

**INSTITUTE OF DISTANCE EDUCATION
UNIVERSITY OF MADRAS
BA ECONOMICS**

(Under Choice Based Credit System)

(With effect from the academic year 2018 – 2019 onwards)

SCHEME OF EXAMINATION

SEMESTER I		SUBJECTS	CREDIT	Max Marks		TOTAL
COURSE COMPONENT				INT	EXT	
Part I	Paper-I			Tamil/Other Languages	3	
Part II	Paper-I	English	3	25	75	100
Part III	Core Paper-I	Indian Economy – I	5	25	75	100
	Core Paper-II	Statistics – I	4	25	75	100
	Allied Paper- I	History of Economic Thought	3	25	75	100

SEMESTER II		SUBJECTS	CREDIT	Max Marks		TOTAL
COURSE COMPONENT				INT	EXT	
Part I	Paper-II			Tamil/Other Languages	3	
Part II	Paper-II	English	3	25	75	100
Part III	Core Paper-III	Indian Economy – II	5	25	75	100
	Core Paper-IV	Statistics – II	4	25	75	100
	Allied Paper-II	Health Economics	3	25	75	100

SEMESTER III		SUBJECTS	CREDIT	Max Marks		TOTAL
COURSE COMPONENT				INT	EXT	
Part I	Paper-III			Tamil/Other Languages	3	
Part II	Paper-III	English	3	25	75	100
Part III	Core Paper-V	Micro Economics-I	4	25	75	100
	Core Paper-VI	Mathematics for Economists	4	25	75	100
Part IV	NME-I	Economics for Managers	2	25	75	100

SEMESTER IV		SUBJECTS	CREDIT	Max Marks		TOTAL
COURSE COMPONENT				INT	EXT	
Part I	Paper-IV			Tamil/Other Languages	3	
Part II	Paper-IV	English	3	25	75	100
Part III	Core Paper-VII	Micro Economics-II	4	25	75	100
	Core Paper-VIII	Econometrics	4	25	75	100
Part IV	NME-II	Indian Economy for Competitive Examinations	2	25	75	100

SEMESTER V		SUBJECTS	CREDIT	Max Marks		TOTAL
COURSE COMPONENT				INT	EXT	
Part III	Core Paper-IX			Macro Economics-I	4	
	Core Paper-X	Public Finance-I	4	25	75	100
	Core Paper-XI	International Economics	4	25	75	100
	Core Elective-I	Agricultural Economics	3	25	75	100
Part IV		Environmental Studies	2	25	75	100

SEMESTER VI		SUBJECTS	CREDIT	Max Marks		TOTAL
COURSE COMPONENT				INT	EXT	
Part III	Core Paper-XII			Macro Economics-II	4	
	Core Paper-XIII	Public Finance-II	4	25	75	100
	Core Paper-XIV	Monetary Economics	4	25	75	100
	Core Elective-II	Managerial Economics	3	25	75	100
Part IV		Value Education	2	25	75	100

Course component		No. of paper x Credit(s)	Total	
Part I	Language Paper(4)	4x3	12	
Part II	English(4)	4x3	12	
Part III	Core paper(12)	12x4	48	
	Core paper(2)	2x5	10	
	Allied(2)	2x3	06	
Part IV	Elective(2),	2x3	06	
	NME(2),EVS(1),VE(1)	4x2	08	102

BA ECONOMICS
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SYLLABUS

SEMESTER - I

Core Paper I- INDIAN ECONOMY -I

UNIT-I: Economic development and growth-Basic characteristics of the Indian economy-major issues of development-obstacles to development.

UNIT-II: Structure of Indian economy-National income – sectoral contribution and economic transition in India - -natural resources in the process of economic development population size and growth –demography composition – new population policy

UNIT-III: Objectives of planning in India –development strategy in India-broad achievements and failures-new economic reforms –liberalization, privatization and globalization-rationale behind economic reforms-progress of privatization and globalization.

UNIT-IV: The place of agriculture in the national economy-trends in production and productivity in agriculture –green revolution-progress of agriculture under the five year plans –land reforms –rural credit –agricultural marketing and food security in India.

UNIT-V: Poverty and inequality in India –unemployment in India-causes for rising of prices –regional disparities in India.

