

# **SYLLABUS FOR B.A. (HONOURS) ECONOMICS UNDER CHOICE BASED CREDIT SYSTEM**



**Approved by  
the Board of Studies of Economics  
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**KHALLIKOTE UNIVERSITY  
BRAHMAPUR– 760001, DIST: GANJAM,  
ODISHA, INDIA**

**SYLLABUS FOR B.A. (HONOURS) ECONOMICS  
UNDER CHOICE BASED CREDIT SYSTEM OF  
KHALLIKOTE UNIVERSITY, BRAHMAPUR**

## **Course Structure for B.A. (Honours) Economics**

There are a total of fourteen economics core courses that students are required to take across six semesters. All the core courses are compulsory. In addition to core courses in economics, a student of B.A. (Honours) Economics will choose four Discipline Specific Elective (DSE) Courses. The DSE Courses are offered in the fifth and sixth semesters and two such courses will be selected by a student from a set of courses specified for each of these semesters (Groups I and II in the attached table). It is recommended that each college should offer at least three DSE Courses in the fifth and sixth semesters to allow the students some minimal element of choice.

Contact Hours: Each course has 5 lectures and 1 tutorial (per group) per week. The size of a tutorial group is 8-10 students.

Note on Course Readings: The nature of several of the courses is such that only selected readings can be specified in advance. Reading lists will be updated and topic-wise readings will be specified at regular intervals, ideally on an annual basis.

## Course Structure for B.A. (Honours) Economics

### Semester I

- **Economics Core Course 1:**  
Introductory Microeconomics
- **Economics Core Course 2:**  
Mathematical Methods for Economics I
- **AECC I:** MIL (Odia / AE)
- **Generic Elective Course (GE) I**

### Semester III

- **Economics Core Course 5:**  
Microeconomics I
- **Economics Core Course 6:**  
Macroeconomics I
- **Economics Core Course 7:**  
Statistical Methods for Economics
- **Skill Enhancement Course (SEC) I:**  
English
- **GE III**

### Semester V

- **Economics Core Course 11:** Indian Economy I
- **Economics Core Course 12:**  
Development Economics I
- **Discipline Specific Electives (DSE) Course I**  
(From List of Group I)
- **Discipline Specific Electives (DSE) Course II**  
(From List of Group I)

### Group I

- Economics of Health and Education
- Economic History of India (1857-1947)
- Topics in Microeconomics
- Advanced Macroeconomics
- Money and Financial Markets
- Basic Econometrics
- Odisha Economy
- Research Methodology

### Semester II

- **Economics Core Course 3:**  
Introductory Macroeconomics
- **Economics Core Course 4:**  
Mathematical Methods for Economics II
- **AECC II:** Environmental Studies
- **Generic Elective Course (GE) II**

### Semester IV

- **Economics Core Course 8:**  
Microeconomics II
- **Economics Core Course 9:**  
Macroeconomics II
- **Economics Core Course 10:** Public Economics
- **Skill Enhancement Course (SEC) II**
- **GE IV**

### Semester VI

- **Economics Core Course 13:** Indian Economy II
- **Economics Core Course 14:**  
Development Economics II
- **Discipline Specific Electives (DSE) Course III**  
(From List of Group II)
- **Discipline Specific Electives (DSE) Course IV**  
(From List of Group II)

### Group I

- Dissertation / Project
- Political Economy
- Comparative Economic Development (1850-1950)
- Environmental Economics
- Applied Econometrics
- International Economics
- Industrial Economics
- Agricultural Economics

### Skill Enhancement Courses

- Data Analysis and Computer Application
- Financial Economics

### Semester I

#### CC-1: INTRODUCTORY MICROECONOMICS

#### Course Description

This course is designed to expose the students to the basic principles of microeconomic theory. The emphasis will be on thinking like an economist and the course will illustrate how microeconomic concepts can be applied to analyze real-life situations.

**Credits: 6**

**Full Marks: 100 (80+20)**

**Unit I: Exploring the subject matter of Economics****16 Marks**

Why study economics? Scope and method of economics; the economic problem: scarcity and choice; the question of what to produce, how to produce and how to distribute output; science of economics; The nature of economics; positive or normative science; the basic competitive model-essential features; Free market economy-chief features; property rights, profits and prices- incentives and information.

**Unit II: Supply and Demand: How Markets Work, Markets and Welfare****16 Marks**

Markets and competition; Utility and demand, Law of demand, Reasons of Law of demand, determinants of individual demand, Demand function and curves, Market demand and individual demand; Supply-Meaning and supply function, Law of supply, factors determining supply; Market equilibrium-interaction of demand and supply; Elasticity of demand-concept, measurement, applications of elasticity of demand.

**Unit III: The Households****16 Marks**

The consumption decision - utility analysis of demand, equilibrium of the consumer, equimarginal principle, Concept of consumer's surplus and measurement.

Consumer's preference and indifference curves, properties of indifference curves, budget constraint, consumer's equilibrium with indifference curves; Impact of change in income and prices, Income and substitution effect of a price change.

Labour supply and saving decisions; Indifference curve between income and leisure; Wage offer curve and supply of labour.

**Unit IV: The Firm and Market Structures****16 Marks**

Objectives of a business firm; Production functions, Marginal rate of technical substitution; Equilibrium of a firm with optimum factor combination-isoquant analysis.

Costs of production-short run and long run cost curves.

Perfect Competition-Features, nature of revenue curves under perfect competition; Equilibrium of a firm in the short period and long period.

**Unit V: Input Markets****16 Marks**

Labour and land markets – basic concepts (derived demand, productivity of an input, marginal revenue product, value of marginal product); Derivation of demand curve for labour; Shift in demand curves of labour; Determination of factor price under perfect competition and monopsony, Govt. labour policy.

**Readings**

- N. Gregory Mankiw (2012): *Principles of Economics*, 6<sup>th</sup> edition, Cengage Learning India Private Limited, New Delhi
- William A McEachern and Simrit Kaur (2012): *Micro Econ: A South-Asian Perspective*, Cengage Learning India Private Limited, New Delhi.
- Karl E. Case and Ray C. Fair (2007): *Principles of Economics*, 8<sup>th</sup> Edition, Pearson Education Inc.
- Joseph E. Stiglitz and Carl E. Walsh (2007): *Economics*, 4th Edition, W.W. Norton & Company, Inc., New York.

**Semester I****CC-2: MATHEMATICAL METHODS FOR ECONOMICS I****Course Description**

This is the first of a compulsory two-course sequence. The objective of this sequence is to transmit the body of basic mathematics that enables the study of economic theory at the undergraduate level, specifically the courses on microeconomic theory, macroeconomic theory, statistics and econometrics set out in this syllabus. In this course, particular economic models are not the ends, but the means for illustrating the method of applying mathematical techniques to economic theory in general. The level of sophistication at which the material is to be taught is indicated by the contents of the prescribed textbook.

**Credits: 6****Full Marks: 100 (80+20)**

**Unit I: Preliminaries****16 Marks**

Sets and set operations; relations; functions and their properties; Number systems.

**Unit II: Functions of one real variable****16 Marks**

Types of functions- constant, polynomial, rational, exponential, logarithmic; Graphs and graphs of functions; Limit and continuity of functions; Limit theorems.

**Unit III: Derivative of a function****16 Marks**

Rate of change and derivative; Derivative and slope of a curve; Continuity and differentiability of a function; Rules of differentiation for a function of one variable; Application- Relationship between total, average and marginal functions.

**Unit IV: Functions of two or more independent variables****16 Marks**

Partial differentiation techniques; Geometric interpretation of partial derivatives; Partial derivatives in Economics; Elasticity of a function – demand and cost elasticity, cross and partial elasticity.

**Unit V: Matrices and Determinants****16 Marks**

Matrices: concept, types, matrix algebra, transpose, inverse, rank; Determinants: concept, properties, solving problems using properties of determinants, solution to a system of equations - Cramer's rule and matrix inversion method.

**Readings:**

- K. Sydsaeter and P. J. Hammond (2002): *Mathematics for Economic Analysis*. Pearson Educational Asia
- A. C. Chiang and K. Wainwright (2005): *Fundamental Methods of Mathematical Economics*, McGraw Hill International Edition.
- T. Yamane (2012): *Mathematics for Economists*, Prentice-Hall of India

**Semester II****CC- 3: INTRODUCTORY MACROECONOMICS****Course Description**

This course aims to introduce the students to the basic concepts of Macroeconomics. Macroeconomics deals with the aggregate economy. This course discusses the preliminary concepts associated with the determination and measurement of aggregate macroeconomic variable like savings, investment, GDP, money and inflation.

**Credits: 6****Full Marks: 100 (80+20)****Unit I: Basic Concepts****16 Marks**

Macro vs. Micro Economics; Why Study Macroeconomics? Limitations of Macroeconomics ; Stock and Flow variables, Equilibrium and Disequilibrium, Partial and General Equilibrium ; National Income Concepts – GDP, GNP, NDP and NNP at market price and factor cost; Personal Income and Disposable personal Income; Real and Nominal GDP.

**Unit II: Measurement of Macroeconomic Variables****16 Marks**

Output, Income and Expenditure Approaches ; Difficulties of Estimating National Income; National Income Identities in a simple 2- sector economy and with government and foreign trade sectors; Circular Flows of Income in 2, 3 and 4-sector; economies; National Income and Economic Welfare.

**Unit III: Money****16 Marks**

Evolution and Functions of Money, Quantity Theory of Money – Cash Transactions, Cash Balances and Keynesian Approaches, Changes in Value of Money and Index Number of Prices.

**Unit IV: Inflation, Deflation, Depression and Stagflation****16 Marks**

Inflation – Meaning, Causes, Costs and Anti-Inflationary Measures; Classical, Keynesian, Monetarist and Modern Theories of Inflation, Deflation- Meaning, Causes, Costs and Anti-Deflationary Measures, Depression and Stagflation; Inflation vs. Deflation.

**Unit V: Determination of National Income****16 Marks**

The Classical Approach - Say's Law, Theory of Determination of Income and Employment with and without saving and Investment; Basics of Aggregate Demand and Aggregate Supply and Consumption- Saving – Investment Functions, The Keynesian Approach – Basics of Aggregate Demand and Aggregate Supply and Consumption, Saving, Investment Functions; The Principle of Effective Demand; Income Determination in a Simple 2-Sector Model; Changes in Aggregate Demand and Income- The Simple Investment Multiplier.

**Readings:**

- N. Gregory Mankiw (2010): *Macroeconomics*, 7th edition, Cengage Learning India Private Limited, New Delhi
- Richard T. Froyen (2005): *Macroeconomics*, 2<sup>nd</sup> Edition, Pearson Education Asia, New Delhi.
- Errol D'Souza (2009): *Macroeconomics*, Pearson Education Asia, New Delhi.
- Shapiro Edward: *Macroeconomics*.
- D N Dwivedi: *Macroeconomics*

**Semester II****CC-4: MATHEMATICAL METHODS FOR ECONOMICS II****Course Description**

This course is the second part of a compulsory two-course sequence. This part is to be taught in Semester II following the first part in Semester I. The objective of this sequence is to transmit the body of basic mathematics that enables the study of economic theory at the undergraduate level, specifically the courses on microeconomic theory, macroeconomic theory, statistics and econometrics set out in this Syllabus. In this course, particular economic models are not the ends, but the means for illustrating the method of applying mathematical techniques to economic theory in general. The level of sophistication at which the material is to be taught is indicated by the contents of the prescribed textbook.

