

**CHOICE BASED CREDIT SYSTEM  
(CBCS)**

**COURSE SCHEME & SYLLABUS**

**For  
Under Graduate Programme**

**Bachelor of Arts (BA)**

**with**

**ECONOMICS**

(Effective from Academic Year 2016 – 17 onwards)



**DEPARTMENT OF ECONOMICS  
HIMACHAL PRADESH UNIVERSITY  
SUMMER HILL, SHIMLA**

**171 005**

**Approved** in UG BoS meeting for the  
Subject of **Economics** held on  
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**Annexure – I of UG BoS (Econ)  
Meeting**

**DEPARTMENT OF ECONOMICS  
HIMACHAL PRADESH UNIVERITY  
SUMMERHILL, SHIMLA 171 005**

**COURSE STRUCTURE AND SYLLABUS FOR B.A. IN ECONOMICS  
UNDER CHOICE BASED CREDIT SYSTEM (CBCS)  
EFFECTIVE FROM ACADEMIC YEAR 2016 – 17**

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## CHOICE BASED CREDIT SYSTEM (CBCS)

The CBCS provides an opportunity for the students to choose courses from the prescribed courses comprising core, elective/minor or skill based courses. The courses can be evaluated following the grading system, which is considered to be better than the conventional marks system. Therefore, it is necessary to introduce uniform grading system in the entire higher education in India. This will benefit the students to move across institutions within India to begin with and across countries. The uniform grading system will also enable potential employers in assessing the performance of the candidates. In order to bring uniformity in evaluation system and computation of the Cumulative Grade Point Average (CGPA) based on student's performance in examinations, the UGC has formulated the guidelines to be followed.

### Outline of Choice Based Credit System

**1. Discipline Specific Core (DSC) Course:** A course, which should compulsorily be studied by a candidate as a core requirement is termed as a Core course.

**2. Elective Course:** Generally a course which can be chosen from a pool of courses and which may be very specific or specialized or advanced or supportive to the discipline/ subject of study or which provides an extended scope or which enables an exposure to some other discipline/subject/domain or nurtures the candidate's proficiency/skill is called an Elective Course.

**2.1 Discipline Specific Elective (DSE) Course (2 Each for regular courses):** Elective courses may be offered by the main discipline/subject of study is referred to as Discipline Specific Elective. The University/Institute may also offer discipline related Elective courses of interdisciplinary nature (to be offered by main discipline/subject of study).

**2.2 Dissertation/Project Work:** An elective course of 6 credits, designed to acquire special/advanced knowledge, such as supplement study/support study to a project work, and a candidate studies such a course on his own with an advisory support by a teacher/faculty member is called dissertation/project work. A Project/Dissertation work *may be* given in lieu of a discipline specific elective paper.

**2.3 Generic Elective Course (GEC):** An elective course chosen generally from an unrelated discipline/subject, with an intention to seek exposure to other subjects/disciplines is called a Generic Elective Course.

**P.S.:** A core course offered in a discipline/subject may be treated as an elective by other discipline/subject and vice versa and such electives may also be referred to as Generic Elective.

**3. Ability Enhancement Courses (AEC)/Competency Improvement Courses/Skill Development Courses/Foundation Course:** The Ability Enhancement (AE) Courses may be of two kinds: AE Compulsory Course (AECC) and AE Elective Course (AEEC). "AECC" courses are the courses based upon the content that leads to Knowledge enhancement. They [(i) Environmental Science, (ii) English/MIL Communication] are *mandatory* for all disciplines. AEEC courses are value-based and/or skill-based and are aimed at providing hands-on-training, competencies, skills, etc.

**3.1 Ability Enhancement Compulsory Course (AECC):** Environmental Science, English Communication/MIL Communication.

**3.2 Skill Enhancement Courses (SEC) (Minimum 4):** These courses may be chosen from a pool of courses designed to provide value-based and/or skill-based instruction.

## **COURSE STRUCTURE FOR BACHELOR OF ARTS (BA) IN ECONOMICS & ELIGIBILITY FOR ADMISSION**

1. **COURSE STRUCTURE:** There are a total of four core courses (DSC) in economics that students are required to take across the first four semesters. All the core courses are compulsory. In addition to core courses in economics, a student of BA Economics will choose four Discipline Specific Elective (DSE) Courses of which two will be from Economics and two from the second subject of study. The Discipline Specific Elective (DSE) Courses are offered in the fifth and sixth semesters and the two DSE courses in Economics will be selected by a student from a set of courses specified for each of these semesters. It is recommended that each college should offer at least three Discipline Specific Elective (DSE) Courses in the fifth and sixth semesters to **allow the students some minimal element of choice**. SEC courses are offered in Semesters III, IV, V and VI and two such courses have to be selected.  
Two GEC have to be selected, one each in Semesters V and VI. These are interdisciplinary in nature and as such have to be selected in subjects other than both and the second subject of study. Due care has to be taken to select those GECs that **complement the Core courses** of study (both Economics & the second subject of study). The students must be provided adequate guidance/counseling while selecting the two GEC.
2. **CONTACT HOURS:** Each course has 5 lectures and 1 tutorial (per group) per week in case of DSC, DSE and GE courses. Each course has **4 lectures and 2 Practicals** (per group) per week in case of SEC courses. The size of a tutorial/practical group is 8-10 students.
3. **NOTE ON COURSE READINGS:** The nature of several of the courses is such that only selected readings can be specified in advance. **Reading lists should be updated and topic-wise readings should be specified at regular intervals, ideally on an annual basis.**
4. **ELIGIBILITY FOR ADMISSION to BA Economics:** Students who have passed Class XII level are eligible for admission to BA with Economics.

**Table 1 TYPES OF COURSES OFFERED BY DEPARTMENT OF ECONOMICS FOR BA**

Semester	Discipline Specific Core (DSC) Courses (Compulsory)	Discipline Specific Electives(DSE) (Pick any 2)	Skill Enhancement Courses (SEC) (Pick any 4)	Generic Elective Courses(GEC)* (Pick any 2) <i>INTER-DISCIPLINARY</i>
(i)	(ii)	(iii)	(iv)	(v)
I	<b>Core Economics I:</b> Principles of Microeconomics-I			
II	<b>Core Economics II:</b> Principles of Microeconomics – II			
III	<b>Core Economics III:</b> Principles of Macroeconomics-I		<b>SEC- I (any one of the following):</b> SEC 1: Introduction to Statistics SEC 2: Economics of Rural Development	
IV	<b>Core Economics IV:</b> Principles of Macroeconomics-II		<b>SEC – II (any one of the following):</b> SEC 3: Research Methodology SEC 4: Economy of Himachal Pradesh	
V		<b>DSE – I (any one of the following):</b> DSE 1: Public Finance DSE 2: Economic History of India 1857 – 1947 DSE 3: Development Economics DSE 4: Basic Econometrics	<b>SEC – III (any one of the following):</b> SEC 5: Indian Economy SEC 6: Emerging Areas in Economic Studies	<b>GEC – I (any one of the following):</b> <i>GEC 1: Public Finance GEC 2: Environmental Economics GEC 3: Contemporary Issues in Indian Economy – I</i>
VI		<b>DSE – II (any one of the following):</b> DSE 5: Money and Banking DSE 6: International Economics DSE 7: Mathematical Economics DSE 8: Project Work	<b>SEC – IV (any one of the following):</b> SEC 7: Demography SEC 8: Money and Financial Markets	<b>GEC – II (any one of the following):</b> <i>GEC 4: Money and Banking GEC 5: Economic Systems GEC 6: Contemporary Issues in Indian Economy – II</i>

**NOTE:** \*Generic Elective Courses (GEC) listed in column (v) above are Elective Courses for Unrelated Disciplines/Subjects.

The student of BA Economics will select **Any Two** Generic Elective Courses form Unrelated Discipline(s)/Subject(s) i.e. from Discipline(s)/Subject(s) other than economics and the second subject of study.

**Table 2 CUMULATIVE CREDITS FOR BA WITH ECONOMICS (Course Wise & Semester Wise)**

Semester (i)	Course (ii)	Course (iii)	Credits (iv)	Cumulative Credits (v)
I	English/Hindi/MIL – 1	Lang. Core	6	<b>22 Credits*</b> Language Core 06 DSC 1 & 2 Sub 12 AECC 04 <b>Cumulative Credits 22</b>
	<b>Principles of Microeconomics – I</b>	DSC – 1 A	6	
	Subject – 2	DSC – 2 A	6	
	(English/Hindi/MIL Communication) / Environmental Science	AECC – I	4	
II	English/Hindi/MIL – 1	Lang. Core	6	<b>22 Credits*</b> Language Core 12 DSC 1 & 2 Sub 24 AECC 08 <b>Cumulative Credits 44</b>
	<b>Principles of Microeconomics – II</b>	DSC – 1 B	6	
	Subject – 2	DSC – 2 B	6	
	Environmental Science / (English/Hindi/MIL Communication)	AECC – II	4	
III	English/Hindi/MIL – 2	Lang. Core	6	<b>22 Credits*</b> Language Core 18 DSC 1 & 2 Sub 36 AECC 08 SEC 1 & 2 Sub. 04 <b>Cumulative Credits 66</b>
	<b>Principles of Macroeconomics–I</b>	DSC – 1 C	6	
	Subject – 2	DSC – 2 C	6	
	<b>SEC 1: Introduction to Statistics OR SEC 2: Economics of Rural Development</b>	SEC – 1	4	
IV	English/Hindi/MIL – 2	Lang. Core	6	<b>22 Credits*</b> Language Core 24 DSC 1 & 2 Sub 48 AECC 08 SEC 1 & 2 Sub. 08 <b>Cumulative Credits 88</b>
	<b>Principles of Macroeconomics–II</b>	DSC – 1 D	6	
	Subject – 2	DSC – 2 D	6	
	<b>SEC 3: Research Methodology OR SEC 4: Economy of Himachal Pradesh</b>	SEC – 2	4	
V	<b>DSE – I (Any one of the following):</b> <b>DSE 1: Public Finance</b> <b>DSE 2: Economic History of India 1857 – 1947</b> <b>DSE 3: Development Economics</b> <b>DSE 4: Basic Econometrics</b>	DSE – 1 A	6	<b>22 Credits*</b> Language Core 24 DSC 1 & 2 Sub. 48 AECC 08 SEC 1 & 2 Sub. 12 DSE 1 & 2 Sub. 12 GE 06 <b>Cumulative Credits 110</b>
	Subject – 2	DSE – 2 A	6	
	<b>SEC 5: Indian Economy OR SEC 6: Emerging Areas in Economic Studies</b>	SEC – 3	4	
	Discipline other than Economics or Subject – 2	GE – 1	6	
VI	<b>DSE – II (Any one of the following):</b> <b>DSE 5: Money and Banking</b> <b>DSE 6: International Economics</b> <b>DSE 7: Mathematical Economics</b> <b>DSE 8: Project Work</b>	DSE – 1 B	6	<b>22 Credits*</b> Language Core 24 DSC 1 & 2 Sub. 48 AECC 08 SEC 1 & 2 Sub. 16 DSE 1 & 2 Sub. 24 GE 12 <b>Cumulative Credits 132</b>
	Subject – 2	DSE – 2 B	6	
	<b>SEC 7: Demography OR SEC 8: Money and Financial Markets</b>	SEC – 4	4	
	Discipline other than Economics or Subject–2	GE – 2	6	

**NOTE:** \* Each semester accounts for 22 credits; Cumulative Credits mentioned in Column (v) are the total credits earned in successive semesters, therefore a minimum of 132 credits have to be earned in six semesters, as described in this table, for a student to successfully complete the degree of BA with Economics.

