

Choice Based Credit System (CBCS)

UNIVERSITY OF DELHI

DEPARTMENT OF ECONOMICS

UNDERGRADUATE PROGRAMME (Courses effective from Academic Year 2015-16)



SYLLABUS OF COURSES TO BE OFFERED Core Courses, Elective Courses & Ability Enhancement Courses

Disclaimer: The CBCS syllabus is uploaded as given by the Faculty concerned to the Academic Council. The same has been approved as it is by the Academic Council on 13.7.2015 and Executive Council on 14.7.2015. Any query may kindly be addressed to the concerned Faculty.

Undergraduate Programme Secretariat

Preamble

The University Grants Commission (UGC) has initiated several measures to bring equity, efficiency and excellence in the Higher Education System of country. The important measures taken to enhance academic standards and quality in higher education include innovation and improvements in curriculum, teaching-learning process, examination and evaluation systems, besides governance and other matters.

The UGC has formulated various regulations and guidelines from time to time to improve the higher education system and maintain minimum standards and quality across the Higher Educational Institutions (HEIs) in India. The academic reforms recommended by the UGC in the recent past have led to overall improvement in the higher education system. However, due to lot of diversity in the system of higher education, there are multiple approaches followed by universities towards examination, evaluation and grading system. While the HEIs must have the flexibility and freedom in designing the examination and evaluation methods that best fits the curriculum, syllabi and teaching-learning methods, there is a need to devise a sensible system for awarding the grades based on the performance of students. Presently the performance of the students is reported using the conventional system of marks secured in the examinations or grades or both. The conversion from marks to letter grades and the letter grades used vary widely across the HEIs in the country. This creates difficulty for the academia and the employers to understand and infer the performance of the students graduating from different universities and colleges based on grades.

The grading system is considered to be better than the conventional marks system and hence it has been followed in the top institutions in India and abroad. So it is desirable to introduce uniform grading system. This will facilitate student mobility across institutions within and across countries and also enable potential employers to assess the performance of students. To bring in the desired uniformity, in grading system and method for computing the cumulative grade point average (CGPA) based on the performance of students in the examinations, the UGC has formulated these guidelines.

CHOICE BASED CREDIT SYSTEM (CBCS):

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

Outline of Choice Based Credit System:

- 1. Core Course:** A course, which should compulsorily be studied by a candidate as a core requirement is termed as a Core course.
- 2. Elective Course:** Generally a course which can be chosen from a pool of courses and which may be very specific or specialized or advanced or supportive to the discipline/ subject of study or which provides an extended scope or which enables an exposure to some other discipline/subject/domain or nurtures the candidate's proficiency/skill is called an Elective Course.
 - 2.1 Discipline Specific Elective (DSE) Course:** Elective courses may be offered by the main discipline/subject of study is referred to as Discipline Specific Elective. The University/Institute may also offer discipline related Elective courses of interdisciplinary nature (to be offered by main discipline/subject of study).
 - 2.2 Dissertation/Project:** An elective course designed to acquire special/advanced knowledge, such as supplement study/support study to a project work, and a candidate studies such a course on his own with an advisory support by a teacher/faculty member is called dissertation/project.
 - 2.3 Generic Elective (GE) Course:** An elective course chosen generally from an unrelated discipline/subject, with an intention to seek exposure is called a Generic Elective.

P.S.: A core course offered in a discipline/subject may be treated as an elective by other discipline/subject and vice versa and such electives may also be referred to as Generic Elective.
- 3. Ability Enhancement Courses (AEC)/Competency Improvement Courses/Skill Development Courses/Foundation Course:** The Ability Enhancement (AE) Courses may be of two kinds: AE Compulsory Course (AECC) and AE Elective Course (AEEC). "AECC" courses are the courses based upon the content that leads to Knowledge enhancement. They ((i) Environmental Science, (ii) English/MIL Communication) are mandatory for all disciplines. AEEC courses are value-based and/or skill-based and are aimed at providing hands-on-training, competencies, skills, etc.
 - 3.1 AE Compulsory Course (AECC):** Environmental Science, English Communication/MIL Communication.
 - 3.2 AE Elective Course (AEEC):** These courses may be chosen from a pool of courses designed to provide value-based and/or skill-based instruction.

Project work/Dissertation is considered as a special course involving application of knowledge in solving / analyzing /exploring a real life situation / difficult problem. A Project/Dissertation work would be of 6 credits. A Project/Dissertation work may be given in lieu of a discipline specific elective paper.