**Credits: 6****Full Marks: 100 (80+20)****Unit I: Linear models:****16 Marks**

Input- Output Model: Basic concepts and structure of Leontief's open and static Input-Output model; solution for equilibrium output in a three industry model; The closed model

**Unit II: Second and higher order derivatives:****16 Marks**

Technique of higher order differentiation; Interpretation of second derivative; Second order derivative and curvature of a function; Concavity and convexity of functions; Points of inflection

**Unit III: Differentials and total derivatives:****16 Marks**

Differentials and derivatives; Total differentials; Rules of differentials; Total derivatives; Derivatives of implicit functions

**Unit IV: Single and multivariable optimisation:****16 Marks**

Optimum values and extreme values; Relative maximum and minimum; Necessary versus sufficient conditions - First and Second derivative tests; Economic applications thereof, First and second order condition for extremum of multivariable functions; Convex functions and convex sets

**Unit V: Optimisation with Equality Constraints:****16 Marks**

Effects of a constraint; Finding stationary value – Lagrange-Multiplier method (Two variable single constraint case only): First and second order condition; The Bordered Hessian determinant.

**Readings:**

- K. Sydsaeter and P. J. Hammond (2002): *Mathematics for Economic Analysis*. Pearson Educational Asia

- A. C. Chiang and K. Wainwright (2005): *Fundamental Methods of Mathematical Economics*, McGraw Hill International Edition.
- T. Yamane (2012): *Mathematics for Economists*, Prentice-Hall of India

**Semester III**  
**CC- 5: MICROECONOMICS I**

**Course Description**

The course is designed to provide a sound training in microeconomic theory to formally analyze the behaviour of individual agents. Since students are already familiar with the quantitative techniques in the previous semesters, mathematical tools are used to facilitate understanding of the basic concepts; this course looks at the behaviour of the consumer and the producer and also covers the behaviour of a competitive firm.

**Credits: 6**

**Full Marks: 100 (80+20)**

**Unit I: Consumer Theory I**

**16 Marks**

Economic Models: Model building in economics, Endogenous and exogenous variables in economic models, Building a microstatic model, testing of economic model, limitations and uses of economic models.

Choice and preferences-Revealed preference theory, Price, income and substitution effect, Axioms of rational choice, Indirect utility function.

**Unit II: Consumer Theory II**

**16 Marks**

Demand Functions, Changes in Income, Changes in a Good's Price on demand, Demand relationship among goods, Indifference curves for perfect substitutes and complements, Income effects and Income consumption curves, Hicksian substitution effect, price effect and price consumption curves, Individual demand curve, Compensated demand curve.

Elasticity of Demand-Income, price and arc elasticity of demand; Measurement of price elasticity of demand, Factors affecting elasticity of demand.

Consumer's surplus- Measurement with indifference curves, Hicksian concepts (all the four) of consumer's surplus.

**Unit III: Production Theory**

**16 Marks**

Production function: Production function with One Variable Input (labour)-Total, Average and marginal physical product, Law of variable proportions.

Production function with Two-Variable Inputs-Isoquants and isoquant map, Marginal rate technical substitution, Isoquants of perfect substitutes and complements.

Fixed proportions production function, Linear homogenous production function, Cobb-Douglas production function, CES Production function, Production function and technological change, Returns to Scale-types of returns to scale.

**Unit IV: Cost Functions**

**16 Marks**

Definition of Costs and types of costs; opportunity cost, accounting cost and economic cost.

Cost functions-short run cost functions-Total, fixed and variable costs, average and marginal cost functions and curves.

Nature of short and long run average cost curves, long run cost curve and constant returns to scale; Shift in Cost Curves, Impact of external economies and diseconomies on cost.

**Unit V: Profit Maximization**

**16 Marks**

The Nature of Firm and decision by firm, Organising economic activity by a firm.

Objectives of a Firm-Profit Maximization and sales maximisation.

Nature of revenue curves of a firm under different market situations; Supply curve- Nature of supply curves of a firm in the short run under perfect competition.

Profit maximisation-objective and equilibrium of a firm with total revenue and total cost concept.

Profit maximisation and input demand of a single input and two inputs.

**Readings:**

- C. Snyder and W. Nicholson (2012): *Microeconomic Theory: Basic Principles and Extensions*, 11<sup>th</sup> Edition, Cengage Learning, Delhi, India.

- R. S. Pindyck, D. N. Rubinfeld and P. L. Meheta (2009): *Microeconomics*, 7<sup>th</sup> Edition, Pearson, New Delhi.
- H. R. Varian (2010): *Intermediate Microeconomics: A Modern Approach*, 8<sup>th</sup> Edition, W.W. Norton and Company/Affiliated East-West Press (India). The workbook by Varian and Bergstrom may be used for problems.

**Semester III**  
**CC- 6: MACROECONOMICS I**

**Course Description**

This course introduces the students to formal modelling of a macro-economy in terms of analytical tools. It discusses various alternative theories of output and employment determination in a closed economy in the short run as well as medium run, and the role of policy in this context. It also introduces the students to various theoretical issues related to an open economy.

**Credits: 6**

**Full Marks: 100 (80+20)**

**Unit I: Consumption Function**

**16 Marks**

Consumption – Income Relationship, Propensities to Consume and the Fundamental Psychological Law of Consumption; Implications of Keynesian Consumption Function; Factors Influencing Consumption Function; Measures to Raise Consumption Function; Absolute, Relative, Permanent and Life – Cycle Hypotheses

**Unit II: Investment Function**

**16 Marks**

Autonomous and Induced Investment, Residential Investment and Inventory Investment, Determinants of Business Investment, Decision to Invest and MEC, Accelerator.

**Unit III: Demand for and Supply of Money**

**16 Marks**

Demand for Money – Classical, Neoclassical and Keynesian Approaches, The Keynesian Liquidity Trap and its Implications, Supply of Money – Classical and Keynesian Approaches, The Theory of Money Supply Determination, Measures of Money Supply in India

**Unit IV: Aggregate Demand and Aggregate Supply**

**16 Marks**

Derivation of Aggregate Demand and Aggregate Supply Curves in the IS-LM Framework; Nature and Shape of IS and LM curves; Interaction of IS and LM curves and Determination of Employment, Output, Prices and Investment; Changes in IS and LM curves and their Implications for Equilibrium

**Unit V: Inflation, Unemployment and Expectations, and Trade Cycles**

**16 Marks**

Inflation – Unemployment Trade off and the Phillips Curve – Short run and Long run Analysis; Meaning and Characteristics of Trade Cycles; Causes of trade cycles, Hawtrey's Monetary Theory, Hayek's Over-investment Theory and Keynes' views on Trade Cycles.

**Readings:**

- N. Gregory Mankiw (2010): *Macroeconomics*, 7th edition, Cengage Learning India Private Limited, New Delhi
- Richard T. Froyen (2005): *Macroeconomics*, 2<sup>nd</sup> Edition, Pearson Education Asia, New Delhi.
- Errol D'Souza (2009): *Macroeconomics*, Pearson Education Asia, New Delhi.

**Semester III**  
**CC- 7: STATISTICAL METHODS FOR ECONOMICS**

**Course Description**

This is a course on statistical methods for economics. It begins with some basic concepts and terminology that are fundamental to statistical analysis and inference. It then develops the notion of probability, followed by probability distributions of discrete and continuous random variables and of joint distributions. This is followed by a discussion on sampling techniques used to collect survey data. The course introduces the notion of sampling distributions that act as a bridge between probability theory and statistical inference. The semester concludes with some topics in statistical inference that include point and interval estimation.

**Credits: 6**

**Full Marks: 100 (80+20)**

**Unit I: Data Collection and measures of central tendency and dispersion 16 Marks**

Basic concepts: population and sample, parameter and statistic; Data Collection: primary and secondary data, methods of collection of primary data; Presentation of Data: frequency distribution; cumulative frequency; graphic and diagrammatic representation of data; Measures of Central Tendency: mean, median, mode, geometric mean, harmonic mean, their relative merits and demerits; Measures of Dispersion: absolute and relative - range, mean deviation, standard deviation, coefficient of variation, quartile deviation, their merits and demerits; Measures of skewness and kurtosis.

**Unit II: Correlation Analysis 16 Marks**

Correlation: scatter diagram, sample correlation coefficient - Karl Pearson's correlation coefficient and its properties, probable error of correlation coefficient, Spearman's rank correlation coefficient, partial and multiple correlation.

**Unit III: Regression Analysis 16 Marks**

Two variable linear regression analysis - estimation of regression lines (Least square method) and regression coefficients - their interpretation and properties, standard error of estimate

**Unit IV: Time Series and Index Number 16 Marks**

Time Series: definition and components, measurement of trend- free hand method, methods of semi-average, moving average and method of least squares (equations of first and second degree only), measurement of seasonal component; Index Numbers: Concept, price relative, quantity relative and value relative; Laspey's and Fisher's index, family budget method, problems in construction and limitations of index numbers, test for ideal index number.

**Unit V: Probability theory 16 Marks**

Probability: Basic concepts, addition and multiplication rules, conditional probability; Random variables and their probability distribution; Mathematical expectations; Theoretical Distribution: normal distribution -only properties and uses, problems using area under standard normal curve

**Recommended books:**

- Jay L. Devore (): *Probability and Statistics for Engineering and the Sciences*, Cengage learning, 2010.
- S. C. Gupta (): *Fundamentals of Statistics*, Himalaya Publishing House, Delhi
- Murray R. Spiegel (): *Theory & Problems of Statistics*, Schaum's publishing Series.

**Semester IV****C C- 8: MICROECONOMICS II****Course Description**

This course is a sequel to Microeconomics I. The emphasis will be on giving conceptual clarity to the student coupled with the use of mathematical tools and reasoning. It covers Market, general equilibrium and welfare, imperfect markets and topics under information economics.

**Credits: 6****Full Marks: 100 (80+20)****Unit I: The Partial Equilibrium Competitive Model 16 Marks**

Market Demand, Response of supply over time-Impact of time element on price in the very short period, Short run shifts in Supply and Demand Curves – a Graphical Analysis, Mathematical Model of Market Equilibrium (demand and supply analysis), Short run and long run equilibrium of a firm under perfect competition; Nature of supply curve of an industry under different cost conditions under perfect competition; Comparative Static analysis, Economic Efficiency of perfect competition.

**Unit II: General Equilibrium and Welfare 16 Marks**

Concept of partial and general equilibrium(Marshall and Walrus), Graphical model of partial and general equilibrium with two goods; General equilibrium determining relative prices of



factors; General equilibrium model of exchange-A mathematical analysis; General equilibrium model of production and exchange.

### **Unit III: Monopoly**

**16 Marks**

Features of monopoly, causes of monopoly, Nature of demand and marginal revenue curves under monopoly; Price and output determination under monopoly in the short run and long run.

Comparison of monopoly and competitive equilibrium; Drawbacks of monopoly- higher price, product quality and durability; Monopoly and resource allocation.

Price discrimination-Types of price discrimination, equilibrium of a discriminating monopolist, Need for control of monopoly, Government regulation on monopoly.

### **Unit IV: Imperfect Completion**

**16 Marks**

Monopolistic Competition-Price determination of a firm under monopolistic competition, Chamberlin's group equilibrium, Excess capacity under monopolistic competition, Analysis of selling costs.

Duopoly-Meaning, Cournot model, Bertrand Model, Stackleberg model.

Oligopoly- Characteristics, Kinked demand curve model, Collusive oligopoly, Price leadership.

### **Unit V: Labour Markets**

**16 Marks**

Supply curve for labour, Indifference curve of leisure and income, Equilibrium in labour market, Wage determination under perfect competition, Wage variation-factors determining wage variation, Monopsony in labour market, Labour union and wages, Collective bargaining.

### **Readings:**

- C. Snyder and W. Nicholson (2012): Microeconomic Theory: Basic Principles and Extensions, 11<sup>th</sup> Edition, Cengage Learning, Delhi, India.
- R. S. Pindyck, D. N. Rubinfeld and P. L. Meheta (2009): Microeconomics, 7<sup>th</sup> Edition, Pearson, New Delhi.
- H. R. Varian (2010): Intermediate Microeconomics: A Modern Approach, 8<sup>th</sup> Edition, W.W. Norton and Company/Affiliated East-West Press (India). The workbook by Varian and Bergstrom may be used for problems.

