; adaptive and rational expectations; policy ineffectiveness debate

3. Open Economy Models

Short-run open economy models; Mundell-Fleming model; exchange rate determination purchasing power parity; asset market approach; Dornbusch's overshooting model; monetary approach to balance of payments; international financial markets.

Readings:

Dornbusch, Fischer and Startz, *Macroeconomics*, McGraw Hill, 11th edition, 2010

N. Gregory Mankiw. *Macroeconomics*, Worth Publishers, 7th edition, 2010

Olivier Blanchard, *Macroeconomics*, Pearson Education, Inc., 5th edition, 2009.

Steven M. Sheffrin, *Rational Expectations*, Cambridge University Press, 2nd edition, 1996

Andrew B. Abel and Ben S. Bernanke, *Macroeconomics*, Pearson Education, 7th edition, 2011

Errol D'Souza, *Macroeconomics*, Pearson Education, 2009

Paul R. Krugman, Maurice Obstfeld and Marc Melitz, *International Economics*, Pearson Education Asia, 9th edition, 2012.

C-6: MATHEMATICAL METHODS IN ECONOMICS-II

Unit-1: Differential equations

Unit-2: Linear algebra

Vector spaces: algebraic and geometric properties, scalar products, norms, orthogonality; linear transformations: properties, matrix representations and elementary operations; systems of linear equations: properties of their solution sets; determinants: characterization, properties and applications.

Unit-3: Functions of several real variables

Geometric representations: graphs and level curves; differentiable functions: characterizations, properties with respect to various operations and applications; second order derivatives: properties and applications; the implicit function theorem, and application to comparative statics problems; homogeneous and homothetic functions: characterizations and applications.

Unit-4: Multi-variable optimization

Convex sets; geometric properties of functions: convex functions, their characterizations, properties and applications; further geometric properties of functions: quasiconvex functions, their characterizations, properties and applications; unconstrained optimization: geometric characterizations, characterizations using calculus and applications; constrained optimization with equality constraints: geometric characterizations, lagrange characterization using calculus and applications; properties of value function: envelope theorem and applications.

Readings:

1. K. Sydsaeter and P. Hammond, *Mathematics for Economic Analysis*, Pearson Educational Asia: Delhi, 2002.
2. Mathematics for economist: Srinath Baruah

C-7: Statistical Methods for Economics

1. Introduction and Overview

The distinction between populations and samples and between population parameters and sample statistics; the use of measures of location and variation to describe and summarize data;

2. Elementary Probability Theory

Sample spaces and events; probability axioms and properties; counting techniques; conditional probability and Bayes' rule; independence.

3. Random Variables and Probability Distributions

Defining random variables; probability distributions; expected values of random variables and of functions of random variables; properties of commonly used discrete and continuous distributions (uniform, binomial, normal, poisson and exponential random variables).

4. Random Sampling and Jointly Distributed Random Variables

Density and distribution functions for jointly distributed random variables; computing expected values; covariance and correlation coefficients

5. Sampling

Principal steps in a sample survey; methods of sampling; the role of sampling theory; properties of random samples.

6. Point and Interval Estimation

Estimation of population parameters using methods of moments and maximum likelihood procedures; properties of estimators; confidence intervals for population parameters

Readings:

1. Jay L. Devore, *Probability and Statistics for Engineers*, Cengage Learning, 2010.
2. John E. Freund, *Mathematical Statistics*, Prentice Hall, 1992.

3. Richard J. Larsen and Morris L. Marx, an Introduction to Mathematical Statistics and its Applications, Prentice Hall, 2011.
4. William G. Cochran, Sampling Techniques, John Wiley, 2007.

SEC-1:Data Analysis

Unit-1: Collection of Data, secondary data and primary data, different sources of secondary data, different methods of primary data collection, preparation of questionnaire and schedule.

Unit-2: Measure of central tendency-mean, median, mode; measure of dispersion-range, quartile deviation, standard deviation, measurement of growth rate.

Unit-3: Correlation, Coefficient of Correlation, Rank correlation, Regression analysis.

Unit-4: Data entry and analysis in SPSS and Excel; diagrammatic presentation.

Reference Books:

Gupta, SP *Statistical Methods*, Sultan Chand and Sons, New Delhi.

Gujrati, D. N. (2004), *Basic Econometrics, Fourth Edition*, Tata Mc Graw-Hill Publishing Company Limited, New Delhi.