Details of courses under B.A (Honors), B.Com (Honors) & B.Sc. (Honors)

Course	*Credits	
	Theory+ Practical	Theory + Tutorial
<u>I. Core Course</u>		
(14 Papers)	14X4= 56	14X5=70
Core Course Practical / Tutorial*		
(14 Papers)	14X2=28	14X1=14
<u>II. Elective Course</u>		
(8 Papers)		
A.1. Discipline Specific Elective	4X4=16	4X5=20
(4 Papers)		
A.2. Discipline Specific Elective		
Practical/ Tutorial*	4 X 2=8	4X1=4
(4 Papers)		
B.1. Generic Elective/		
Interdisciplinary	4X4=16	4X5=20
(4 Papers)		
B.2. Generic Elective		
Practical/ Tutorial*	4 X 2=8	4X1=4
(4 Papers)		
<ul style="list-style-type: none"> • Optional Dissertation or project work in place of one Discipline Specific Elective paper (6 credits) in 6th Semester 		
<u>III. Ability Enhancement Courses</u>		
1. Ability Enhancement Compulsory		
(2 Papers of 2 credit each)	2 X 2=4	2 X 2=4
Environmental Science		
English/MIL Communication		
2. Ability Enhancement Elective (Skill Based)		
(Minimum 2)	2 X 2=4	2 X 2=4
(2 Papers of 2 credit each)		
<hr/>		
Total credit	140	140
Institute should evolve a system/policy about ECA/ General Interest/Hobby/Sports/NCC/NSS/related courses on its own.		

* wherever there is a practical there will be no tutorial and vice-versa

Course Structure for B.A. (Hons.) Economics

Semester-I	Semester-II
Economics Core Course 1 : Introductory Microeconomics	Economics Core Course 3 : Introductory Macroeconomics
Economics Core Course 2 : Mathematical Methods for Economics-I	Economics Core Course 4 : Mathematical Methods for Economics-II
Ability Enhancement Compulsory Course (AECC)-I	Ability Enhancement Compulsory Course (AECC)-II
Generic Elective (GE) Course-I	Generic Elective (GE) Course-II

Semester-III	Semester-IV
Economics Core Course 5 : Intermediate Microeconomics-I	Economics Core Course 8 : Intermediate Microeconomics-II
Economics Core Course 6 : Intermediate Macroeconomics-I	Economics Core Course 9 : Intermediate Macroeconomics-II
Economics Core Course 7 : Statistical Methods for Economics	Economics Core Course 10 : Introductory Econometrics
Skill Enhancement Course (SEC)-I	Skill Enhancement Course (SEC)-II
Generic Elective (GE) Course-III	Generic Elective (GE) Course-IV

Semester-V	Semester-VI
Economics Core Course 11 : Indian Economy-I	Economics Core Course 13 : Indian Economy-II
Economics Core Course 12 : Development Economics-I	Economics Core Course 14 : Development Economics-II
Discipline Specific Elective (DSE) Course-I (From List of Group-I)	Discipline Specific Elective (DSE) Course-III (From List of Group-II)
Discipline Specific Elective (DSE) Course-II (From List of Group-I)	Discipline Specific Elective (DSE) Course-IV (From List of Group-II)
Group-I (Discipline Specific Elective (DSE) Courses)	Group-II (Discipline Specific Elective (DSE) Courses)
(i) Economics of Health and Education	(viii) Political Economy-II
(ii) Applied Econometrics	(ix) Comparative Economic Development (1850-1950)
(iii) Economic History of India (1857-1947)	(x) Financial Economics
(iv) Topics in Microeconomics-I	(xi) Topics in Microeconomics-II
(v) Political Economy-I	(xii) Environmental Economics
(vi) Money and Financial Markets	(xiii) International Economics
(vii) Public Economics	(xiv) Dissertation/Project

Core Economics Course 1: INTRODUCTORY MICROECONOMICS

Course Description

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

Course Outline

1. Exploring the subject matter of Economics

Why study economics? Scope and method of economics; the economic problem: scarcity and choice; the question of what to produce, how to produce and how to distribute output; science of economics; the basic competitive model; prices, property rights and profits; incentives and information; rationing; opportunity sets; economic systems; reading and working with graphs.

2. Supply and Demand: How Markets Work, Markets and Welfare

Markets and competition; determinants of individual demand/supply; demand/supply schedule and demand/supply curve; market versus individual demand/supply; shifts in the demand/supply curve, demand and supply together; how prices allocate resources; elasticity and its application; controls on prices; taxes and the costs of taxation; consumer surplus; producer surplus and the efficiency of the markets.

3. The Households

The consumption decision - budget constraint, consumption and income/price changes, demand for all other goods and price changes; description of preferences (representing preferences with indifference curves); properties of indifference curves; consumer's optimum choice; income and substitution effects; labour supply and savings decision - choice between leisure and consumption.

4. The Firm and Perfect Market Structure

Behaviour of profit maximizing firms and the production process; short run costs and output decisions; costs and output in the long run.

5. Imperfect Market Structure

Monopoly and anti-trust policy; government policies towards competition; imperfect competition.

6. Input Markets

Labour and land markets - basic concepts (derived demand, productivity of an input, marginal productivity of labour, marginal revenue product); demand for labour; input demand curves; shifts in input demand curves; competitive labour markets; and labour markets and public policy.

Readings

1. Karl E. Case and Ray C. Fair, *Principles of Economics*, Pearson Education Inc., 8th Edition, 2007.
2. N. Gregory Mankiw, *Economics: Principles and Applications*, India edition by South Western, a part of Cengage Learning, Cengage Learning India Private Limited, 4th edition, 2007.
3. Joseph E. Stiglitz and Carl E. Walsh, *Economics*, W.W. Norton & Company, Inc., New York, International Student Edition, 4th Edition, 2007.

Core Economics Course 2: MATHEMATICAL METHODS IN ECONOMICS–I

Course Description

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

Course Outline

1. Preliminaries

Logic and proof techniques; sets and set operations; relations; functions and their properties; number systems.

