

## **Learning Outcome**

The course provides firm basis for advance thinking capabilities required in the discipline. The course structure is designed to provide students with a logical paradigm for modeling and interpreting the behavior pattern and establish inter-relationships between household, firms and government institutions.

## **Graduate Attributes**

Upon completion of the course, a student will have necessary skills to understand and analyse major economic phenomena with critical thinking abilities and logic. A student will be able to analyse government policies and regulations, and demonstrate their significance. Knowing how an economy functions, and how decisions are made by consumers, producers, and regulators, the student will have the necessary skills to identify, analyse, and solve problems in a logical and efficient way.

The programme provides the basic ingredients of economic theory and the opportunity to learn how to process and analyse economic data based on sound statistical principles, in order to arrive at economically meaningful conclusions.

## **Teaching Learning Process**

Teaching and learning in this programme involves classroom lectures as well as tutorials. The tutorials allow a closer interaction between the students and the teacher as each student gets individual attention. In tutorials, the teacher can keep track of each student's progress and address her/his individual difficulties. Students will be assigned regular home assignments and will be tested periodically through quizzes and class tests to ensure that they have properly learnt the course material.

## **Microeconomics**

### **Course Objective**

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

### **Course Learning Outcomes**

The course is the first introduction for students towards economics from the perspective of individual decision making as consumers and producers. The students learn some basic principles of microeconomics, interactions of supply and demand, characteristics of perfect, imperfect and other market structures and theories of factor cost.

## **Semester-I**

### **Microeconomics -I**

#### Unit-I

The Economic Problem: Scarcity and Choice, Functions of an Economic System, Circular Flow of Economic Activities, System of Economic Organization, Micro and Macro Economics, Law of Demand, Elasticity of Demand: concept, types, measurement, determinants and importance.

#### Unit –II

Consumer Theory: Concept of utility, Cardinal utility analysis, marginal and total utility, consumer's equilibrium, Derivation of demand curve, consumer's surplus. Ordinal Utility Theory: Indifference curves analysis, characteristics, budget line, marginal rate of substitution, Consumer's Equilibrium, Price, income and substitution effects, Derivation of demand curve, Limitations of utility theory of demand.

#### Unit- III

Producer's behaviour and Supply: Supply, Firm as an agent of production, Law of variable proportions, Returns to scale, characteristics of Iso-quants, Ridge lines, least cost combination of factors, Internal and external economies and diseconomies. Movements and shifts in supply curve, Elasticity of supply.

#### Unit - IV

Cost Analysis: Concepts of costs, short period costs and long period costs, Modern Theory of costs, Revenue: Concepts of revenue; total, average and marginal revenue and their relationships, Break-even-analysis & its uses

#### Books recommended:

1. Paul Samuelson and Nordhaus: Economics, Tata Mcgraw Hill Publishing Compnay, New Delhi.
2. N. Gregory Mankiw: Principles of Economics, Thomson.
3. J.E. Stiglitz and G.E. Walsh: Principles of Economics, W.W. Norton & Co. N.Y.
4. R.G. Lipsey, and KA. Chrystal, Principles of Economics Oxford University Press, Oxford.
5. A. Kousioyionnis , Modern Microeconomics, Macmillan.
6. R.G. Lipsey and KA. Chrystal, Economics, Oxford University Press, Oxford.

## **Semester-II**

### **Microeconomics – II**

#### Unit – I

Market Structures, Perfect Competition: Characteristics and assumptions, Price determination under perfect competition, Equilibrium of the firm and industry in the short period and the long period. Monopoly: Characteristics, Equilibrium of the monopoly firm in short period and long period, Concept of supply-curve under monopoly, Price discrimination, Measure of monopoly power.

#### Unit-II

Imperfect Market: Monopolistic competition, characteristics, short period and long period equilibrium of the firm, Group-equilibrium, selling costs, product differentiation, excess capacity. Oligopoly: Characteristics, emergence of oligopoly, Cournot's model, Bertrand's model, Price rigidity, Price leadership, Collusive and non-collusive oligopoly.

#### Unit-III

Market failure: Market efficiency, Reasons for Market failure, Public goods and externalities, transaction costs, asymmetric information, public policy towards monopoly and competition.

#### Unit-IV

Theory of factor pricing: Marginal productivity theory of distribution, Backward bending supply curve of labour, Ricardian and modern theory of rent, quasi-rent, net and gross interest, theories of interest, net and gross profit, theories of profit.