## **Semester IV**

### **CC- 9: MACROECONOMICS II**

### **Course Description**

This course is a sequel to Macroeconomics I. In this course, the students are introduced to the long run dynamic issues like growth and technical progress. It also provides the micro-foundations to the various aggregative concepts used in the previous course.

**Credits: 6**

**Full Marks: 100 (80+20)**

### **Unit I: Financial Markets and Reforms**

**16 Marks**

Features of Financial Markets, Functions of Financial Markets, Banks and Financial Markets, The Determination of Banks Asset Portfolio, Financial Repression and Major Financial Sector Reforms in India, Lessons from the Global Financial Crisis and the Policy Response in India.

### **Unit II: Open Economy Macroeconomics**

**16 Marks**

Balance of payments- Concept, Equilibrium and Disequilibrium, Measures to Correct Disequilibrium, Determination of Foreign Exchange Rate- the PPP Theory and its Implications, Balance of payments theory of exchange rates, Fluctuations in rate of exchange, Forward exchange, Arbitrage.

### **Unit III: Modelling Economic Growth**

**16 Marks**

The Basic Harrod-Domar Model, Joan Robinson and the Golden Rule of Capital Accumulation, The Basic Solow Model, Theory of Endogenous Growth – the Rudimentary A-K Model

**Unit IV: Macroeconomic Policy**

**16 Marks**

The Goals of Macroeconomic Policy and of Policy Makers, The Budget and Automatic Fiscal Stabilisers, The Doctrine of Balanced Budget and Keynesian Objections; Concepts of Budget, Revenue and Fiscal Deficits, Fiscal Policy: Objectives and Limits to Discretionary Policy.

Meaning, Scope and Objectives of Monetary Policy, Instruments of Monetary Policy, the Transmission Mechanism of Monetary Policy, Implications of Targeting the Interest Rate, Limits to Monetary Policy.

**Unit V: Schools of Macroeconomic Thought and the Fundamentals of Macroeconomic Theory and Policy**

**16 Marks**

Classics, Keynes, Monetarists, New Classical and New Keynesians:

- (i) Keynes vs. the Classics – Aggregate Demand and Aggregate Supply, Underemployment Equilibrium and Wage Price Flexibility, (ii) Monetarists and Friedman’s Reformulation of Quantity Theory, Fiscal and Monetary Policy: Monetarists vs. Keynesians, (iii) The New Classical View of Macroeconomics and the Keynesian Counter critique.

**Readings:**

- N. Gregory Mankiw (2010): *Macroeconomics*, 7th edition, Cengage Learning India Private Limited, New Delhi
- Richard T. Froyen (2005): *Macroeconomics*, 2<sup>nd</sup> Edition, Pearson Education Asia, New Delhi.
- Errol D’Souza (2009): *Macroeconomics*, Pearson Education Asia, New Delhi.

**Semester IV**

**CC-10: PUBLIC ECONOMICS**

**Course Description**

Public economics is the study of government policy from the points of view of economic efficiency and equity. The paper deals with the nature of government intervention and its implications for allocation, distribution and stabilization. Inherently, this study involves a formal analysis of government taxation and expenditures. The subject encompasses a host of topics including public goods, market failures and externalities. The paper is divided into two sections, one dealing with the theory of public economics and the other with the Indian public finances.

**Credits: 6**

**Full Marks: 100 (80+20)**

**Unit I: Introduction to public finance**

**16 Marks**

Public Finance: meaning and scope, distinction between public and private finance; public good verses private good; Principle of maximum social advantage; Market failure and role of government

**Unit II: Public Expenditure**

**16 Marks**

Meaning, classification, principles, cannons and effects, causes of growth of public expenditure, Wagner’s law of increasing state activities, Peacock-Wiseman hypotheses

**Unit III: Public Revenue**

**16 Marks**

Sources of Public Revenue; Taxation - meaning, cannons and classification of taxes, impact and incidence of taxes, division of tax burden, the benefit and ability to pay approaches, taxable capacity, effects of taxation, characteristics of a good tax system

**Unit III: Public Budget**

**16 Marks**

Public Budget: kinds of budget, economic and functional classification of the budget; Balanced and unbalanced budget; Balanced budget multiplier; Budget as an instrument of economic policy.

### **Unit V: Public Debt**

**16 Marks**

Sources, effects, debt burden – Internal and external, types of public debt, shifting - intergenerational equity, methods of debt redemption, debt management, tax versus debt.

#### **Readings:**

- J. Hindriks and G. Myles (2006): *Intermediate Public Economics*, MIT Press.
- R. A. Musgrave and P. B. Musgrave (1989): *Public Finance in Theory and Practices*. McGraw Hill
- B. P. Herber (1975): *Modern Public Finance*.
- B. Mishra (1978): *Public Finance*, Macmillan India limited.

## **Semester V CC-11: INDIAN ECONOMY I**

### **Course Description**

Using appropriate analytical frameworks, this course reviews major trends in economic indicators and policy debates in India in the post-Independence period, with particular emphasis on paradigm shifts and turning points. Given the rapid changes taking place in India, the reading list will have to be updated annually.

**Credits: 6**

**Full Marks: 100 (80+20)**

### **Unit I: Introduction to Indian Economy**

**16 Marks**

British Rule: exploitation and under development in India; features of Indian economy – natural resources, infrastructure, population;

### **Unit II: Population and Human Development**

**16 Marks**

Demographic trends and issues-sex composition of population, Age structure, Demographic dividend, problems of overpopulation and population policy; urbanisation and migration; education; health and malnutrition; health hazards, infant and maternal mortality-causes and remedies.

### **Unit III: National Income in India**

**16 Marks**

National income: trends, features of growth of National Income, sectoral composition of National Income.

### **Unit IV: Economic Planning in India**

**16 Marks**

Economic planning: Planning Commission and its functions, Planning exercises in India, Objectives, Strategies and achievements.

### **Unit V: Current Challenges**

**16 Marks**

Poverty: definition and estimate, poverty line, poverty alleviation programs; Inequality: income and regional inequality – causes and corrective measures; Unemployment: concepts, measurement, types, causes and remedies.

#### **Readings:**

- U. Kapila (2010): *Indian economy since Independence*. Academic Foundation, New Delhi
- S. K. Misra and V. K. Puri (Latest Year): *Indian Economy — Its Development Experience*, Himalaya Publishing House, Mumbai
- S. Chakraborty: *Development Planning: The Indian Experience*. Clarendon Press.
- R. Dutt and K. P. M, Sundharam (Latest Year): *Indian Economy*, S. Chand & Company Ltd., New Delhi.
- A. Panagariya (2008): *India: the Emerging Giant*, Oxford University Press, New York
- S. Acharya and R. Mohan (Eds.) (2010): *India's Economy: Performance and Challenges*, Oxford University Press, New Delhi.

- I. J. Ahluwalia and I. M. D. Little (Eds.) (1998): *India's Economic Reforms and Development: Essays for Manmohan Singh*, Oxford University Press, New Delhi.

**Semester V**  
**CC-12: DEVELOPMENT ECONOMICS I**

**Course Description**

This is the first part of a two-part course on economic development. The course begins with a discussion of alternative conceptions of development and their justification. It then proceeds to aggregate models of growth and cross-national comparisons of the growth experience that can help evaluate these models. The axiomatic basis for inequality measurement is used to develop measures of inequality and connections between growth and inequality are explored. The course ends by linking political institutions to growth and inequality by discussing the role of the state in economic development and the informational and incentive problems that affect state governance.

**Credits: 6**

**Full Marks: 100 (80+20)**

**Unit I: Conceptions of Development**

**16 Marks**

Economic development, Economic growth and development, Factors affecting economic development, Obstacles to economic development, Indicators of economic development - National income, Per capita income; Basic needs approach, PQLI, HDI, GDI, Capital formation and economic development, Vicious circle of poverty, circular causation and how to break vicious circle of poverty.

**Unit II: Theories of Economic Development & Growth**

**16 Marks**

Classical theory, Marxian theory of capitalist development, Schumpeterian theory of capitalist development, Harrod-Domar model of steady growth, Neo-Classical growth Model – Solow, Rostow's stages of economic growth.

**Unit III: Approaches to Development**

**16 Marks**

The theory of Big Push, Balanced growth and unbalanced growth, Critical minimum effort thesis, Lewis model of economic growth, Fei-Ranis model of economic growth.

**Unit IV: Poverty and Inequality: Definitions, Measures and Mechanisms**

**16 Marks**

Understanding Prosperity and Poverty: Measuring Poverty and Inequality, a comparison of commonly used inequality measures; connections between inequality and development; characteristics of the poor; mechanisms that generate poverty traps and measures to reduce poverty and inequality.

**Unit V: Economic planning**

**16 Marks**

Meaning, need for planning, requisites for successful planning, Types of planning  
Price mechanism in a planned economy.

**Readings:**

1. Debraj Ray (2009): *Development Economics*, Oxford University Press.
2. Partha Dasgupta (2007): *Economics, A Very Short Introduction*, Oxford University Press.
3. Abhijit Banerjee, Roland Benabou and Dilip Mookerjee (2006): *Understanding Poverty*, Oxford University Press.
4. Amartya Sen (2000): *Development as Freedom*, OUP.
5. Daron Acemoglu and James Robinson (2006): *Economic Origins of Dictatorship and Democracy*, Cambridge University Press.
6. Robert Putnam (1994): *Making Democracy Work: Civic Traditions in Modern Italy*, Princeton University Press.

**Semester V**  
**DSE-I: 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.

**Credits: 6**

**Full Marks: 100 (80+20)**

**Unit I Money**

**16 Marks**

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

**Unit II Financial Institutions, Markets, Instruments and Financial Innovations**

**16 Marks**

Role of financial markets and institutions; problem of asymmetric information –adverse selection and moral hazard; financial crises.

Money and capital markets: organization, structure and reforms in India; role of financial derivatives and other innovations.

**Unit III Interest Rates**

**16 Marks**

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

**Unit IV Banking System**

**16 Marks**

Balance sheet and portfolio management.

Indian banking system: Changing role and structure; banking sector reforms.

**Unit V Central Banking and Monetary Policy**

**16 Marks**

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.
5. L. M. Bhole and J. Mahukud, *Financial Institutions and Markets*, Tata McGraw Hill, 5th edition, 2011.
6. M. Y. Khan, *Indian Financial System*, Tata McGraw Hill, 7th edition, 2011.
7. N. Jadhav, *Monetary Policy, Financial Stability and Central Banking in India*, Macmillan, 2006.
8. R.B.I. – *Report of the Working Group: Money Supply Analytics and Methodology of Compilation*, 1998.
9. R.B.I. Bulletin, Annual Report and Report on Currency and Finance (latest).

**Semester V**  
**DSE-II: RESEARCH METHODOLOGY**

**Objectives:**

The objective of this subject is to make the students to know the basic concepts and methods in methodology. This paper helps the students to pursue further research such as M.Phil. and Ph.D.

**Credits: 6**

**Full Marks: 100 (80+20)**

**Unit-I: Meaning and Scope of Social Research** **16 Marks**

Meaning – Objectives and Characteristics of research, Types of Research, Main steps in research - selection of research problem - Sources, Formulation of a research problem.

**Unit-II: Formulation of Research Design** **16 Marks**

Research Design - Meaning, Types of Research Design. Characteristics of Good research design. Significance of research design.

**Unit-III: Hypothesis and Sampling** **16 Marks**

Hypothesis – meaning, sources, types, formulation and significance Null hypothesis and alternate hypothesis, Characteristics of good hypothesis, Testing of the hypothesis, Chi-square test.

Sampling: Methods of Sampling – Advantages and Limitations, Sampling and Non – Sampling errors.

**Unit-IV: Data Collection and Processing** **16 Marks**

Sources of Data – Techniques of data collection – Questionnaire – Interview Schedule, Case study method, Data Processing – Editing – Classification – Coding and Tabulation

**Unit-V: Report Writing** **16 Marks**

Requirements and Mechanics of Report Writing – Precautions in report writing, Bibliography, Role of Computers in research.

