

ECONOMICS

Programme Structure

Course Code	Course Title	Lecture (L) Hours Per Week	Tutorial (T) Hours Per Week	Practical (P) Hours Per Week	Total Credits
ECO2151	Micro Economics-I	3	-	-	3
ECO2251	Indian Economy	3	-	-	3
ECO2351	Macro Economics-I	3	-	-	3
ECO2451	Public Finance	3	-	-	3
ECO2552	Statistical Methods in Economics	3	-	-	3
ECO2651	Money, Banking & Financial Markets	3	-	-	3
	TOTAL				18

ECONOMICS

Syllabus - Semester First

MICRO ECONOMICS-I

Course Code: ECO2151

Credit Units: 03

Course Objective:

This course is designed to expose first –year students, who may be new to economics, the basic principles of microeconomic theory. The emphasis would be on thinking like an economists & the course will illustrate how microeconomic concepts can be applied to analyze real life situations.

Course Contents:

Module I: Exploring the Subject Matter of Economics

Why study economics? The scope and method of economics; scarcity and choice; questions of what, how and for whom to produce and how to distribute output

Module II: Supply and Demand: How Markets Work, Markets and Welfare

Individual demand and supply schedules and the derivation of market demand and supply; shifts in demand and supply curves; the role prices in resource allocation; Elasticity of Demand — price, income and cross; Consumer’s surplus

Module III: Consumer’s Behavior

Utility-cardinal and ordinal approaches, Indifference curves; budget constraints;. Consumer’s equilibrium (Hicks and Slutsky); Giffin goods; Compensated demand; Revealed preference theory; Engel curve.

Module IV: Theory of Production and Costs:

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, total, average, and marginal product, cost minimization and expansion path, elasticity of substitution.

Examination Scheme:

Components	A	P	HA	CT	EE
Weight age (%)	5	10	5	10	70

(A-Attendance; P-Project/Seminar/Quiz/Viva; HA-Home Assignment; CT-Class Test; EE-End Semester Examination)

Text & References:

Text:

- C. Snyder and W. Nicholson, Fundamentals of Microeconomics, Cengage Learning (India), 2010.
- B. Douglas Bernheim and Michael D. Whinston, Microeconomics, Tata McGraw-Hill (India), 2009
- Ahuja H.L. (2010) Principles of Microeconomics, 18th Edition, S. Chand& Co. Ltd.
- Robert S. Pindyk and D.L. Rubinfeld, (2000), Microeconomics, 3rd edition, Prentice Hall India.

- Ferguson & Gould (1989) Micro Economic Theory, 6th edition, all India Traveller Bookseller.
- Koutsoyiannis, A. (1990), Modern Microeconomics, Macmillan

References:

- N. Gregory Mankiw (2007), Economics: Principles and Applications, 4th edition, India edition by South-Western, a part of Cengage Learning, Cengage Learning India Private

Syllabus - Semester Second

INDIAN ECONOMY

Course Code: ECO2251

Credit Units: 03

Course Objective:

This subject covers the major features of Indian Economy at Independence in the field of agriculture industry and other infrastructure of the economy. It also deals with growth of development of different phases on the current issues in Indian economy policy.

Course Contents:

Module I: Economic Development at the time of Independence

Major features of the economy at independence: Colonial economy; Semi-feudal economy; Backward economy; Stagnant economy

Module II: Planning in India

Objectives; Strategy; Broad achievements and failures; Current Five Year Plan — objectives, allocation and targets; New economic reforms — Liberalization, privatization and globalization; Rationale behind economic reforms; Progress of privatization and globalization

Module III: Major Economic Issues

Demographic trends and issues; education; poverty and inequality; unemployment, inflation

Module IV: External Sector

Role of foreign trade; Trends in exports and imports; Composition and direction of India's foreign trade; Balance of payments crisis; Export promotion measures and the new trade policies

Module V: Agriculture

Nature and importance; Trends in agricultural production and productivity; Factors determining productivity; Land Reforms; New agricultural strategy and green revolution

Module VI: Industry

Industrial development during the planning period; Industrial policy of 1991 and the latest Industrial policy; Growth and problems of small scale industries; Role of public sector enterprises in India's industrialization