#### Books recommended:

1. Paul Samuelson and Nordhaus: Economics), Tata Mcgraw Hill Publishing Company, New Delhi.
2. N. Gregory Mankiw: Principles of Economics, Thomson.
3. J.E. Stiglitz and G.E. Walsh: Principles of Economics, W.W. Norton & Co. N.Y.4. R.G. Lipsey, and K.A. Chrystal, Principles of Economics Oxford University Press, Oxford.
5. A. Kousiyonnis, Modern Microeconomics, Macmillan.
6. R.G. Lipsey and K.A. Chrystal, Economics, Oxford University Press, Oxford.

## **Macroeconomics**

### **Course Objective**

The course introduces the students to the basic concepts of Macroeconomics. This course discusses the preliminary concepts associated with the determination and measurement of aggregate macroeconomic variable like GDP, savings, investment, money, inflation, and the balance of payments, formal analysis of government taxation and expenditure. It also introduces students to simple analytical frameworks for determination of equilibrium output.

### **Course Learning Outcomes**

This course aims to develop the broad conceptual frameworks which will enable students to understand and comment upon real economic issues like inflation, money supply, GDP and their interlinkages. It will also allow them to critically evaluate various macroeconomic policies in terms of a coherent logical structure.

## **Semester-III**

### **Macroeconomics-I**

#### Unit-I

Introduction to Macroeconomics and National Income Accounting Macroeconomics: Nature and Scope; Macroeconomic Issues in an Economy. Concepts of GDP and National Income; Measurement of National Income and Related Aggregates; Nominal and Real Income; Limitations of the GDP concept. Methods of measurement of India's National Income by CSO.

#### Unit-II

National Income Determination, Actual and potential GDP; Aggregate Expenditure –Consumption Function , Investment Function; Equilibrium GDP; Concepts of MPC , APC, MPS, APS. Autonomous Expenditure; The Concept of Multiplier.

#### Unit-III

National Income Determination in an Open Economy with Government Fiscal Policy - Impact of Changes in Govt.Expenditure and Taxes; Net Export Function; Net Exports and Equilibrium GDP.

#### Unit-IV

GDP and Price Level in Short and Long Run Aggregate Demand and Aggregate Supply; Multiplier Analysis with AD curve and Price level Changes; Aggregate Supply in Short Run and Long Run.

#### Reference:

1. R.G.Lipsey and K.A.Chrystal: Principles of Economics (Latest Edition) ( Oxford University Press).
2. Joseph E. Stiglitz and Carl E. Walsh Principles of Macroeconomics, W.W. Norton & Company, Inc., New York, N.Y.
3. Paul A. Samuelson and William D. Nordhans (Indian Adoption by Sudip Choudhary and Anindya Sen) : Economics, Tata Mcgraw Hill, New Delhi
4. N. Gregorgy Mankin: Principles of Macro Economics, Cengage Learning India Pvt. Ltd. New Delhi.
5. Ackley, G (1978), Macroeconomics: Theory and Policy, Macmillan, New York.
6. Banson, W.a. (1989), Macroeconomic Theory and Policy (3rd Ed.), Harper & Row, New York.
7. Shapiro, E (1996), Macroeconomic Analysis Galgotia Publication, New Delhi.

**SEMESTER- IV**  
**Macroeconomics-II**

Unit -I

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, Credit Creation and Monetary Policy.

Unit- II

IS-LM Analysis, Trade Cycle Theory and Growth Theory  
Derivation of IS and LM Functions; IS-LM and Aggregate Demand; Shifts in AD Curve.  
Theories of Trade cycles: Samuelson and Hicks models, Harrod and Domar growth model.

Unit- III

Balance of Payments and Exchange Rate Gains from International Trade, Balance of Payments; Market for Foreign Exchange; Determination of Exchange Rates.

Unit- IV

Public Finance Nature and Scope of Public Finance, Principle of Maximum Social Advantage, Effects of Public Expenditure, Impact and Incidence of taxes, Characteristics of a Good Taxation System.

Reference:

1. R.G.Lipsey and K.A.Chrysal: Principles of Economics (Latest Edition) ( Oxford University Press).
2. Joseph E. Stiglitz and Carl E. Walsh Principles of Macroeconomics, W.W. Norton & Company, Inc., New York, N.Y.
3. Paul A. Samuelson and William D. Nordhans (Indian Adoption by Sudip Choudhary and Anindya Sen) : Economics, Tata Mcgraw Hill, New Delhi
4. N. Gregorgy Mankin: Principles of Macro Economics, Cengage Learning India Pvt. Ltd. New Delhi.
5. Ackley, G (1978), Macroeconomics: Theory and Policy, Macmillan, New York.
6. Banson, W.a. (1989), Macroeconomic Theory and Policy (3rd Ed.), Harper & Row, New York.
7. Shapiro, E (1996), Macroeconomic Analysis Galgotia Publication, New Delhi.