2. Functions of one real variable

Graphs; elementary types of functions: quadratic, polynomial, power, exponential, logarithmic; sequences and series: convergence, algebraic properties and applications; continuous functions: characterizations, properties with respect to various operations and applications; differentiable functions: characterizations, properties with respect to various operations and applications; second and higher order derivatives: properties and applications.

3. Single-variable optimization

Geometric properties of functions: convex functions, their characterizations and applications; local and global optima: geometric characterizations, characterizations using calculus and applications.

4. Integration of functions

5. Difference equations

Readings:

K. Sydsaeter and P. Hammond, *Mathematics for Economic Analysis*, Pearson Educational Asia: Delhi, 2002.

Core Economics Course 3: INTRODUCTORY MACROECONOMICS

Course Description

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

Course Outline

1. Introduction to Macroeconomics and National Income Accounting

Basic issues studied in macroeconomics; measurement of gross domestic product; income, expenditure and the circular flow; real versus nominal GDP; price indices; national income accounting for an open economy; balance of payments: current and capital accounts.

2. Money

Functions of money; quantity theory of money; determination of money supply and demand; credit creation; tools of monetary policy.

3. Inflation

Inflation and its social costs; hyperinflation.

4. The Closed Economy in the Short Run

Classical and Keynesian systems; simple Keynesian model of income determination; IS-LM model; fiscal and monetary multipliers.

Readings:

1. Dornbusch, Fischer and Startz, *Macroeconomics*, McGraw Hill, 11th edition, 2010.
2. N. Gregory Mankiw. *Macroeconomics*, Worth Publishers, 7th edition, 2010.
3. Olivier Blanchard, *Macroeconomics*, Pearson Education, Inc., 5th edition, 2009.
4. Richard T. Froyen, *Macroeconomics*, Pearson Education Asia, 2nd edition, 2005.
5. Andrew B. Abel and Ben S. Bernanke, *Macroeconomics*, Pearson Education, Inc., 7th edition, 2011.
6. Errol D'Souza, *Macroeconomics*, Pearson Education, 2009.
7. Paul R. Krugman, Maurice Obstfeld and Marc Melitz, *International Economics*, Pearson Education Asia, 9th edition, 2012.

Core Economics Course 4: MATHEMATICAL METHODS IN ECONOMICS - II

Course Description

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

Course Outline

1. Differential equations

2. Linear algebra

Vector spaces: algebraic and geometric properties, scalar products, norms, orthogonality; linear transformations: properties, matrix representations and elementary operations; systems of linear equations: properties of their solution sets; determinants: characterization, properties and applications.

3. Functions of several real variables

Geometric representations: graphs and level curves; differentiable functions: characterizations, properties with respect to various operations and applications; second order derivatives: properties and applications; the implicit function theorem, and application to comparative statics problems; homogeneous and homothetic functions: characterizations and applications.

4. Multi-variable optimization

Convex sets; geometric properties of functions: convex functions, their characterizations, properties and applications; further geometric properties of functions: quasiconvex functions, their characterizations, properties and applications; unconstrained optimization: geometric characterizations, characterizations using calculus and applications; constrained optimization with equality constraints: geometric characterizations, lagrange characterization using calculus and applications; properties of value function: envelope theorem and applications.

Readings:

K. Sydsaeter and P. Hammond, *Mathematics for Economic Analysis*, Pearson Educational Asia: Delhi, 2002.

Core Economics Course 5: INTERMEDIATE MICROECONOMICS - I

Course Description

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

Course Outline

1. Consumer Theory

Preference; utility; budget constraint; choice; demand; Slutsky equation; buying and selling; choice under risk and intertemporal choice; revealed preference.

2. Production, Costs and Perfect Competition

Technology; isoquants; production with one and more variable inputs; returns to scale; short run and long run costs; cost curves in the short run and long run; review of perfect competition.

Readings:

1. Hal R. Varian, *Intermediate Microeconomics, a Modern Approach*, W.W. Norton and Company/Affiliated East-West Press (India), 8th edition, 2010. The workbook by Varian and Bergstrom may be used for problems.
2. C. Snyder and W. Nicholson, *Fundamentals of Microeconomics*, Cengage Learning (India), 2010.
3. B. Douglas Bernheim and Michael D. Whinston, *Microeconomics*, Tata McGraw-Hill (India), 2009.

Core Economics Course 6: INTERMEDIATE MACROECONOMICS - I

Course Description

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

Course Outline

1. Aggregate Demand and Aggregate Supply Curves

Derivation of aggregate demand and aggregate and supply curves; interaction of aggregate demand and supply.

2. Inflation, Unemployment and Expectations

Phillips curve; adaptive and rational expectations; policy ineffectiveness debate.

3. Open Economy Models

Short-run open economy models; Mundell-Fleming model; exchange rate determination; purchasing power parity; asset market approach; Dornbusch's overshooting model; monetary approach to balance of payments; international financial markets.