Gupta, S.C. and Kapoor, VK , *Fundamentals of Mathematical Statistics*, Sultan Chand and Sons, New Delhi.

Gupta, S.C. and Kapoor, VK , *Fundamentals of Applied Statistics*, Sultan Chand and Sons, New Delhi.

GE-3: Development Economics

Unit 1:

Economic Growth and Development: Concept. Indicators of Economic Development

Unit-2

Vicious circle of poverty-Lewis theory of unlimited supplies of labour-Theory of Big Push, Theories of Balanced and Unbalanced Growth

Unit-3:

External resources-Foreign AID-types of Foreign AID, importance of foreign AID-Its danger, FDI-meaning-advantages-disadvantages

Unit-4:

Rostow's stages of economic growth and Harrod-Domar growth model

Readings

1. Debraj Ray, *Development Economics*, Oxford University Press, 2009.
2. Partha Dasgupta, *Economics, A Very Short Introduction*, Oxford University Press, 2007.
3. M Todaro. *Development Economics*-Oxford university press
4. *Development Economics*-Misra & Puri, Himalaya Publishing House, Delhi

SEMESTER-IV

C-8: Intermediate Microeconomics-II

1. General Equilibrium, Efficiency and Welfare

Equilibrium and efficiency under pure exchange and production; overall efficiency and welfare economics.

2. Market Structure and Game Theory

Monopoly; pricing with market power; price discrimination; peak-load pricing; two-part tariff; monopolistic competition and oligopoly; game theory and competitive strategy.

3. Market Failure

Externalities; public goods and markets with asymmetric information

Readings:

1. Hal R. Varian, *Intermediate Microeconomics, a Modern Approach*, 8th edition, W.W. Norton and Company/Affiliated East-West Press (India), 2010. The workbook by Varian and Bergstrom could be used for problems.
2. C. Snyder and W. Nicholson, *Fundamentals of Microeconomics*, Cengage Learning (India), 2010

C-9: Intermediate Macroeconomics-II

1. Economic Growth

Harrod-Domar model; Solow model; golden rule; technological progress and elements of endogenous growth.

2. Microeconomic Foundations

- a. Consumption: Keynesian consumption function; Fisher's theory of optimal intertemporal choice; life-cycle and permanent income hypotheses; rational expectations and random-walk of consumption expenditure.
- b. Investment: determinants of business fixed investment; residential investment and inventory investment.
- c. Demand for money.

3. Fiscal and Monetary Policy

Active or passive; monetary policy objectives and targets; rules versus discretion: time consistency; the government budget constraint; government debt and Ricardian equivalence.

4. Schools of Macroeconomic Thoughts

Classical; Keynesians; New-Classical and New-Keynesians

Readings:

1. Dornbusch, Fischer and Startz, *Macroeconomics*, McGraw Hill, 11th edition, 2010.
2. N. Gregory Mankiw. *Macroeconomics*, Worth Publishers, 7th edition, 2010.
3. Olivier Blanchard, *Macroeconomics*, Pearson Education, Inc., 5th edition, 2009.
4. Charles I. Jones, *Introduction to Economic Growth*, W.W. Norton & Company, 2nd edition, 2002.
5. Andrew B. Abel and Ben S. Bernanke, *Macroeconomics*, Pearson Education, 7th edition, 2011.
6. Errol D'Souza, *Macroeconomics*, Pearson Education, 2009.
7. Robert J. Gordon, *Macroeconomics*, Prentice-Hall India Limited, 2011.

C-10: Introductory Econometrics

1. Nature and Scope of Econometrics

2. Statistical Concepts

Normal distribution; chi-sq, t- and F-distributions; estimation of parameters; properties of estimators; testing of hypotheses: defining statistical hypotheses; distributions of test statistics; testing hypotheses related to population parameters; Type I and Type II errors; power of a test; tests for comparing parameters from two samples.

3. Simple Linear Regression Model: Two Variable Case:

Estimation of model by method of ordinary least squares; properties of estimators; goodness of fit; tests of hypotheses; scaling and units of measurement; confidence intervals; Gauss-Markov theorem; forecasting.