**Table 3 CREDIT DISTRIBUTION FOR THE SUBJECT OF ECONOMICS IN BA WITH ECONOMICS  
(Course Wise & Semester Wise)**

Semester	Discipline Specific Core (DSC) Course SIX CREDITS EACH	Discipline Specific Elective (DSE) SIX CREDITS EACH	Skill Enhancement Course (SEC) FOUR CREDITS EACH	CREDITS (Semester wise)
I	<b>Core Economics I:</b> Principles of Microeconomics – I			<b>6</b>
II	<b>Core Economics II:</b> Principles of Microeconomics – II			<b>6</b>
III	<b>Core Economics III:</b> Principles of Macroeconomics–I		<b>SEC – I</b> (any one of the following): SEC 1: Introduction to Statistics SEC 2: Economics of Rural Development	<b>10</b>
IV	<b>Core Economics IV:</b> Principles of Macroeconomics–II		<b>SEC – II</b> (any one of the following): SEC 3: Research Methodology SEC 4: Economy of Himachal Pradesh	<b>10</b>
V		<b>DSE – I</b> (any one of the following): DSE 1: Public Finance DSE 2: Economic History of India 1857 – 1947 DSE 3: Development Economics DSE 4: Basic Econometrics	<b>SEC – III</b> (any one of the following): SEC 5: Indian Economy SEC 6: Emerging Areas in Economic Studies	<b>10</b>
VI		<b>DSE – II</b> (any one of the following): DSE 5: Money and Banking DSE 6: International Economics DSE 7: Mathematical Economics DSE 8: Project Work	<b>SEC – IV</b> (any one of the following): SEC 7: Demography SEC 8: Money and Financial Markets	<b>10</b>
<b>CREDITS (Course wise)</b>	(6x4) <b>24</b>	(6x2) <b>12</b>	(4x4) <b>16</b>	<b>52</b>

**Clarification:** For students of BA with Economics, out of total 8 SEC on offer in Semesters III – VI, the student has to choose a minimum of 4 (four) SEC from Economics only. Therefore the student must earn 52 credits in the subject of Economics out of total 132 credits over six semesters (as shown in Table 2 above) to successfully complete the degree of BA with Economics.

**Table 4 COMMON COURSES OFFERED BY DEPARTMENT OF ECONOMICS FOR BA WITH ECONOMICS & BA (HONOURS) IN ECONOMICS**

SN	COURSE NAME	TITLE	CODE	SEMESTER	TYPE OF COURSE
1	Economics of Rural Development	SEC – 2	ECON314	3	SEC / PASS COURSE
		SEC – 1	ECONH325	3	SEC / HONOURS
2	Economy of Himachal Pradesh	SEC – 4	ECON416	4	SEC / PASS COURSE
		SEC – 3	ECONH427	4	SEC / HONOURS
3	Economic History of India 1857 – 1947	DSE – 2	ECON506	5	DSE / PASS COURSE
		DSE – 2	ECONH516	5	DSE / HONOURS
4	Emerging Areas of Economic Studies	SEC – 2	ECONH326	3	SEC / HONOURS
		SEC – 6	ECON518	5	SEC / PASS COURSE
5	Environmental Economics	GEC – 4	ECONH332	3	GEC / HONOURS
		GEC – 2	ECON522	5	GEC / PASS COURSE
		DSE – 4	ECONH518	5	DSE / HONOURS
6	Contemporary Issues in Indian Economy – I	GEC – 5	ECONH333	3	GEC / HONOURS
		GEC – 3	ECON523	5	GEC / PASS COURSE
7	International Economics	DSE – 6	ECON610	6	DSE / PASS COURSE
		DSE – 7	ECONH621	6	DSE / HONOURS
8	Public Finance	GEC – 3	ECONH331	3	GEC / HONOURS
		DSE – 1	ECON505	5	DSE / PASS COURSE
		GEC – 1	ECON521	5	GEC / PASS COURSE
		DSE – 1	ECONH515	5	DSE / HONOURS
9	Money and Banking	GEC – 6	ECONH431	4	GEC / HONOURS
		DSE – 5	ECON609	6	DSE / PASS COURSE
		GEC – 4	ECON624	6	GEC / PASS COURSE
		DSE – 6	ECONH620	6	DSE / HONOURS
10	Economic Systems	GEC – 7	ECONH435	4	GEC / HONOURS
		GEC – 5	ECON625	6	GEC / PASS COURSE
11	Contemporary Issues in Indian Economy – I	GEC – 7	ECONH436	4	GEC / HONOURS
		GEC – 5	ECON625	6	GEC / PASS COURSE
12	Demography	SEC – 7	ECON619	6	SEC / PASS COURSE
		SEC – 4	ECONH428	4	SEC / HONOURS

**NOTE: Table 4 is expected to be particularly useful for those involved with the process of paper setting and compilation of results!**



**Table 5 COURSES AND COURSE CODES FOR BA WITH ECONOMICS**

<b>DISCIPLINE SPECIFIC CORE (DSC) COURSES</b>		
<b>Semester</b>	<b>Discipline Specific Core (DSC) Course (Compulsory)</b>	<b>Course Code</b>
I	Core Economics I: Principles of Microeconomics – I	ECON101
II	Core Economics II: Principles of Microeconomics – II	ECON202
III	Core Economics III: Principles of Macroeconomics–I	ECON303
IV	Core Economics IV: Principles of Macroeconomics–II	ECON404
<b>DISCIPLINE SPECIFIC ELECTIVE (DSE) COURSES</b>		
<b>Semester</b>	<b>Discipline Specific Elective (DSE)</b>	<b>Course Code</b>
V	<b>DSE – GROUP I</b>	
	DSE 1: Public Finance	ECON505
	DSE 2: Economic History of India 1857 – 1947	ECON506
	DSE 3: Development Economics	ECON507
	DSE 4: Basic Econometrics	ECON508
VI	<b>DSE – GROUP II</b>	
	DSE 5: Money and Banking	ECON609
	DSE 6: International Economics	ECON610
	DSE 7: Mathematical Economics	ECON611
	DSE 8: Project Work	ECON612
<b>SKILL ENHANCEMENT COURSES (SEC)</b>		
<b>Semester</b>	<b>Skill Enhancement Course (SEC)</b>	<b>Course Code</b>
III	<b>SEC – I (One of the Following)</b>	
	SEC 1: Introduction to Statistics	ECON313
	SEC 2: Economics of Rural Development	ECON314
IV	<b>SEC – II (One of the Following)</b>	
	SEC 3: Research Methodology	ECON415
	SEC 4: Economy of Himachal Pradesh	ECON416
V	<b>SEC – III (One of the Following)</b>	
	SEC 5: Indian Economy	ECON517
	SEC 6: Emerging Areas in Economic Studies	ECON518
VI	<b>SEC – IV (One of the Following)</b>	
	SEC 7: Demography	ECON619
	SEC 8: Money and Financial Markets	ECON620
<b>GENERIC ELECTIVE COURSES (GEC)</b>		
<b>Semester</b>	<b>Generic Elective Course (GEC)</b>	<b>Course Code</b>
V	<b>GEC – I (any one of the following)</b>	
	GEC 1: Public Finance	ECON521
	GEC 2: Environmental Economics	ECON522
	GEC 3: Contemporary Issues in Indian Economy – I	ECON523
VI	<b>GEC – II (any one of the following)</b>	
	GEC 4: Money and Banking	ECON624
	GEC 5: Economic Systems	ECON625
	GEC 6: Contemporary Issues in Indian Economy – II	ECON626

**NOTE: Table 5 is also expected to be particularly useful for those involved with the process of paper setting and compilation of results and will certainly assist the student in making course choices over the six semesters!**

## COURSE EVALUATION

All Courses (Core and Elective) offered by Department of Economics will have an evaluation system that comprises of the following two components:

1. Continuous Comprehensive Assessment (CCA) accounting for 30% of the final grade that a student gets in a course, and
2. End-Semester Examination (ESE) accounting for the remaining 70% of the final grade that the student gets in a course.

**A student will have to pass both the components i.e. CCA and ESE separately to become eligible to be declared successful in a course. The pass percentage is 45 (forty-five per cent) i.e. 14 marks out of 30 in CCA and 32 marks out of 70 in ESE.**

**1. CONTINUOUS COMPREHENSIVE ASSESSMENT (CCA)** Continuous Comprehensive Assessment (CCA) will have following components:

Sr. No.	Component	When	Marks
I	Class Room Attendance	During the Semester	05
II	Mid Term Test	After 40 – 45 teaching days, ideally covering at least 1/2 syllabus	15
III	Practical including Seminar/ Assignment /Term Paper	During the Semester	10
<b>TOTAL (I+II+III)</b>			<b>30</b>

**Note:** i) **Marks for Attendance:** below 75% = Zero (0) mark; 75 – 80% = 1 marks; 80 – 85% = 2 marks; 85 – 90% = 3 marks; 90 – 95% = 4 marks & 95 – 100 % = 5 marks

ii) **For students of Distance Education (ICDEOL) there will be no Continuous Comprehensive Assessment (CCA) component.**

**2. END SEMESTER EXAMINATION (ESE)** The remaining 70% of the final grade of the student in a course will be assessed on the basis of an end semester examination (ESE) that will be for three hours duration and will cover the entire syllabus of the course. The marks distribution is specified in the question paper format below on page 10.

**NOTE:** The **same question paper will be administered to students of Distance Education (ICDEOL)**. The question papers for the End Semester examination (ESE) will also be of 70 (seventy) marks for each course of study. The **marks will be rationalized using the multiplier as follows: {Marks out of 70 ÷ 70} x 100.** For example: if a student scores thirty five marks out of seventy then marks out of hundred will be rationalized as follows: {35 ÷ 70} x 100 = 50% marks.

The question paper for the ESE will be got set by the Controller of Examinations of the HPU by a panel comprising the following: 1. Two teachers in the subject of economics from the colleges where the subject is being taught to be drawn in turn on the basis of seniority. 2. One teacher from the Department of Economics, P.G. Centre, Himachal Pradesh University to be nominated by the Chairperson of the said Department of the HPU. The question paper will be moderated by a teacher from the Department of Economics, P.G. Centre, Himachal Pradesh University to be nominated by the Chairperson.

**3. Project Work** (DSE – 8) shall be for 100 marks and the 70:30 marking ratio shall be as follows: 30 marks for synopsis submission (CCA - mid semester) and remaining 70 marks (ESE) to be distributed as 50 marks for Dissertation + 20 marks for Viva Voce. Therefore 30 + (50 + 20) = 100 marks.

## QUESTION PAPER FORMAT

Question Papers for all the courses, except Project Work, offered by Department of **Economics** will be set in the following format:

PART	UNIT	MARKS
<b>PART – A (Compulsory for All)</b>	Compulsory 10 (ten) objective type questions of 1 (one) mark each [in MCQ/True False/Fill in the blanks or such type]	<b>10x1= 10</b>
	Compulsory 4 (four) short answer questions of 5 marks each covering the entire syllabus.	<b>4 x 5 = 20</b>
<b>PART – B</b>	<b>Unit – I</b> Two questions will be set and the candidate will have to attempt any one. Each question shall carry 10 (ten) marks. Each question may contain sub parts and will be long type.	<b>10</b>
<b>PART – C</b>	<b>Unit – II</b> Two questions will be set and the candidate will have to attempt any one. Each question shall carry 10 (ten) marks. Each question may contain sub parts and will be long type.	<b>10</b>
<b>PART – D</b>	<b>Unit – III</b> Two questions will be set and the candidate will have to attempt any one. Each question shall carry 10 (ten) marks. Each question may contain sub parts and will be long type.	<b>10</b>
<b>PART – E</b>	<b>Unit – IV</b> Two questions will be set and the candidate will have to attempt any one. Each question shall carry 10 (ten) marks. Each question may contain sub parts and will be long type.	<b>10</b>
<b>TOTAL (A+B+C+D+E)</b>		<b>70</b>

### Instructions for Paper Setters

1. Questions in all parts will be set in a manner as to cover the entire syllabus. The same question paper shall apply to Distance Education (ICDEOL) students as well and the marks will be rationalized according to multiplier specified above on page 9.
2. Common courses offered to both BA with Economics and BA Honours in Economics will have the same question paper. The paper setter may refer to table 4 above to identify all common courses.

