

UNIVERSITY OF DELHI

Bachelor of Arts (Programme) Economics Courses

(Effective from Academic Year 2019-20)



Revised Syllabus as approved by

Academic Council

Date:

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Discipline Core Courses

Principles of Microeconomics I (PD11)

Discipline Specific Elective (DSE) Credit: 6

Course Objective

This course intends to expose the students to the basic principles in Microeconomics and their applications. The course will illustrate how microeconomic concepts can be applied to analyze real-life economic situations.

Course Learning Outcomes

The students learn some basic principles of microeconomics and interactions of supply and demand, characteristics of perfect competition, efficiency and welfare.

Unit 1

Introduction

Problem of scarcity and choice: scarcity, choice and opportunity cost; production possibility frontier; economic systems.

Demand and supply: law of demand, determinants of demand, shifts of demand versus movements along a demand curve, market demand, law of supply, determinants of supply, shifts of supply versus movements along a supply curve, market supply, market equilibrium.

Applications of demand and supply: price rationing, price floors, consumer surplus, producer surplus.

Elasticity: price elasticity of demand, calculating elasticity, determinants of price elasticity, other elasticities

Unit 2

Consumer Theory

Budget constraint, concept of utility, diminishing marginal utility, Diamond-water paradox, income and substitution effects; consumer choice: indifference curves, derivation of demand curve from indifference curve and budget constraint.

Unit 3

Production and Costs

Production: behaviour of profit maximising firms, production process, production functions, law of variable proportions, 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 maximization, minimizing losses, short run industry supply curve, economies and diseconomies of scale, long run adjustments

Unit 4

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.

Welfare: allocative efficiency under perfect competition.

References

1. Bernheim, B., Whinston, M. (2009). *Microeconomics*. Tata McGraw-Hill.
2. Case, K., Fair, R. (2007). *Principles of economics, 8th ed.* Pearson Education.
3. Mankiw, N. (2007). *Economics: Principles and applications, 4th ed.* South Western.

Teaching Learning Process

Lectures and tutorials

Assessment Methods

Internal assessment and final examination as per CBCS rules

Keywords

Supply, demand, elasticity, consumer behaviour, firm behaviour, perfect competition, efficiency, welfare

Principles of Microeconomics II (PD21)

Discipline Specific Elective (DSE) Credit: 6

Course Objective

This is a sequel to Principles of Microeconomics–I covered in the first semester. The objective of the course is to introduce the students to different forms of market imperfections and market failures, input demand, factor incomes and international trade.

Course Learning Outcomes

This course helps the students to understand different forms of market imperfections and market failures observed in real life situations. The students learn about the environment where the standard market mechanism fails to generate the desirable outcomes. They develop a sense of how the production is distributed among the different factors of production and the demand for inputs. Some preliminary concepts of international trade are also covered in this course.

Unit 1

Market Structures

Theory of a Monopoly Firm

Concept of imperfect competition; 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, social cost of monopoly, price discrimination; remedies for monopoly: Antitrust laws, natural monopoly

Imperfect Competition

Monopolistic competition: Assumptions, SR and LR price and output determinations under monopolistic competition, economic efficiency and resource allocation; oligopoly: assumptions, oligopoly models, game theory, contestable markets, role of government

Unit 2

Consumer and Producer Theory

Consumer and Producer Theory in Action

Externalities, marginal cost pricing, internalising externalities, public goods; imperfect information: adverse selection, moral hazard, social choice, government inefficiency

Markets and 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

Unit 3

Income Distribution and Factor pricing

Input markets: demand for inputs; labour markets, land markets, profit maximisation condition in input markets, input demand curves, distribution of Income.

Unit 4

International Trade

Absolute advantage, comparative advantage, terms of trade, sources of comparative advantage, trade barriers, free trade/ protectionism.

References

1. Bernheim, B., Whinston, M. (2009). *Microeconomics*. Tata McGraw-Hill.
2. Case, K., Fair, R. (2007). *Principles of economics, 8th ed.* Pearson Education.
3. Mankiw, N. (2007). *Economics: Principles and applications, 4th ed.* South Western.

Teaching Learning Process

Lectures and tutorials

Assessment Methods

Internal assessment and final examination as per CBCS rules

Keywords

Imperfect competition, market failures, input demand, comparative advantage, international trade

Principles of Macroeconomics I (PD31)

Discipline Specific Elective (DSE) Credit: 6

Course Objective

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

Course Learning Outcomes

This course is useful for understanding various real economic issues and evaluating policy outcomes.

Unit 1

Introduction: What is macroeconomics? Macroeconomic issues in an economy

Unit 2

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

Unit 3

Determination of GDP: Actual and potential GDP; aggregate expenditure; consumption function; investment function; equilibrium GDP; concepts of MPS, APS, MPC, APC; autonomous expenditure; Concept of multiplier.

Unit 4

National Income Determination in an Open Economy with Government; Fiscal Policy: impact of changes in government expenditure and taxes; net exports function; net exports and equilibrium national income.