References:

1. Ahluwalia, I. J. and IMD Little (Eds.) (1998). *India's Economic Reforms and Development*, Oxford University Press, New Delhi.
2. Byres, T.J. (Ed.) (1997), *The State, Development Planning and Liberalization in India*, Oxford University Press, New Delhi.
3. Byres, T.J. (Ed.) (1998), *The Indian Economy: Major Debates Since Independence*, Oxford University Press, New Delhi.
4. Kausik Basu (Ed.) (2012), *Oxford Companion to Indian Economy*, 3rd Edition, OUP, New Delhi.
5. Uma Kapila (Ed.) (2017-18) *Indian Economy Since Independence* , Academic Foundation, New Delhi, 28th Edition.
6. Ashima Goyal(Ed.) *The Oxford Handbook of the Indian Economy in the 21st Century: Understanding the Inherent Dynamism*, Oxford University Press.

Core Paper II- STATISTICS – I

Objectives of the Course:

Enhance the students' understanding in basic concepts, theories and methods in statistics.
Provide the students with the ability to organize and investigate data.

UNIT I: Descriptive Statistics/Summary Statistics:: Measures of Central Tendency – Minimum, Maximum, Mean, Median, Mode- Measures of Dispersion – Standard deviation, Variance- Measures of deviation from Normality - Skewness, Kurtosis- Frequency Distributions – Univariate, Bivariate- Graphical Illustrations

UNIT II: Probability: Introduction to Probability & Concepts- Addition Rule of Probability- Multiplication Rule of Probability- Conditional Probability & Baye's theorem- Theoretical Probability Distributions – Binomial, Poisson, Normal distributions

UNIT III: Random Variables & Probability Distributions: Random Variables – Discrete, Continuous- Probability Density Function- Joint Probability Density Function- Marginal Probability Density Function- Conditional Probability Density Function- Characteristics/Moments of Probability Distributions – Expected Value, Variance

UNIT IV: Inferential Statistics: Estimation – Point estimation, Interval estimation- Statistical Hypothesis Testing and Significance- Steps in hypothesis testing – Types of hypothesis, Levels of Significance, Degrees of Freedom, Type I and Types II Errors, One-Tail and Two-Tail Tests, Standard Error, p-Values

UNIT V: Tests of Significance of Means: Small Sample Test: Student's t Distribution – Properties of t distribution, Applications of t test
Large Sample Test: Standard Error – Applications & Uses- ANOVA – One-way & Two-way

Reference

1. Aggarwal. Y.P (2002), Statistics Methods – Concepts Application and Computation, Sterling Publishers Private Ltd., New Delhi.
2. Gupta, S.P. (1993), Fundamentals of Applied Statistics, S. Chand & Sons, New Delhi.
3. Speigal, M.R. (1992), Theory and Problems of Statistics, McGraw Hill Book Co., London.
4. Whigham, David, (2008), Business Data Analysis Using Excel, Oxford University Press.
5. Wonnacott H. Thomas & Wonnacott J. Ronald (1969), Introductory Statistics, John Wiley & Sons, Inc. New York.
6. Timothy C. Urdan (2005), Statistics in Plain English, *Second Edition*, Lea Lawrence Erlbaum Associates Publishers, London

Allied Paper 1- HISTORY OF ECONOMIC THOUGHT

UNIT I: Introduction to History of Economic Thought and Significance – Mercantilism - Factors responsible for the rise of Mercantilism, Economic ideas of Mercantalists – Physiocracy – Concept of Natural Order – Circulation of Wealth

UNIT II: Classical School – Contributions of Adam Smith, David Ricardo, Thomas Robert Malthus and J.S. Mill

UNIT III: Neo-classical School and Marginal Revolution – William Stanely Jevons and Carl Mengers, Alfred Marshall

UNIT IV: Historical School and Institutionalism – Economic Ideas – Thorstein Veblen

UNIT V: Contributions of Karl Marx and J.M. Keynes

References:

1. **Agnar Sandmo**, (2010), Economics Evolving: A History of Economic Thought, Princeton University Press
2. Loganathan V- History of Economic Thought- S.Chand & Company.
3. R.R. Paul – History of Economic Thought, Kalyani Publications (2014)
4. Skousen Mark, The Making of modern economics – The Lives and Ideas of the Great Thinkers, M.E. Sharp 2001.

SEMESTER - II

Core Paper III - INDIAN ECONOMY-II

UNIT-I: The role of industrialization-review of industrial growth under planning-small scale industries ; role, problems, and policy perspective to help small scale industries-industrial policies; 1956,1977,1991.

UNIT-II: Features of industrial labour- causes for industrial disputes –social security measures –unorganised sector and India’s informal economy –agricultural workers in India.

UNIT-III: Importance of foreign trade for a developing economy-composition and direction of India’s foreign trade- role of FDI-BOP crisis- India’s trade policy.