**Reference:**

1. Goode W.J. (1952) and Hatt P.K.: Methods in Social Research, McGraw – Hill
2. Young P (1966): Scientific Social Surveys and Research, Prentice Hall
3. Kothari C.R. (2010): Research Methodology: Methods and Techniques, Wiley Eastern Limited

**Semester VI**  
**CC-13: INDIAN ECONOMY II**

**Course Description**

This course examines sector-specific policies and their impact in shaping trends in key economic indicators in India. It highlights major policy debates and evaluates the Indian empirical evidence. Given the rapid changes taking place in the country, the reading list will have to be updated annually.

**Credits: 6**

**Full Marks: 100 (80+20)**

**Model I: Agricultural Development in India** **16 Marks**

Indian Agriculture: nature, importance, trends in agricultural production and productivity, factors determining production, land reforms, new agricultural strategies and green revolution, rural credit; Agricultural marketing and warehousing.

**Unit II: Industrial Development in India** **16 Marks**

Trends in industrial output and productivities; Industrial Policies of 1948, 1956, 1977 and 1991; Industrial Licensing Policies – MRTP Act, FERA and FEMA; Growth and problems of SSIs, Industrial sickness; Industrial finance; Industrial labour.

**Unit III: Tertiary Sector and HRD** **16 Marks**

Tertiary Sector: growth and contribution of service sector to GDP of India, share of services in employment; Human development – concept, evolution, measurement; HRD: indication, importance, education in India, Indian educational policy; Health and Nutrition.

**Unit IV: External Sector** **16 Marks**

Foreign Trade: role, composition and direction of India's foreign trade, trends of export and import in India, export promotion versus import substitution; Balance of Payments of India; India's Trade Policies; Foreign Capital – FDI, Aid and MNCs.

**Unit V: Policy on money and finance and economy of Odisha**

**16 Marks**

Monetary Policy in India: its objectives and instruments.

Fiscal policy in India: its objectives and measures.

Economy of Odisha: Characteristics of the economy of Odisha, Major problems of the economy and the factors responsible for it, Future prospects of the economy.

**Readings:**

- U. Kapila (2010): *Indian economy since Independence*. Academic Foundation, New Delhi
- S. K. Misra and V. K. Puri (Latest Edition): *Indian Economy — Its Development Experience*, Himalaya Publishing House, Mumbai
- S. Chakraborty (): *Development Planning: The Indian Experience*. Clarendon Press.
- R. Dutt and K. P. M, Sundharam (Latest Year): *Indian Economy*, S. Chand & Company Ltd., New Delhi.
- A. Panagariya (2008): *India: the Emerging Giant*, Oxford University Press, New York
- S. Acharya and R. Mohan (Eds.) (2010): *India's Economy: Performance and Challenges*, Oxford University Press, New Delhi.
- I. J. Ahluwalia and I. M. D. Little (Eds.) (1998): *India's Economic Reforms and Development: Essays for Manmohan Singh*, Oxford University Press, New Delhi.
- Dhar, P.K. (Latest Edition): *Indian Economy and its Problems*, Kalyani Publishers, New Delhi.

**Semester VI**

**CC-14: DEVELOPMENT ECONOMICS II**

**Course Description**

This is the second Unit of the economic development sequence. It begins with basic demographic concepts and their evolution during the process of development. The structure of markets and contracts is linked to the particular problems of enforcement experienced in poor countries. The governance of common Models and organizations is studied and this is then linked to questions of sustainable growth. The course ends with reflections on the role of globalization and increased international dependence on the process of development.

**Credits: 6**

**Full Marks: 100 (80+20)**

**Unit I: Demography and Development**

**16 Marks**

Demographic concepts; birth and death rates, age structure, fertility and mortality; demographic transitions during the process of development; gender bias in preferences and outcomes and evidence on unequal treatment within households; connections between income, mortality, fertility choices and human capital accumulation; migration.

**Unit II: Land, Labor and Credit Markets**

**16 Marks**

The Role of Agriculture in Development, The distribution of land ownership; land reform and its effects on productivity; causes of low productivity in of agriculture in under developed countries, land acquisition; nutrition and labor productivity; credit requirements in agriculture, role of microfinance in agriculture; Adequacy of Credit and Poverty Reduction, sources of agricultural finance.

**Unit III: Infrastructural Development and Power sector**

**16 Marks**

Infrastructure and Economic Development, Strategy for Infrastructural development, Development of transports-roads, railways and airways, Development of power sector, sources of energy, power crisis and its remedies.

**Unit IV: Environment and Sustainable Development****16 Marks**

Defining sustainability for renewable resources; a brief history of environmental change; common-pool resources; environmental externalities and state regulation of the environment; economic activity and climate change

**Unit V: Globalization****16 Marks**

Globalization in historical perspective; the economics and politics of multilateral agreements; trade, production patterns and world inequality; financial instability in a globalized world, Political Economy of Foreign Aid & Development

**Readings:**

- Debraj Ray (2009): *Development Economics*, Oxford University Press.
- Partha Dasgupta (2007): *Economics, A Very Short Introduction*, Oxford University Press.
- Abhijit Banerjee, Roland Benabou and Dilip Mookerjee (2006): *Understanding Poverty*, Oxford University Press.
- Thomas Schelling (1978): *Micromotives and Macrobehavior*, W. W. Norton.
- Albert O. Hirschman (1970): *Exit, Voice and Loyalty: Responses to Decline in Firms, Organizations and States*, Harvard University Press.
- Elinor Ostrom (1990): *Governing the Commons: The Evolution of Institutions for Collective Action*, Cambridge University Press.
- Dani Rodrik (2011): *The Globalization Paradox: Why Global Markets, States and Democracy Can't Coexist*, Oxford University Press.
- Michael D. Bordo, Alan M. Taylor and Jeffrey G. Williamson (ed.) (2003): *Globalization in Historical Perspective*, University of Chicago Press.

**Semester VI****DSE-III: INTERNATIONAL ECONOMICS****Course Description**

This course develops a systematic exposition of models that try to explain the composition, direction, and consequences of international trade, and the determinants and effects of trade policy. It concludes with an analytical account of the causes and consequences of the rapid expansion of international financial flows in recent years. Although the course is based on abstract theoretical models, students will also be exposed to real-world examples and case studies.

**Credits: 6****Full Marks: 100 (80+20)****Unit I: Introduction****16 Marks**

What is international economics about? Distinction between Internal and International Trade, Gains from international trade. Arguments for and against Free Trade and Protection, An overview of world trade.

**Unit II: Theories of International Trade****16 Marks**

Classical theory of International Trade: Adam Smith's Absolute Advantage Theory; Ricardo's Comparative Cost Theory; Heckscher - Ohlin Theory of International Trade, terms of trade, Secular Deterioration in Terms of Trade.

**Unit III: Trade Policy****16 Marks**

Instruments of trade policy; political economy of trade policy; controversies in trade policy, firms in the global economy — outsourcing and multinational enterprises.

**Unit IV: International Macroeconomic Policy****16 Marks**

Exchange Rate and types of Exchange Rate: Fixed versus flexible exchange rates; Theories of Foreign Exchange Rate: The Mint-Parity Theory, The Purchasing Power Parity Theory, BOP Theory.



**Unit V: BALANCE OF PAYMENT****16 Marks**

BOT, BOP, Current Account, Capital Account, Visible and Invisible, Causes for disequilibrium in Balance of Payments, Methods of correcting the disequilibrium. Devaluation of Currency, Convertibility of Currency: Partial Account and Full Account. Recent trends in balance of Payment in India.

**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.
3. C.P. Kindleberger 'International Economics'.
4. Bo Soderstein and Geoffrey Reed 'International Economics' MacMillan.
5. Francis Cherumilam - 'International Economics'
6. Mannur, H.G. 'International Economics', Vikas Publishing House.
7. RBI bulletin, Various issues.

**Semester VI****DSE-IV: AGRICULTURAL ECONOMICS****Course Objective**

The course aims to deepen student's understanding of how economic theory can be applied to problems of agricultural sector.

**Credits: 6****Full Marks: 100 (80+20)****Unit-I: Introduction****16 Marks**

Definition, scope and nature of agricultural economics; Need for a separate study of agricultural economics. Agricultural Linkages with other sectors, Role of agriculture in economic development, Declining importance of agriculture in Economic development.

**Unit-II: Production Function Analysis****16 Marks**

Factor-Product, Factor-Factor and Product-Product relationships. Types of farm organisations and their comparative production efficiency.

**Unit-III: Transformation of Agriculture****16 Marks**

Schultz thesis of transformation of traditional agriculture, Green Revolution and its Impact on Indian Agriculture. Need for second green revolution. New Agriculture Policy, WTO and Indian Agriculture.

**Unit-IV: Agricultural Credit****16 Marks**

Importance of credit, Need for Government intervention, agricultural credit system in India, Co-operative credit: NABARD, Land Development Bank, Regional Rural Banks, commercial banks. Problems of small and medium farmers in getting agricultural finance.

**Unit-V: Agricultural Price Policy****16 Marks**

Need, Objectives, and instruments of agricultural price policy; Shortcomings of price policy, Suggestions for improvement in price policy, Agricultural price policy in India.

**Readings:**

1. Soni R.N. (2005): *Leading Issues in Agricultural Economics*
2. Heady, E O (1964): *Economics of Agricultural Production and Resource Use*. Prentice-Hall of India Pvt. Ltd., New Delhi.
3. Metcalf, D (1969): *The Economics of Agriculture*, Penguin
4. Sadhu and Singh: *Agricultural Economics*.

# **SYLLABUS FOR B.A. (HONOURS) ECONOMICS UNDER CHOICE BASED CREDIT SYSTEM**



**Approved by  
the Board of Studies of Economics  
held on 24 September 2017**

**KHALLIKOTE UNIVERSITY  
BRAHMAPUR– 760001, DIST: GANJAM,  
ODISHA, INDIA**

**SYLLABUS FOR B.A. (HONOURS) ECONOMICS  
UNDER CHOICE BASED CREDIT SYSTEM OF  
KHALLIKOTE UNIVERSITY, BRAHMAPUR**

## **Course Structure for B.A. (Honours) Economics**

There are a total of fourteen economics core courses that students are required to take across six semesters. All the core courses are compulsory. In addition to core courses in economics, a student of B.A. (Honours) Economics will choose four Discipline Specific Elective (DSE) Courses. The DSE Courses are offered in the fifth and sixth semesters and two such courses will be selected by a student from a set of courses specified for each of these semesters (Groups I and II in the attached table). It is recommended that each college should offer at least three DSE Courses in the fifth and sixth semesters to allow the students some minimal element of choice.

Contact Hours: Each course has 5 lectures and 1 tutorial (per group) per week. The size of a tutorial group is 8-10 students.