### NOTE:

The question paper and answer books for the **ESE** will be printed by the Controller of Examinations of the Himachal Pradesh University and the answer books will have pages numbering 24 as per prevailing practice. Also, the candidate will be supplied extra answer sheets as per requirement.

### SYLLABUS – DISCIPLINE SPECIFIC CORE (DSC) COURSES

<b>Semester</b>	<b>Discipline Specific Core (DSC) Course (Compulsory)</b>	<b>Course Code</b>
I	Core Economics I: Principles of Microeconomics – I	ECON101
II	Core Economics II: Principles of Microeconomics – II	ECON202
III	Core Economics III: Principles of Macroeconomics–I	ECON303
IV	Core Economics IV: Principles of Macroeconomics–II	ECON404

**Course No.** ECON101  
**Course title:** Principles of Microeconomics-I  
**Nature of Course:** DSC – I  
**Number of credits:** 6  
**Number of Lectures (L): Practical (P): Tutorial (T):** 74:0:16

### Course Description

This course is designed to expose the student to the basic principles in Microeconomic Theory and illustrate the same with applications.

### Course Outline

Unit	Title	Credits	
		L	T
I.	<b>Introduction</b> Problem of scarcity and choice: scarcity, choice and opportunity cost; production possibility frontier; economic systems. Demand and supply: law of demand, determinants of demand, law of supply, determinants of supply, market equilibrium. Applications of demand and supply: consumer surplus, producer surplus. Elasticity: price elasticity of demand, calculating elasticity, determinants of price elasticity, income and cross elasticities.	20	4
II.	<b>Consumer Theory</b> Budget constraint, concept of utility, diminishing marginal utility, Diamond-water paradox, indifference curves, derivation of demand curve from indifference curve and consumer's equilibrium; price, income and substitution effects.	18	4
III.	<b>Production and Costs</b> Production: behavior of profit maximizing firms, production functions, law of variable proportions, law of returns to scale; choice of technology, isoquant and isocost lines, cost minimizing equilibrium condition. Costs: costs in the short run, costs in the long run, revenue and profit maximizations, minimizing losses, short run industry supply curve, economies and diseconomies of scale.	19	4
IV.	<b>Market Structure and Perfect Competition</b> Market: Meaning. Market structure: Types and Definition. Role of time element: Market Period, Short Period and Long Period. Market Price and Normal Price. Perfect Competition: assumptions: theory of a firm under perfect competition, demand and revenue; equilibrium of the firm in the short run and long run; long run industry supply curve: increasing, decreasing and constant cost industries.	17	4
<b>Suggested Readings:</b> <ol style="list-style-type: none"> <li>1. Case, Karl E.&amp; Ray C. Fair, <i>Principles of Economics</i>, Pearson Education, Inc., 8th edition,2007.</li> <li>2. A. Kotsoyiannis, (1979), <i>Modern Micro Economics</i>, Palgrave McMillan.</li> <li>3. G.S. Maddala and Ellen Miller (2004), <i>Micro Economics - Theory and Applications</i>, Tata McGraw Hill, Delhi.</li> <li>4. Dominick Salvatore 'Microeconomic Theory' Schaum's Outline series: Tata McGraw Hill, Delhi.</li> <li>5. Hal R. Varian, <i>Intermediate Microeconomics: A modern Approach</i>, WW Norton and Co.</li> </ol>			

**Course No.** ECON202  
**Course title:** Principles of Microeconomics–II  
**Nature of Course:** DSC – II  
**Number of credits:** 6  
**Number of Lectures (L): Practical (P): Tutorial (T):** 74:0:16

### Course Description

This is a sequel to Principles of Microeconomics–I covered in the first semester. The objective of the course is to further the understanding of the student so as to achieve conceptual clarity.

### Course Outline

Unit	Title	Credits	
		L	T
I.	<b>Theory of a Monopoly Firm</b> Concept of imperfect competition; Monopoly: features, short run and long run price and output decisions of a monopoly firm; concept of a supply curve under monopoly; comparison of perfect competition and monopoly, price discrimination; Dumping; remedies for monopoly: Antitrust laws, natural monopoly.	18	4
II.	<b>Monopolistic Competition and Oligopoly</b> Monopolistic competition: Assumptions, short run & long run price and output determination under monopolistic competition, economic efficiency and resource allocation. Oligopoly: Assumptions, oligopoly model: kinked demand curve and price rigidity, cartels and role of government.	20	4
III.	<b>Market Failure and Factor Pricing</b> Market Failure: Market adjustment to changes in demand, efficiency of perfect competition; sources of market failure: imperfect markets, public goods, externalities, imperfect information; evaluating the market mechanism. Factor Pricing: Meaning and Types of Distribution. Marginal productivity theory of distribution.	17	4
IV.	<b>Income Distribution and Factor Pricing</b> Wages: Meaning and Types of Wages. Real and Nominal Wage. Theories of Wages (Classical and Modern). Rent: Concept of Rent. Ricardian Theory of Rent, Quasi Rent, Modern Theory of Rent. Interest: Classical Theory, Loanable Fund Theory and Keynes's Liquidity Preference Theory. Profit: Gross Profit and Net Profit. Theories of Profit: Dynamic Theory of Profit, Innovation Theory of Profit and Uncertainty Bearing Theory of Profit.	19	4

### **Suggested Readings:**

1. Case, Karl E. & Ray C. Fair, Principles of Economics, Pearson Education, Inc., 8th edition, 2007.
2. A. Koutsoyiannis, (1979), Modern Micro Economics, Palgrave McMillan.
3. G.S. Maddala and Ellen Miller (2004), Micro Economics - Theory and Applications, Tata McGraw Hill, Delhi.
4. Dominick Salvatore 'Microeconomic Theory' Schaum's Outline series: Tata Magrahill.
5. Hal R. Varian, Intermediate Microeconomics: A modern Approach, WW Norton and Co.

**Course No.** ECON303  
**Course title:** Principles of Macroeconomics–I  
**Nature of Course:** DSC – III  
**Number of credits:** 6  
**Number of Lectures (L): Practical (P): Tutorial (T):** 74:0:16

### Course Description

This course introduces students to the basic concepts in Macroeconomics. Macroeconomics and deals with the aggregate economy. In this course the students are introduced to the definition, measurement of the macroeconomic variables such as GDP, consumption, savings, investment and balance of payments. The course also discusses various theories of determining GDP in the short run.

### Course Outline

Unit	Title	Credits	
		L	T
I.	<b>Introduction to Macroeconomics and National Income Accounting</b> What is macroeconomics? Macroeconomic issues in an economy. National Income Accounting: Concepts of GDP and National Income; measurement of national income and related aggregates; nominal and real income; limitations of the GDP concept.	18	4
II.	<b>Classical and Keynesian Theory of Macroeconomics</b> Classical assumptions, Say's Law of Market, Classical theory of employment, output, prices and interest, Limitations of Classical Theories. Keynesian theory of employment: Determination of effective demand, Comparison and contrast between Classical and Keynesian contribution, Relevance of Keynesian economics to developing countries.	20	4
III.	<b>Consumption, Saving and Investment Functions</b> Concepts of MPS, APS, MPC, APC, MPI, API. Keynes Psychological Law of Consumption. Determinants of Consumption. Saving and Investment: Equality between saving and investment. Factors determining Investment. Marginal Efficiency of Capital (MEC), Business expectations and secular stagnation.	19	4
IV.	<b>Money in a Modern Economy</b> Concept of money in modern economy; monetary aggregates; demand for money; quantity theory of money; liquidity preference and rate of interest; money supply; credit creation; monetary policy.	17	4

### **Suggested Readings:**

1. Case, Karl E. & Ray C. Fair, *Principles of Economics*, Pearson Education, Inc., 8th edition, 2007.
2. Errol D'Souza, 'Macro Economics', Pearson Education 2008.
3. Sikdar, Shoumyen, *Principles of Macroeconomics*, 2<sup>nd</sup> Edition Oxford University Press, India.
4. Eugene Diulio (2004), *Macro Economics*, Schaum's Outline Series, Tata McGraw Hill, New Delhi.
5. Branson, W.A., *Macroeconomic Theory and Policy*, Harper & Row, New York.
6. Shapiro, Edward (1982), *Macro Economic Analysis*, Galgotia Publications (reprint edition).
7. Gregory Mankiw, 'Macro economics' 6th Edn. Tata McGraw Hill.
8. Lipsey R. and A Chrystal, *Economics* (11th Edition) Oxford University Press New Delhi.

**Course No.** ECON404  
**Course title:** Principles of Macroeconomics–II  
**Nature of Course:** DSC – IV  
**Number of credits:** 6  
**Number of Lectures (L): Practical (P): Tutorial (T):** 74:0:16

### Course Description

This is a sequel to Principles of Macroeconomics–I. It analyses various aspects of macroeconomics in greater detail. It also introduces the student to concept of inflation, its relationship with unemployment and some basic concepts in an open economy.

### Course Outline

Unit	Title	Credits	
		L	T
I.	<b>Multiplier and Accelerator</b> Investment Multiplier: Its working and leakages, Importance and critique. Acceleration Principle: contribution of Samuelson's and Hicks; Super Multiplier; Basic Concept of Business Cycle (excluding theories).	20	4
II.	<b>Theories of Money and Inflation</b> Value of money, Fisher's equation, Cambridge equation, Keynesian theory of money and prices, Milton Friedman's Restatement of Quantity theory of money. Inflation and Unemployment: Concept of inflation; determinants of inflation; relationship between inflation and unemployment: Phillips Curve in short run and long run.	18	4
III.	<b>IS-LM Analysis</b> Equilibrium of monetary and real sector: Classical and Keynesian Dichotomy; Derivation, Properties, Shifts of IS and LM Curves; Simultaneous Equilibrium in monetary and real sector.	18	4
IV.	<b>Balance of Payments and Exchange Rate</b> Balance of payments: Capital and Current Accounts, Causes and Consequences of Disequilibrium in Balance of Payments. Market for foreign exchange: determination of exchange rate under Fixed and Flexible Exchange Rates. Balance of Payments Adjustment under Fixed and Flexible Exchange Rates.	18	4

### **Suggested Readings:**

1. Case, Karl E. & Ray C. Fair, *Principles of Economics*, Pearson Education, Inc., 8<sup>th</sup> edition, 2007.
2. Errol D'Souza – 'Macro Economics' – Pearson Education 2008.
3. Sikdar, Shoumyen, *Principles of Macroeconomics*, 2<sup>nd</sup> Edition, Oxford University Press, India
4. Edward Shapiro – 'Macro economic Analysis' Oxford University press.
5. Gregory Mankiw – 'Macro economics' – 6th Edn. Tata McGraw Hill.
6. Richard T. Frogmen – 'Macro economics', Pearson education.
7. Eugene Diutio – Macro economic Theory, Shaum's Outline series. Tata McGraw Hill



## SYLLABUS: DISCIPLINE SPECIFIC ELECTIVE

Semester	Discipline Specific Elective (DSE)	Course Code
V	<b>DSE – GROUP I</b>	
	DSE 1: Public Finance	ECON505
	DSE 2: Economic History of India 1857 – 1947	ECON506
	DSE 3: Development Economics	ECON507
	DSE 4: Basic Econometrics	ECON508
VI	<b>DSE – GROUP II</b>	
	DSE 5: Money and Banking	ECON609
	DSE 6: International Economics	ECON610
	DSE 7: Mathematical Economics	ECON611
	DSE 8: Project Work	ECON612

**Course No.** ECON505  
**Course title:** Public Finance  
**Nature of Course:** DSE – 1  
**Number of credits:** 6  
**Number of Lectures (L): Practical (P): Tutorial (T): ): 74:0:16**

### Course Description

This course provides an overview of government finances with special reference to India. It looks into the efficiency and equity aspects of taxation of the centre, states and the local governments and the issues of fiscal federalism and decentralization in India. The course will be useful for students aiming towards careers in the government sector, policy analysis, business and journalism.