Unit 5

Money in a Modern Economy: Concept of money in a modern economy; monetary aggregates; demand for money; quantity theory of money; liquidity preference and rate of interest; money supply and credit creation; monetary policy

References

1. Abel, A., Bernanke, B. (2016). *Macroeconomics, 9th ed.* Pearson Education.
2. Blanchard, O. (2018). *Macroeconomics, 7th ed.* Pearson Education.

3. Dornbusch, R., Fischer, S., Startz, R. (2018). *Macroeconomics, 12th ed.* McGraw-Hill.
4. Jones, C. (2016). *Macroeconomics, 4th ed.* W. W. Norton.
5. Mankiw, N. (2016). *Macroeconomics, 9th ed.* Worth Publishers.

Teaching Learning Process

Lectures and tutorials

Assessment Methods

Internal assessment and final examination as per CBCS rules

Keywords

National income, consumption, investment, government expenditure, money

Principles of Macroeconomics II (PD41)

Discipline Specific Elective (DSE) Credit: 6

Course Objective

This is a sequel to Principles of Macroeconomics I. It analyses various theories of determination of National Income in greater detail. It also introduces students to concept of inflation, its relationship with unemployment and some basic concepts in an open economy.

Course Learning Outcomes

This course provides students with an analytical framework to understand the basic functioning of the macroeconomy. It also allows them to critically examine and comment on effectiveness of various policies.

Unit 1

IS-LM Analysis

Derivations of the IS and LM functions; IS-LM and aggregate demand; shifts in the AD curve

Unit 2

GDP and Price Level in Short Run and Long Run

Aggregate demand and aggregate supply; multiplier analysis with AD curve and changes in price levels; aggregate supply in the SR and LR

Unit 3

Inflation and Unemployment: Concept of inflation; determinants of inflation; relationship between inflation and unemployment: Phillips Curve in short run and long run

Unit 4

Balance of Payments and Exchange Rate: Balance of payments: current account and capital account; market for foreign exchange; determination of exchange rate

References

1. Abel, A., Bernanke, B. (2016). *Macroeconomics, 9th ed.* Pearson Education.
2. Blanchard, O. (2018). *Macroeconomics, 7th ed.* Pearson Education.
3. Dornbusch, R., Fischer, S., Startz, R. (2018). *Macroeconomics, 12th ed.* McGraw-Hill.
4. Jones, C. (2016). *Macroeconomics, 4th ed.* W. W. Norton.
5. Mankiw, N. (2016). *Macroeconomics, 9th ed.* Worth Publishers.

Teaching Learning Process

Lectures and tutorials

Assessment Methods

Internal assessment and final examination as per CBCS rules

Keywords

IS-LM model, GDP, aggregate demand, aggregate supply, inflation, unemployment, BOP, exchange rates

Discipline Elective Courses

Environmental Economics (PDE51)

Discipline Specific Elective (DSE) Credit: 6

Course Objective

This course introduces students to concepts, methods and policy options in managing the environment using tools of economic analysis. Since several environmental problems are caused by economic activity (for instance, carbon emissions, over-harvesting of renewable resources and air and water pollution as a by-product of industrial activity), this course examines different approaches to adjusting behaviour through economic institutions such as markets and incentives as well as through regulation, etc. It also addresses the economic implications of environmental policies through practical applications of methods for valuation of environmental goods and services and quantification of environmental damages. Conversely, the impact of economic growth on the environment is also addressed under the rubric of sustainable development. Environmental problems and issues from the Indian and international context (especially global warming) are used to illustrate the concepts and methods presented in the course

Course Learning Outcomes

The module aims to introduce students to the main concepts in environmental economics, equip students with a thorough analytical grasp of environmental policy theory, starting with externalities, and familiarise students with the main issues in environmental valuation. At the end of the module the students should be able to demonstrate their understanding of the economic concepts of environmental policy, use diagrammatic analysis to demonstrate and compare the economic welfare effects of various environmental policy options, and demonstrate their understanding of the usefulness and problems related to environmental valuation

Unit 1

Introduction: key environmental issues and problems; an economic way of thinking about these problems; basic concepts from economics; Pareto optimality and market failure in the presence of externalities; property rights and other approaches

Unit 2

The Design and Implementation of Environmental Policy: Overview; Pigouvian taxes and effluent fees; tradable permits; implementation of environmental policies in India and international experience; transboundary environmental problems; economics of climate change

Unit 3

Environmental valuation methods and applications: valuation of non-market goods and services - theory and practice; measurement methods; cost-benefit analysis of environmental policies and regulations

Unit 4

Sustainable development: concepts; measurement; perspectives from Indian experience

References

1. Arrow, K. et al. (2004). Are we consuming too much? *Journal of Economic Perspectives*, 18(3): 147-172.
2. Intergovernmental Panel on Climate Change. (2014). Fifth Assessment Report.
3. Kolstad, C. (2010). *Intermediate environmental economics, 2nd ed.* Oxford University Press.
4. Perman, R., Ma, Y., Common, M., Maddison, D., McGilvray, J. (2011). *Natural resource and environmental economics, 4th ed.* Pearson Education.
5. Solow, R. (1998). *An almost practical step toward sustainability.* Rff Press.
6. Stavins, R. (ed.) (2012). *Economics of the environment: Selected readings, 6th ed.* W. W. Norton.