Examination Scheme:

Components	A	P	HA	CT	EE
Weightage (%)	5	10	5	10	70

(A-Attendance; P-Project/Seminar/Quiz/Viva; HA-Home Assignment; CT-Class Test; EE-End Semester Examination)

Text & References:

Text:

- RuddarDutt and K.P.M Sundaram(2012) Indian Economy, S.Chand& Co. Ltd, Delhi
- Mishra &Puri(2005) Indian Economy, Himalayan Publishing House, Bombay
- V.M. Dandekar (1992), Forty Years after Independence in B. Jalan (ed.), The Indian Economy, Problems and Prospects, Viking Press.

References:

- Sebastian Morris (2001), Issues in Infrastructure Development Today: The Interlinkages, in India Infrastructure Report, OUP
- MontekAhluwalia, (2002), State level Performance under Economic Reforms in India, in A.O. Krueger(ed), Economic Policy Reforms and the Indian Economy, Univ. of Chicago Press.
- PranabBardhan(2003), Poverty, Agrarian Structure and Political Economy in India: Selected Essay, OUP, CH.5.
- JagdishBhagwati, (1993), India in Tansition, Freeing the Economy, Clarendon Press, Ch. 2.
- J. Bhagwati and Padma Desai (1970), India: Planning for Industrialization, Ch 2 OUP.
- S. Chakravarty (1987), Development Planning: The Indian Experience, Clarendon Press.
- Jean Dreze and AmartyaSen (2002), India: Development and Participation, OUP, Chs. 2, 3,5,6,9.
- B.S. Minhas (1991), Public vs Private sectors: Neglect of Lessons of Economics in Indian Policy Formulation, R.R. Kale Lecture, Gokhale Institute of Politics & Economics, Pune.
- MihirRakshit (2001), On Correcting Fiscal Imbalances In the Indian Economy: Some Perspectives
- Government of India, Economic Survey(annual) New Delhi
- Reserve Bank of India, Handbook of statistics of Indian Economy(Annual)

Syllabus - Semester Third

MACRO ECONOMICS-I

Course Code: ECO2351

Credit Units: 03

Course Objective:

This course aims at introducing the fundamentals of Macroeconomic theories, policies and models in a historical perspective. It will enable the students to develop a critical insight on Classical and Keynesian macroeconomic models, to understand the relationship between inflation and employment by providing exposure to the constructions of Friedman, Phelps & Phillips.

Course Contents:

Module I: Introduction to Macroeconomics

The roots of macroeconomics, macroeconomic concerns, the role of government in the macro economy, the components of the macro economy, the methodology of macroeconomics

Module II: Introduction to National Income Accounting

Concepts of GDP and national income, approaches to calculating GDP, GDP and personal income, Nominal and real GDP, Limitations of the GDP concept.

Module III: Schools of Macroeconomic Thoughts

Classical, Neo Classical and Keynesian Models.; Say's Law of Markets and Classical Theory of Employment

Module IV: Keynesian Model

Keynes theory of income and employment; Consumption function; theory of investment-marginal efficiency of capital; saving and investment; The Investment Multiplier and its application to LDC's

Module V: Money in the Modern Economy

Theories of Demand for Money: Quantity Theory and Keynes approach; Characteristics of a monetary economy; the supply of money and overall liquidity position; credit creation

Module VI: Inflation

Inflation: types, causes, consequences and impact on the Indian economy; remedial measures.

Examination Scheme:

Components	A	P	HA	CT	EE
Weightage (%)	5	10	5	10	70

(A-Attendance; P-Project/Seminar/Quiz/Viva; HA-Home Assignment; CT-Class Test; EE-End Semester Examination)

Text & References:

Text:

- Dornbusch, Fischer and Startz, Macroeconomics, McGraw Hill, 11th edition, 2010 Ahuja H.I. (2010) Macroeconomics: Theory and Policy, S. Chand & Co. Ltd.
- Mc Connell. C.R & H.C. Gupta, "Introduction to Macro Economics", Tata McGraw Hill, Delhi
- Gardner Ackeley, "Macro Economics".