### Course Outline

Unit	Title	Credits	
		L	T
I.	<b>Public Finance: An Introduction</b> Meaning and definition of public finance – Public finance and private finance – the principle of Maximum Social advantage. Market Failure; Private Goods, Public Goods and Merit Goods. Overview of Different Role of Government: Allocation, Stabilization and Distribution.	18	4
II.	<b>Taxation</b> Revenue-Meaning, source, tax and non-tax revenue and importance – Canons of Taxation. Types of tax: Direct and indirect taxes, Progressive, proportional and regressive taxation, single and multiple taxation. Current Issues of India's Tax System. Effects of taxation. Taxable Capacity: Determinants of taxable capacity. Shifting and incidence of taxes. Distinction between impact and incidence of taxation. Factors affecting incidence of tax. Tax evasion.	20	4
III.	<b>Public Expenditure and Public Debt</b> Public Expenditure: classification of public expenditure. Causes and growth of public expenditure. Effects of public expenditure on production, employment and distribution. Growth of public expenditure. Public Debt: Meaning and classification. Need for public borrowing – Effects of public debt on production, consumption and distribution. Burden of public debt. Redemption of public debt. Growth of public debt.	19	4
IV.	<b>Public Finance in India</b> Indian Fiscal Policy, Budget: Concepts, instruments and objectives Types of Government Budgets: Revenue Account, Capital Account and Different Concepts of Budgetary Deficits in the Indian Context. Economic and Functional Classification of Central Govt. Budgets. Fiscal Federalism in India; Center State Financial Relations and Evaluation of Previous and Features of Latest Finance Commission. State and Local Finances.	17	4

#### **Suggested Readings:**

1. Harvey Rosen, (2008) Public Finance, McGraw Hill, New York.
2. Bernard P. Harbar, Modern Public Finance (Richard Irvin Inc)
3. H.L. Bhatia., Public Finance, Vikas Publishing House Pvt Ltd., New Delhi (recent edition)
4. Musgrave and Musgrave (1984), Public Finance in Theory and Practice, McGraw Hill, New Delhi (reprint edition)
5. Joseph Stiglitz, Economics of Public sector, Norton, New York (recent edition)

**Course No.** ECON506  
**Course title:** Economic History of India 1857 – 1947  
**Nature of Course:** DSE – 2  
**Number of credits:** 6  
**Number of Lectures (L): Practical (P): Tutorial (T):** 74:0:16

### Course Description

This course analyses key aspects of Indian economic development during the second half of British colonial rule. This course links directly to the course on India's economic development after independence in 1947.

### Course Outline

Unit	Title	Credits	
		L	T
I.	<b>Introduction</b> Colonial India: Background and Introduction, Overview of colonial economy. Macro Trends: National Income; population; occupational structure.	18	4
II.	<b>Agriculture, Railways and Industry</b> Agrarian structure and land relations; agricultural markets and institutions –credit, commerce and technology; trends in performance and productivity; famines. Railways; the de-industrialisation debate; evolution of entrepreneurial and Industrial structure; nature of industrialisation in the interwar period; constraints to industrial breakthrough; labor relations.	17	4
III.	<b>Economy and State in the Imperial Context</b> The imperial priorities and the Indian economy; drain of wealth; international trade, capital flows and the colonial economy – changes and continuities; government and fiscal policy.	19	4
IV.	<b>Indian Economic Thought</b> Economic Thought of R.C Dutt; D. Naoroji; M.G. Ranade, G.K. Gokhale; M.K. Gandhi; B.R. Ambedkar and J.L. Nehru.	20	4

### **Suggested Readings:**

1. Lakshmi Subramanian, "History of India 1707-1857", Orient Blackswan, 2010, Chapter 4.
2. Sumit Guha, 1991, Mortality decline in early 20th century India', Indian Economic and Social History Review (IESHR), pp 371-74 and 385-87.
3. Tirthankar Roy, The Economic History of India 1857-1947, Oxford University Press, 3rd edition, 2011.
4. J. Krishnamurty, Occupational Structure, Dharma Kumar (editor), The Cambridge Economic History of India, Vol. II, (henceforth referred to as CEHI), 2005, Chapter 6.
5. Irfan Habib, Indian Economy 1858-1914, A People's History of India, Vol.28, Tulika, 2006.
6. Ira Klein, 1984, —When Rains Fail: Famine relief and mortality in British India, IESHR 21.
7. Jean Dreze, Famine Prevention in India in Dreze and Sen (eds.) Political Economy of Hunger, WIDER Studies in Development Economics, 1990, pp.13-35.
8. John Hurd, Railways, CEHI, Chapter 8, pp.737-761.
9. Rajat Ray (ed.), Entrepreneurship and Industry in India, 1994.
10. AK Bagchi, —Deindustrialization in India in the nineteenth century: Some theoretical implications, Journal of Development Studies, 1976.
11. MD Morris, Emergence of an Industrial Labour Force in India, OUP 1965, Chapter 11, Summary and Conclusions.
12. B.R. Tomlison, 1975, India and the British Empire 1880-1935, IESHR, Vol.XII.
14. Dharma Kumar, The Fiscal System, CEHI, Chapter 12.
15. Basudev Chatterjee, Trade, Tariffs and Empire, OUP 1992, Epilogue.
16. Daniel Thorner, Agrarian Prospect in India, 1977.

**Course No.** ECON507  
**Course title:** Development Economics  
**Nature of Course:** DSE – 3  
**Number of credits:** 6  
**Number of Lectures (L): Practical (P): Tutorial (T):** 74:0:16

### Course Description

This course reviews major trends in aggregate economic indicators in India and places these against the backdrop of major policy debates in India in the post- Independence period.

### Course Outline

Unit	Title	Credits	
		L	T
I.	<b>Economic Development: Meaning and Measurement</b> Meaning of economic development. Distinction between growth, development and sustainable development. Features of underdevelopment. Factors affecting economic development. Economic development and human welfare. Measurement of economic development. Limitations of using per capita income as a measure. Alternative measures: PQLI, HDI, Human Poverty Index, Gender Development Index, Kuznet's inverted 'U' hypothesis.	20	4
II.	<b>Factors in Development and Indian Development Experience</b> Capital formation (Physical and Human); technology; institutions. Indian Development Experience: Critical evaluation of growth, inequality, poverty and competitiveness, pre and post reforms era.	18	4
III.	<b>Theories of Under Development and Development</b> Theories of Under Development: The Vicious Circle of Poverty, Low Level Equilibrium Trap, circular causation and backwash effect, dualism. Theories of Development: classical theories (Smith, Ricardo, Malthus), Marxian theory of capitalist development.	19	4
IV.	<b>Theories of Development</b> Classical theories (Smith, Ricardo, Malthus); Marxian theory of capitalist development. Big push, Balanced vs Unbalanced growth. Balance between agriculture and industry, import substitution vs export promotion, neo-liberal vs interventionist policies.	17	4

#### **Suggested Readings:**

1. AK Bagchi - The Political Economy of Development – Orient Longman
2. Todaro and Smith, Economic Development, Pearson Education, New Delhi (recent edition).
3. Thirlwall (recent edition), Growth and Development with Special Reference to Developing Countries (recent edition) Palgrave McMillan, New Delhi.
4. Benjamin Higgins (1968), Economic Development, Universal Book Stall, New Delhi.
5. Meier, G.M. and J.E. Rauch (2007), Leading Issues in Economic Development, Oxford University Press, New Delhi.

**Course No.** ECON508  
**Course title:** Introductory Econometrics  
**Nature of Course:** DSE – 4  
**Number of credits:** 6  
**Number of Lectures (L): Practical (P): Tutorial (T):** 74:16:00

### Course Description

This course provides a comprehensive introduction to basic econometric concepts and techniques. It covers statistical concepts of hypothesis testing, estimation and diagnostic testing of simple and multiple regression models.

### Course Outline

Unit	Title	Credits	
		L	P
I.	<b>Elements of Statistical Inference</b> Concepts of population, samples, parameter and statistic; Estimation theory: Point Estimation small sample properties, asymptotic properties, Interval Estimation, Testing of hypotheses: Null v/s Alternative hypothesis, Simple and Composite hypotheses, Procedure for testing of hypotheses; Type I and Type II errors; power of a test; level of significance, Confidence Interval, confidence limits, Degrees of freedom.	20	4
II.	<b>Simple Linear Regression Models</b> Two-variable linear regression model, Assumptions under CLRM, OLS method of estimation, Importance of stochastic error term, Properties of an estimator, Variance and covariance of the OLS estimator, Gauss-Markov theorem.	19	4
III.	<b>Multiple Regression Models</b> k-variable linear regression model, least squares estimators, Properties, R square and Adjusted R square, ANOVA.	18	4
IV.	<b>Regression with Dummy Variables</b> Dummy independent variables-dummy variable trap, Structural change Model, Interaction effects, Seasonal analysis of time series, Piecewise linear regressions.	17	4
<b>Suggested Readings:</b> 1. Kotsoyiannis, A.. Basic Econometrics. McGraw Hill, New Delhi. 2. Johnston J. Econometrics Methods, McGraw Hill 3. Kmenta J. Elements of Econometrics. University of Michigan Press 4. Maddala G. S. Econometrics Methods and Application. E. Elgar Pub 5. Richard J. Larsen and Morris L. Marx, An Introduction to Mathematical Statistics and its Applications, Prentice Hall, 2011. 6. D. N. Gujarati and D.C. Porter, Essentials of Econometrics, McGraw Hill, 4th edition, International Edition, 2009.			