Teaching Learning Process

Lectures and tutorials

Assessment Methods

Internal assessment and final examination as per CBCS rules

Keywords

Pareto optimality, market failure, externalities, tradable permits

Money and Banking (PDE52)

Discipline Specific Elective (DSE) Credit: 6

Course Objective

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 Learning Outcomes

It allows students to analyse financial market outcomes and evaluate policies.

Unit 1

Money: Concept, functions, measurement; theories of money supply determination

Unit 2

Financial Institutions, Markets, Instruments and Financial Innovations: Role of financial markets and institutions; problem of asymmetric information – adverse selection and moral hazard; financial crises

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

Unit 3

Interest Rates: Determination; sources of interest rate differentials; theories of term structure of interest rates; interest rates in India

Unit 4

Banking System: Balance sheet and portfolio management

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

Unit 5

Central Banking and Monetary Policy: Functions, balance sheet; goals, targets, indicators and instruments of monetary control; monetary management in an open economy; current monetary policy of India

References

1. Bhole, L., Mahukud, J. (2017). *Financial institutions and markets, 6th ed.* Tata McGraw-Hill.
2. Fabozzi, F., Modigliani, F., Jones, F., Ferri, M. (2010). *Foundations of financial markets and institutions, 4th ed.* Pearson Education.
3. Khan, M. (2015). *Indian financial system, 9th ed.* Tata McGraw-Hill.
4. Mishkin, F., Eakins, S. (2017). *Financial markets and institutions, 8th ed.* Pearson.
5. Various latest issues of RBI Bulletins, Annual Reports, Reports on Currency and Finance, Reports of the Working Group, IMF Staff Papers.

Teaching Learning Process

Lectures and tutorials

Assessment Methods

Internal assessment and final examination as per CBCS rules

Keywords

Money, financial institutions, financial innovations, interest rates, banking, monetary policy

Economic Development & Policy in India I (PDE53)

Discipline Specific Elective (DSE) Credit: 6

Course Objective

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 Learning Outcomes

This course will help students understand the key issues related to the Indian economy. It will broaden their horizons and enable them to analyze current economic policy thus improving their chances of getting employed, and be more effective, in positions of responsibility and decision making.

The course also serves as the base for further study of sector specific policy discussion that is pursued in the course in the next semester.

Given the topical nature of the course, the readings will be updated every year.

Unit 1

Issues in growth, development, and sustainability

Unit 2

Factors in development: capital formation (physical and human); technology; institutions. .

Unit 3

Population and economic development: demographic trends; urbanisation

Unit 4

Employment: occupational structure in the organised and unorganised sectors; open-, under- and disguised- unemployment (rural and urban); employment schemes and their impact

Unit 5

Indian development experience: critical evaluation of growth, inequality, poverty and competitiveness, pre- and post- reform eras

References

Given the current nature of the course, the readings will be updated every year. Selected chapters will be prescribed from:

1. Agrawal, P. (ed.) (2018). *Sustaining high growth in India*. Cambridge University Press.
2. Balakrishnan, P. (2007). The recovery of India: Economic growth in the Nehru era. *Economic and Political Weekly*, 42(45-46), 52-66.
3. Bloom, D. (2012). Population dynamics in India and implications for economic growth. In C. Ghate (ed.): *The Oxford handbook of the Indian economy*. Oxford University Press.
4. Case, K., Fair, R. (2007). *Principles of economics, 8th ed.* Chapter 31. Pearson Education.
5. Dreze, J., Sen, A. (2013). *India: An uncertain glory*. Allen Lane.
6. Kapila, U. (2009). *Economic development and policy in India*. Academic Foundation.
7. Kapila, U. (2015). *Indian economy since independence, 26th ed.* Academic Foundation.

8. Mehrotra, S. (2015). *Realising the demographic dividend: Policies to achieve inclusive growth in India*. Cambridge University Press.
9. Ministry of Finance. *Economic survey* (latest).
10. Ministry of Finance. *Finance commission report* (latest).
11. Mohan, R. (2014). Pressing the Indian growth accelerator: Policy imperatives. *IMF papers*.
12. Todaro, M., Smith, S. (2011). *Economic development, 11th ed.* Pearson.
13. United Nations Development Programme. (2010). *Human development report 2010*. Palgrave Macmillan.