Readings:

1. Dornbusch, Fischer and Startz, *Macroeconomics*, McGraw Hill, 11th edition, 2010.
2. N. Gregory Mankiw, *Macroeconomics*, Worth Publishers, 7th edition, 2010.
3. Olivier Blanchard, *Macroeconomics*, Pearson Education, Inc., 5th edition, 2009.
4. Steven M. Sheffrin, *Rational Expectations*, Cambridge University Press, 2nd edition, 1996.
5. Andrew B. Abel and Ben S. Bernanke, *Macroeconomics*, Pearson Education, Inc., 7th edition, 2011.
6. Errol D'Souza, *Macroeconomics*, Pearson Education, 2009
7. Paul R. Krugman, Maurice Obstfeld and Marc Melitz, *International Economics*, Pearson Education Asia, 9th edition, 2012.

Core Economics Course 7: STATISTICAL METHODS FOR ECONOMICS

Course Description

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

Course Outline

1. Introduction and Overview

The distinction between populations and samples and between population parameters and sample statistics; the use of measures of location and variation to describe and summarize data; population moments and their sample counterparts.

2. Elementary Probability Theory

Sample spaces and events; probability axioms and properties; counting techniques; conditional probability and Bayes' rule; independence.

3. Random Variables and Probability Distributions

Defining random variables; probability distributions; expected values of random variables and of functions of random variables; properties of commonly used discrete and continuous distributions (uniform, binomial, normal, poisson and exponential random variables).

4. Random Sampling and Jointly Distributed Random Variables

Density and distribution functions for jointly distributed random variables; computing expected values; covariance and correlation coefficients.

5. Sampling

Principal steps in a sample survey; methods of sampling; the role of sampling theory; properties of random samples.

6. Point and Interval Estimation

Estimation of population parameters using methods of moments and maximum likelihood procedures; properties of estimators; confidence intervals for population parameters.

Readings:

1. Jay L. Devore, *Probability and Statistics for Engineers*, Cengage Learning, 2010.
2. John E. Freund, *Mathematical Statistics*, Prentice Hall, 1992.
3. Richard J. Larsen and Morris L. Marx, *An Introduction to Mathematical Statistics*

- and its Applications*, Prentice Hall, 2011.
4. William G. Cochran, *Sampling Techniques*, John Wiley, 2007.

Core Economics Course 8: INTERMEDIATE MICROECONOMICS - II

Course Description

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

Course Outline

1. General Equilibrium, Efficiency and Welfare

Equilibrium and efficiency under pure exchange and production; overall efficiency and welfare economics.

2. Market Structure and Game Theory

Monopoly; pricing with market power; price discrimination; peak-load pricing; two-part tariff; monopolistic competition and oligopoly; game theory and competitive strategy.

3. Market Failure

Externalities; public goods and markets with asymmetric information.

Readings:

1. Hal R. Varian, *Intermediate Microeconomics, a Modern Approach*, 8th edition, W.W. Norton and Company/Affiliated East-West Press (India), 2010. The workbook by Varian and Bergstrom could be used for problems.
2. C. Snyder and W. Nicholson, *Fundamentals of Microeconomics*, Cengage Learning (India), 2010.

Core Economics Course 9: INTERMEDIATE MACROECONOMICS - II

Course Description

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

Course Outline

1. Economic Growth

Harrod-Domar model; Solow model; golden rule; technological progress and elements of endogenous growth.

2. Microeconomic Foundations

- a. Consumption: Keynesian consumption function; Fisher's theory of optimal intertemporal choice; life-cycle and permanent income hypotheses; rational expectations and random-walk of consumption expenditure.
- b. Investment: determinants of business fixed investment; residential investment and inventory investment.
- c. Demand for money.

3. Fiscal and Monetary Policy

Active or passive; monetary policy objectives and targets; rules versus discretion: time consistency; the government budget constraint; government debt and Ricardian equivalence.

4. Schools of Macroeconomic Thoughts

Classicals; Keynesians; New-Classicals and New-Keynesians.

Readings:

1. Dornbusch, Fischer and Startz, *Macroeconomics*, McGraw Hill, 11th edition, 2010.
2. N. Gregory Mankiw. *Macroeconomics*, Worth Publishers, 7th edition, 2010.
3. Olivier Blanchard, *Macroeconomics*, Pearson Education, Inc., 5th edition, 2009.
4. Charles I. Jones, *Introduction to Economic Growth*, W.W. Norton & Company, 2nd edition, 2002.
5. Andrew B. Abel and Ben S. Bernanke, *Macroeconomics*, Pearson Education, Inc., 7th edition, 2011.
6. Errol D'Souza, *Macroeconomics*, Pearson Education, 2009.
7. Robert J. Gordon, *Macroeconomics*, Prentice-Hall India Limited, 2011.

Core Economics Course 10: INTRODUCTORY ECONOMETRICS

Course Description

This course provides a comprehensive introduction to basic econometric concepts and techniques. It covers statistical concepts of hypothesis testing, estimation and diagnostic testing of simple and multiple regression models. The course also covers the consequences of and tests for misspecification of regression models.

Course Outline

1. Nature and Scope of Econometrics

2. Statistical Concepts

Normal distribution; chi-sq, t- and F-distributions; estimation of parameters; properties of estimators; testing of hypotheses: defining statistical hypotheses; distributions of test statistics; testing hypotheses related to population parameters; Type I and Type II errors; power of a test; tests for comparing parameters from two samples.