UNIT-IV: Financial sector reforms – organisation of India’s money market –changing roles of RBI-development financial institutions –Indian capital market and SBEI

UNIT-V: Trends in revenue and expenditure of central and state Governments-deficit finance in India-current year budget of government of India-finance commission-federal finance in India.

References

1. Ahluwalia, I. J. and IMD Little (Eds.) (1998). *India’s Economic Reforms and Development*, Oxford University Press, New Delhi.
2. Byres, T.J. (Ed.) (1997), *The State, Development Planning and Liberalization in India*, Oxford University Press, New Delhi.
3. Byres, T.J. (Ed.) (1998), *The Indian Economy: Major Debates Since Independence*, Oxford University Press, New Delhi.
4. Kausik Basu (Ed.) (2012), *Oxford Companion to Indian Economy*, 3rd Edition, OUP, New Delhi.
5. Uma Kapila (Ed.) (2017-18) *Indian Economy Since Independence* , Academic Foundation, New Delhi, 28th Edition.
6. Ashima Goyal(Ed.) *The Oxford Handbook of the Indian Economy in the 21st Century: Understanding the Inherent Dynamism*, Oxford University Press.

Core Paper IV- STATISTICS – II

UNIT I: Measures of Linear Relationships: Introduction to Correlation – Definition, Types- Estimation of Correlation Coefficients– Simple, Partial, Multiple- Properties of Correlation Coefficient- Testing the significance of correlation coefficient – t, Standard Error

UNIT II: Simple Linear Regression Analysis/Models: Introduction to Simple Linear Regression Models- Regression vs. Causation- Properties & Estimation of Regression Coefficients- Goodness of Fit Measure/Summary Measure – Coefficient of Determination

UNIT III: Multiple Linear Regression Models: Introduction to Multiple Linear Regression Models- Properties & Estimation of Partial- Regression Slope Coefficients- Goodness of Fit Measure/Summary Measure – Coefficient of Determination

UNIT IV: Non-Parametric tests: An Introduction to Non-Parametric Tests- Difference between Parametric and Non- Parametric tests- Sign Test – Paired Samples- Mann Whitney U Test – Two Independent Samples- Kruskal Wallis H Test – More than two Independent Samples- Run’s Test for Randomness- Chi-square Test

UNIT V: Minor Assignment: Estimate, analyze and draw inference on an economic data using any of the statistical tools in the syllabus.

Reference

1. Aggarwal. Y.P (2002), Statistics Methods – Concepts Application and Computation, Sterling Publishers Private Ltd., New Delhi.
2. Gupta, S.P. (1993), Fundamentals of Applied Statistics, S. Chand & Sons, New Delhi.
3. Speigal, M.R. (1992), Theory and Problems of Statistics, McGraw Hill Book Co., London.
4. Whigham, David, (2008), Business Data Analysis Using Excel, Oxford University Press.
5. Wonnacott H. Thomas & Wonnacott J. Ronald (1969), Introductory Statistics, John Wiley & Sons, Inc. New York.
6. Timothy C. Urdan (2005), Statistics in Plain English, *Second Edition*, Lea Lawrence Erlbaum Associates Publishers, London.

Allied Paper II- HEALTH ECONOMICS

UNIT I: Health and Economic Development- Investment in man -Health and Social Welfare- Determinants of Health- Income and Health Linkages- Economic Analysis of Health care.

UNIT-II: Demand for Health Care Services- Preference for Health care using Indifference Curves- Budget Constraints- Income and Price effects for Health care- Elasticity of Demand for Medical care.

UNIT-III: Supply of Health care services- Physicians and Medical Personnel as Health care providers- Non labour inputs- Hospitals- Interaction of Demand and Supply of Health care.

UNIT-IV: Health Indicators- Birth rate- Fertility- Morbidity- Mortality- IMR – CMR- MMR- Disability Adjusted Life Year (DALY)- Quality Adjusted Life Year (QALY)- Sex ratio.

UNIT- V: Health Insurance- Medical Ethics- Medical Tourism.