Teaching Learning Process

Lectures and tutorials

Assessment Methods

Internal assessment and final examination as per CBCS rules

Keywords

Indian economic development, government policy

Public Finance (PDE61)

Discipline Specific Elective (DSE) Credit: 6

Course Objective

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 decentralisation in India. The course will be useful for students aiming towards careers in the government sector, policy analysis, business and journalism

Course Learning Outcomes

The module aims to introduce students to the main concepts in public finance, equip students with a thorough analytical grasp of government taxes: direct and indirect taxes, and familiarise students with the main issues in government expenditure. At the end of the module the students should be able to demonstrate their understanding of the economic concepts of public finances, use diagrammatic analysis to demonstrate and compare the economic welfare effects of various government policy options, and demonstrate their understanding of the usefulness and problems related to government revenues and expenditures

Unit 1

Theory: Overview of Fiscal Functions, Tools of Normative Analysis, Pareto Efficiency, Equity and the Social Welfare; Market Failure, Public Good and Externalities; Elementary Theories of Product and Factor Taxation (Excess Burden and Incidence)

Unit 2

Issues from Indian Public Finance: Working of Monetary and Fiscal Policies; Current Issues of India's Tax System; Analysis of Budget and Deficits; Fiscal Federalism in India; State and Local Finances

References

1. Alam, S. (2016). GST and the states: sharing tax administrations. *Economic and Political Weekly*, 51(31).
2. Cullis, J., Jones, P. (1998). *Public finance and public choice, 2nd ed.* Oxford University Press.
3. Das, S. (2017). Some concepts regarding the goods and services tax. *Economic and Political Weekly*, 52(9).
4. Government of India. (2017). *GST - Concept and status - as on 3rd June, 2017*. Central Board of Excise and Customs, Department of Revenue, Ministry of Finance.
5. Hindriks, J., Myles, G. (2013). *Intermediate public economics, 2nd ed.* MIT Press.
6. Rao, M. (2005). Changing contours of federal fiscal arrangements in India. In A. Bagchi (ed.): *Readings in public finance*. Oxford University Press.
7. Rao, M., Kumar, S. (2017). Envisioning tax policy for accelerated development in India. *Working Paper No. 190, National Institute of Public Finance and Policy*.
8. Reddy, Y. (2015). Fourteenth finance commission: Continuity, change and way forward. *Economic and Political Weekly*, 50(21), 27-36.
9. Stiglitz, J. (2009). *Economics of the public sector, 3rd ed.* W. W. Norton.

Teaching Learning Process

Lectures and tutorials

Assessment Methods

Internal assessment and final examination as per CBCS rules

Keywords

Pareto efficiency, market failure, public good, externality, fiscal policy

Economic Development & Policy in India II (PDE62)

Discipline Specific Elective (DSE) Credit: 6

Course Objective

The course seeks to equip students with sector-specific knowledge and skills to analyse key economic issues and policy documents. It will also enable them to relate theoretical frameworks of macroeconomics and microeconomics to the Indian context.

Course Learning Outcomes

Students will have capability to understand government policies and will enable informed participation in economic decision making, thus improving their employment prospects and career advancement.

Unit 1

Macroeconomic policies and their impact: fiscal policy; financial and monetary policies.

Unit 2

Agriculture: policies and performance; production and productivity; credit; labour markets and pricing; land reforms; regional variations.

Unit 3

Industry: policies and performance; production trends; small scale industries; public sector; foreign investment, labour regulation

Unit 4

Services and trade: trends and performance, trade and investment policy

References

Given the nature of the course, readings will be updated every year.

1. Anant, T. (2006). Institutional reforms for agriculture growth. In N. Majumdar, U. Kapila (eds.): *Indian agriculture in the new millennium: Changing perceptions and development policy*, Vol. 2. Academic Foundation.
2. Balakrishnan, P. (2014). The great reversal: A macro story. *Economic and Political Weekly*, 49 (21), 29-34.
3. Bhaduri, A. (2012). Productivity and production relations: The case of Indian agriculture. In A. Bhaduri (ed.): *Employment and development*. Oxford University Press.
4. Bhagwati, J., Panagariya, A. (2012). A multitude of labor laws and their reforms. In *India's tryst with destiny*. Collins Business.
5. Chanda, R. (2012). Services led growth. In K. Basu, A. Maertens (eds.): *New Oxford companion to economics in India*. Oxford University Press.
6. De, S. (2012). *Fiscal policy in India: Trends and trajectory*. Ministry of Finance Working Paper.
7. Dev, M. (2012). Agricultural development. In K. Basu, A. Maertens (eds.): *New Oxford companion to economics in India*. Oxford University Press.
8. Dev, S., Rao, N. (2010). Agricultural price policy, farm profitability and food security. *Economic and Political Weekly*, 45 (26-27), 174-181.
9. Dhar, B. (2015). India's new foreign trade policy. *Economic and Political Weekly*, 50(16), 14-16.
10. Ghatak, M. (2012). Land reforms. In K. Basu, A. Maertens (eds.): *New Oxford companion to economics in India*. Oxford University Press.
11. Gulati, A., Saini, S. (2017) 25 years of policy tinkering in agriculture. In R. Mohan (ed.): *India transformed: 25 years of economic reforms*. Penguin.
12. Kanagasabapathy, K., Tilak, V., Krishnaswamy, R. (2013). A rethink on India's foreign trade policy. *Economic and Political Weekly*, 48 (31), 137-139.