Note on Course Readings: The nature of several of the courses is such that only selected readings can be specified in advance. Reading lists will be updated and topic-wise readings will be specified at regular intervals, ideally on an annual basis

## Course Structure for B.A. (Honours) Economics

### Semester I

- **Economics Core Course 1:**  
Introductory Microeconomics
- **Economics Core Course 2:**  
Mathematical Methods for Economics I
- **AECC I:** MIL (Odia / AE)
- **Generic Elective Course (GE) I**

### Semester III

- **Economics Core Course 5:**  
Microeconomics I
- **Economics Core Course 6:**  
Macroeconomics I
- **Economics Core Course 7:**  
Statistical Methods for Economics
- **Skill Enhancement Course (SEC) I:**  
English
- **GE III**

### Semester V

- **Economics Core Course 11:**  
Indian Economy I
- **Economics Core Course 12:**  
Development Economics I
- **Discipline Specific Electives (DSE) Course I**  
(From List of Group I)
- **Discipline Specific Electives (DSE) Course II**  
(From List of Group I)

### Group I

- Economics of Health and Education
- Economic History of India (1857-1947)
- Topics in Microeconomics
- Advanced Macroeconomics
- Money and Financial Markets
- Basic Econometrics
- Odisha Economy
- Research Methodology

### Semester II

- **Economics Core Course 3:**  
Introductory Macroeconomics
- **Economics Core Course 4:**  
Mathematical Methods for Economics II
- **AECC II:** Environmental Studies
- **Generic Elective Course (GE) II**

### Semester IV

- **Economics Core Course 8:**  
Microeconomics II
- **Economics Core Course 9:**  
Macroeconomics II
- **Economics Core Course 10:**  
Public Economics
- **Skill Enhancement Course (SEC) II**
- **GE IV**

### Semester VI

- **Economics Core Course 13:**  
Indian Economy II
- **Economics Core Course 14:**  
Development Economics II
- **Discipline Specific Electives (DSE) Course III**  
(From List of Group II)
- **Discipline Specific Electives (DSE) Course IV**  
(From List of Group II)

### Group I

- Dissertation / Project
- Political Economy
- Comparative Economic Development (1850-1950)
- Environmental Economics
- Applied Econometrics
- International Economics
- Industrial Economics
- Agricultural Economics

### Skill Enhancement Courses

- Data Analysis and Computer Application
- Financial Economics

**Semester I**  
**CC-1: INTRODUCTORY MICROECONOMICS**

**Course Description**

This course is designed to expose the students to the basic principles of microeconomic theory. The emphasis will be on thinking like an economist and the course will illustrate how microeconomic concepts can be applied to analyze real-life situations.

**Credits: 6**

**Full Marks: 100 (80+20)**

**Unit I: Exploring the subject matter of Economics**

**16 Marks**

Why study economics? Scope and method of economics; the economic problem: scarcity and choice; the question of what to produce, how to produce and how to distribute output; science of economics; The nature of economics; positive or normative science; the basic competitive model-essential features; Free market economy-chief features; property rights, profits and prices- incentives and information.

**Unit II: Supply and Demand: How Markets Work, Markets and Welfare**

**16 Marks**

Markets and competition; Utility and demand, Law of demand, Reasons of Law of demand, determinants of individual demand, Demand function and curves, Market demand and individual demand; Supply-Meaning and supply function, Law of supply, factors determining supply; Market equilibrium-interaction of demand and supply; Elasticity of demand-concept, measurement, applications of elasticity of demand.

**Unit III: The Households**

**16 Marks**

The consumption decision - utility analysis of demand, equilibrium of the consumer, equimarginal principle, Concept of consumer's surplus and measurement.

Consumer's preference and indifference curves, properties of indifference curves, budget constraint, consumer's equilibrium with indifference curves; Impact of change in income and prices, Income and substitution effect of a price change.

Labour supply and saving decisions; Indifference curve between income and leisure; Wage offer curve and supply of labour.

**Unit IV: The Firm and Market Structures**

**16 Marks**

Objectives of a business firm; Production functions, Marginal rate of technical substitution; Equilibrium of a firm with optimum factor combination-isoquant analysis.

Costs of production-short run and long run cost curves.

Perfect Competition-Features, nature of revenue curves under perfect competition; Equilibrium of a firm in the short period and long period.

**Unit V: Input Markets**

**16 Marks**

Labour and land markets – basic concepts (derived demand, productivity of an input, marginal revenue product, value of marginal product); Derivation of demand curve for labour; Shift in demand curves of labour; Determination of factor price under perfect competition and monopsony, Govt. labour policy.

**Readings**

- N. Gregory Mankiw (2012): *Principles of Economics*, 6<sup>th</sup> edition, Cengage Learning India Private Limited, New Delhi
- William A McEachern and Simrit Kaur (2012): *Micro Econ: A South-Asian Perspective*, Cengage Learning India Private Limited, New Delhi.
- Karl E. Case and Ray C. Fair (2007): *Principles of Economics*, 8<sup>th</sup> Edition, Pearson Education Inc.
- Joseph E. Stiglitz and Carl E. Walsh (2007): *Economics*, 4th Edition, W.W. Norton & Company, Inc., New York.

**Semester I**  
**CC-2: MATHEMATICAL METHODS FOR ECONOMICS I**

**Course Description**

This is the first of a compulsory two-course sequence. The objective of this sequence is to transmit the body of basic mathematics that enables the study of economic theory at the undergraduate level, specifically the courses on microeconomic theory, macroeconomic theory, statistics and econometrics set out in this syllabus. In this course, particular economic models are not the ends, but the means for illustrating the method of applying mathematical techniques to economic theory in general. The level of sophistication at which the material is to be taught is indicated by the contents of the prescribed textbook.

**Credits: 6**

**Full Marks: 100 (80+20)**

**Unit I: Preliminaries**

**16 Marks**

Sets and set operations; relations; functions and their properties; Number systems.

**Unit II: Functions of one real variable**

**16 Marks**

Types of functions- constant, polynomial, rational, exponential, logarithmic; Graphs and graphs of functions; Limit and continuity of functions; Limit theorems.

**Unit III: Derivative of a function**

**16 Marks**

Rate of change and derivative; Derivative and slope of a curve; Continuity and differentiability of a function; Rules of differentiation for a function of one variable; Application- Relationship between total, average and marginal functions.

**Unit IV: Functions of two or more independent variables**

**16 Marks**

Partial differentiation techniques; Geometric interpretation of partial derivatives; Partial derivatives in Economics; Elasticity of a function – demand and cost elasticity, cross and partial elasticity.

**Unit V: Matrices and Determinants**

**16 Marks**

Matrices: concept, types, matrix algebra, transpose, inverse, rank; Determinants: concept, properties, solving problems using properties of determinants, solution to a system of equations - Cramer's rule and matrix inversion method.

**Readings:**

- K. Sydsaeter and P. J. Hammond (2002): *Mathematics for Economic Analysis*. Pearson Educational Asia
- A. C. Chiang and K. Wainwright (2005): *Fundamental Methods of Mathematical Economics*, McGraw Hill International Edition.
- T. Yamane (2012): *Mathematics for Economists*, Prentice-Hall of India

**Semester II**

**CC- 3: INTRODUCTORY MACROECONOMICS**

**Course Description**

This course aims to introduce the students to the basic concepts of Macroeconomics. Macroeconomics deals with the aggregate economy. This course discusses the preliminary concepts associated with the determination and measurement of aggregate macroeconomic variable like savings, investment, GDP, money and inflation.

**Credits: 6**

**Full Marks: 100 (80+20)**

**Unit I: Basic Concepts**

**16 Marks**

Macro vs. Micro Economics; Why Study Macroeconomics? Limitations of Macroeconomics ; Stock and Flow variables, Equilibrium and Disequilibrium, Partial and General Equilibrium ; National Income Concepts – GDP, GNP, NDP and NNP at market price and factor cost; Personal Income and Disposable personal Income; Real and Nominal GDP.

**Unit II: Measurement of Macroeconomic Variables**

**16 Marks**

Output, Income and Expenditure Approaches ; Difficulties of Estimating National Income; National Income Identities in a simple 2- sector economy and with government and foreign

trade sectors; Circular Flows of Income in 2, 3 and 4-sector; economies; National Income and Economic Welfare.

**Unit III: Money**

**16 Marks**

Evolution and Functions of Money, Quantity Theory of Money – Cash Transactions, Cash Balances and Keynesian Approaches, Changes in Value of Money and Index Number of Prices.

**Unit IV: Inflation, Deflation, Depression and Stagflation**

**16 Marks**

Inflation – Meaning, Causes, Costs and Anti-Inflationary Measures; Classical, Keynesian, Monetarist and Modern Theories of Inflation, Deflation- Meaning, Causes, Costs and Anti-Deflationary Measures, Depression and Stagflation; Inflation vs. Deflation.

**Unit V: Determination of National Income**

**16 Marks**

The Classical Approach - Say's Law, Theory of Determination of Income and Employment with and without saving and Investment; Basics of Aggregate Demand and Aggregate Supply and Consumption- Saving – Investment Functions, The Keynesian Approach – Basics of Aggregate Demand and Aggregate Supply and Consumption, Saving, Investment Functions; The Principle of Effective Demand; Income Determination in a Simple 2-Sector Model; Changes in Aggregate Demand and Income- The Simple Investment Multiplier.

**Readings:**

- N. Gregory Mankiw (2010): *Macroeconomics*, 7th edition, Cengage Learning India Private Limited, New Delhi
- Richard T. Froyen (2005): *Macroeconomics*, 2<sup>nd</sup> Edition, Pearson Education Asia, New Delhi.
- Errol D'Souza (2009): *Macroeconomics*, Pearson Education Asia, New Delhi.
- Shapiro Edward: *Macroeconomics*.
- D N Dwivedi: *Macroeconomics*

**Semester II**

**CC-4: MATHEMATICAL METHODS FOR ECONOMICS II**

**Course Description**

This course is the second part of a compulsory two-course sequence. This part is to be taught in Semester II following the first part in Semester I. The objective of this sequence is to transmit the body of basic mathematics that enables the study of economic theory at the undergraduate level, specifically the courses on microeconomic theory, macroeconomic theory, statistics and econometrics set out in this Syllabus. In this course, particular economic models are not the ends, but the means for illustrating the method of applying mathematical techniques to economic theory in general. The level of sophistication at which the material is to be taught is indicated by the contents of the prescribed textbook.

**Credits: 6**

**Full Marks: 100 (80+20)**

**Unit I: Linear models:**

**16 Marks**

Input- Output Model: Basic concepts and structure of Leontief's open and static Input-Output model; solution for equilibrium output in a three industry model; The closed model

**Unit II: Second and higher order derivatives:**

**16 Marks**

Technique of higher order differentiation; Interpretation of second derivative; Second order derivative and curvature of a function; Concavity and convexity of functions; Points of inflection

**Unit III: Differentials and total derivatives:**

**16 Marks**

Differentials and derivatives; Total differentials; Rules of differentials; Total derivatives; Derivatives of implicit functions

**Unit IV: Single and multivariable optimisation:****16 Marks**

Optimum values and extreme values; Relative maximum and minimum; Necessary versus sufficient conditions - First and Second derivative tests; Economic applications thereof, First and second order condition for extremum of multivariable functions; Convex functions and convex sets

**Unit V: Optimisation with Equality Constraints:****16 Marks**

Effects of a constraint; Finding stationary value – Lagrange-Multiplier method (Two variable single constraint case only): First and second order condition; The Bordered Hessian determinant.

**Readings:**

- K. Sydsaeter and P. J. Hammond (2002): *Mathematics for Economic Analysis*. Pearson Educational Asia
- A. C. Chiang and K. Wainwright (2005): *Fundamental Methods of Mathematical Economics*, McGraw Hill International Edition.
- T. Yamane (2012): *Mathematics for Economists*, Prentice-Hall of India

**Semester III****CC- 5: MICROECONOMICS I****Credits: 6****Full Marks: 100 (80+20)****Unit I: Consumer Theory I****16 Marks**

Economic Models: Model building in economics, Endogenous and exogenous variables in economic models, Building a microstatic model, testing of economic model, limitations and uses of economic models.

Choice and preferences-Revealed preference theory, Price, income and substitution effect, Axioms of rational choice, Indirect utility function.

**Unit II: Consumer Theory II****16 Marks**

Demand Functions, Changes in Income, Changes in a Good's Price on demand, Demand relationship among goods, Indifference curves for perfect substitutes and complements, Income effects and Income consumption curves, Hicksian substitution effect, price effect and price consumption curves, Individual demand curve, Compensated demand curve.

Elasticity of Demand-Income, price and arc elasticity of demand; Measurement of price elasticity of demand, Factors affecting elasticity of demand.

Consumer's surplus- Measurement with indifference curves, Hicksian concepts (all the four) of consumer's surplus.