BOOKS FOR REFERENCE:

1. William Jack, Principles of Health Economics for Developing Countries, World Bank Institute Development Studies 1999.
2. World Development Report, Investing in Health, The World Bank 1993.
3. M. Grossman, 'The Shadow price of Health in the Economics of Health' Vol. 1 by A.J. Culyes (ed) (1991), Edward Elger publishing Ltd, UK.
4. Volan Brian (1993) Economics Incentives, Health Status and Health services, Utilisation, Journal of Health Economics, Vol II.
5. Banerjee, D. (1975), Social and Cultural Foundations of Health Service Systems of India, Inquiry, Supplement to Vol. XII, June.
6. Edwin G Dolan and John C Goodman: Economics of Public Policy: 4th Edition: West Publishing Company, New York

SEMESTER III

Core Paper- V-Micro Economics I

Unit I

Definitions of Economics – difference between Micro Economics and Macro Economics – Positive and Normative Economics – Inductive and Deductive Economics – Production Possibility Frontier

Unit II

Cardinal Utility Approach – Total Utility and Marginal Utility – Law of Diminishing Marginal Utility – Law of equi-marginal utility – Limitations – Ordinal Utility – Indifference Curves – Properties – Marginal Rate of Substitution – Consumer's Equilibrium – Hicksian Price Effect -- Concept of Consumer Surplus.

Unit III

Demand Function – Law of Demand – Determinants of Demand – Exceptions to the Law of Demand- Individual and Market Demand – Shift in Demand – Elasticity of Demand – Price, Income and Cross Elasticity – Factors influencing Elasticity of Demand – Measurement of Elasticity of Demand – Point Method, Arc Method and Total Elasticity Method.

Unit IV

Production Function – Law of Variable Proportions – Iso-quants – Marginal Rate of Technical Substitution – Law of Returns to Scale – Producers' Equilibrium – Least cost combinations.

Unit V

Law of Supply – Factors influencing Supply – Shift in Supply – Elasticity of Supply – Market Equilibrium – Interaction between Demand and Supply.

References

1. Gregory Mankiw (2014) Economics: Principles and Applications, New Delhi, Cengage Learning India
2. Koutsiyannis A. (2003) Modern Micro Economics – Palgram Macmillan (UK) 2nd Edition.
3. Robert Pindyck and Daniel Rubinfeld (2017) 8th Edn. Micro Economics, Pearson Education.
4. Varian,H.(2000),Intermediate Microeconomics: A Modern Approach, W.W.Norton, NewYork

Core Paper- VI - Mathematics for Economists

Unit I

Vector and Matrix Algebra - Basic Operations - Types of Matrices – Transpose of a Matrix – Properties of Transpose – Partitioned Matrices – Minor and Rank of a Matrix.

Unit II

Determinants – Singular, Non Singular Matrix – Adjoint Matrix – Inverse Matrices – Properties of Inverse – System of Equations with Inverse – Cramer’s Rule.

Unit III

Differentiation – Rules of Differentiation: Differentiation of Sum and Difference of functions – Product Rule – Quotient Rule – Chain Rule – Higher Order Derivatives – Direct and Cross Partial Derivatives.

Unit IV

Maximization and Minimization – Economic Applications: Revenue Maximization – Profit Maximization under Perfect Competition, Monopoly, Discriminating Monopoly – Cost Minimization.

Unit V

Integration – Rules – Definite Integrals – Properties of Definite Integrals – Economic Applications: Consumer’s Surplus and Producer’s Surplus.

References:

1. Chiang. A. C. (2005), Fundamental Methods of Mathematical for Economics, McGraw Hill, New York.
2. Edward T Dowling (2011), Schaum’s Outline of Introduction to Mathematical Economics, 3rd Edition, McGraw Hill Publication.
3. Geoff Renshaw(2009), Maths for Economics, 2nd Edition, Oxford Publications, New Delhi
4. Jean E. Weber (1982), Mathematical Analysis, Business and Economics Applications, Harper International Edition, Cambridge, March 1.
5. Mabbet, A.J. (1986), Workout Mathematics for Economists, Mac Millan Master Series, 4th Edition, London.

Non-Major Elective-1- ECONOMICS FOR MANAGERS

Unit-I

Basic Micro and Macro Economic Concepts: Demand and supply - Elasticity of Demand - Demand Forecasting- Factors affecting supply.

Unit-II

Competition: Classification of Market Structure-perfect competition monopoly - monopolistic competition- Oligopoly.

Unit- III

Monetary Theory: Nature and Definition of money- Definitions of money supply- Creation of credit -Meaning, causes and control of inflation.

Unit-IV

Theories of Business cycles: Meaning types and phases of business cycle-Schumpeter's and Keynesian Theories of Trade Cycle.

References

1. Keat, Paul G and Young, Philip K.Y - Managerial Economics, Pearson Education, New Delhi.
2. K. Jothi Sivagnanam, & Srinivasan. R, (2010), Business Economics, Tata McGraw Hill Education Private Limited, New Delhi.
3. Varshney R. L and Maheshwari K L, Managerial Economics , Sultan Chand, New Delhi
4. Domnick Salvatore: Managerial Economics in a Global Economy, 4th Edition. Cengage, 2009.
5. McGuigan, R. James, Moyer, R. Charles & Harris H. Frederick, (2005), Managerial Economics- Applications, Strategy, and Tactics, Cengage Learning, New Delhi.