3. Simple Linear Regression Model: Two Variable Case

Estimation of model by method of ordinary least squares; properties of estimators; goodness of fit; tests of hypotheses; scaling and units of measurement; confidence intervals; Gauss-Markov theorem; forecasting.

4. Multiple Linear Regression Model

Estimation of parameters; properties of OLS estimators; goodness of fit - R^2 and adjusted R^2 ; partial regression coefficients; testing hypotheses – individual and joint; functional forms of regression models; qualitative (dummy) independent variables.

5. Violations of Classical Assumptions: Consequences, Detection and Remedies

Multicollinearity; heteroscedasticity; serial correlation.

6. Specification Analysis

Omission of a relevant variable; inclusion of irrelevant variable; tests of specification errors.

Readings

1. Jay L. Devore, *Probability and Statistics for Engineers*, Cengage Learning, 2010.
2. John E. Freund, *Mathematical Statistics*, Prentice Hall, 1992.
3. Richard J. Larsen and Morris L. Marx, *An Introduction to Mathematical Statistics and its Applications*, Prentice Hall, 2011.
4. D. N. Gujarati and D.C. Porter, *Essentials of Econometrics*, McGraw Hill, 4th edition, International Edition, 2009.
5. Christopher Dougherty, *Introduction to Econometrics*, Oxford University Press, 3rd edition, Indian edition, 2007.

6. Jan Kmenta, *Elements of Econometrics*, Indian Reprint, Khosla Publishing House, 2nd edition, 2008.

Core Economics Course 11: INDIAN ECONOMY-I

Course Description

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

Course Outline

1. Economic Development since Independence

Major features of the economy at independence; growth and development under different policy regimes—goals, constraints, institutions and policy framework; an assessment of performance—sustainability and regional contrasts; structural change, savings and investment.

2. Population and Human Development

Demographic trends and issues; education; health and malnutrition.

3. Growth and Distribution

Trends and policies in poverty; inequality and unemployment.

4. International Comparisons

Readings:

1. Jean Dreze and Amartya Sen, Jean Dreze and Amartya Sen, 2013. *An Uncertain Glory: India and its Contradictions*, Princeton University Press.
2. Pulapre Balakrishnan, 2007, The Recovery of India: Economic Growth in the Nehru Era, *Economic and Political Weekly*, November.
3. Rakesh Mohan, 2008, –Growth Record of Indian Economy: 1950-2008. A Story of Sustained Savings and Investment, *Economic and Political Weekly*, May.
4. S.L. Shetty, 2007, –India's Savings Performance since the Advent of Planning, in K.L. Krishna and A. Vaidyanathan, editors, *Institutions and Markets in India's Development*.
5. Himanshu, 2010, Towards New Poverty Lines for India, *Economic and Political Weekly*, January.
6. Jean Dreze and Angus Deaton, 2009, Food and Nutrition in India: Facts and Interpretations, *Economic and Political Weekly*, February.
7. Himanshu. 2011, –Employment Trends in India: A Re-examination, *Economic and Political Weekly*, September.
8. Rama Baru et al, 2010, –Inequities in Access to Health Services in India: Caste, Class and Region, *Economic and Political Weekly*, September.
9. Geeta G. Kingdon, 2007, –The Progress of School Education in India, *Oxford Review of Economic Policy*.

10. J.B.G. Tilak, 2007, –Post Elementary Education, Poverty and Development in India, *International Journal of Educational Development*.
11. T. Dyson, 2008, –India’s Demographic Transition and its Consequences for Development|| in Uma Kapila, editor, *Indian Economy Since Independence*, 19th edition, Academic Foundation.
12. Kaushik Basu, 2009, –China and India: Idiosyncratic Paths to High Growth, *Economic and Political Weekly*, September.
13. K. James, 2008, –Glorifying Malthus: Current Debate on Demographic Dividend in India|| *Economic and Political Weekly*, June.
14. Reetika Khera, 2011, –India’s Public Distribution System: Utilisation and Impact *Journal of Development Studies*.
15. Aniruddha Krishna and Devendra Bajpai, 2011, –Lineal Spread and Radial Dissipation: Experiencing Growth in Rural India, 1992-2005, *Economic and Political Weekly*, September.
16. Kaushik Basu and A. Maertens, eds, 2013, *The New Oxford Companion to Economics*, Oxford University Press.

Core Economics Course 12: DEVELOPMENT ECONOMICS-I

Course Description

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

Course Outline

1. Conceptions of Development

Alternative measures of development, documenting the international variation in these measures, comparing development trajectories across nations and within them.

2. Growth Models and Empirics

The Harrod-Domar model, the Solow model and its variants, endogenous growth models and evidence on the determinants of growth.

3. Poverty and Inequality: Definitions, Measures and Mechanisms

Inequality axioms; a comparison of commonly used inequality measures; connections between inequality and development; poverty measurement; characteristics of the poor; mechanisms that generate poverty traps and path dependence of growth processes.

4. Political Institutions and the Functioning of the State

The determinants of democracy; alternative institutional trajectories and their relationship with economic performance; within-country differences in the functioning of state institutions; state ownership and regulation; government failures and corruption.