**Unit III: Production Theory****16 Marks**

Production function: Production function with One Variable Input (labour)-Total, Average and marginal physical product, Law of variable proportions.

Production function with Two-Variable Inputs-Isoquants and isoquant map, Marginal rate technical substitution, Isoquants of perfect substitutes and complements.

Fixed proportions production function, Linear homogenous production function, Cobb-Douglas production function, CES Production function, Production function and technological change, Returns to Scale-types of returns to scale.

**Unit IV: Cost Functions****16 Marks**

Definition of Costs and types of costs; opportunity cost, accounting cost and economic cost.

Cost functions-short run cost functions-Total, fixed and variable costs, average and marginal cost functions and curves.

Nature of short and long run average cost curves, long run cost curve and constant returns to scale; Shift in Cost Curves, Impact of external economies and diseconomies on cost.

**Unit V: Profit Maximization****16 Marks**

The Nature of Firm and decision by firm, Organising economic activity by a firm.

Objectives of a Firm-Profit Maximization and sales maximisation.

Nature of revenue curves of a firm under different market situations; Supply curve- Nature of supply curves of a firm in the short run under perfect competition.

Profit maximisation-objective and equilibrium of a firm with total revenue and total cost concept.

Profit maximisation and input demand of a single input and two inputs.

**Readings:**

- C. Snyder and W. Nicholson (2012): *Microeconomic Theory: Basic Principles and Extensions*, 11<sup>th</sup> Edition, Cengage Learning, Delhi, India.
- R. S. Pindyck, D. N. Rubinfeld and P. L. Meheta (2009): *Microeconomics*, 7<sup>th</sup> Edition, Pearson, New Delhi.
- H. R. Varian (2010): *Intermediate Microeconomics: A Modern Approach*, 8<sup>th</sup> Edition, W.W. Norton and Company/Affiliated East-West Press (India). The workbook by Varian and Bergstrom may be used for problems.

**Semester III**

**CC- 6: MACROECONOMICS I**

**Credits: 6**

**Full Marks: 100 (80+20)**

**Unit I: Consumption Function**

**16 Marks**

Consumption – Income Relationship, Propensities to Consume and the Fundamental Psychological Law of Consumption; Implications of Keynesian Consumption Function; Factors Influencing Consumption Function; Measures to Raise Consumption Function; Absolute, Relative, Permanent and Life – Cycle Hypotheses

**Unit II: Investment Function**

**16 Marks**

Autonomous and Induced Investment, Residential Investment and Inventory Investment, Determinants of Business Investment, Decision to Invest and MEC, Accelerator.

**Unit III: Demand for and Supply of Money**

**16 Marks**

Demand for Money – Classical, Neoclassical and Keynesian Approaches, The Keynesian Liquidity Trap and its Implications, Supply of Money – Classical and Keynesian Approaches, The Theory of Money Supply Determination, Measures of Money Supply in India

**Unit IV: Aggregate Demand and Aggregate Supply**

**16 Marks**

Derivation of Aggregate Demand and Aggregate Supply Curves in the IS-LM Framework; Nature and Shape of IS and LM curves; Interaction of IS and LM curves and Determination of Employment, Output, Prices and Investment; Changes in IS and LM curves and their Implications for Equilibrium

**Unit V: Inflation, Unemployment and Expectations, and Trade Cycles**

**16 Marks**

Inflation – Unemployment Trade off and the Phillips Curve – Short run and Long run Analysis; Meaning and Characteristics of Trade Cycles; Causes of trade cycles, Hawtrey's Monetary Theory, Hayek's Over-investment Theory and Keynes' views on Trade Cycles.

**Readings:**

- N. Gregory Mankiw (2010): *Macroeconomics*, 7th edition, Cengage Learning India Private Limited, New Delhi
- Richard T. Froyen (2005): *Macroeconomics*, 2<sup>nd</sup> Edition, Pearson Education Asia, New Delhi.
- Errol D'Souza (2009): *Macroeconomics*, Pearson Education Asia, New Delhi.



**Semester III**  
**CC- 7: STATISTICAL METHODS FOR ECONOMICS**

**Credits: 6**

**Full Marks: 100 (80+20)**

**Unit I: Data Collection and measures of central tendency and dispersion 16 Marks**

Basic concepts: population and sample, parameter and statistic; Data Collection: primary and secondary data, methods of collection of primary data; Presentation of Data: frequency distribution; cumulative frequency; graphic and diagrammatic representation of data; Measures of Central Tendency: mean, median, mode, geometric mean, harmonic mean, their relative merits and demerits; Measures of Dispersion: absolute and relative - range, mean deviation, standard deviation, coefficient of variation, quartile deviation, their merits and demerits; Measures of skewness and kurtosis.

**Unit II: Correlation Analysis**

**16 Marks**

Correlation: scatter diagram, sample correlation coefficient - Karl Pearson's correlation coefficient and its properties, probable error of correlation coefficient, Spearman's rank correlation coefficient, partial and multiple correlation.

**Unit III: Regression Analysis**

**16 Marks**

Two variable linear regression analysis - estimation of regression lines (Least square method) and regression coefficients - their interpretation and properties, standard error of estimate

**Unit IV: Time Series and Index Number**

**16 Marks**

Time Series: definition and components, measurement of trend- free hand method, methods of semi-average, moving average and method of least squares (equations of first and second degree only), measurement of seasonal component; Index Numbers: Concept, price relative, quantity relative and value relative; Laspeyer's and Fisher's index, family budget method, problems in construction and limitations of index numbers, test for ideal index number.

**Unit V: Probability theory**

**16 Marks**

Probability: Basic concepts, addition and multiplication rules, conditional probability; Random variables and their probability distribution; Mathematical expectations; Theoretical Distribution: normal distribution -only properties and uses, problems using area under standard normal curve

**Recommended books:**

- Jay L. Devore (): *Probability and Statistics for Engineering and the Sciences*, Cengage learning, 2010.
- S. C. Gupta (): *Fundamentals of Statistics*, Himalaya Publishing House, Delhi
- Murray R. Spiegel (): *Theory & Problems of Statistics*, Schaum's publishing Series.
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**Semester IV**  
**C C- 8: MICROECONOMICS II**

**Course Description**

This course is a sequel to Microeconomics I. The emphasis will be on giving conceptual clarity to the student coupled with the use of mathematical tools and reasoning. It covers Market, general equilibrium and welfare, imperfect markets and topics under information economics.

**Credits: 6**

**Full Marks: 100 (80+20)**

**Unit I: The Partial Equilibrium Competitive Model**

**16 Marks**

Market Demand, Response of supply over time-Impact of time element on price in the very short period, Short run shifts in Supply and Demand Curves – a Graphical Analysis, Mathematical Model of Market Equilibrium (demand and supply analysis), Short run and long run equilibrium of a firm under perfect competition; Nature of supply curve of an industry under different cost conditions under perfect competition; Comparative Static analysis, Economic Efficiency of perfect competition.

**Unit II: General Equilibrium and Welfare****16 Marks**

Concept of partial and general equilibrium (Marshall and Walrus), Graphical model of partial and general equilibrium with two goods; General equilibrium determining relative prices of factors; General equilibrium model of exchange-A mathematical analysis; General equilibrium model of production and exchange.

**Unit III: Monopoly****16 Marks**

Features of monopoly, causes of monopoly, Nature of demand and marginal revenue curves under monopoly; Price and output determination under monopoly in the short run and long run.

Comparison of monopoly and competitive equilibrium; Drawbacks of monopoly- higher price, product quality and durability; Monopoly and resource allocation.

Price discrimination-Types of price discrimination, equilibrium of a discriminating monopolist, Need for control of monopoly, Government regulation on monopoly.

**Unit IV: Imperfect Competition****16 Marks**

Monopolistic Competition-Price determination of a firm under monopolistic competition, Chamberlin's group equilibrium, Excess capacity under monopolistic competition, Analysis of selling costs.

Duopoly-Meaning, Cournot model, Bertrand Model, Stackleberg model.

Oligopoly- Characteristics, Kinked demand curve model, Collusive oligopoly, Price leadership.

**Unit V: Labour Markets****16 Marks**

Supply curve for labour, Indifference curve of leisure and income, Equilibrium in labour market, Wage determination under perfect competition, Wage variation-factors determining wage variation, Monopsony in labour market, Labour union and wages, Collective bargaining.

**Readings:**

- C. Snyder and W. Nicholson (2012): Microeconomic Theory: Basic Principles and Extensions, 11<sup>th</sup> Edition, Cengage Learning, Delhi, India.
- R. S. Pindyck, D. N. Rubinfeld and P. L. Meheta (2009): Microeconomics, 7<sup>th</sup> Edition, Pearson, New Delhi.
- H. R. Varian (2010): Intermediate Microeconomics: A Modern Approach, 8<sup>th</sup> Edition, W.W. Norton and Company/Affiliated East-West Press (India). The workbook by Varian and Bergstrom may be used for problems.

**Semester IV****CC- 9: MACROECONOMICS II****Course Description**

This course is a sequel to Macroeconomics I. In this course, the students are introduced to the long run dynamic issues like growth and technical progress. It also provides the micro-foundations to the various aggregative concepts used in the previous course.

**Credits: 6****Full Marks: 100 (80+20)****Unit I: Financial Markets and Reforms****16 Marks**

Features of Financial Markets, Functions of Financial Markets, Banks and Financial Markets, The Determination of Banks Asset Portfolio, Financial Repression and Major Financial Sector Reforms in India, Lessons from the Global Financial Crisis and the Policy Response in India.

**Unit II: Open Economy Macroeconomics****16 Marks**

Balance of payments- Concept, Equilibrium and Disequilibrium, Measures to Correct Disequilibrium, Determination of Foreign Exchange Rate- the PPP Theory and its Implications, Balance of payments theory of exchange rates, Fluctuations in rate of exchange, Forward exchange, Arbitrage.

**Unit III: Modelling Economic Growth****16 Marks**

The Basic Harrod-Domar Model, Joan Robinson and the Golden Rule of Capital Accumulation, The Basic Solow Model, Theory of Endogenous Growth – the Rudimentary A-K Model

**Unit IV: Macroeconomic Policy****16 Marks**

The Goals of Macroeconomic Policy and of Policy Makers, The Budget and Automatic Fiscal Stabilisers, The Doctrine of Balanced Budget and Keynesian Objections; Concepts of Budget, Revenue and Fiscal Deficits, Fiscal Policy: Objectives and Limits to Discretionary Policy.

Meaning, Scope and Objectives of Monetary Policy, Instruments of Monetary Policy, the Transmission Mechanism of Monetary Policy, Implications of Targeting the Interest Rate, Limits to Monetary Policy.

**Unit V: Schools of Macroeconomic Thought and the Fundamentals of Macroeconomic Theory and Policy****16 Marks**

Classics, Keynes, Monetarists, New Classicals and New Keynesians:

- (i) Keynes vs. the Classics – Aggregate Demand and Aggregate Supply, Underemployment Equilibrium and Wage Price Flexibility, (ii) Monetarists and Friedman's Reformulation of Quantity Theory, Fiscal and Monetary Policy: Monetarists vs. Keynesians, (iii) The New Classical View of Macroeconomics and the Keynesian Counter critique.

**Readings:**

- N. Gregory Mankiw (2010): *Macroeconomics*, 7th edition, Cengage Learning India Private Limited, New Delhi
- Richard T. Froyen (2005): *Macroeconomics*, 2<sup>nd</sup> Edition, Pearson Education Asia, New Delhi.
- Errol D'Souza (2009): *Macroeconomics*, Pearson Education Asia, New Delhi.

**Semester IV****CC-10: PUBLIC ECONOMICS****Course Description**

Public economics is the study of government policy from the points of view of economic efficiency and equity. The paper deals with the nature of government intervention and its implications for allocation, distribution and stabilization. Inherently, this study involves a formal analysis of government taxation and expenditures. The subject encompasses a host of topics including public goods, market failures and externalities. The paper is divided into two sections, one dealing with the theory of public economics and the other with the Indian public finances.