13. Kumar, N. (2015). FDI and portfolio investment flows and development: A perspective on Indian experience. In U. Kapila (ed.): *Indian economy since independence, 26th ed.* Academic Foundation.
14. Ministry of Finance. Clothes and shoes: Can India reclaim small scale manufacturing? *Economic Survey, 2016-17, 1.*
15. Nagaraj, R. (2017). Economic reforms and manufacturing sector growth. *Economic and Political Weekly, 52(2), 61-68.*
16. Nayak, P. (2012). Privatization. In K. Basu, A. Maertens (eds.): *New Oxford companion to economics in India.* Oxford University Press.
17. Panda, M. (2017). Macroeconomic scenario and policy options. In M. Dev (ed.): *India development report 2017.* Oxford University Press.
18. Vaidyanathan, A. (2012). Irrigation. In K. Basu, A. Maertens (eds): *New Oxford companion to economics in India.* Oxford University Press.

Teaching Learning Process

Lectures and tutorials

Assessment Methods

Internal assessment and final examination as per CBCS rules

Keywords

Indian economic development, government policy

Economic History of India (PDE63)

Discipline Specific Elective (DSE) Credit: 6

Course Objective

This course analyses key aspects of Indian economic development during the second half of British colonial rule. In doing so, it investigates the mechanisms that linked economic development in India to the compulsions of colonial rule.

Course Learning Outcomes

The course exposes students to the intricacies of India's economic, political and social developments both in the past and present times. It develops their analytical skills that will be useful in a variety of careers in academics, research, journalism, private sector and government.

Unit 1

Colonial India: background and introduction

Unit 2

Trends in national income, population, labour and occupational structure

Unit 3

Agriculture, agrarian structure and land relations

Unit 4

Railways and industry

Unit 5

Economy and state in the imperial context

References

1. Chatterjee, B. (1992). *Trade, tariffs and empire: Lancashire and British policy in India 1919-1939*. Epilogue. Oxford University Press.
2. Chaudhary, L., Gupta, B., Roy, T., Swami, A. (eds.) (2016). *A new economic history of colonial India*. Chapters 4, 7, 9. Routledge.
3. Guha, S. (1991). Mortality decline in early 20th century India. *Indian Economic and Social History Review*, 28(4), 371-87.
4. Habib, I. (2006). *Indian economy 1858-1914: A people's history of India*. Chapter 3. Tulika.
5. Klein, I. (1984). When rains fail: Famine relief and mortality in British India. *Indian Economic and Social History Review*, 21 (2), 185-214.
6. Morris, M. (1965). *Emergence of an industrial labour force in India*. Chapter 11. Oxford University Press.
7. Parthasarathi, P. (2009). Historical issues of deindustrialization in nineteenth century South India. In T. Roy, G. Riello (eds.): *How India clothed the world: The world of South Asian textiles, 1500-1850*. Brill.
8. Parthasarathy, P. (2011). *Why Europe grew rich and Asia did not: Global economic divergence, 1600-1850*. Chapters 2, 8. Cambridge University Press.
9. Roy, T. (2018). *A business history of India: Enterprise and the emergence of capitalism from 1700*. Chapters 4, 5. Cambridge University Press.
10. Roy, T. (2011). *The economic history of India 1857-1947, 3rd ed.* Chapters 3, 11. Orient Longman.
11. Subramanian, L. (2010). *History of India 1707-1857*. Chapter 4. Orient Blackswan.
12. Tomlinson, B. (1975). India and the British Empire 1880-1935. *The Indian Economic and Social History Review*, 12(14), 337-380.
13. Washbrook, D. (2012). The Indian economy and the British empire. In D. Peers, N. Gooptu (eds.): *India and the British empire*. Oxford University Press.

Teaching Learning Process

Lectures and tutorials

Assessment Methods

Internal assessment and final examination as per CBCS rules

Keywords

Economic History of India

Generic Elective Courses

Principles of Microeconomics (PGE51)

Generic Elective (GE) Credit: 6

Course Objective

This course intends to expose the student to the basic principles in Microeconomics and their applications. The course will illustrate how microeconomic concepts can be applied to analyse real-life economic situations.

Course Learning Outcomes

The students learn some basic principles of microeconomics and interactions of supply and demand, characteristics of perfect competition, efficiency and welfare.

Unit 1

Introduction

Problem of scarcity and choice: scarcity, choice and opportunity cost; production possibility frontier; economic systems

Demand and supply: law of demand, determinants of demand, shifts of demand versus movements along a demand curve, market demand, law of supply, determinants of supply, shifts of supply versus movements along a supply curve, market supply, market equilibrium

Applications of demand and supply: price rationing, price floors, consumer surplus, producer surplus

Elasticity: price elasticity of demand, calculating elasticity, determinants of price elasticity, other elasticities

Unit 2

Consumer Theory

Budget constraint, concept of utility, diminishing marginal utility, diamond-water paradox, income and substitution effects; consumer choice: indifference curves, derivation of demand curve from indifference curve and budget constraint

Unit 3

Production and Costs

Production: behaviour of profit maximising firms, production process, production functions, law of variable proportions, choice of technology, isoquant and isocost lines, cost minimising equilibrium condition

Costs: costs in the short run, costs in the long run, revenue and profit maximisation, minimising losses, short run industry supply curve, economies and diseconomies of scale, long run adjustments

Unit 4

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

Welfare: allocative efficiency under perfect competition.