**Course No.** ECON609  
**Course title:** Money and Banking  
**Nature of Course:** DSE – 5  
**Number of credits:** 6  
**Number of Lectures (L): Practical (P): Tutorial (T):** 74:0:16

### Course Description

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

### Course Outline

Unit	Title	Credits	
		L	T
I.	<b>Money: Theory and Approaches</b> Money: Concept, functions, measurement; theories of money supply determination. Role of money in capitalist, socialist and mixed economies. System of note issues in India. Interest Rates: Determination; sources of interest rate differentials; theories of term structure of interest rates; interest rates in India.	18	4
II.	<b>Financial Institutions, Markets, Instruments and Financial Innovations</b> 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.	20	4
III.	<b>Commercial Banking</b> Banking: Meaning and types of Banks. Indian banking system: Changing role and structure; banking sector reforms. Functions of Commercial banks. Process of credit creation. Purpose and limitations. Commercial banking in India. Nationalization of commercial banks in India. Recent reforms in banking sector in India.	19	4
IV.	<b>Central Banking and Monetary Policy</b> Central Bank: Functions of Central Bank. Quantitative and qualitative methods of credit control. Role and functions of the Reserve Bank of India. Monetary Policy: goals, targets, indicators and instruments of monetary control; monetary management in an open economy; current monetary policy of India.	17	4
<b>Suggested Readings:</b> <ol style="list-style-type: none"> <li>1. F. S. Mishkin and S. G. Eakins, Financial Markets and Institutions, Pearson Education, 6th edition, 2009.</li> <li>2. F. J. Fabozzi, F. Modigliani, F. J. Jones, M. G. Ferri, Foundations of Financial Markets and Institutions, Pearson Education, 3rd edition, 2009.</li> <li>3. L. M. Bhole and J. Mahukud, Financial Institutions and Markets, Tata McGraw Hill, 5th edition, 2011.</li> <li>4. M. Y. Khan, Indian Financial System, Tata McGraw Hill, 7th edition, 2011.</li> <li>5. Gupta, Suraj B. Money and Banking.</li> <li>6. Various latest issues of R.B.I. Bulletins, Annual Reports, Reports on Currency and Finance and Reports of the Working Group, IMF Staff Papers</li> </ol>			

**Course No.** ECON610  
**Course title:** International Economics  
**Nature of Course:** DSE – 6  
**Number of credits:** 6  
**Number of Lectures (L): Practical (P): Tutorial (T):** 74:0:16

### 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. The basic aim of this course is to link international trade relations and its impact on exports of nations.

### Course Outline

Unit	Title	Credits	
		L	T
I.	<b>Introduction to International Trade and Trade Theories</b> Nature and importance of International Trade - Inter-Regional and International Trade. Theories of Absolute Advantage, Comparative Advantage and Opportunity Costs, Heckscher-Ohlin Theory of Trade – Its main Features, Assumptions and Limitations; Leontief Paradox.	18	4
II.	<b>Terms of Trade, Tariff and Economic Integration</b> Terms of Trade: Concept, Measurement and Effects on Nation's Welfare. Trade Policy: Arguments for and against Free Trade and Protection. Tariff and Non-Tariff Barriers: Economic Effects. Economic Integration: Concept and Forms of Regional Integration; Static and Dynamic Effects of Custom Union.	20	4
III.	<b>Balance of Payment</b> BOT, BOP, Current Account, Capital Account, Visible and Invisible, causes and consequences of 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.	19	4
IV.	<b>Foreign Exchange Rate</b> Exchange Rate - Meaning - Demand and supply of Foreign Exchange; Types of Exchange Rate: Fixed Vs Flexible Exchange Rate. Theories of Foreign Exchange Rate: The Mint-Parity Theory, The Purchasing Power Parity Theory, BOP Theory. Objectives, Functions and Role of IMF, IBRD and WTO.	17	4
<b>Suggested Readings:</b> <ol style="list-style-type: none"> <li>1. Salvatore, Dominick, 'International Economics', Weily India New Delhi.</li> <li>2. Mannur, H.G. 'International Economics', Vikas Publishing House</li> <li>3. C.P. Kindleberger 'International Economics', R D Irwin, Homewood 8<sup>th</sup> Ed.</li> <li>4. Bo Soderstein and Geoffrey Reed 'International Economics' MacMillan.</li> <li>5. Francis Cherumilam - 'International Economics'</li> <li>6. Errol D'Souza, 'Macro Economics', Pearson Education 2008.</li> <li>7. RBI bulletin, Various issues.</li> </ol>			

**Course No.** ECON611  
**Course title:** Mathematical Economics  
**Nature of Course:** DSE – 7  
**Number of credits:** 6  
**Number of Lectures (L): Practical (P): Tutorial (T):** 74:0:16

### Course Description

The main objective of this paper is to train the students to use the techniques of mathematical and statistical analysis, which are commonly applied to understand and analyze economic problems. The emphasis of this paper is on understanding economic concepts with the help of mathematical methods rather than learning mathematics itself. Hence in this paper a student will be initiated into various economic concepts, which are amenable to mathematical treatment.

### Course Outline

Unit	Title	Credits	
		L	T
I.	<b>Introductory Concepts</b> Set and set theories. Equations of Straight Line. Concept of slope and Intercept. Point of intersection of two lines. Application of straight lines in Economics: Demand and supply analysis, determination of equilibrium price and quantity. Arithmetic and Geometric Progressions and their Applications.	18	4
II.	<b>Differentiation</b> Functions: Constant, Polynomial; Relation and Function. Simple Differentiation and economic applications, Marginal utility, marginal revenue and marginal cost, Elasticity. Partial derivatives and economic applications (homogeneous functions and Euler's Theorem, Partial Elasticity). Maxima and Minima of Functions of One and Two Variables; unconstrained Optimization Problem.	20	4
III.	<b>Concept of Matrix and Determinant</b> Matrices: Meaning and types of matrices, Operation of Matrices: Addition, subtraction, multiplication (3x3), division. Determinant, Properties of determinant (without proof). Rank of matrix, trace, adjoint and inverse of a matrix, solution to linear equations - Cramer's rule - Inverse method. Application in economics.	18	4
IV.	<b>Input – Output &amp; Linear Programming</b> Input- Output Model: technological coefficient Matrix (2 sector & 3 Sector Model), Hawkins Simons Conditions. Static Leontief Solution. Linear Programming: Meaning, Basic concepts, Primal and Dual, Nature of feasible, basic and feasible solution, Graphical solution to linear programming problem (only two variables).	18	4

#### **Suggested Readings:**

1. Allen, R.G.D (1974) Mathematical Analysis for Economics, McMillan Press, London. (reprint edition)
2. Chiang, A.C., Fundamental Methods of Mathematical Economics, McGraw Hill, New Delhi (recent edition).
3. Jeffrey Baldani et al. (2009), An Introduction to Mathematical Economics, Cengage Learning, Delhi.
4. Taro Yamane, Mathematics for Economist, Prentice- Hall of India.



**Course No.** ECON612  
**Course title:** Project Work  
**Nature of Course:** DSE – 8  
**Number of credits:** 6  
**Number of Lectures (L): Practical (P): Tutorial (T):** 15:75:00

**Course Description**

Project Work is one of the culmination points of the learning process, which will put to test the acquired ability of the candidate to independently take the charge of the project and use the understanding of economics developed in previous semesters to evaluate/analyze economic issues.

**Course Outline**

The project *must* relate to economic issues/problems. The Project shall consist of the following components:

The Project will involve an extended, independent investigation of a topic and preparation of a 20,000 – 24,000 words dissertation. The chosen research area must be of a nature that incorporates an in depth exploration of economic concepts, theories and issues so as to produce a rigorous dissertation.

**A Dissertation that comprises purely descriptive material will not be acceptable.**

The dissertation must contain between 50-60 A4 pages printed on both sides. Font must be “Times New Roman”, font size 16 (heading), 14 (Sub-Headings) and 12 (text). Line spacing 1.5 inches, page indent Left 1.5 inches, Right, Top and Bottom 1 inch.

Note: Font size of tables may vary as per requirement.

**Structure of Dissertation**

Structure is important because it dictates the topics discussed and the order in which they are organized. An ideal Dissertaion should comprise the following sequence:

1. Cover Page 2. Title Page 3. Acknowledgements 4. Table of Contents 5. List of Tables & 6. List of Figures/Illustrations 7. Abbreviations (if any) 8. Abstract 9. Introduction	10. Review of Literature 11. Research Design/ Methodology 12. Results and Analysis 13. Discussion of Implications 14. Conclusions and/or Recommendations for Further Study 15. References 16. Annexure(s) (if any)
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Evaluation of the project work (ESE for 70% marks) will be based on dissertation and presentation along with continuous evaluation (CCA for 30% marks).

**NOTE:** The 70:30 marking ratio shall be as follows: 30 marks for synopsis submission (CCA - mid semester) and remaining 70 marks (ESE) to be distributed as 50 marks for Dissertation + 20 marks for Viva Voce. Therefore 30 + (50 + 20) = 100 marks.

## Syllabus: Skill Enhancement Course (SEC)

Semester	Skill Enhancement Course (SEC)	Course Code
III	<b>SEC – I</b>	
	SEC 1: Introduction to Statistics	ECON313
	SEC 2: Economics of Rural Development	ECON314
IV	<b>SEC – II</b>	
	SEC 3: Research Methodology	ECON415
	SEC 4: Economy of Himachal Pradesh	ECON416
V	<b>SEC – III</b>	
	SEC 5: Indian Economy	ECON517
	SEC 6: Emerging Areas in Economic Studies	ECON518
VI	<b>SEC – IV</b>	
	SEC 7: Demography	ECON619
	SEC 8: Money and Financial Markets	ECON620

**Course No.** ECON313  
**Course title:** Introduction to Statistics  
**Nature of Course:** SEC – 1  
**Number of credits:** 4  
**Number of Lectures (L): Practical (P): Tutorial (T):** 44:16:00

### Course Description

This course introduces the student to collection and presentation of data. It also discusses how data can be summarized and analysed for drawing statistical inferences. The students will be introduced to important data sources that are available and will also be trained in the use of free statistical software to analyse data.

### Course Outline

Unit	Title	Credits	
		L	P
I.	<b>Sampling and Sampling Design</b> Types of Data: Univariate and Bivariate data, qualitative and quantitative data; nominal and ordinal data, Cross-section and Time Series. Sources of data: Primary and Secondary data. Collection of Statistical Data: Census and sample Method. Sampling methods: Probability and Non Probability Sampling Methods. Merits and demerits of census and sampling. Sampling and Non-Sampling Errors.	10	4
II.	<b>Central Tendency &amp; Dispersion</b> Objectives of Averaging, Requisites of a Good Average. Arithmetic Mean, Median, Mode, Geometric Mean and Harmonic Mean. Limitations of Averages. Dispersion: Meaning and significance of dispersion. Measures of dispersion: Range, Quartile Deviation, Mean Deviation, Standard Deviation, Coefficient of Variation, Variance, Absolute and Relative measures of variation.	12	4
III.	<b>Correlation &amp; Regression</b> Correlation: Meaning, Significance of the Study of Correlation. Types of Correlation: Positive, Negative, Partial, Multiple, Linear and Non-Linear. Methods of Studying Correlation: Karl Pearson's Coefficient of Correlation, Spearman's Rank Correlation. Regression: Meaning: Difference between Correlation and Regression; Regression Equations of X on Y and Y on X Only; Regression Coefficients. Elementary application of regression in demand, supply, consumption and investment functions.	11	4
IV.	<b>Time Series and Index Numbers:</b> Time Series Analysis – Concept and Components, Determination of trend (Linear, Quadratic and Exponential). Index Numbers – Concept, Price Relative, Quantity Relative and Value Relative, Laspeyer's, Paasche's and Fisher's Index Numbers; Problems in the Construction and Limitation of Index Numbers; Tests of an Ideal Index Number.	11	4
<b>Suggested Readings:</b> 1.. Elhance & Elhance, Fundamentals of Statistics, Kitab Mahal, New Delhi. 2. Lind D.A., W.G. Marchal and S.A Wathen., Statistical Techniques in Business and Economics, Tata Mc Graw Hill, New Delhi. 3. Yamane, Taro. Statistics. 4. Goon A.M., Gupta M.K., Das Gupta.B. (1999): Fundamentals of Statistics, Vol.II, World Press, Calcutta. 5. Meyer P.L (1970): Introductory Probability and Statistical applications. Addison Wesley. 6. Spiegel, M. R. (1967): Theory & Problems of Statistics, Schaum's Publishing Series. 7. Croxton F.E, Cowden D.J and Kelin S (1973): Applied General Statistics, Prentice Hall of India.			