**Credits: 6****Full Marks: 100 (80+20)****Unit I: Introduction to public finance****16 Marks**

Public Finance: meaning and scope, distinction between public and private finance; public good versus private good; Principle of maximum social advantage; Market failure and role of government

**Unit II: Public Expenditure****16 Marks**

Meaning, classification, principles, cannons and effects, causes of growth of public expenditure, Wagner's law of increasing state activities, Peacock-Wiseman hypotheses

**Unit III: Public Revenue****16 Marks**

Sources of Public Revenue; Taxation - meaning, canons and classification of taxes, impact and incidence of taxes, division of tax burden, the benefit and ability to pay approaches, taxable capacity, effects of taxation, characteristics of a good tax system

**Unit III: Public Budget****16 Marks**

Public Budget: kinds of budget, economic and functional classification of the budget; Balanced and unbalanced budget; Balanced budget multiplier; Budget as an instrument of economic policy.

**Unit V: Public Debt****16 Marks**

Sources, effects, debt burden – Internal and external, types of public debt, shifting - intergenerational equity, methods of debt redemption, debt management, tax versus debt.

**Readings:**

- J. Hindriks and G. Myles (2006): *Intermediate Public Economics*, MIT Press.
- R. A. Musgrave and P. B. Musgrave (1989): *Public Finance in Theory and Practices*. McGraw Hill
- B. P. Herber (1975): *Modern Public Finance*.
- B. Mishra (1978): *Public Finance*, Macmillan India limited.

**Semester V****CC-11: INDIAN ECONOMY I****Course Description**

Using appropriate analytical frameworks, this course reviews major trends in economic indicators and policy debates in India in the post-Independence period, with particular emphasis on paradigm shifts and turning points. Given the rapid changes taking place in India, the reading list will have to be updated annually.

**Credits: 6****Full Marks: 100 (80+20)****Unit I: Introduction to Indian Economy****16 Marks**

British Rule: exploitation and under development in India; features of Indian economy – natural resources, infrastructure, population;

**Unit II: Population and Human Development****16 Marks**

Demographic trends and issues-sex composition of population, Age structure, Demographic dividend, problems of overpopulation and population policy; urbanisation and migration; education; health and malnutrition; health hazards, infant and maternal mortality-causes and remedies.

**Unit III: National Income in India****16 Marks**

National income: trends, features of growth of National Income, sectoral composition of National Income.

**Unit IV: Economic Planning in India****16 Marks**

Economic planning: Planning Commission and its functions, Planning exercises in India, Objectives, Strategies and achievements.

**Unit V: Current Challenges****16 Marks**

Poverty: definition and estimate, poverty line, poverty alleviation programs; Inequality: income and regional inequality – causes and corrective measures; Unemployment: concepts, measurement, types, causes and remedies.

**Readings:**

- U. Kapila (2010): *Indian economy since Independence*. Academic Foundation, New Delhi

- S. K. Misra and V. K. Puri (Latest Year): *Indian Economy — Its Development Experience*, Himalaya Publishing House, Mumbai
- S. Chakraborty: *Development Planning: The Indian Experience*. Clarendon Press.
- R. Dutt and K. P. M, Sundharam (Latest Year): *Indian Economy*, S. Chand & Company Ltd., New Delhi.
- A. Panagariya (2008): *India: the Emerging Giant*, Oxford University Press, New York
- S. Acharya and R. Mohan (Eds.) (2010): *India's Economy: Performance and Challenges*, Oxford University Press, New Delhi.
- I. J. Ahluwalia and I. M. D. Little (Eds.) (1998): *India's Economic Reforms and Development: Essays for Manmohan Singh*, Oxford University Press, New Delhi.

## **Semester V**

### **CC-12: DEVELOPMENT ECONOMICS I**

#### **Course Description**

This is the first part of a two-part course on economic development. The course begins with a discussion of alternative conceptions of development and their justification. It then proceeds to aggregate models of growth and cross-national comparisons of the growth experience that can help evaluate these models. The axiomatic basis for inequality measurement is used to develop measures of inequality and connections between growth and inequality are explored. The course ends by linking political institutions to growth and inequality by discussing the role of the state in economic development and the informational and incentive problems that affect state governance.

**Credits: 6**

**Full Marks: 100 (80+20)**

#### **Unit I: Conceptions of Development**

**16 Marks**

Economic development, Economic growth and development, Factors affecting economic development, Obstacles to economic development, Indicators of economic development - National income, Per capita income; Basic needs approach, PQLI, HDI, GDI, Capital formation and economic development, Vicious circle of poverty, circular causation and how to break vicious circle of poverty.

#### **Unit II: Theories of Economic Development & Growth**

**16 Marks**

Classical theory, Marxian theory of capitalist development, Schumpeterian theory of capitalist development, Harrod-Domar model of steady growth, Neo-Classical growth Model – Solow, Rostow's stages of economic growth.

#### **Unit III: Approaches to Development**

**16 Marks**

The theory of Big Push, Balanced growth and unbalanced growth, Critical minimum effort thesis, Lewis model of economic growth, Fei-Ranis model of economic growth.

#### **Unit IV: Poverty and Inequality: Definitions, Measures and Mechanisms**

**16 Marks**

Understanding Prosperity and Poverty: Measuring Poverty and Inequality, a comparison of commonly used inequality measures; connections between inequality and development; characteristics of the poor; mechanisms that generate poverty traps and measures to reduce poverty and inequality.

#### **Unit V: Economic planning**

**16 Marks**

Meaning, need for planning, requisites for successful planning, Types of planning  
Price mechanism in a planned economy.

#### **Readings:**

1. Debraj Ray (2009): *Development Economics*, Oxford University Press.
2. Partha Dasgupta (2007): *Economics, A Very Short Introduction*, Oxford University Press.
3. Abhijit Banerjee, Roland Benabou and Dilip Mookerjee (2006): *Understanding Poverty*, Oxford University Press.
4. Amartya Sen (2000): *Development as Freedom*, OUP.

5. Daron Acemoglu and James Robinson (2006): *Economic Origins of Dictatorship and Democracy*, Cambridge University Press.

6. Robert Putnam (1994): *Making Democracy Work: Civic Traditions in Modern Italy*, Princeton University Press.

### Semester V

## DSE-I: 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.

**Credits: 6**

**Full Marks: 100 (80+20)**

### Unit I Money

**16 Marks**

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

### Unit II Financial Institutions, Markets, Instruments and Financial Innovations

**16 Marks**

Role of financial markets and institutions; problem of asymmetric information –adverse selection and moral hazard; financial crises.

Money and capital markets: organization, structure and reforms in India; role of financial derivatives and other innovations.

### Unit III Interest Rates

**16 Marks**

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

### Unit IV Banking System

**16 Marks**

Balance sheet and portfolio management.

Indian banking system: Changing role and structure; banking sector reforms.

### Unit V Central Banking and Monetary Policy

**16 Marks**

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.
5. L. M. Bhole and J. Mahukud, *Financial Institutions and Markets*, Tata McGraw Hill, 5th edition, 2011.
6. M. Y. Khan, *Indian Financial System*, Tata McGraw Hill, 7th edition, 2011.
7. N. Jadhav, *Monetary Policy, Financial Stability and Central Banking in India*, Macmillan, 2006.
8. R.B.I. – *Report of the Working Group: Money Supply Analytics and Methodology of Compilation*, 1998.
9. R.B.I. Bulletin, Annual Report and Report on Currency and Finance (latest).

**Semester V**  
**DSE-II: RESEARCH METHODOLOGY**

**Objectives:**

The objective of this subject is to make the students to know the basic concepts and methods in methodology. This paper helps the students to pursue further research such as M.Phil. and Ph.D.

**Credits: 6**

**Full Marks: 100 (80+20)**

**Unit-I: Meaning and Scope of Social Research**

**16 Marks**

Meaning – Objectives and Characteristics of research, Types of Research, Main steps in research - selection of research problem - Sources, Formulation of a research problem.

**Unit-II: Formulation of Research Design**

**16 Marks**

Research Design - Meaning, Types of Research Design. Characteristics of Good research design. Significance of research design.

**Unit-III: Hypothesis and Sampling**

**16 Marks**

Hypothesis – meaning, sources, types, formulation and significance Null hypothesis and alternate hypothesis, Characteristics of good hypothesis, Testing of the hypothesis, Chi-square test.

Sampling: Methods of Sampling – Advantages and Limitations, Sampling and Non – Sampling errors.

**Unit-IV: Data Collection and Processing**

**16 Marks**

Sources of Data – Techniques of data collection – Questionnaire – Interview Schedule, Case study method, Data Processing – Editing – Classification – Coding and Tabulation

**Unit-V: Report Writing**

**16 Marks**

Requirements and Mechanics of Report Writing – Precautions in report writing, Bibliography, Role of Computers in research.

**Reference:**

1. Goode W.J. (1952) and Hatt P.K.: Methods in Social Research, McGraw – Hill
2. Young P (1966): Scientific Social Surveys and Research, Prentice Hall
3. Kothari C.R. (2010): Research Methodology: Methods and Techniques, Wiley Eastern Limited

**Semester VI**  
**CC-13: INDIAN ECONOMY II**

**Course Description**

This course examines sector-specific policies and their impact in shaping trends in key economic indicators in India. It highlights major policy debates and evaluates the Indian empirical evidence. Given the rapid changes taking place in the country, the reading list will have to be updated annually.

**Credits: 6**

**Full Marks: 100 (80+20)**

**Model I: Agricultural Development in India**

**16 Marks**

Indian Agriculture: nature, importance, trends in agricultural production and productivity, factors determining production, land reforms, new agricultural strategies and green revolution, rural credit; Agricultural marketing and warehousing.

**Unit II: Industrial Development in India**

**16**

**Marks**Trends in industrial output and productivities; Industrial Policies of 1948, 1956, 1977 and 1991; Industrial Licensing Policies – MRTP Act, FERA and FEMA; Growth and problems of SSIs, Industrial sickness; Industrial finance; Industrial labour.

**Unit III: Tertiary Sector and HRD**

**16 Marks**

Tertiary Sector: growth and contribution of service sector to GDP of India, share of services in employment; Human development – concept, evolution, measurement; HRD: indication, importance, education in India, Indian educational policy; Health and Nutrition.

#### **Unit IV: External Sector**

**16 Marks**

Foreign Trade: role, composition and direction of India's foreign trade, trends of export and import in India, export promotion versus import substitution; Balance of Payments of India; India's Trade Policies; Foreign Capital – FDI, Aid and MNCs.

#### **Unit V: Policy on money and finance and economy of Odisha**

**16 Marks**

Monetary Policy in India: its objectives and instruments.

Fiscal policy in India: its objectives and measures.

Economy of Odisha: Characteristics of the economy of Odisha, Major problems of the economy and the factors responsible for it, Future prospects of the economy.

#### **Readings:**

- U. Kapila (2010): *Indian economy since Independence*. Academic Foundation, New Delhi
- S. K. Misra and V. K. Puri (Latest Edition): *Indian Economy — Its Development Experience*, Himalaya Publishing House, Mumbai
- S. Chakraborty (): *Development Planning: The Indian Experience*. Clarendon Press.
- R. Dutt and K. P. M, Sundharam (Latest Year): *Indian Economy*, S. Chand & Company Ltd., New Delhi.
- A. Panagariya (2008): *India: the Emerging Giant*, Oxford University Press, New York
- S. Acharya and R. Mohan (Eds.) (2010): *India's Economy: Performance and Challenges*, Oxford University Press, New Delhi.
- I. J. Ahluwalia and I. M. D. Little (Eds.) (1998): *India's Economic Reforms and Development: Essays for Manmohan Singh*, Oxford University Press, New Delhi.
- Dhar, P.K. (Latest Edition): *Indian Economy and its Problems*, Kalyani Publishers, New Delhi.