Readings

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

Core Economics Course 13: INDIAN ECONOMY-II

Course Description

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

Course Outline

1. Macroeconomic Policies and Their Impact

Fiscal Policy; trade and investment policy; financial and monetary policies; labour regulation.

2. Policies and Performance in Agriculture

Growth; productivity; agrarian structure and technology; capital formation; trade; pricing and procurement.

3. Policies and Performance in Industry

Growth; productivity; diversification; small scale industries; public sector; competition policy; foreign investment.

4. Trends and Performance in Services

Readings:

1. Shankar Acharya, 2010, –Macroeconomic Performance and Policies 2000-8, in Shankar Acharya and Rakesh Mohan, editors, *India's Economy: Performances and Challenges: Development and Participation*, Oxford University Press.
2. Rakesh Mohan, 2010, –India's Financial Sector and Monetary Policy Reforms, in Shankar Acharya and Rakesh Mohan, editors, *India's Economy: Performances and Challenges: Development and Participation*, Oxford University Press.
3. Pulapre Balakrishnan, Ramesh Golait and Pankaj Kumar, 2008, –Agricultural Growth in India Since 1991, *RBI DEAP Study no. 27*.
4. B.N. Goldar and S.C. Aggarwal, 2005, –Trade Liberalisation and Price-Cost Margin in Indian Industries, *The Developing Economics*, September.
5. P. Goldberg, A. Khandelwal, N. Pavcnik and P. Topalova, 2009, –Trade Liberalisation and New Imported Inputs, *American Economic Review, Papers and Proceedings*, May.
6. Kunal Sen, 2010, –Trade, Foreign Direct Investment and Industrial Transformation in India, in Premachandra Athukorala, editor, *The Rise of Asia*, Routledge.
7. A. Ahsan, C. Pages and T. Roy, 2008, –Legislation, Enforcement and Adjudication in Indian Labour Markets: Origins, Consequences and the Way Forward, in D. Mazumdar and S. Sarkar, editors, *Globalization, Labour Markets and Inequality in India*, Routledge.

8. Dipak Mazumdar and Sandeep Sarkar, 2009, -The Employment Problem in India and the Phenomenon of the 'Missing Middle', *Indian Journal of Labour Economics*.
9. J. Dennis Rajakumar, 2011, -Size and Growth of Private Corporate Sector in Indian Manufacturing, *Economic and Political Weekly*, April.
10. Ramesh Chand, 2010, -Understanding the Nature and Causes of Food Inflation, *Economic and Political Weekly*, February.
11. Bishwanath Goldar, 2011, -Organised Manufacturing Employment: Continuing the Debate, *Economic and Political Weekly*, April.
12. Kaushik Basu and A. Maertens, eds, 2013, *The New Oxford Companion to Economics in India*, Oxford University Press.

Core Economics Course 14: DEVELOPMENT ECONOMICS-II

Course Description

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

Course Outline

1. Demography and Development

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

2. Land, Labor and Credit Markets

The distribution of land ownership; land reform and its effects on productivity; contractual relationships between tenants and landlords; land acquisition; nutrition and labor productivity; informational problems and credit contracts; microfinance; inter-linkages between rural factor markets.

3. Individuals, Communities and Collective Outcomes

Individual behavior in social environments, multiple social equilibria; governance in organizations and in communities; individual responses to organizational inefficiency.

4. Environment and Sustainable Development

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

5. Globalization

Globalization in historical perspective; the economics and politics of multilateral agreements; trade, production patterns and world inequality; financial instability in a globalized world.

Readings

1. Debraj Ray, *Development Economics*, Oxford University Press, 2009.
2. Partha Dasgupta, *Economics, A Very Short Introduction*, Oxford University Press, 2007.

3. Abhijit Banerjee, Roland Benabou and Dilip Mookerjee, *Understanding Poverty*, Oxford University Press, 2006.
4. Thomas Schelling, *Micromotives and Macrobehavior*, W. W. Norton, 1978.
5. Albert O. Hirschman, *Exit, Voice and Loyalty: Responses to Decline in Firms, Organizations and States*, Harvard University Press, 1970.
6. Raghuram Rajan, *Fault Lines: How Hidden Fractures Still Threaten the World Economy*, 2010.
7. Elinor Ostrom, *Governing the Commons: The Evolution of Institutions for Collective Action*, Cambridge University Press, 1990.
8. Dani Rodrik, *The Globalization Paradox: Why Global Markets, States and Democracy Can't Coexist*, Oxford University Press, 2011.
9. Michael D. Bordo, Alan M. Taylor and Jeffrey G. Williamson (ed.), *Globalization in Historical Perspective*, University of Chicago Press, 2003.

DISCIPLINE SPECIFIC ELECTIVE (DSE) PAPERS: ECONOMICS

GROUP-I

(i) ECONOMICS OF HEALTH AND EDUCATION

Course Description

The importance of education and health in improving well-being is reflected in their inclusion among the Millennium Development Goals adopted by the United Nations member states, which include among other goals, achieving universal primary education, reducing child mortality, improving maternal health and combating diseases. This course provides a microeconomic framework to analyze, among other things, individual choice in the demand for health and education, government intervention and aspects of inequity and discrimination in both sectors. It also gives an overview of health and education in India.