**Course No.** ECON314  
**Course title:** Economics of Rural Development  
**Nature of Course:** SEC – 2  
**Number of credits:** 4  
**Number of Lectures (L): Practical (P): Tutorial (T):** 60:00:00

### Course Description

This course is designed to instill in the student a deeper understanding of rural development and issues therein. The student is expected to also achieve an appreciation of institutional efforts aimed at achieving rural development.

### Course Outline

Unit	Title	Credits
		L
I.	<b>Introduction of Rural Economy</b> Characteristics of rural economy, Social Aspects of India's Rural Areas, Barter System, Non-monetized Sector, Economic Characteristics Land and Asset Distribution. Agricultural Income, Vagaries of Monsoon, Agricultural Marketing, Agricultural Price Policy, Farm and Non-farm Income, Marketed and Marketable Surplus.	15
II.	<b>Unemployment and Poverty</b> Rural Unemployment: Types and Magnitude, Agricultural Labour, Marginal Productivity. Agricultural Wages, Wage Fixation: Minimum Wages Act. Rural Employment programmes, Employment Guarantee Act: MGNREGA. Rural Poverty: Nature, Trends, Causes and Consequences. Evaluation of Poverty Alleviation Programmes of Government.	16
III.	<b>Rural Indebtedness</b> Meaning of rural indebtedness, Rural Finance, Causes and magnitude of rural indebtedness, Sources of rural credit, Organized and unorganized, Money lenders, Indigenous Bankers, Co-operatives, Commercial Banks, Regional Rural Banks – NABARD.	14
IV.	<b>Decentralisation, Infrastructure and Rural Marketing</b> Critical evaluation of Panchayati Raj Institutions in rural development. Rural Infrastructure, Rural Industrialization. Agro-based Industries. Cooperative societies, Rural Marketing. Cooperative Marketing. Role of Self Help Groups.	15
<b>Suggested Readings:</b> <ol style="list-style-type: none"> <li>1. Gerald, Meir: Leading Issues in Rural Development, Oxford University Press, New Delhi</li> <li>2. Agarwal A.N., Kundan Lal, Rural Economy of India, Vikas, Delhi, 1990.</li> <li>3. L.C. Jain, Grass Without Roots, Oxford Publishing House.</li> <li>4. Patel, K.V, Shan A.C, and Mello L.D, Rural Economics, Himalya, Mumbai, 1984.</li> <li>5. Singh, Katar.: Rural Development – Principles, Policies and Management, Sage Publications. New Delhi</li> <li>6. Reddy, Venkata, K.: Agriculture and Rural Development (A Gandhian Perspective), Himalaya Publishing House.</li> <li>7. Sundaram, Satya, I.: Rural Development, Himalaya Publishing</li> <li>8. Todaro, Michael P.: Economic Development, Pearson Education.</li> </ol>		

**Course No.** ECON415  
**Course title:** Research Methodology  
**Nature of Course:** SEC – 3  
**Number of credits:** 4  
**Number of Lectures (L): Practical (P): Tutorial (T):** 44:16:00

### Course Description

This course is designed to rigorously train the students in the concepts, methodology and reasoning involved in analyzing economic behavior of firms and markets, in general, in both static and partial equilibrium frameworks.

### Course Outline

Unit	Title	Credits	
		L	P
I.	<b>Introduction to Research Methodology</b> Research: concept, meaning, significance, types, approaches; Criteria of good research; Research problem: selection, need, techniques involved; Reviewing and reporting Literature, Research Design: Meaning, need and Types. Data Collection Techniques: Questionnaire Method: Types, Format and Pre-Testing of Questionnaires. Techniques for Increasing Response of Respondents. Interview Method: Types, Process and Rules of Interviews. Factors affecting interview. Interviewer's Bias. Selection and Training of Interviewers. Observation Method: Types of Observations.	10	4
II.	<b>Measurement and Scaling Techniques</b> Measurement Scales: Different types of scales - nominal, ordinal, ratio and interval. Accuracy of Measurement and Testing of Reliability. Increasing Reliability. <b>Sampling Techniques:</b> sampling techniques: Probability Vs Non-probability sampling methods (Merits, Demerits and Applications).	12	4
III.	<b>Testing of Hypotheses:</b> Hypothesis: Meaning, and formulation. Types of hypothesis - Procedure for testing hypothesis -Type-I and Type-II errors. One tail, 2-tail test. Parametric Tests: Applications of t, z, and F-test Statistics. Non-Parametric Tests: Application of Chi-Square.	11	4
IV.	<b>Data Preparation, Analysis and Report Writing</b> Process of data analysis - Editing, coding, tabulation, diagrams. Use of computers: coding, data tabulation and graphic presentation of the data. Report writing: Significance of report writing. Different steps in writing the report - Mechanics of writing a research report. Ethics in research. Presentation of Research Report.	11	4

### **Suggested Readings:**

1. Goode and Hatt, Research Methodology, Prentice Hall Publications, 1959.
2. Kothari, C.R. Research Methodology, Methods and Techniques, New Age International Publisher.
3. Donald R. Cooper and Pamela S. Schindler, Business Research methods, 9th Edition, Tata McGrawHill, 2006.
4. Ghosh, B.N. Research Methodology, Himalayan Publishing House, New Delhi.
5. Alan Bryman and Emma Bell, Business Research methods, Oxford University Press, New Delhi, 2008.
6. Uma Sekaran, Research methods for Business, Wiley India, New Delhi, 2006.
7. K. N. Krishnaswamy, Appa Iyer Sivakumar and M. Mathirajan, Management Research Methodology, Pearson Education, New Delhi, 2006.
8. Sadhu A.N. and A. Singh, Research Methodology in Social Sciences, Himalaya Publishing House.
9. Gopal, M.H., Research Methodology in Social Sciences, Asia Publishing House, New Delhi.

**Course No.** ECON416  
**Course title:** Economy of Himachal Pradesh  
**Nature of Course:** SEC – 4  
**Number of credits:** 4  
**Number of Lectures (L): Practical (P): Tutorial (T):** 60:00:00

### Course Description

This course highlights the basic features, characteristics and developmental issues of the Himachal Pradesh economy.

### Course Outline

Unit	Title	Credits
		L
I.	<b>Features of Himachal Pradesh Economy</b> Resource endowment - Land, Water, Minerals, Forests, Demographic Trends, Human Development Index. Trends in State income – Structural growth before and after reforms, Sources of State Finances. Targets and Achievements of Plans and current year Budget.	15
II.	<b>Agriculture and Horticulture of Himachal Pradesh</b> Role of Agriculture and Horticulture in State Domestic Product Cropping pattern, Productivity and yield of major crops, Agricultural marketing, Agricultural finance, Marginalization and Agricultural Diversification in Himachal Pradesh. Trends in Fruit and vegetable Production and Productivity. Critical evaluation of government policies on agriculture and horticulture sector.	16
III.	<b>Industrial and Power Sector of Himachal Pradesh</b> Trends and patterns in industrial growth, large scale and small scale industries of Himachal Pradesh, Labour Welfare measures and skill development programmes. Trends in hydro power generation in Himachal Pradesh. Environmental issues related to Industrilisation and power projects in Himachal Pradesh.	14
IV.	<b>Infrastructure and Tourism of Himachal Pradesh</b> Transport: road, rail and air. Banking, Housing, Social Welfare, Education and health programmes of the State Government. Role of Tourism in the economic development of Himachal Pradesh.	15

### **Suggested Readings:**

1. Economic Survey, Various Issues, Department of Economics and Statistics, GoHP.
2. Himachal Pradesh Development Report, Planning Commission. Gol.
3. Sharma, L.R. (1987), The Economy of Himachal Pradesh: Growth and Structure: a Study in Development Performance, Mittal Publishing.
4. Ashok Kumar Tiwari, 2000, Infrastructure and economic development in Himachal Pradesh, Indus Publishing.
5. Y.S. Parmar, Years of Challenge and Growth, Rubicon Publishing House.
6. L.R. Sharma, (2005), Quality of Life in Himalayan Region, Indus Publishing.
7. Mian Goverdhan Singh, History, Culture and Economy of Himachal Pradesh, Minerva Book House.

**Course No.** ECON517  
**Course title:** Indian Economy  
**Nature of Course:** SEC – 5  
**Number of credits:** 4  
**Number of Lectures (L): Practical (P): Tutorial (T):** 60:00:00

### Course Description

This course is designed to enable students to have in-depth knowledge of various problems and issues faced by Indian Economy. The course will concentrate on both the achievements and the issues of the economy.

### Course Outline

Unit	Title	Credits
		L
I.	<b>Understanding the Indian Economy</b> Impact of colonization on Indian Economy. Post-Independence Economy; Planning for the economy – objectives, strategy and achievements (Plan wise details to be excluded). State of the Economy in 1991. Features of the Economic Reforms and Structural Adjustment Programme: Liberalization, Privatization and Globalization. Appraisal of Economic Reform Programme. Relevance of planning in the context of globalization, Objectives and Functions of NITI Aayog.	15
II.	<b>Problems Faced by Indian Economy</b> 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. Food problem and food security, Role of Public Distribution System (PDS) in India. Direct Cash Transfer Scheme of Government.	16
III.	<b>Agriculture in India</b> Pattern of Growth of Indian Agriculture since 1950; Land Reforms, Green Revolution, Agricultural Production, Productivity. Factors Influencing Agricultural Development: Marginalisation, Labour, Marketing and Finance. Issues and challenges in agricultural credit and subsidy. Deceleration in the 1990s – Causes and Future Challenges. Economic Liberalization and Emerging Trends in Indian Agriculture. New Agricultural Policy (In the context of liberalization.)	15
IV.	<b>Industries in India</b> Role of Industry in Economic Development. Pattern of Industrialization, Industrial development during the plan period. Role, Growth and Problems of Cottage, small scale and Medium scale industries in India. Industrial Policy: 1948, 1956 and 1991 and Recent Developments. Impact of New Industrial Policy on Industrial Sector.	14

### **Suggested Readings:**

1. U. Kapila (2010): Indian economy since Independence. Academic Foundation, New Delhi
2. S. Chakraborty ( ): Development Planning: The Indian Experience. Clarendon Press.
3. Jalan Bimal 1992, The Indian Economy - Problems and Prospects.
4. A. Panagariya (2008): India: the Emerging Giant, Oxford University Press, New York
5. S. Acharya and R. Mohan (Eds.) (2010): India's Economy: Performance and Challenges, Oxford University Press, New Delhi.
6. 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.

**Course No.** ECON518  
**Course title:** Emerging Areas in Economic Studies  
**Nature of Course:** SEC – 6  
**Number of credits:** 4  
**Number of Lectures (L): Practical (P): Tutorial (T):** 60:00:00

### Course Description

This course has been designed to introduce the student to basic economic concepts of emerging areas in economics.