References:

- J.E. Stiglitz, and C.E. Walsh (2002), Principles of Economics, 3rd Edition, W.W. Norton & Company, New York.
- R. Stone and G. Stone (1977), National Income and Expenditure, 10th edition, Bowes and Bowes London.
- K.K. Dewett: Modern Economic Theory, New Delhi, Shyamlal Charitable Trust.

Syllabus - Semester Fourth

PUBLIC FINANCE

Course Code: ECO2451

Credit Units: 03

Course Objective:

This subject is primarily aimed at introducing principles of public finance, role of different governments, public expenditure, taxation, budget and fiscal policy in India. The government plays different roles and performs varied functions which are different from earlier societies. In this context the public financial functions of the government need to be understood by a student, by studying the relevant theory and empirical analysis.

Course Contents:

Module I: Introduction

Nature, Scope and Importance, Theory of Maximum Social Advantage, Private goods, Public goods and Merit goods; Role of government in managing the economy under different economic systems – Social Welfare Function; Theory of Public goods - Market failure - Externalities - problems in allocation of resources - theoretical developments in Demand revelation for social goods -Public choice.

Module II: Public Expenditure

Theories of Public Expenditure -Structure and growth of public expenditure - Criteria for public investment - Income Redistribution – Expenditure Programmes for the poor - Social Insurance: Unemployment Insurance, Health Care, and Education - Social cost-benefit analysis - benefit estimation and evaluation.

Module III: Taxation

Theory of Taxation - Benefit and ability-to-pay approaches - Indian Direct and Indirect Taxes - Effects of taxation - Requirements of a sound tax system - Canons of taxation - Tax reforms since 1975 - Chelliah Committee Report - Evaluation of Tax Reforms -Taxation Incidence and alternative concepts of Incidence.

Module IV Budgeting and Debt

Budget - Concept of PPB - Zero-based Budgeting - Cash budgeting : Cash management and Treasury functions in Government - Deficit Budgeting - Types of Deficits - Public Debt: Trends and composition of Indian Public Debt: Instruments - Treasury bills, bonds and other securities, Role of RBI - Debt management - Methods of debt redemption.

Module V: Fiscal Policy

Role of Fiscal Policy in India - Principles of Fiscal federalism in India; Finance Commissions and Planning Commission

Examination Scheme:

Components	A	P	HA	CT	EE
Weightage (%)	5	10	5	10	70

(**A**-Attendance; **P**-Project/Seminar/Quiz/Viva; **HA**-Home Assignment; **CT**-Class Test; **EE**-End Semester Examination)

Text & References:**Text:**

- Musgrave, R.A. and P.B. Musgrave (1976), Public Finance in Theory and Practice, 3rd edition, McGraw- Hill Kogakusha, Tokyo.
- RaghendraJha : (1998), Modern Public Economics.
- Rosen, Harway, S. - Public Finance, IVthEdn. Irwin.

References:

- Mueller, D.C. (1979), Public Choice, Cambridge University Press, Cambridge.
- Brown, C.V. and Jackson - Public Sector Economics
- Raja J. Chellia et al. - Trends in Federal Finance.
- D.N. Dwivedi, Readings in India Public finance
- Government of India, Report of the 13th Finance Commission.
- Economic Survey, Government of India (latest).
- State Finances: A Study of Budgets, Reserve Bank of India (latest).

Syllabus - Semester Fifth

STATISTICAL METHODS IN ECONOMICS

Course Code: ECO2552

Credit Units: 03

Course Objective:

This subject will deal with all fundamental statistical methods of tools which the students have to use in economic analysis and decision making problems.

Course Contents:

Module I: Introduction:

Basic concepts: Population, Sample, Parameter, Statistic, Frequency distribution, Cumulative frequency distribution; Graphic and diagrammatic representation of data; Techniques of data collection. Sampling vs. Population, primary and secondary data.

Module II: Central Tendency and Dispersion:

Measures of Central Tendency: Mean, Median, Mode, Geometric mean, Harmonic mean; Measures of Dispersion; Range, Quartile deviation Mean deviation, Standard deviation; Skewness and Kurtosis, Moments.