References

1. Bernheim, B., Whinston, M. (2009). *Microeconomics*. Tata McGraw-Hill.
2. Case, K., Fair, R. (2007). *Principles of economics, 8th ed.* Pearson Education.
3. Mankiw, N. (2007). *Economics: Principles and applications, 4th ed.* South Western.

Teaching Learning Process

Lectures and tutorials

Assessment Methods

Internal assessment and final examination as per CBCS rules

Keywords

Supply, demand, elasticity, consumer behaviour, firm behaviour, perfect competition, efficiency, welfare

Issues in Economic Development (PGE52)

Generic Elective (GE) Credit: 6

Course Objective

This course exposes students to some of the key ideas and concepts in the areas of economic growth, human development and globalisation.

Course Learning Outcomes

Students will develop a critical understanding of the contemporary issues in Indian economic development. Students will thus be better prepared to face the professional world and can use this knowledge base in a variety of jobs, including in the corporate, civil service and NGO sectors.

Unit 1

Development and underdevelopment

Unit 2

Development goals and indicators, poverty and inequality

Unit 3

Capabilities, human development and sustainable development

Unit 4

Globalisation and development

References

Given the nature of the course, readings will be updated every year.

1. Dasgupta, P. (2007). *Economics: A very short introduction*. Prologue, Chapters 1, 7. Oxford University Press.
2. Dutt, A. (2014). *Pathways to economic development*. Chapters 1, 6. Oxford University Press.
3. Nayyar, D. (2003). Globalization and development. In H. Chang (ed.): *Rethinking development economics*. Anthem Press.
4. Nayyar, D. (2013). *Catch up: Developing countries in the world economy*. Chapters 2, 4. Oxford University Press.
5. Omkarnath, G. (2013). *Economics: A primer for India*. Chapter 5. Orient Blackswan.
6. Prabhu, K. (2012). Human development index. In K. Basu, A. Maertens (ed.): *Oxford companion to economics in India*. Oxford University Press.
7. Rodrik, D. (2011). *The globalization paradox: Why global markets, states and democracy can't coexist*. Chapters 1, 7. Oxford University Press.
8. Sen, A. (2000). *Development as freedom*. Chapter 4. Oxford University Press.
9. Thun, E. (2011). The globalization of production. In J. Ravenhill (ed.): *Global political economy*. Oxford University Press.
10. Todaro, M., Smith, S. (2015). *Economic development, 12th ed*. Chapters 1, 2, 5. Pearson.

Teaching Learning Process

Lectures and tutorials

Assessment Methods

Internal assessment and final examination as per CBCS rules

Keywords

Growth, poverty, inequality, globalisation

Principles of Macroeconomics (PGE61)

Generic Elective (GE) Credit: 6

Course Objective

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

Course Learning Outcomes

This course is useful for understanding various real economic issues and evaluating policy outcomes.

Unit 1

Introduction: What is macroeconomics? Macroeconomic issues in an economy

Unit 2

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

Unit 3

Determination of GDP: Actual and potential GDP; aggregate expenditure; consumption function; investment function; equilibrium GDP; concepts of MPS, APS, MPC, APC; autonomous expenditure; Concept of multiplier

Unit 4

National income determination in an open economy with government: Fiscal Policy: impact of changes in government expenditure and taxes; net exports function; net exports and equilibrium national income.

Unit 5

Money in a Modern Economy: Concept of money in a modern economy; monetary aggregates; demand for money; quantity theory of money; liquidity preference and rate of interest; money supply and credit creation; monetary policy

References

1. Abel, A., Bernanke, B. (2016). *Macroeconomics, 9th ed.* Pearson Education.
2. Blanchard, O. (2018). *Macroeconomics, 7th ed.* Pearson Education.
3. Dornbusch, R., Fischer, S., Startz, R. (2018). *Macroeconomics, 12th ed.* McGraw-Hill.
4. D'Souza, E. (2009). *Macroeconomics.* Pearson Education.
5. Froyen, R. (2005). *Macroeconomics, 2nd ed.* Pearson Education.
6. Mankiw, N. (2016). *Macroeconomics, 9th ed.* Worth Publishers.

Teaching Learning Process

Lectures and tutorials

Assessment Methods

Internal assessment and final examination as per CBCS rules

Keywords

National income, aggregate demand, aggregate supply, fiscal policy, monetary policy

The Indian Economy (PGE62)

Generic Elective (GE) Credit: 6

Course Objective

This course exposes students to some of the key ideas and concepts in the areas of growth and structural change, poverty, education, health, gender, industry, services and international trade.

Course Learning Outcomes

Students will develop a critical understanding of the contemporary issues in the Indian economy. Students will thus be better prepared to face the professional world and can use this knowledge base in a variety of jobs, including in the corporate, civil service, and NGO sectors.

Unit 1

Historical and general overview

Unit 2

Growth and structural change

Unit 3

The Indian economy in a comparative perspective

Unit 4

Key issues: poverty, inequality, education, health and gender

Unit 5

Agriculture, industry, services and international trade

References

Given the nature of this course, the reading list will be updated every year.