Course Outline

1. Role of Health and Education in Human Development

Importance in poverty alleviation; health and education outcomes and their relationship with macroeconomic performance.

2. Microeconomic Foundations of Health Economics

Demand for health; uncertainty and health insurance market; alternative insurance mechanisms; market failure and rationale for public intervention; equity and inequality.

3. Evaluation of Health Programs

Costing, cost effectiveness and cost-benefit analysis; burden of disease.

4. Health Sector in India: An Overview

Health outcomes; health systems; health financing.

5. Education: Investment in Human Capital

Rate of return to education: private and social; quality of education; signaling or human capital; theories of discrimination; gender and caste discrimination in India.

6. Education Sector in India: An Overview

Literacy rates, school participation, school quality measures.

Readings:

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. Ronald G., Ehrenberg and Robert S., Smith, *Modern Labor Economics: Theory and Public Policy*, Addison Wesley, 2005.

(ii) **APPLIED ECONOMETRICS**

Course Description

The aim of this course is to provide a foundation in applied econometric analysis and develop skills required for empirical research in economics. Topics include specification and selection of regression models, dynamic econometric models, advanced methods in regression analysis and panel data models. Since the emphasis is on application of methods, this course requires understanding of econometric software and computing skills.

Course Outline

1. Stages in Empirical Econometric Research

2. Regression Diagnostics and Specification

Misspecification; functional forms; model selection.

3. Advanced Topics in Regression Analysis

Selected Topics:

Dynamic Econometric Models: distributed lag models; autoregressive models; instrumental variable estimation; simultaneous equation models.

4. Panel Data Models

Methods of estimation; fixed effects model; random effects model.

5. Introduction to Econometric Software Package

GRETTL; E-VIEWS; STATA (any one).

Readings:

1. Jeffrey M. Wooldridge, *Econometrics*, CENGAGE learning, India Edition, 2009.
2. Dimitrios Asteriou and Stephen Hall, *Applied Econometrics: A Modern Approach*, Palgrave Macmillan, 2007.
3. Damodar Gujarati, *Econometrics by Example*, Palgrave Macmillan, 2011.

(iii) ECONOMIC HISTORY OF INDIA (1857-1947)

Course Description

This course analyses key aspects of Indian economic development during the second half of British colonial rule. In doing so, it investigates the place of the Indian economy in the wider colonial context, and the mechanisms that linked economic development in India to the compulsions of colonial rule. This course links directly to the course on India's economic development after independence in 1947.

Course Outline

1. Introduction: Colonial India: Background and Introduction

Overview of colonial economy.

2. Macro Trends

National Income; population; occupational structure.

3. Agriculture

Agrarian structure and land relations; agricultural markets and institutions – credit, commerce and technology; trends in performance and productivity; famines.

4. Railways and Industry

Railways; the de-industrialisation debate; evolution of entrepreneurial and industrial structure; nature of industrialisation in the interwar period; constraints to industrial breakthrough; labor relations.

5. Economy and State in the Imperial Context

The imperial priorities and the Indian economy; drain of wealth; international trade, capital flows and the colonial economy – changes and continuities; government and fiscal policy.

Readings:

1. Lakshmi Subramanian, “*History of India 1707-1857*”, Orient Blackswan, 2010, Chapter 4.
2. Sumit Guha, 1991, Mortality decline in early 20th century India’, *Indian Economic and Social History Review (IESHR)*, pp 371-74 and 385-87.
3. Tirthankar Roy, *The Economic History of India 1857-1947*, Oxford University Press, 3rd edition, 2011.
4. J. Krishnamurty, *Occupational Structure*, Dharma Kumar (editor), The Cambridge Economic History of India, Vol. II, (henceforth referred to as CEHI), 2005, Chapter 6.
5. Irfan Habib, *Indian Economy 1858-1914*, A People's History of India, Vol.28, Tulika, 2006.

6. Ira Klein, 1984, –When Rains Fail: Famine relief and mortality in British India, *IESHR* 21.
7. Jean Dreze, *Famine Prevention in India in Dreze and Sen (eds.) Political Economy of Hunger*, WIDER Studies in Development Economics, 1990, pp.13-35.
8. John Hurd, *Railways*, CEHI, Chapter 8, pp.737-761.
9. Rajat Ray (ed.), *Entrepreneurship and Industry in India*, 1994.
10. AK Bagchi, –Deindustrialization in India in the nineteenth century: Some theoretical implications, *Journal of Development Studies*, 1976.
11. MD Morris, *Emergence of an Industrial Labour Force in India*, OUP 1965, Chapter 11, Summary and Conclusions.
12. K.N. Chaudhuri, *Foreign Trade and Balance of Payments*, CEHI, Chapter 10.
13. B.R. Tomlison, 1975, *India and the British Empire 1880-1935*, IESHR, Vol.XII.
14. Dharma Kumar, *The Fiscal System*, CEHI, Chapter 12.
15. Basudev Chatterjee, *Trade, Tariffs and Empire*, OUP 1992, Epilogue.

Background reading for students:

Irfan Habib, *Indian Economy 1858-1914* (A People's History of India), Vol.28, Tulika 2006.

Daniel Thorner, *Agrarian Prospect in India*, 1977.