SEMESTER IV

Core Paper –VII -Micro Economics II

Unit I

Cost and Revenue Concepts – Types of Costs – Fixed and Variable Costs – Average, Marginal and Total Costs – Short run and Long run Costs – Traditional and Modern Costs – Total, Average and Marginal Revenues.

Unit II

Perfect Competition – Features – Price and Output Determination under Perfect Competition – Short run and Long run equilibrium of the firm.

Unit III

Monopoly – Supply Curve of the Monopolists – Equilibrium under Monopoly – Price Discrimination – Types and Degrees of Price Discrimination – A Note on Dumping.

Unit IV

Equilibrium under monopolistic competition – Excess capacity – Oligopoly – Kinked Demand Curve Model – Cartels.

Unit V

Marginal Productivity Theory of Distribution – Wage Differentials – Ricardian Theory of Rent – Classical theory of Interest – Theories of Profit-Innovation theory of Profit, Risk and Uncertainty bearing theory of profit .

References:

1. Karl E. Case and Ray C. Fair, (2013) Principles of Economics, 11th Edition, Pearson, New Delhi.
2. Gregory Mankiw (2014), Economics: Principles and Applications, New Delhi, Cengage Learning India.
3. Koutsiyannis A. (2003), Modern Micro Economics – Palgram Macmillan (UK) 2nd Edition.
4. Watson(1975), Price Theory and its uses, Scientific Book Company, Calcutta.

Core Paper- VIII - Econometrics

Unit I

Introduction to Econometrics – Meaning– Classical Econometric Methodology – Analysis of economic problems: Demand theory and Keynes Consumption theory

Unit II

Two-variable Linear Regression Analysis: Estimation – Population & Sample Regression Function (PRF, SRF) – Principle of Ordinary Least Squares (OLS) – Derivation of OLS estimators & Properties of OLS estimators – Assumptions of the Classical Linear Regression Model – Estimation of a two-variable model – Reporting & Interpreting the Regression Results – Goodness of Fit Measures - Coefficient of Determination

Unit III

Two-variable Linear Regression Analysis: Hypothesis Testing – Interval Estimation & Hypothesis testing – An Introduction – Estimation of Confidence Intervals for regression coefficients – Testing the significance of the coefficients – Confidence Interval Approach – Standard Error – Reliability of estimators – Testing the overall significance of the Model: Regression Analysis & ANOVA

Unit IV

Multiple Linear Regression Analysis: Estimation & Hypothesis Testing – Introduction to Multiple Linear Regression Models & Significance – Assumptions underlying the Multiple Regression Model – Estimation of a three-variable model -Reporting & Interpreting the Regression Results – Standard Error – Reliability of estimators – Coefficient of Determination – Goodness of Fit Measures – Hypothesis testing – Testing the overall significance of the Model

Unit V

Problem Assignments – Example I: Estimating Demand/Supply Function, Compute Elasticity – Example II: Estimating Consumption Function, Compute & Test the significance of MPC – Example III: Estimating Cob - Douglas Production Function, Computing output elasticity with respect to Labour and Capital Inputs, Testing the significance of the coefficients and of the model – Example IV: Compute Growth Rates

References:

1. Dougherty, C. (1992), Introduction to Econometrics, Oxford University Press, New York.
2. Gujarati D.N. and Sangeetha (2007), Basic Econometrics, Tata McGraw-Hill Publishing Company, 4th edition.
3. Koutsoyiannis, A. (1977), Theory of Econometrics (2nd ed.), The Macmillan Press Ltd., London.
4. Maddala, G.S. (1997), Econometrics, McGraw Hill, New York.

Non Major Elective II

INDIAN ECONOMY FOR COMPETITIVE EXAMINATIONS

Unit-I

Economic Development - Measurement of Development-Cause of underdevelopment-Development and the New Economic Policy- Development and the environment.

Unit-II

Population - population growth - Age composition of population-population policy.

Unit III

Poverty - Measurement of Poverty-Poverty line-Policies for poverty alleviation-Poverty and Regional Disparity.

Unit IV

Price policy and Inflation History to price rise in India. Causes of Inflation - Inflation and Price control in the post-reform period-Monetary and fiscal policies.