1. Agarwal, B. (2012). Gender inequality. In K. Basu, A. Maertens (eds.): *New Oxford companion to economics in India*. Oxford University Press.
2. Bardhan, P. (2010). *Awakening giants, feet of clay: Assessing the economic rise of China and India*. Chapter 2. Oxford University Press.
3. Chandra, B. (1992). The colonial legacy. In B. Jalan (ed.): *The Indian economy: Problems and prospects*. Penguin Books.
4. Chandra, R. (2012). Services led growth. In K. Basu, A. Maertens (eds.): *New Oxford companion to economics in India*. Oxford University Press.
5. Dev, M. (2012). Agricultural development. In K. Basu, A. Maertens (eds.): *New Oxford companion to economics in India*. Oxford University Press.
6. Dreze, J., Sen, A. (2013). *An uncertain glory: India and its contradictions*. Chapters 1, 2, 3, 5, 6, 7, 8. Princeton University Press.
7. Ghatak, M. (2012). Land reforms. In K. Basu, A. Maertens (eds.): *New Oxford companion to economics in India*. Oxford University Press.
8. Nagaraj, R. (2012). Industrial growth. In K. Basu, A. Maertens (eds.): *New Oxford companion to economics in India*. Oxford University Press.

9. Nayak, P. (2012). Privatization. In K. Basu, A. Maertens (eds.): *New Oxford companion to economics in India*. Oxford University Press.
10. Omkarnath, G. (2013). *Economics: A primer for India*. Chapter 7. Orient Blackswan.
11. Pal, P. (2014). *India and international trade*. Chapter 6. Oxford University Press.

Teaching Learning Process

Lectures and tutorials

Assessment Methods

Internal assessment and final examination as per CBCS rules

Keywords

Indian economic development, agriculture, services, industry, international trade

Skill Enhancement Courses

Understanding Economic Survey and Union Budget (PS31)

Skill Enhancement Elective Courses (SEC) Credit: 4

Course Objective

The course seeks to familiarise students with basic concepts related to the Economic Survey and Union Budget. It aims to equip students with sufficient knowledge and skills to analyse these documents.

Course Learning Outcomes

Students will have the capability to understand government policies and will be informed participants in economic decision-making.

Unit 1

Concepts:

- Fiscal policy, areas of government spending in India;
- Capital and revenue expenditure; plan and non-plan expenditures;
- Deficits (fiscal, primary, revenue), impact of fiscal deficits on the economy;
- Capital receipts, revenue receipts; tax and non-tax revenue; direct and indirect taxes; need for rationalization of tax structure; Goods and Services Tax (GST);
- Actual, revised and budget estimates;
- Zero-base budgeting;
- Gender budgeting;
- Fiscal devolution and centre-state financial relations

Unit 2

The economic survey

- Analysis of current and past policy emphasis

Unit 3

The union budget

- Need for the budget; understanding the process of budget making in India;
- Analysis of fiscal and revenue deficits;
- Analysis of sources of revenue and expected growth in revenue; tax simplification, improvement in administration, expansion of tax net and other measures to improve revenue receipts;
- Analysis of expenditure pattern and expected growth in expenditure; thrust areas of budget; sectors that have received higher/lower shares of expenditure, the reasons and consequences thereof; steps proposed to ensure effective spending

References

Given the nature of the course, readings will be updated every year.

1. Centre for Budget and Governance Accountability. Recent reports.
2. Chakraborty, P. (2015). Intergovernmental fiscal transfers in India: Emerging trends and realities. In P. Patnaik (ed.): *Macroeconomics*. Oxford University Press.
3. Ministry of Finance. Economic and social classification of the budget.
4. Ministry of Finance. Economic survey (latest).
5. Ministry of Finance. Finance commission report (latest).
6. Ministry of Finance. Union budget.
7. Reddy, Y. (2015). Continuity, change and the way forward: The fourteenth finance commission. *Economic and Political Weekly*, 50(21), 27-36.

Teaching Learning Process

Lectures and tutorials

Assessment Methods

Internal assessment and final examination as per CBCS rules

Keywords

Economic survey, union budget, government policy

Research Methodology (PS41)

Skill Enhancement Elective Courses (SEC) Credit: 4

Course Objective

This course is designed to provide students skills for collecting and analysing data to answer real world problems. It will cover modes of data collection, data cleaning and data representation.

Course Learning Outcomes

The student will develop an understanding of how commonly available data is collected and analyzed. This would help in the interpretation of secondary data and in the management of small primary surveys.

Unit 1

Data Types and sources: Qualitative and quantitative data, measurement and scales; overview of some secondary data sources

Unit 2

Questionnaire design: Measurement and scales, ordering of questions, coding responses

Unit 3

Sampling techniques: Simple random sampling, stratification, sequential sampling; Size and cost trade-offs

Unit 4

Processing of survey data: Data cleaning, checking for consistency

Unit 5

Analysing data: Generating sample statistics and representing them in an easily comprehensible manner

Unit 6

Ethics and Scientific Integrity: Respecting respondent privacy, ethical standards of conduct

References

1. Cochran, W. (2008). *Sampling techniques, 3rd ed.* Wiley.
2. Groves, R., Fowler, F., Couper, M., Lepkowski, J., Singer, E., Tourangeau, R. (2009). *Survey Methodology.* Wiley.
3. Kumar, R. (2014). *Research methodology: A step by step guide for beginners, 4th ed.* Sage Publications.