4. Multiple Linear Regression Model

Estimation of parameters; properties of OLS estimators; goodness of fit - R² and adjusted R²; partial regression coefficients; testing hypotheses – individual and joint; functional forms of regression models; qualitative (dummy) independent variables

Readings

1. Jay L. Devore, *Probability and Statistics for Engineers*, Cengage Learning, 2010
2. John E. Freund, *Mathematical Statistics*, Prentice Hall, 1992.
3. Richard J. Larsen and Morris L. Marx, *An Introduction to Mathematical Statistics and its Applications*, Prentice Hall, 2011.

4. D. N. Gujarati and D.C. Porter, *Essentials of Econometrics*, McGraw Hill, 4th edition, International Edition, 2009.
5. Christopher Dougherty, *Introduction to Econometrics*, Oxford University Press, 3rd edition, Indian edition, 2007

SEC-2: Field Study and its importance

Unit-1

Importance of field Study, selection of topic, objectives, review of literature of the relevant topic and research ethics.

Unit-2

Data collection, field survey, pilot survey, complete enumeration (census) and sample survey, preparation of questionnaire, schedule, etc.

Unit-3

Report writing, References and Bibliography.

NB: Students are asked to collect data from field and write a short report (within 5000 words) on the selected topic.

Reference book:

1. C R Kothari & Gauarav Garg (2019) *Research Methodology: Methods and Techniques*, 4th edition, New Age International Publishers.
2. S C Gupta (20) *Fundamental of statistics*, 7th revised enlarge edition Himalaya Publishing House.

GE-4: International Economics

1. Introduction

What is international economics about? An overview of world trade.

2. Theories of International Trade

The Ricardian, specific factors, and Heckscher-Ohlin models; new trade theories; the international location of production; firms in the global economy — outsourcing and multinational enterprises.

3. Trade Policy

Instruments of trade policy; political economy of trade policy; controversies in trade policy.

4. International Macroeconomic Policy

Fixed versus flexible exchange rates; international monetary systems; financial globalization and financial crises.

Readings:

1. Paul Krugman, Maurice Obstfeld, and Marc Melitz, *International Economics: Theory and Policy*, Addison-Wesley (Pearson Education Indian Edition), 9th edition, 2012.
2. Dominick Salvatore, *International Economics: Trade and Finance*, John Wiley International Student Edition, 10th edition, 2011.

SEMESTER-V

C-11: Indian Economy-I

1. Economic Development since Independence

Major features of the economy at independence; growth and development under different policy regimes—goals, constraints, institutions and policy framework; an assessment of performance—sustainability and regional contrasts; structural change, savings and investment.

2. Population and Human Development

Demographic trends and issues; education; health and malnutrition

3. Growth and Distribution

Trends and policies in poverty; inequality and unemployment

4. International Comparisons

Readings:

1. Jean Dreze and Amartya Sen, Jean Dreze and Amartya Sen, 2013. *An Uncertain Glory: India and its Contradictions*, Princeton University Press.
2. Pulapre Balakrishnan, 2007, The Recovery of India: Economic Growth in the Nehru Era, *Economic and Political Weekly*, November.
3. Rakesh Mohan, 2008, —Growth Record of Indian Economy: 1950-2008. A Story of Sustained Savings and Investment, *Economic and Political Weekly*, May.
4. S.L. Shetty, 2007, —India's Savings Performance since the Advent of Planning, in K.L. Krishna and A. Vaidyanathan, editors, *Institutions and Markets in India's Development*.
5. Himanshu, 2010, Towards New Poverty Lines for India, *Economic and Political Weekly*, January.
6. Jean Dreze and Angus Deaton, 2009, Food and Nutrition in India: Facts and Interpretations, *Economic and Political Weekly*, February.
7. Himanshu. 2011, —Employment Trends in India: A Re-examination, *Economic and Political Weekly*, and September

C-12: Development Economics-I

Unit 1:

Economic Growth and Development: Concept. Indicators of Economic Development

Unit 2:

Capital- meaning-characters and role. Labour-meaning-characters and technology in Economic Development

Unit 3:

Population, population composition, Human Capital and its formation and Economic Development

Unit4:

Vicious circle of poverty-Lewis theory of unlimited supplies of labour-Theory of Big Push, Theories of Balanced and Unbalanced Growth

Recommended Readings:

1. Todaro, MP, Development Economics, Pearson.
2. R.K Lekhi: Development & Environmental Economics
3. Thirlwal, AP, Growth & Development, Palgrave.