Study Materials:

1. Ruddar Dutt and Sundaram K.P.M.- Indian Economy.
2. Jhingan,M.L. The Economic of Development & Planning.
3. Ahuja, H.L.Economic Environment of Business, Macro Economic Analysis.
4. General Studies Manual for the UPSC Civil Services Preliminary Examination (Latest Edition).
5. Indian Economy Exam Oriented Series–Praitiyogita Darpan.

SEMESTER V
Core Paper- IX - Macro Economics– I

Unit I:

Concepts – Endogenous, exogenous variables identities-stocks and flows – statics – comparative statics – Dynamics – Ex ante and Ex post Variables – Difference between Micro and Macro Economics-Partial and General equilibrium analysis.

Unit II:

Classical theory of output and employment – Product Market, Labour Market, Money Market and Capital Market Equilibrium – J.B Say's Law of Markets-Fishers Quantity theory of Money – Wage – Price flexibility – Derivation of Aggregate Supply Curve – Full Employment Equilibrium – Keynesian Theory of output and employment – Wage rigidity – Derivation of aggregate Supply curve – Aggregate Expenditure function – Effective demand – Full Employment Equilibrium

Unit III:

Keynesian theory of income determination – Behavioral equations – cross diagrams - multipliers-closed and open economy models. Post-Keynesian income determination: IS-LM analysis-Integration of real sector with money sector: Multipliers – General equilibrium – Effects of monetary and fiscal policies on the real rate of interest and real national income

Unit IV:

Keynesian Absolute Income Hypothesis – Psychological Law of Consumption – Post Keynesian consumption functions – Dusenberry's Relative Income hypothesis – Milton Friedman's Permanent Income Hypothesis, Franco Modigliani's Life Cycle Hypothesis. The implications and propositions of consumption function-Objective and subjective factors determining consumption function.

Unit V:

Classical theory of investment demand – Rate of interest-Keynesian theory of demand for investment: MEC, Rate of discount, NPV, Prospective yield, Supply price: Post Keynesian theory of investment demand-Acceleration Principle – Samuelson's and Hick's theories of accelerator.

References:

1. Dornbusch, Rudiger, Stanley Fischer, and Richard Startz (2000). Macroeconomics, Tata McGraw-Hill Publishing Company, New Delhi.
2. Roger E.A. Farmer (2002), Macro Economics, Thompson Asia Pvt. Ltd., Singapore
3. Jha, Raghendra (1991). Contemporary Macroeconomic Theory and Policy, Wiley Eastern Limited, New Delhi.
4. Laidler, David E.W. (1977). The Demand for Money: Theories and Evidence, Harper and Row, New York.
5. Mueller, M.G. (Ed.)(1978). Readings in Macroeconomics, Surjeet Publications, New Delhi.
6. Mankiw. N Gregory (2000) Macro Economics (Worth Publishers, New York)

Core Paper- X -Public Finance – I

Unit I:

Public finance – Meaning and Scope – Public and Private Finance – Principle of Maximum Social Advantage – Public Goods and Private Goods.

Unit II:

Meaning and Definition of Public Expenditure – Reasons for the Growth of Public Expenditure – Views of Economists on Public Expenditure: Wagner's Hypothesis and Peacock – Wiseman Hypothesis, Canons of Public Expenditure – Effects of Public Expenditure

Unit III:

Sources of Public Revenue – Taxes – Canons of Taxation–Principles of Taxation Classification of Tax – Direct and Indirect taxes – Effects of Taxes.

Unit IV:

Shifting and Incidence of Taxes – Theories of Shifting and Incidence – Concentration theory – Diffusion Theory – Modern Theory of Incidence.

Unit V:

Meaning – Factors determining Taxable Capacity – Types of Taxable capacity – Significance – Limits of Taxable Capacity – Measurement of Taxable Capacity.

References:

1. David.N.Hyman(2005),Public Finance: A Contemporary Application of Theory and Policies, Cengage India Edition, New Delhi
2. Holley Ulbrich, (2003), Public Finance in Theory and Practice, Thomson South-Western, Chennai.
3. Lekhi R.K and Joginder Singh (2015), Public Finance, Kalyani publishers, Delhi.
4. Musgrave. Richard and Peggy.Musgrave, (2017), Public finance in Theory and practice. Mcgraw-Hill Publications
5. Rosen, Harvey(2013),Public Finance, McGraw Hill Publications

Core Paper- XI - International Economics

Unit I

International Trade –Meaning –Difference between International and Inter-Regional Trade – Community Indifference Curve – Production Possibility Curve – Offer Curves – Opportunity Cost.