### Course Outline

Unit	Title	Credits
		L
I.	<b>Health Economics</b> Role of Health and Education in Human Development and poverty alleviation; health and education outcomes and their relationship with macroeconomic performance. Demand and Supply of Health Care; uncertainty and health insurance market; alternative insurance mechanisms; market failure and rationale for public intervention; equity and inequality. Evaluation of Health Programs: Costing, cost effectiveness and cost-benefit analysis; burden of disease.	15
II.	<b>Gender Economics</b> Gender Concepts: Sex & Gender, Nature and Types of Gender discrimination, Gender Roles. Demography of female population: Age structure, education, mortality rates, and sex ratio; causes of declining sex ratios and fertility rates in developing countries and particularly India. Economic status of women in agriculture, non-agricultural rural activities, informal sector, cottage and small-scale industries, organized industry and services sector, income level.	16
III.	<b>Environmental Economics</b> Meaning, Importance and Scope of Environmental Economics; The Evolution and Growth of Environmental Economics. The Concept of Externalities, Environment as a Public Good and Market Failure. Economic growth and development; Environmental Kuznet's Curve: Theory and Some Empirical Evidences. Economics of sustainable development; Trade, development and environment under WTO regime. Gender roles and environmental concerns at national and local levels; Gendered impact of pollution and natural hazards; Climate change and gender.	14
IV.	<b>Energy Economics</b> Sources of Energy. Role of Energy in Economic Development. Factors Determining Demand for Energy; Energy Crisis: causes - Consequences and Remedial Measures. Energy Conservation. Renewable and Nonconventional Sources of Energy. The Relative Economics of Thermal, Hydel and Nuclear Power Plants. The Case for a National Power Grid. The Exploitation of Natural Gas. Pricing Problem, Environmental implications. Carbon Credit and Trading, Clean Development Mechanism (CDM).	15

### **Suggested Readings:**

1. Meier, G.M. and J.E. Rauch (2007), Leading Issues in Economic Development, Oxford University Press, New Delhi.
2. Charles Phelps, Health Economics.
3. National Institute of Public Finance and policy (NIPFP); Gender Budgeting in India, www.nipfp.org.in.
4. UNDP - Human Development Reports.
5. Lourdes Beneria and Savithri Biswanath; Gender and Development: Theoretical, Empirical and practical Approaches.
6. Lekha Chakraborti; Invisibility of Women's Work in Budgeting.
7. Katar Singh and Shishodia (2007), Environmental Economics – Theory and Application, Sage Publication, New Delhi.



**Course No.** ECON619  
**Course title:** Demography  
**Nature of Course:** SEC - 7  
**Number of credits:** 4  
**Number of Lectures (L): Practical (P): Tutorial (T):** 60:00:00

### Course Description

The main objective of this paper is to make the students aware of the importance of population in economic development and the various theories that explain the growth of population in a country. The study of Quantitative and Qualitative composition of population is also required to understand the dynamics of population growth.

### Course Outline

Unit	Title	Credits
		L
I.	<b>Theories of Population</b> Theories of Population: Malthus, Optimum, Marxian, Leibenstein, Becker, Demographic Transition Theory and Optimum Population Theory. Population and Economic Development: Utilization of Resources (Boserup Thesis) Technology and Production of Food, Population and Environment.	15
II.	<b>Components of Population Growth</b> Population Structure and Characteristics: Impact of Population Growth on the Age and Gender Structure. Aging of Population. Fertility: Concepts of Fertility Transition. Measurement of Fertility; Factors affecting fertility and Fertility Differentials in India. Mortality: Components and Measurement. causes of high infant mortality rate in developing countries. Mortality Differentials in India.	16
III.	<b>Migration and Urbanization</b> Migration: Concepts, Types, Measurement, Migration Selectivity, Causes and Consequences (Economic and Demographic) of Migration. Migration in India: Causes and Trends, Migration Differentials in India: Rural-Urban, Male-Female. Urbanization: Concepts, Determinants and Consequences. Trends of Urbanization in India.	14
IV.	<b>Growth and Structure of Indian Population</b> Literacy: Literacy Transition in India, Pattern of Literacy and Literacy Differentials in India. Economic Composition of Indian Population: Work Force Participation and Occupational Structure. Population in Estimation of India: Census, Sampling and Vital Registration Methods. Population Policy in India since Independence. National Family Health Survey of India - merits and demerits. National Rural Health Mission.	15

### **Suggested Readings:**

1. Asha Bhende and Tara Kanitkar. 2001. Principles of Population Studies. Revised Edition. Himalya Publishing House.
2. K.B.Pathak and F.Ram. 1995. Techniques of Demographic Analysis. Himalaya Publishing House. Mumbai
3. Bogue, D. J. 1971. Principles of Demography. John Wiley, New York.
4. Keyfitz, 1978. Applied Mathematical Demography. John Willy, New York
5. Mishra, B. D. An Introduction to the Study of Population. South Asian Publishing, N. Delhi.
6. National Family Health Survey Report (Various editions). International Institute for Population Studies, Mumbai.
7. Bose, A. (1996), India's Basic Demographic Statistics, B.R. Publishing Corporation, New Delhi.
8. Bogue, D.J. (1971), Principles of Demography, John Wiley, New York.
9. Chenery H. and T.N. Srinivasan (Eds.) (1989), Hand Book of Development Economics, Vol. 1 & 2 Elsevier.
10. Coale, A.J. and E.M. Hoover (1958), Population Growth and Economic Development in Low Income Countries: A Case Study of India's Prospectus, Princeton University Press, Princeton.
11. Census of India: Various Issues.

**Course No.** ECON620  
**Course title:** Money and Financial Markets  
**Nature of Course:** SEC – 8  
**Number of credits:** 4  
**Number of Lectures (L): Practical (P): Tutorial (T):** 60:00:00

### Course Description

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

### Course Outline

Unit	Title	Credits
		L
I.	<b>Financial System</b> Structure, Role and Significance of Banking and Financial Institutions. Institutional structure in India: Commercial Banks; Cooperative banks; Private sector banks; Non-Bank Financial Intermediaries. Finance Companies: Mutual Funds; Lease finance; Housing Finance; Venture Capital funds; Hedge Funds; Insurance companies; Infrastructure Finance Companies. Function of Financial Markets: Equity Markets; Primary and Secondary Markets; Exchanges and Over-the-Counter Markets; Money and Capital Markets.	15
II.	<b>Money Market</b> Money market: Institutions and constituents of Money Market: Call Money Market; The Discount Market; The 'Parallel' Markets; The Interbank Market; The Market for Certificates of Deposit; The Euromarkets. Monetary Policy and the Money Markets. Regulation of Money Markets and Clearing Houses. Indian Money Market: Participants, Structure and Instruments, Banking Sector Reforms since 1991.	16
III.	<b>Capital Market</b> Capital Market: The Importance of Capital Markets; Characteristics of Bonds and Equities; Bonds: Supply, Demand and Price; Equities: Supply, Demand and Price. The Behavior of Security Prices; Preference Shares; Convertible Debentures; Non-convertible Debentures (NCDs) Partially Convertible debentures (PCDs) - Fully Convertible Debentures (FCDs); Debt with Call and Put Options. Indian Capital Market: Primary and Secondary Market, Growth, Problems and Reforms since 1991.	14
IV.	<b>Regulation of Capital Market and Evolving Areas for Financial Regulations</b> Regulation of Capital Market: Securities Exchange Board of India Regulations; Securities and Exchange Board of India Act, 1992; Prohibited Transactions: Insider Dealing; Market Abuse; Money Laundering. Corporate Governance and Management Guidance and Supervision; Role of stock exchanges and NSDL. Evolving areas for Financial Regulation Subprime Crisis; Regulation of Non-Bank Financial Intermediaries; Mortgage Backed Securities and OTC market; Derivatives Markets - Foreign Exchange Derivatives and Swaps.	15

### **Suggested Readings:**

1. Fabozzi, Frank, Modigliani, Franco, Jones, Frank (Feb 2009), Foundations of Financial Markets and Institutions, International Edition, 4th Edition, Pearson Higher Education.
2. Mishkin, Frederic S. Find all the books, read about the author, and more.
3. Eakins, Stanley G. (2005), Financial Markets and Institutions (5th Edition), Addison Wesley.
4. Howells, Peter, Bain, Keith (2007), Financial Markets and Institutions, 5th Edition
5. Madura, Jeff (2008), Financial Markets and Institutions, 8th edition, Thomson Publications.
6. Kidwell, David, Blackwell, David W., Whidbee, David A. et.al. (2008) Financial Institutions, Markets, and Money, 10th Ed., John Wiley & sons.

**Syllabus: Generic Elective Courses (GEC)**  
**(Elective Courses for an Unrelated Discipline/Subject)**

<b>Semester</b>	<b>Generic Elective Course (GEC)</b>	<b>Course Code</b>
V	<b>GEC – I</b>	
	<b>(any one of the following):</b>	
	GEC 1: Public Finance	ECON521
	GEC 2: Environmental Economics	ECON522
	GEC 3: Contemporary Issues in Indian Economy – I	ECON523
VI	<b>GEC – II</b>	
	<b>(any one of the following):</b>	
	GEC 4: Money and Banking	ECON624
	GEC 5: Economic Systems	ECON625
	GEC 6: Contemporary Issues in Indian Economy – II	ECON626

**Course No.** ECON521  
**Course title:** Public Finance  
**Nature of Course:** GEC – 1  
**Number of credits:** 6  
**Number of Lectures (L): Practical (P): Tutorial (T):** 74:0:16

### Course Description

This course is a non-technical overview of government finances with special reference to India. The course does not require any prior knowledge of economics. It will look into the efficiency and equity aspects of taxation of the centre, states and the local governments and the issues of fiscal federalism and decentralization in India. The course will be useful for students aiming towards careers in the government sector, policy analysis and business.

### Course Outline

Unit	Title	Credits	
		L	T
I.	<b>Public Finance: An Introduction</b> Meaning and definition of public finance – Public finance and private finance – the principle of Maximum Social advantage. Market Failure; Private Goods, Public Goods and Merit Goods. Overview of Different Role of Government: Allocation, Stabilization and Distribution.	18	4
II.	<b>Taxation</b> Revenue-Meaning, source, tax and non-tax revenue and importance – Canons of Taxation. Types of tax: Direct and indirect taxes, Progressive, proportional and regressive taxation, single and multiple taxation. Current Issues of India's Tax System. Effects of taxation. Taxable Capacity: Determinants of taxable capacity. Shifting and incidence of taxes. Distinction between impact and incidence of taxation. Factors affecting incidence of tax. Tax evasion.	20	4
III.	<b>Public Expenditure and Public Debt</b> Public Expenditure: classification of public expenditure. Causes and growth of public expenditure. Effects of public expenditure on production, employment and distribution. Growth of public expenditure. Public Debt: Meaning and classification. Need for public borrowing – Effects of public debt on production, consumption and distribution. Burden of public debt. Redemption of public debt. Growth of public debt.	18	4
IV.	<b>Public Finance in India</b> Indian Fiscal Policy, Budget: Concepts, instruments and objectives Types of Government Budgets: Revenue Account, Capital Account and Different Concepts of Budgetary Deficits in the Indian Context. Economic and Functional Classification of Central Govt. Budgets. Fiscal Federalism in India; Center State Financial Relations and Evaluation of Previous and Features of Latest Finance Commission. State and Local Finances.	18	4
<b>Suggested Readings:</b> 1. Harvey Rosen, (2008) Public Finance, McGraw Hill, New York. 2. Bernard P. Harbar, Modern Public Finance (Richard Irvin Inc) 3. Musgrave and Musgrave (1984), Public Finance in Theory and Practice, McGraw Hill, New Delhi (reprint edition) 4. Joseph Stiglitz, Economics of Public sector, Norton, New York (recent edition.			

**Course No.** ECON522  
**Course title:** Environmental Economics  
**Nature of Course:** GEC – 2  
**Number of credits:** 6  
**Number of Lectures (L): Practical (P): Tutorial (T):** 74:0:16

### Course Description

This course focuses on economic causes of environmental problems. In particular, economic principles are applied to environmental questions and their management through various economic institutions, economic incentives and other instruments and policies. The course does not require any prior knowledge of economics. The course will be useful for students aiming towards careers in the government sector, NGOs, policy analysis, business and journalism.