Module III: Correlation and Regression:

Correlation: Simple; Coefficient of correlation; Karl Pearson and Rank correlation; Partial and Multiple Correlation analysis; Regression analysis – Estimation of a regression line in a bivariate distribution, Least squares method; Interpretation of correlation and regression coefficients; Coefficient of determination.

Module IV: Time Series:

Time Series Analysis - concept and components, determination of trend (Linear, Quadratic and Exponential) and seasonal indices

Module V: Index Numbers

Concept of an index number; Laspeyer's, Paasche's and Fisher's Index Numbers; Time Reversal, Factor reversal and circular tests; Chain base index; Problems in the Construction of an index number; splicing; base shifting and use of index number for deflating other series.

Examination Scheme:

Components	A	P	HA	CT	EE
Weightage (%)	5	10	5	10	70

(A-Attendance; P-Project/Seminar/Quiz/Viva; HA-Home Assignment; CT-Class Test; EE-End Semester Examination)

Text & References:

Text:

- Allen Webster, Applied Statistics for Business and Economics, (3rd edition), McGraw Hill, International Edition 1998.
- Richard J. Larsen and Morris L. Marx, An Introduction to Mathematical Statistics and its Applications, Prentice Hall, 2011.

References:

- P.H. Karmel and M. Polasek, Applied Statistics for Economists (4th edition), Pitman, Australia.
- M.R. Spiegel (2nd edition), Theory and Problems of Statistics, Schaum Series.

Syllabus - Semester Sixth

MONEY, BANKING AND FINANCIAL MARKETS

Course Code: ECO2651

Credit Units: 03

Course Objective:

The main objective of the course is to impart knowledge about the concept of money, financial markets, financial instruments & banking industry; The concepts like estimation of demand for & Supply of money, financial deepening etc. will also be introduced.

Course Contents:

Module I: Money in the Financial System

Role of money in the economy - various schools of economic thought. Functions of money, financial markets, financial instruments and financial deepening;

Module II :Financial Markets

Structure of Money and Capital market in India. Monetary and Financial sector reforms in India. Concept of risk and return ; management of risk and return, Optimal Portfolio, Financial Innovations.

Module III: Interest Rates

Theories of Interest, Determination and Interstates differentials, Structure of interest rates in India. Theories of term structure of interest rates.

Module IV: Banking System

Introduction to the Banking system, Role and functions of commercial banks, Balance sheet and Portfolio Management, Indian Banking system –Changing role and structure, Banking Regulations, Banking sector reforms in India.

Module V: Central Banking and Monetary Policy

Functions of Central Banking, Various measures of money supply, Reserve Money .Goals, Targets, Instruments of Monetary Control, Monetary Policy Transmission mechanism, Monetary- management in an open economy, current monetary policy of India.

Examination Scheme:

Components	A	P	HA	CT	EE
Weightage(%)	5	10	5	10	70

(A-Attendance; P-Project/Seminar/Quiz/Viva;HA-Home Assignment;CT-Class Test;EE-End Semester Examination)

Text & References:***Text:***

- L. M. Bhole and J. Mahukud, Financial Institutions and Markets, Tata McGraw Hill, 5th edition, 2011.
- M. Y. Khan, Indian Financial System, Tata McGraw Hill, 7th edition, 2011.
- Narendra Jhadav, Monetary Economics for India, Macmillan India Publishers, 1994.
- D.N Diwedi, Macroeconomics – Theory and Policy, Tata McGraw Hill Publishers, 3rd edition 2010

References:

- F.J. Fabozzi, F. Modigliani, F.J. Jones, M. G. Ferri, Foundations of Financial Markets and Institutions, Pearson Education, 3rd edition, 2009
- Various latest issues of R.B.I. Bulletins, Annual Reports, Report on Currency and Finance and Reports of the Working Group, IMF Staff Papers. M.R. Baye, D.W. Jansen (1996), Money Banking and Financial Markets, AITBS, (Indian Edition)
- F. S. Mishkin and S.G. Eakins, Financial Markets and Institutions, Pearson Education, 6th edition, 2009.
- Annual Report of RBI 2014 -15 Chapter 3
- How does the Reserve Bank of India conduct its Monetary Policy? Aug 12, 2011 (available on www.rbi.org.in)