Unit II

Theories of International Trade: Adam Smith (Absolute Advantage) – David Ricardo (Comparative Cost Advantage) –Heckscher - Ohlin Theorem— Heberler (Opportunity Cost Theory) - J.S. Mills (Reciprocal Demand Theory).

Unit III

Free Trade – Protection – Meaning – Cases for and against Free Trade and Protection – Quotas: Meaning and Types. Tariff: Meaning, Types and Effects.

Unit IV

Balance of Payments – Meaning - Structure of Balance of Payments – Causes of Disequilibrium – Measures to Control Disequilibrium. New International Economic Order – Objectives and Implementation.

Unit V

IMF – World Bank – WTO –Regional Trade Agreements–ASEAN-Euro Zone- G20 – Asian Development Bank – BRICS – Recent Summits –Trading Blocs –SAARC – NAFTA – EU.

References:

1. Charles P Kindleberger (1999), International Economics, Macmillan Press Ltd London.
2. Dominick Salvatore (2014), International Economics, John Wiley International Student Edition.
3. Paul Krugman, Maurice Obstfeld and Marc Melitz, Addison (2014) – Wesley International Economics: Theory and Policy, Pearson Education Indian Edition.
4. Robert Carbaugh (2016), International Economics, Cengage Learning.

Core Elective-I - Agricultural Economics

Unit 1:

Meaning of Agricultural Economics, Need and Importance of Agricultural Economics – Relationship between Agricultural and Non-agricultural Sectors – Major Crops – Food and Commercial Crops, Crop Rotation, Mixed Farming and Sustainable Agriculture – Importance of Technology in Agriculture.

Unit II

Agricultural Holdings, Sub-Division and Fragmentation of Holding in India, Causes and Ill Effects of Sub-Division - Consolidation of Land Holding. Agricultural Productivity – causes for Low Productivity, Suggestions for Raising Agricultural Productivity. Impact of Land Reform measures.

Unit III

Indebtedness-Causes, Consequences and Evils of Indebtedness, Measures to Remove Rural Indebtedness and Regulation of Money Lenders. Agricultural Credit – Sources of Agricultural Finance – Institutional, Cooperative Bank – Land Development Bank- NABARD - RRB- Self Help Group- Non Institutional Finance.

Unit IV

Concepts and Features of Agricultural Marketing in India – Main Defects of Agricultural Marketing. The Regulated Markets – Functions and Progress of Regulated Markets. Co-operative Marketing – Advantages and Progress of Co-operative Marketing, Suggestions to Improve Co-operative Marketing

Unit V

Community Development – Objectives and Implementation of CD. IRDP – Meanings, Objectives, Strategy - Progress – Swarnajayanti Gram Swaraj Yojana (SGSY) – National Agricultural Policy 2000 - MGNREP – Food Security.

References:

1. Acharya, S.S. and Agarwal, N.L. (2004); Agricultural marketing in India, Oxford and IBH Publishing Co. Pvt. Ltd.
2. Badi, R.V. and Badi, N.V. (2004); Rural Marketing, Himalaya Publishing House.
3. Giriappa, S. (2000); Institutions and Agricultural Marketing, Mohit Publications.
4. Lekhi, R.K. and Singh, Joginder (2005); Agricultural Economics, Kalyani Publishers.
5. Mahajan, K.A. (2003); Co-operative Marketing, Anmol Publications Pvt. Ltd.
6. Rajan Kumar Sahoo, (2011); Agricultural Marketing, Dominant Publishers & Distributors Pvt. Ltd

SEMESTER- VI

Core Paper-XII - Macro Economics – II

Unit I: Definition of inflation – Types of Inflation – Demand Pull Inflation – Cost Push Inflation – Mark-up Inflation. Effects of Inflation – Tradeoff between inflation and unemployment – Philips curve – Short run and long run Philips curve

Unit II: Growth Concepts – Difference between growth and development – Factors determining growth – Harrod Domar growth model – Neo Classical Theory of Growth by Solow – Kaldor’s theory of distribution – Joan Robinson’s explanation for different ages – Golden rule of capital accumulation.

Unit III : Concepts of business cycle – Four phases of business cycle – Theories – Hawtreys monetary approach – Von Hayek’s approach – Schumpeter’s Innovation theory – Kaldor’s Savings – Investment approach – Hicks’ Multiplier – Accelerator interaction approach to the theory of Business cycle – Measures to control business cycle.

Unit IV: Monetary Policy: Objectives - Policy Instruments — Monetary Policy lags – Rules vs Discretion. Transmission Mechanism: Classical, Neo classical and Keynesian transmission mechanism. Fiscal Policy– Objectives– Policy Instruments – Lags– Built-in-flexibility – compensatory fiscal policy – Effects of Fiscal policy in classical, intermediate and Keynesian range of LM curve. Income Policies – Various Types-Arguments for and against Income Policy.