5. World Bank, World Development Reports, OUP. UNDP, Human Development Reports. OUP
7. Robert Putnam, *Making Democracy Work: Civic Traditions in Modern Italy*, Princeton University Press, 1994

DSE-1: Public Finance

1. Public Economic Theory

- a. Fiscal functions: an overview.
- b. Public Goods: definition, models of efficient allocation, pure and impure public goods, free riding.
- c. Externalities: the problem and its solutions, taxes versus regulation, property rights, the Coase theorem.
- d. Taxation: its economic effects; dead weight loss and distortion, efficiency and equity considerations, tax incidence, optimal taxation.

2. Indian Public Finances

- a. Tax System: structure and reforms
- b. Budget, deficits and public debt

- b. Fiscal federalism in India

Readings:

1. J. Hindriks, G. Myles: *Intermediate Public Economics*, MIT Press, 2006.

2. H. Rosen, T. Gayer: *Public Finance*, 9th ed., McGraw-Hill/Irwin, 2009.
3. Joseph E. Stiglitz, *Economics of the Public Sector*, W.W. Norton & Company, 3rd edition, 2000.
4. R.A. Musgrave and P.B. Musgrave, *Public Finance in Theory & Practice*, McGraw Hill Publications, 5th edition, 1989.
5. John Cullis and Philip Jones, *Public Finance and Public Choice*, Oxford University Press, 1st edition, 1998.
6. Harvey Rosen, *Public Finance*, McGraw Hill Publications, 7th edition, 2005
7. Mahesh Purohit, *Value Added Tax: Experiences of India and Other Countries*, 2007.
8. Kaushik Basu and A. Maertens (ed.), *The New Oxford Companion to Economics in India*, Oxford University Press, 2013.
9. M.M. Sury, *Government Budgeting in India*, 1990.

DSE-2: APPLIED ECONOMETRICS

1. Stages in Empirical Econometric Research

2. Regression Diagnostics and Specification

Misspecification; functional forms; model selection.

3. Advanced Topics in Regression Analysis

Selected Topics:

Dynamic Econometric Models: distributed lag models; autoregressive models; instrumental variable estimation; simultaneous equation models.

4. Panel Data Models

Methods of estimation; fixed effects model; random effects model.

5. Introduction to Econometric Software Package

GRETl; E-VIEWS; STATA (any one).

Readings:

1. Jeffrey M. Wooldridge, *Econometrics*, CENGAGE learning, India Edition, 2009.
2. Dimitrios Asteriou and Stephen Hall, *Applied Econometrics: A Modern Approach*, Palgrave Macmillan, 2007.
3. Damodar Gujarati, *Econometrics by Example*, Palgrave Macmillan, 2011.

(vi) MONEY AND FINANCIAL MARKETS

Course Description

This course exposes students to the theory and functioning of the monetary and financial sectors of the economy. It highlights the organization, structure and role of financial markets and institutions. It also discusses interest rates, monetary management and instruments of monetary control. Financial and banking sector reforms and monetary policy with special reference to India are also covered.

Course Outline

1. Money

Concept, functions, measurement; theories of money supply determination.

2. Financial Institutions, Markets, Instruments and Financial Innovations

- a. Role of financial markets and institutions; problem of asymmetric information – adverse selection and moral hazard; financial crises.
- b. Money and capital markets: organization, structure and reforms in India; role of financial derivatives and other innovations.

3. Interest Rates

Determination; sources of interest rate differentials; theories of term structure of interest rates; interest rates in India.

4. Banking System

- a. Balance sheet and portfolio management.
- b. Indian banking system: Changing role and structure; banking sector reforms.

5. Central Banking and Monetary Policy

Functions, balance sheet; goals, targets, indicators and instruments of monetary control; monetary management in an open economy; current monetary policy of India.

Readings

1. F. S. Mishkin and S. G. Eakins, *Financial Markets and Institutions*, Pearson Education, 6th edition, 2009.
2. F. J. Fabozzi, F. Modigliani, F. J. Jones, M. G. Ferri, *Foundations of Financial Markets and Institutions*, Pearson Education, 3rd edition, 2009.
3. M. R. Baye and D. W. Jansen, *Money, Banking and Financial Markets*, AITBS, 1996.
4. Rakesh Mohan, *Growth with Financial Stability- Central Banking in an Emerging Market*, Oxford University Press, 2011.