Teaching Learning Process

Combination of labs and lectures

Assessment Methods

Assessment will be based on lab tests and projects.

Keywords

Data, sampling, surveys, data analysis, ethics

Data Analysis (PS51)

Skill Enhancement Elective Courses (SEC) Credit: 4

Course Objective

The students will be instructed on the use of spreadsheet and statistical software to analyse data. Software used for the course will vary based on what is available. Open access software such as R will be encouraged.

Course Learning Outcomes

Students will learn to input, visually represent and analyse data.

Unit 1

Introduction to available software and how it deals with data

Unit 2

Data cleaning: checking for outliers, cleaning variable names, consistency checks

Unit 3

Data visualisation: scatter plots, line graphs, box plots and other graphical formats

Unit 4

Calculating and representing summary statistics and lines of best fit

Unit 5

Elements of statistical inference: calculating and plotting confidence intervals; tests of population differences in population statistics

Unit 6

Miscellaneous other topics: elements of writing simple programs for repetitive tasks, etc.

References

1. Levine, D., Stephan, D., Szabat, K. (2017). *Statistics for managers using Microsoft Excel, 8th ed.* Pearson.
2. Tattar, P., Ramaiah, S., Manjunath, B. (2018). *A course in statistics with R.* Wiley.

Teaching Learning Process

Combination of labs and lectures

Assessment Methods

Assessment will be based on lab tests and projects.

Keywords

Data representation, statistical software, estimation

Department of Economics
SEC IV(6th Semester) for B.A. (P)

Basic Computational Techniques for Data Analysis

Purpose/Objective of the Paper:

The main purpose of this Skill Enhancement Course (SEC) is to provide B.A.(P) students with hands-on experience to develop skills in statistical techniques using computer applications. The course would help students to get familiar with data sources on different aspects of the Indian economy, estimate simple relationships between economic variables, and interpret estimation results to write up a project report.

This course is an extension of the previous semester's SEC: Data Analysis, which is a prerequisite for taking this course. This course intends to develop computational skills based on the statistics knowledge developed in the last semester. Along with the previous semesters' SEC papers viz. 'Understanding the Economic Survey and Budget', 'Research Methodology' and 'Data Analysis', the course will equip the students to undertake basic research projects on the Indian economy which would be helpful in a variety of professions.

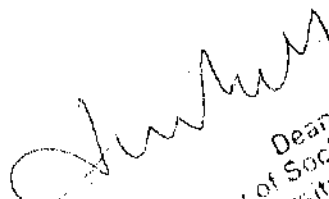
Course Outline:

Unit-I

Introduction to Excel (Microsoft Office) / Open Office by Libre or Apache, spreadsheet basics and inputting of data, word processing and presentation of data with graphs and tables.

Unit-II

- a. Review of concepts: Measures of central tendency- mean, median and mode; arithmetic, geometric and harmonic mean. Measures of dispersion (standard deviation and variance), skewness and kurtosis.
- b. Introduction to calculation of financial formulae: net present value (NPV), internal rate of return, future value, Equated Monthly Installment (EMI), compound growth rate.
- c. Using Spreadsheet to perform the above mathematical/statistical/financial functions.


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- c. Review of the concepts of correlation and rank correlation.
- d. Introduction to the method of Ordinary Least Squares (OLS) in two-variable case (one dependent and one explanatory). Testing of hypothesis related to regression coefficient and goodness of fit (R^2). Reporting of the estimation results.
- e. Using Excel/GRETL (Free ware) for above.

Unit-IV

Introduction to economic and business data sets available in public domain such as NSE, BSE, RBI, MOSPI etc.

Unit-V

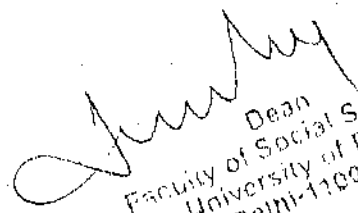
Preparation of a project report based on data available in public domain, using concepts studied in Units II and III.

Readings:

1. Spreadsheet-Microsoft Office/Open Office manual.
2. GRETL-Manual.
3. P.H.Karmel and M. Polasek (1978), *Applied Statistics for Economists*(4th edition), Pitman
4. M. R. Spiegel, L.J. Stephens and N. Kumar (2010), *Statistics* (4th edition) Schaum series, McGraw-Hill.

Marking Scheme:

- i. Internal Assessment : 25 marks, as distributed below:
 - a) 5 marks for attendance
 - b) 10 marks for written test
 - c) 10 marks for computer-based test
- ii. End-semester assessment: 75 marks, comprising (a) 25 marks for project based on Unit V, to be submitted before the final exam, and (b) 50 marks written final exam, which will include one compulsory question based on interpreting computer output related to OLS. Questions in the final exam will be based on only Units I to IV.


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