Unit V: IS-LM-BP Curves – Effects of monetary and fiscal policy under fixed and flexible exchange rate regimes-Working of Devaluation and foreign shocks on National Income. Rational Expectations – Classical and Keynesian Expectations Augmented aggregate Supply curves. Actual and expected Price Levels.

References:

1. Dornbusch, Rudiger, Stanley Fischer, and Richard Startz (2000). Macroeconomics, Tata McGraw-Hill Publishing Company, New Delhi.
2. Roger E.A. Farmer (2002), Macro Economics, Thompson Asia Pvt. Ltd., Singapore
3. Jha, Raghbendra (1991). Contemporary Macroeconomic Theory and Policy, Wiley Eastern Limited, New Delhi.
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Core Paper- XIII - Public Finance - II

Unit I:

Public Debt - Meaning — Comparison of Private and Public debt – Objectives of Public debt – Classification of Public Debt , Causes, Effects and Redemption of public debt – Public debt management in India

Unit II:

Meaning – Principles of Fiscal Federalism – Objectives of Finance Commission – Recommendations of 12th, 13th, 14th Finance Commission – Co-operative Federalism-NITI Aayog - Centre State Financial Relations.

Unit III:

Meaning – Objectives – Causes of Deficit Financing – Impact of Deficit financing – Advantages and Disadvantages of Deficit Financing.

Unit IV:

Meaning and Definition of Budget – Objectives of the Budget – Structure of the Budget – Budgetary procedure in India – An overview of Current Union Government Budget.

Unit V:

Local Governments – Types of Local Governments – Sources of Finance of Local Governments – Functions of local governments – Problems faced by Local Governments with regard to Finance

References:

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Core Paper XIV - Monetary Economics

Unit I

Money in Economic System – Functions of Money-Evolution of Money – Types of Monetary Standards – Efficiency in Exchange – Features of Real-Exchange Economy and Monetary Economy – Money and Financial System – Properties of Financial Assets – Selection Criteria – Role of Financial Markets – Functions of Financial Intermediaries – Financial Intermediation and Capital accumulation.

Unit II

Demand for Money: Quantity Theory-Classical, Cambridge and Keynesian Versions – Motives and Determinants of Demand for Money – Theory of Liquidity Preference – Transactions Demand, Speculative Demand and Precautionary Demand – Interest Elasticity – Portfolio Analysis of demand for Money – Friedman's Restatement Quantity theory of Money – Supply Analysis: Money Stock Measures ,Velocity of circulations of money – Money Multiplier. Money Supply and Balance of Payments.

Unit III

Commercial Banks – Functions and Operations-Credit Creation – Structure of Balance Sheet– Reforms in the Indian Banking System –Issues of NPA-Reserve Bank of India: Functions and Working.

Unit IV

Money Market - Structure and Functions – Features of Indian Money Market – Role of unorganized money markets in India. Capital Market :Primary and Secondary Markets – SEBI and Capital Markets – Foreign Exchange Market – Exchange rate movements – Determinants – Hedging Operations –Convertibility in Current and Capital Accounts.

Unit V

Monetary Policy: Objectives, Instruments of Credit Control – Transmission Process – Monetary Policy in Closed and Open Economies.

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Core Elective II - Managerial Economics

Unit I

Definition and Scope of Managerial Economics-Tools of Managerial Decision making: Incremental and Marginal analysis- Equi-marginal principle – Principle of Discounting – Time perspective

Unit II

Types of Demand: Derived Demand and Autonomous demand - New and replacement Demand - Total Demand and market segment demand - Short run and long run demand -Demand forecasting: Purpose and methods of forecasting. Opinion poll methods – Barometric technique – trend projection methods – time series analysis

Unit III

Costs, Concepts: Future cost, Imputed costs, Sunk cost– Accounting and Economic costs, Book and Out-of pocket costs – Explicit and Implicit costs, Private and Social costs – shutdown and Abandonment costs. Break even Analysis – Assumptions – Uses –Limitations.

Unit IV

Pricing Strategy : Peak load pricing, Pricing over the life cycle of a product, Skimming price , Penetration price,Multi-product pricing -Cost oriented pricing, Full cost pricing, Marginal cost pricing, Competition oriented pricing, Going rate pricing, Customary pricing –,Cyclical pricing - Porter's five forces model of competitive structure

Unit V

Capital budgeting – cost of capital --Project profitability – Methods of appraising project profitability.

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