### Course Outline

Unit	Title	Credits	
		L	T
I.	<b>Introduction to Environmental Economics</b> Introduction; The economy and the environment: inter-linkages; First two laws of thermodynamics. Environment as a necessity and luxury – population and environment linkage. <b>Economic Efficiency and Market Failures:</b> Environment quality as a public good, Private and Social cost, Pareto optimality and market failure in the presence of externalities; Economic Efficiency, Deviation from Efficiency; Common property	20	4
II.	<b>Population, Pollution and Environment</b> Theory of Demographic Transition; Economics of Pollution: Damage functions and abatement cost functions; Marginal decisions; Optimal level of pollution; Market solutions and government actions; Economic incentives and least-cost solutions; Command and control policies. Environmental issues in developed and developing countries; Use of Resources; Environmental Protection laws; Environmental Education and its merits.	18	4
III.	<b>Valuing the Environment</b> Economic valuation of environmental goods; Types of environmental values; Monetary valuation techniques; Non-monetary valuation techniques; Comparing methodologies. Cost-Benefit Analysis and the Environment: The theory of cost-benefit analysis; Idea of discounting and choice of discount rate; Framework for cost-benefit analysis; Discounting and future generations.	17	4
IV.	<b>Economic Growth and Sustainable Development</b> Economic growth, development and sustainable development; The environmental Kuznets curve; Economics of sustainable development. International Environmental Issues: Economics of climate change; Trade and the environment. Indian environment policies and performance, pollution control boards and their functions.	19	4

### **Suggested Readings:**

1. Kolstad, C.D. (2007), Environmental Economics, Oxford University Press, New Delhi.
2. Nick Hanley et al (2007), Environmental Economics: Theory and Practice, Palgrave MacMillan.
3. Katar Singh and Anil Sisodia (2007), *Environmental Economics: Theory and Application*, Sage Publications, New Delhi.
4. Karpagam (2008), Environmental Economics, Sterling Publishers, New Delhi
5. R.K. Lekhi et al. (2008), Development and Environmental Economics, Kalyani Publishers, Ludhiana.
6. S.P. Misra & S.N. Pandey (2008), Essential Environmental Studies, Ane Books, New Delhi.
7. Maureen L. Cropper and Wallace E. Oates, 1992, —Environmental Economics: A Survey, *Journal of Economic Literature*, Volume 30:675-740.
8. Charles Kolstad, Intermediate Environmental Economics, Oxford University Press, 2nd edition, 2010.

**Course No.** ECON523  
**Course title:** Contemporary Issues in Indian Economy – I  
**Nature of Course:** GEC – 3  
**Number of credits:** 6  
**Number of Lectures (L): Practical (P): Tutorial (T):** 74:00:16

### Course Description

The objective of this paper is to acquaint the students with the strategy of economic development of the Indian Economy since Independence. The paper also aims at creating an awareness among the students regarding the contemporary issues pertaining to various sectors of the economy. The course does not require any prior knowledge of economics. The course will be useful for students aiming towards careers in the government sector, NGOs, policy analysis, business and journalism.

### Course Outline

Unit	Title	Credits	
		L	P
I.	<b>Development Process of the Indian Economy</b> Adoption of Planning in India: Objectives, Strategy and Assessment (Plan wise details to be excluded). State of the Economy in 1991. Features of the Economic Reforms and Structural Adjustment Programme: Liberalization, Privatization and Globalization. Appraisal of Economic Reform Programme.	18	4
II.	<b>Agricultural Development</b> Pattern of Growth of Indian Agriculture since 1950 – Role of Green Revolution Agricultural Development. Deceleration in the 1990s – Causes and Future Challenges. Economic Liberalization and Emerging Trends in Indian Agriculture.	20	4
III.	<b>Industrial Development Strategy</b> Trends in Growth and Structure of Indian Industry. Critique of Regulatory Industrial Policy Regime. Deregulation and Liberalization of the Private Sector. Privatization – Nature and Extent in India. Impact of New Economic Policy on Indian Industry.	18	4
IV.	<b>Indian Public Finances</b> Fiscal Federalism in India – Centre State Financial Relations, Inter-Governmental Transfers. Fiscal Reforms. Fiscal Responsibility and Budget Management Act, 2003. Need for Expenditure Reforms – Expenditure Reforms Commission.	18	4
<b>Suggested Readings:</b> <ol style="list-style-type: none"> <li>1. Brahmananda, P R &amp; Panchmukhi (Eds.) (1987) : The Development Process of Indian Economy, Himalaya Publishing House, Bombay.</li> <li>2. Lucas, E B &amp; Papanek, GF (Eds) (1988) : The Indian Economy – Recent Development and Future Prospects, Oxford University Press,</li> <li>3. Jalan, Bimal (1992): The Indian Economy – Problems and Prospects, Viking, New Delhi.</li> <li>5. Byres, T J (Ed.) (1998): The Indian Economy: Major Debate Since</li> <li>6. Economic Survey: Government of India: Various Issues.</li> <li>7. Economic and Political: Various Issues</li> </ol>			

**Course No.** ECON624  
**Course title:** Money and Banking  
**Nature of Course:** GEC – 4  
**Number of credits:** 6  
**Number of Lectures (L): Practical (P): Tutorial (T): ): 74:0:16**

### 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. The course does not require any prior knowledge of economics.

### Course Outline

Unit	Title	Credits	
		L	T
I.	<b>Money: Theory and Approaches</b> Money: Concept, functions, measurement; theories of money supply determination. Role of money in capitalist, socialist and mixed economies. System of note issues in India. Interest Rates: Determination; sources of interest rate differentials; theories of term structure of interest rates; interest rates in India.	19	4
II.	<b>Financial Institutions, Markets, Instruments and Financial Innovations</b> 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.	20	4
III.	<b>Commercial Banking</b> Banking: Meaning and types of Banks. Indian banking system: Changing role and structure; banking sector reforms. Functions of Commercial banks. Process of credit creation. Purpose and limitations. Commercial banking in India. Nationalization of commercial banks in India. Recent reforms in banking sector in India.	17	4
IV.	<b>Central Banking and Monetary Policy</b> Central Bank: Functions of Central Bank. Quantitative and qualitative methods of credit control. Role and functions of the Reserve Bank of India. Monetary Policy: goals, targets, indicators and instruments of monetary control; monetary management in an open economy; current monetary policy of India.	18	4
<b>Suggested Readings:</b> <ol style="list-style-type: none"> <li>1. F. S. Mishkin and S. G. Eakins, Financial Markets and Institutions, Pearson Education, 6th edition, 2009.</li> <li>2. F. J. Fabozzi, F. Modigliani, F. J. Jones, M. G. Ferri, Foundations of Financial Markets and Institutions, Pearson Education, 3rd edition, 2009.</li> <li>3. L. M. Bhole and J. Mahukud, Financial Institutions and Markets, Tata McGraw Hill, 5th edition, 2011.</li> <li>4. M. Y. Khan, Indian Financial System, Tata McGraw Hill, 7th edition, 2011.</li> <li>5. Various latest issues of R.B.I. Bulletins, Annual Reports, Reports on Currency and Finance and Reports of the Working Group, IMF Staff Papers.</li> </ol>			

**Course No.** ECON625  
**Course title:** Economic Systems  
**Nature of Course:** GEC – 5  
**Number of credits:** 6  
**Number of Lectures (L): Practical (P): Tutorial (T):** 74:0:16

### Course Description

This course seeks to enrich the knowledge of the students regarding working of various economic systems. The course does not require any prior knowledge of economics.

### Course Outline

Unit	Title	Credits	
		L	T
I.	<b>Introduction to Economic Systems</b> Nature, Scope and Importance of the study of Economic Systems: The economy as a system. Definitions of an Economic system. Functions of an economic system. Kinds of Economic systems (Broad features of Primitive Communism, Feudalism, Mercantilism, Capitalism, Socialism, communism and Mixed economy). Mode of Production.	19	4
II.	<b>Capitalism</b> Evolution of Capitalism: Laissez-faire capitalism, Welfare capitalism, Regulated capitalism, Industrial capitalism, Capitalism and Technological Progress, Achievements and failures of capitalism.	19	4
III.	<b>Socialism</b> Evolution of Socialism: Types of Socialism: Utopian Socialism, Marxian Socialism (Theory of Social Change), Market Socialism and Decentralisation.	18	4
IV.	<b>Mixed Economic System</b> Mixed Economies and their Problems: Characteristics – Role of Public Sector in India – Factors Responsible for Privatisation in India – Globalisation and its Impact on Indian Economy.	18	4
<b>Suggested Readings:</b> 1. Desai, S.S.M., (1982), Economic Systems, Himalaya Publishing House, Bombay; 2. Halm, George N., (1968), Economic Systems, Oxford & IBH Publishing Co., New Delhi 3. Sen, K.K., (1994), Comparative Economics Systems, Sultan Chand & Sons, New Delhi 4. Grossman, Gregory, (1978), Economic Systems, Prentice Hall, New Delhi.			



**Course No.** ECON626  
**Course title:** Contemporary Issues in Indian Economy – II  
**Nature of Course:** GEC – 6  
**Number of credits:** 6  
**Number of Lectures (L): Practical (P): Tutorial (T):** 74:0:16

### Course Description

The objective of this paper is to acquaint the students with the strategy of economic development of the Indian economy since Independence. The course does not require any prior knowledge of economics. The paper also aims at creating awareness among the students regarding the contemporary issues pertaining to various sectors of the economy. The course will be useful for students aiming towards careers in the government sector, policy analysis, business and journalism.

### Course Outline

Unit	Title	Credits	
		L	T
I.	<b>Structural Changes in the Indian Economy</b> Service Sector Growth – Pattern and Future Prospects. Sustainability of Services Led Growth in India. Nature, Causes and Changes in Sector Income Distribution and Occupational Structure. Inter-State Disparities in the Pattern of Development in the Post-Reform Period.	18	4
II.	<b>Financial Sector Developments</b> Structure of the Financial System in India. Nationalization of Banks – Causes and Evaluation of Performance. Banking Sector Reforms since 1991. Capital Market – Growth, Problems and Reforms Since 1991. Role of Securities Exchange Board of India (SEBI).	20	4
III.	<b>External Sector</b> Trade Policy during Pre and Post Reform Period. Liberalized Exchange Rate Management System. Foreign Direct Investment – Trends and Issues. India and the World Trade Organization.	18	4
IV.	<b>Other Contemporary Issue</b> Poverty and Unemployment in the Post-Reform Period. Infrastructure Development – Need, Performance and Government Strategy on Infrastructure Development with Special Emphasis on Special Economic Zones (SEZs) and Public Private Partnerships.	18	4
<b>Suggested Readings:</b> <ol style="list-style-type: none"> <li>1. Brahmananda, P R &amp; Panchmukhi (Eds.) (1987): The Development Process of Indian Economy, Himalaya Publishing House, Bombay.</li> <li>2. Lucas, E B &amp; Papanek, GF (eds) (1988): The Indian Economy – Recent Development and Future Prospects, Oxford University Press,</li> <li>3. Jalan, Bimal (1992): The Indian Economy – Problems and Prospects, Viking, New Delhi.</li> <li>4. Byres, T J (Ed.) (1998): The Indian Economy: Major Debate Since</li> <li>5. Economic Survey: Government of India: Various Issues.</li> <li>6. Economic and Political: Various Issues</li> </ol>			