SEMESTER-VI

C-13: Indian Economy-II

1. Macroeconomic Policies and Their Impact

Fiscal Policy; trade and investment policy; financial and monetary policies; labour regulation

2. Policies and Performance in Agriculture

Growth; productivity; agrarian structure and technology; capital formation; trade; pricing and procurement

3. Policies and Performance in Industry

Growth; productivity; diversification; small scale industries; public sector; competition policy; foreign investment.

4. Trends and Performance in Services

Readings:

1. Shankar Acharya, 2010, —Macroeconomic Performance and Policies 2000-8,|| in Shankar Acharya and Rakesh Mohan, editors, *India's Economy: Performances and Challenges: Development and Participation*, Oxford University Press.

2. Rakesh Mohan, 2010, —India's Financial Sector and Monetary Policy Reforms,|| in Shankar Acharya and Rakesh Mohan, editors, *India's Economy: Performances and Challenges: Development and Participation*, Oxford University Press.

3. Pulapre Balakrishnan, Ramesh Golait and Pankaj Kumar, 2008, —Agricultural Growth in India Since 1991, *RBI DEAP Study no. 27*.

4. B.N. Goldar and S.C. Aggarwal, 2005, —Trade Liberalisation and Price-Cost Margin in Indian Industries, *The Developing Economics*, September.

1. P. Goldberg, A. Khandelwal, N. Pavcnik and P. Topalova, 2009, —Trade Liberalisation and New Imported Inputs, *American Economic Review, Papers and Proceedings*, May.

C-14: Development Economics-II

Unit- : I

Introduction to planning: types of planning, rationale/objectives of economic planning in a developing economy, planning process.

Unit-2:

External resources-Foreign AID-types of Foreign AID, importance of foreign AID-Its danger, FDI-meaning-advantages-disadvantages.

Unit-3:

Rostow's stages of economic growth and Harrod-Domar growth model

Unit-4:

Concept and Measurement of human Development –Human development Index (HDI) for various states in India

Selected Readings:

1. Todaro, M.P, : Development Economics, McGraw Hill
2. Thirlwal, A.P, : Development Economics, Pearson
3. Misrha & Puri, : Economics of Development & Planning, HPH
4. Lekhi, R, K. : The Economics of Development & Planning

DSE-3: International Economics

1. Introduction

What is international economics about? An overview of world trade.

2. Theories of International Trade

The Ricardian, specific factors, and Heckscher-Ohlin models; new trade theories; the international location of production; firms in the global economy — outsourcing and multinational enterprises.

3. Trade Policy

Instruments of trade policy; political economy of trade policy; controversies in trade policy.

4. International Macroeconomic Policy

Fixed versus flexible exchange rates; international monetary systems; financial globalization and financial crises.

Readings:

1. Paul Krugman, Maurice Obstfeld, and Marc Melitz, *International Economics: Theory and Policy*, Addison-Wesley (Pearson Education Indian Edition), 9th edition, 2012.
2. Dominick Salvatore, *International Economics: Trade and Finance*, John Wiley International Student Edition, 10th edition, 2011.

DSE-4:Environmental Economics

1. Introduction

What is environmental economics; review of microeconomics and welfare economics.

2. The Theory of Externalities

Pareto optimality and market failure in the presence of externalities; property rights and the Coase theorem

3. The Design and Implementation of Environmental Policy

Overview; Pigouvian taxes and effluent fees; tradable permits; choice between taxes and quotas under uncertainty; implementation of environmental policy

4. International Environmental Problems

Trans-boundary environmental problems; economics of climate change; trade and environment

5. Measuring the Benefits of Environmental Improvements

Non-Market values and measurement methods; risk assessment and perception

6. Sustainable Development

Concepts; component, measurement

Readings:

1. Charles Kolstad, *Intermediate Environmental Economics*, Oxford University Press, 2nd edition, 2010
2. Robert N. Stavins (ed.), *Economics of the Environment: Selected Readings*, W.W. Norton, 5th edition 2005.
3. Roger Perman, Yue Ma, James Mc Gilvray and Michael Common, *Natural Resource and Environmental Economics*, Pearson Education/Addison Wesley, 3rd edition, 2003.
4. Maureen L. Cropper and Wallace E. Oates, 1992, —Environmental Economics: A Survey, *Journal of Economic Literature*, Volume 30:675-740.