## **Development Economics**

### **Course Objective**

The course engages in discussion regarding various alternative conceptions of development and their justification. That facilitates to aggregate models of growth and cross-national, comparisons of the growth experience that can help evaluate these models. The axiomatic basis for inequality measurement is used to develop measures of inequality and connections between growth and inequality are explored. The course further link political institutions to sustainable growth and inequality, as it discusses the role of the state in economic development, as well as the informational and incentive problems that affect state governance.

### **Course Learning Outcomes**

This course introduces students to the basics of development economics, with in- depth discussions of the concepts of development, growth, poverty, inequality, as well as the underlying political institutions.

## **Development Economics**

### Unit-I

Features of U.D.C's, Economics Growth and Development, Determinants, Measurement and Obstacles of Economic Development, Vicious Circle of Poverty.

### Unit-II

Balanced and Unbalanced Growth Theories, Lewis' Model and Leibenstein's Critical minimum effort thesis.

### Unit III

Environment, Meaning, features and components of Environment. Scope of Environmental Economics; Environment as a necessity and luxury. Population-Environment linkage. Features of Environment as a public good.

### Unit IV

Natural Resources; Environmental pollution, types, causes and effects. Control policies; Environmental legislations in India. Sustainable Development: meaning; indicators, measurement and importance of Sustainable Development.

#### Book recommended:

1. G. Meir and James E. Rauch (2000), "Leading Issues in Economic Development," Oxford University Press, New York.
2. Goodstein, E.S. (2002), "Economics and the Environment, 3rd edition, Prentice Hall.
3. S.K. Mishra and V.K. Puri, "Indian Economy", Himalaya Publishing House, New Delhi.
4. Ray, Debraj (2004), "Development Economics," Oxford University Press, New Delhi.
5. Ghatak, Subrata (2003), Introduction to Development Economics, Routledge, London, New York.
6. Thirwall, A. P. (2003), "Growth and Development," 7th ed. Palgrave



Macmillan,

New

York.

## **International Trade**

### **Course Objective**

The purpose of this course is to inform the basics of international trade theory and to examine the effects of international economic policies on domestic and world welfare. 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. Although the course is based on abstract theoretical models, students will also be exposed to real-world examples and case studies.

### **Course Learning Outcomes**

The module aims to introduce students to the main theoretical and empirical concepts in international trade, equip students with a thorough analytical grasp of trade theory, ranging from Ricardian comparative advantage to modern theories of intra-industry trade, and familiarise students with the main issues in trade policy and with the basic features of the international trading regime. At the end of the course, the students should be able to demonstrate their understanding of the economic concepts of trade theory. In some models, the student will be required to use diagrammatic analysis to demonstrate and compare the economic welfare effects of free trade and protection, demonstrate their understanding of the usefulness and problems related to topics in international trade, and demonstrate their critical understanding of trade policies and international monetary institutes.

**Semester -VI**  
**International Trade**

Unit-I

Inter-regional and International Trade; Comparative Cost Theory; Hecksher-Ohlin Theory; Rate of Exchange Determination; Mint Par Theory and Purchasing Power Parity Theory

Unit-II

Fixed and Flexible Exchange Rate; Exchange Rate Policy in India. Free Trade Vs Protection; Terms of Trade, Exchange Control.

Unit-III

Change in Value, Volume, Composition and direction of Foreign Trade in India since 1991; Balance of Trade and Balance of Payments Structure, causes of adverse Balance of Payment in India and measure to correct it. Foreign Trade Multiplier.

Unit-IV

Objectives, Functions and advantages for India of International Monetary Fund; World Bank; World Trade Organisation and South Asian Association for Regional Cooperation Preferential Trading Arrangement (SAPTA).

Books recommended:

1. Bo-Soderston, "International Economics", Macmillan Press, London.
2. Alok Ghosh, "Indian Economy", World Press, Calcutta.
3. A.N. Aggarwal, "Indian Economy", Vikas Publication, New Delhi.
4. Ruddra Dutta and KPM Sundram, "Indian Economy", S.Chand Publication, New Delhi.

5. S.K. Misra and V.K.Puri, "Indian Economy", Himalaya Publishing House, New Delhi.