### **Semester VI**

#### **CC-14: DEVELOPMENT ECONOMICS II**

#### **Course Description**

This is the second Unit of the economic development sequence. It begins with basic demographic concepts and their evolution during the process of development. The structure of markets and contracts is linked to the particular problems of enforcement experienced in poor countries. The governance of common Models and organizations is studied and this is then linked to questions of sustainable growth. The course ends with reflections on the role of globalization and increased international dependence on the process of development.

**Credits: 6**

**Full Marks: 100 (80+20)**

#### **Unit I: Demography and Development**

**16 Marks**

Demographic concepts; birth and death rates, age structure, fertility and mortality; demographic transitions during the process of development; gender bias in preferences and outcomes and evidence on unequal treatment within households; connections between income, mortality, fertility choices and human capital accumulation; migration.

#### **Unit II: Land, Labor and Credit Markets**

**16 Marks**

The Role of Agriculture in Development, The distribution of land ownership; land reform and its effects on productivity; causes of low productivity in of agriculture in under developed countries, land acquisition; nutrition and labor productivity; credit requirements in agriculture, role of microfinance in agriculture; Adequacy of Credit and Poverty Reduction, sources of agricultural finance.



**Unit III: Infrastructural Development and Power sector****16 Marks**

Infrastructure and Economic Development, Strategy for Infrastructural development, Development of transports-roads, railways and airways, Development of power sector, sources of energy, power crisis and its remedies.

**Unit IV: Environment and Sustainable Development****16 Marks**

Defining sustainability for renewable resources; a brief history of environmental change; common-pool resources; environmental externalities and state regulation of the environment; economic activity and climate change

**Unit V: Globalization****16 Marks**

Globalization in historical perspective; the economics and politics of multilateral agreements; trade, production patterns and world inequality; financial instability in a globalized world, Political Economy of Foreign Aid & Development

**Readings:**

- Debraj Ray (2009): *Development Economics*, Oxford University Press.
- Partha Dasgupta (2007): *Economics, A Very Short Introduction*, Oxford University Press.
- Abhijit Banerjee, Roland Benabou and Dilip Mookerjee (2006): *Understanding Poverty*, Oxford University Press.
- Thomas Schelling (1978): *Micromotives and Macrobehavior*, W. W. Norton.
- Albert O. Hirschman (1970): *Exit, Voice and Loyalty: Responses to Decline in Firms, Organizations and States*, Harvard University Press.
- Elinor Ostrom (1990): *Governing the Commons: The Evolution of Institutions for Collective Action*, Cambridge University Press.
- Dani Rodrik (2011): *The Globalization Paradox: Why Global Markets, States and Democracy Can't Coexist*, Oxford University Press.
- Michael D. Bordo, Alan M. Taylor and Jeffrey G. Williamson (ed.) (2003): *Globalization in Historical Perspective*, University of Chicago Press.

**Semester VI****DSE-III: INTER NATIONAL ECONOMICS****Course Description**

This course develops a systematic exposition of models that try to explain the composition, direction, and consequences of international trade, and the determinants and effects of trade policy. It concludes with an analytical account of the causes and consequences of the rapid expansion of international financial flows in recent years. Although the course is based on abstract theoretical models, students will also be exposed to real-world examples and case studies.

**Credits: 6****Full Marks: 100 (80+20)****Unit I: Introduction****16 Marks**

What is international economics about? Distinction between Internal and International Trade, Gains from international trade. Arguments for and against Free Trade and Protection, An overview of world trade.

**Unit II: Theories of International Trade****16 Marks**

Classical theory of International Trade: Adam Smith's Absolute Advantage Theory; Ricardo's Comparative Cost Theory; Heckscher - Ohlin Theory of International Trade, terms of trade, Secular Deterioration in Terms of Trade.

**Unit III: Trade Policy****16 Marks**

Instruments of trade policy; political economy of trade policy; controversies in trade policy, firms in the global economy — outsourcing and multinational enterprises.

**Unit IV: International Macroeconomic Policy****16 Marks**

Exchange Rate and types of Exchange Rate: Fixed versus flexible exchange rates; Theories of Foreign Exchange Rate: The Mint-Parity Theory, The Purchasing Power Parity Theory, BOP Theory.

**Unit V: BALANCE OF PAYMENT****16 Marks**

BOT, BOP, Current Account, Capital Account, Visible and Invisible, Causes for disequilibrium in Balance of Payments, Methods of correcting the disequilibrium. Devaluation of Currency, Convertibility of Currency: Partial Account and Full Account. Recent trends in balance of Payment in India.

**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.
3. C.P. Kindleberger 'International Economics'.
4. Bo Soderstein and Geoffrey Reed 'International Economics' MacMillan.
5. Francis Cherumilam - 'International Economics'
6. Mannur, H.G. 'International Economics', Vikas Publishing House.
7. RBI bulletin, Various issues.

**Semester VI****DSE-IV: AGRICULTURAL ECONOMICS****Course Objective**

The course aims to deepen student's understanding of how economic theory can be applied to problems of agricultural sector.

**Credits: 6****Full Marks: 100 (80+20)****Unit-I: Introduction****16 Marks**

Definition, scope and nature of agricultural economics; Need for a separate study of agricultural economics. Agricultural Linkages with other sectors, Role of agriculture in economic development, Declining importance of agriculture in Economic development.

**Unit-II: Production Function Analysis****16 Marks**

Factor-Product, Factor-Factor and Product-Product relationships. Types of farm organisations and their comparative production efficiency.

**Unit-III: Transformation of Agriculture****16 Marks**

Schultz thesis of transformation of traditional agriculture, Green Revolution and its Impact on Indian Agriculture. Need for second green revolution. New Agriculture Policy, WTO and Indian Agriculture.

**Unit-IV: Agricultural Credit****16 Marks**

Importance of credit, Need for Government intervention, agricultural credit system in India, Co-operative credit: NABARD, Land Development Bank, Regional Rural Banks, commercial banks. Problems of small and medium farmers in getting agricultural finance.

**Unit-V: Agricultural Price Policy****16 Marks**

Need, Objectives, and instruments of agricultural price policy; Shortcomings of price policy, Suggestions for improvement in price policy, Agricultural price policy in India.

**Readings:**

1. Soni R.N. (2005): *Leading Issues in Agricultural Economics*
2. Heady, E O (1964): *Economics of Agricultural Production and Resource Use*. Prentice-Hall of India Pvt. Ltd., New Delhi.
3. Metcalf, D (1969): *The Economics of Agriculture*, Penguin
4. Sadhu and Singh: *Agricultural Economics*.

# **Khallikote University, Berhampur**

## **SEMESTER I**

### **Syllabus for Gen. Elective Course: INDIAN ECONOMY I**

#### **Course Description**

Using appropriate analytical frameworks, this course reviews major trends in economic indicators and policy debates in India in the post-Independence period, with particular emphasis on paradigm shifts and turning points. Given the rapid changes taking place in India, the reading list will have to be updated annually.

#### **Unit I: Introduction to Indian Economy**

Economic scenario in the Pre-British and British period, Structure and organization of villages, towns, industries and handicrafts; Colonization: British rule and: exploitation in India.

Indian economy at the time of independence, Major features: Fairly advanced sector, Predominance of rural life.

Stagnation of Indian Economy- causes of stagnation.

#### **Unit II: Demography and Human Development**

Demographic trends- size, density, rural-urban distribution, age structure and sex composition of population, Population Explosion-Meaning, causes of high birth rate, factors for low death rate.

The theory of demographic transition, problems of over population, Population policy options to avoid over population, Govt. policy for control of over growth of population.

Role of Human capital in economic development, Achievements and shortcomings in human capital formation in India. Role of Education and health on Human Development.

#### **Unit III: Poverty, Inequality and Unemployment**

Concept of Poverty, measurement of poverty, Problems and causes of poverty, Suggested measures for poverty eradication, Govt. policy on removal of poverty in India.

Inequality in income distribution, extent of inequalities, causes of income inequalities, Govt. measures to remove inequalities.

Unemployment- Types of unemployment, suggested remedial measures, Govt. employment policy.

#### **Unit IV: Foreign Trade and Balance of Payments**

Foreign trade in India- composition of trade, main trends in exports; Direction of trade, import Substitution-Importance and Govt. measures towards import substitution.

Export as an engine of growth, New trade policy.

Balance of payments- trends of India's balance of payments, Big and continuing deficits, causes of BOP deficits and remedies, Govt. policy to remove deficit on Balance of payments in India.

**Readings:**

- U. Kapila (2010): *Indian economy since Independence*. Academic Foundation, New Delhi
- S. K. Misra and V. K. Puri (Latest Year): *Indian Economy — Its Development Experience*, Himalaya Publishing House, Mumbai
- S. Chakraborty (): *Development Planning: The Indian Experience*. Clarendon Press.
- R. Dutt and K. P. M, Sundharam (Latest Year): *Indian Economy*, S. Chand & Company Ltd., New Delhi.
- A. Panagariya (2008): *India: The Emerging Giant*, Oxford University Press, New York
- S. Acharya and R. Mohan (Eds.) (2010): *India's Economy: Performance and Challenges*, Oxford University Press, New Delhi.
- I. J. Ahluwalia and I. M. D. Little (Eds.) (1998): *India's Economic Reforms and Development: Essays for Manmohan Singh*, Oxford University Press, New Delhi.

**SEMESTER III****Syllabus for Gen. Elective Course: INDIAN ECONOMY II****Course Description**

This course examines sector-specific policies and their impact in shaping trends in key economic indicators in India. It highlights major policy debates and evaluates the Indian empirical evidence. Given the rapid changes taking place in the country, the reading list will have to be updated annually.

**Unit I: Fiscal Structure in India**

Fiscal situation before 1990's- Budget deficit, fiscal deficit, increased unsatisfactory expenditure, subsidies, weak resource mobilisation, excess borrowings.

New fiscal Policy-Approach and objectives, Remedial measures for improving fiscal situation.

Financial System- present state of financial position, Monetary policy- objectives, performance of monetary policy, limitations.

Wage structure in industrial labour, status of industrial labour, labour regulations in India.

**Unit II: Policy and Performance in Agriculture**

Productivity trends in Indian agriculture, causes of low productivity in Indian agriculture, Land reform measures- tenancy reforms, ceiling laws and its implementation, Size of holding, co-operative farming.

Sources of agricultural finance.

Green Revolution- features, impact on agriculture.

Agricultural prices- trends, causes of rising and fluctuating prices.

Price policy- Objectives, instruments, Evaluation of Govt. price policy.

**Unit III: Policy and performance in Industry**

Growth of industrialisation in India, Evaluation of industrial performance, Industrial sickness- causes, consequences and remedies.

Small scale Industries-Importance, Problems of small scale industries and suggestions.

Role of public sector in industrial development, Performance of public sector.

Importance of FDI in industrial development, Issues in FDI.

#### **Unit IV: Planning**

Importance of planning, Basic objectives of Indian planning, Evaluation of planning objectives.

Basic approach to Indian Five year plans, Targets and achievements of Five year plans, Evaluation of Indian plans.

#### **Readings:**

- U. Kapila (2010): *Indian economy since Independence*. Academic Foundation, New Delhi
- S. K. Misra and V. K. Puri (Latest Year): *Indian Economy — Its Development Experience*, Himalaya Publishing House, Mumbai
- S. Chakraborty (): *Development Planning: The Indian Experience*. Clarendon Press.
- R. Dutt and K. P. M, Sundharam (Latest Year): *Indian Economy*, S. Chand & Company Ltd., New Delhi.
- A. Panagariya (2008): *India: The Emerging Giant*, Oxford University Press, New York
- S. Acharya and R. Mohan (Eds.) (2010): *India's Economy: Performance and Challenges*, Oxford University Press, New Delhi.
- I. J. Ahluwalia and I. M. D. Little (Eds.) (1998): *India's Economic Reforms and Development: Essays for Manmohan Singh*, Oxford University Press, New Delhi.