L. Visaria and P. Visaria, *Population*. CEHI, Chapter 5.

(iv) **TOPICS IN MICROECONOMICS - I**

Course Description

Game theory is an integral part of modern economic analysis. Topics in Microeconomics - I introduces the students to elementary game theory under complete information. This course introduces the basic concepts of game theory in a way that allows students to use them in solving simple problems. The course will deal with the solution concepts for normal form and extensive form games along with a variety of economic applications.

Course Outline

1. Normal form games

The normal form; dominant and dominated strategies; dominance solvability; mixed strategies; Nash equilibrium; symmetric single population games; applications.

2. Extensive form games with perfect information

The game tree; strategies; subgame perfection; backward induction in finite games; commitment; bargaining; other applications.

Reading:

1. Martin J. Osborne, *An Introduction to Game Theory*, Oxford University Press, New Delhi, 2004.

(v) POLITICAL ECONOMY-I

Course Description

This course explores changes in the organisation of production, labour market institutions and corporate structure. It goes on to study the consequences of globalization, especially of financial flows, for the role of the state, economic performance, gender issues, environment, human welfare and development.

Course Outline

1. Introduction and Historical Overview

Perspective on political economy with a historical overview: capitalist development in the pre-second world war period, the ‘golden age’ and later.

2. Changing Dynamics of Capitalist Production, Organisational Form and Labour Process

Fordist and post-fordist production; changing dynamics of organisation of production, markets and labour process; the changing nature of job security and labour rights.

3. The State in the Era of Globalisation: Welfare, Development and Autonomy

Globalisation and the limits of the welfare state, development and state autonomy.

4. The Changing Role of Finance

The changing role of finance in capital accumulation and corporate structure; finance and globalisation - financialisation, financial liberalisation and financial crisis.

5. The Social Dimension

Globalisation and uneven development – growth, inequality and exclusion.

6. New Perspectives

Gender in work, accumulation and globalisation; issues in environment and sustainability; alternatives ahead.

Readings:

1. Michel Beaud, *A History of Capitalism, 1500-2000*, trans. by Tom Dickman and Anny Lefebvre, New York: Monthly Review Press, 2001.
2. Ash Amin (ed.), *Post-Fordism: A Reader*, Blackwell, 1994.
3. Fran Tonkiss, *Contemporary Economic Sociology: Globalisation, Production, Inequality*, Chapter 4 (Fordism and After), Routledge India 2008 reprint, 2006.

4. S. Hymer, "The Multinational Corporation and the Law of Uneven Development", in H. Radice (ed.) *International Firms and Modern Imperialism*, Penguin Books, 1975.
5. G. Gereffi, J. Humphrey and T. Sturgeon, 2005, –The Governance of Global Value Chains, *Review of International Political Economy*, Volume 12: 78–104.
6. Narasimha Reddy, –Economic Globalisation, Past and Present – The Challenges to Labour, in Jomo K.S. & Khoo Khay Jin (ed.) *Globalization and Its Discontents, Revisited*, Sphix -Tulika Books, 2003.
7. David Harvey, *A Brief History of Neoliberalism*, OUP, 2005.
8. Andrew Glyn, –Challenges to Capital, in *Capitalism Unleashed: Finance, Globalization and Welfare*, Oxford: Oxford University Press, (Ch. One, pp. 1-24), 2006.
9. G Dumenil and D Levy, *The Crisis of Neoliberalism*, Harvard University Press, 2011.
10. K.S. Jomo (ed.), *The Long Twentieth Century: The Great Divergence: Hegemony, Uneven Development and Global Inequality*, OUP, 2006.
11. Gary Dimsky, 2005, –Financial Globalization, Social Exclusion and Financial Crisis, *International Review of Applied Economics*, Vol. 19: 439–457.
12. E. Stockhammer, –Financialization and the Global Economy, in G. Epstein and M.H. Wolfson (ed.) *The Political Economy of Financial Crises*, Oxford University Press, 2010. [Also in Working Paper Series, No. 240, Political Economy Research Institute, University of Massachusetts Amherst]
13. J.P. Smith and M.P. Ward, 1989, –Women in the Labour Market and in the Family, *Journal of Economic Perspectives*, Volume 3: 9-23.
14. Marilyn Power, 2004, –Social Provisioning as a Starting Point for Feminist Economics, *Feminist Economics*, Volume 10: 3-19.
15. John Bellamy Foster, *Ecology against Capitalism*, Monthly Review Press, 2002

(vi) MONEY AND FINANCIAL MARKETS

Course Description

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

Course Outline

1. Money

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

2. Financial Institutions, Markets, Instruments and Financial Innovations

- a. Role of financial markets and institutions; problem of asymmetric information – adverse selection and moral hazard; financial crises.
- b. Money and capital markets: organization, structure and reforms in India; role of financial derivatives and other innovations.

3. Interest Rates

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

4. Banking System

- a. Balance sheet and portfolio management.
- b. Indian banking system: Changing role and structure; banking sector reforms.

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.

Readings

- 1. F. S. Mishkin and S. G. Eakins, *Financial Markets and Institutions*, Pearson Education, 6th edition, 2009.
- 2. F. J. Fabozzi, F. Modigliani, F. J. Jones, M. G. Ferri, *Foundations of Financial Markets and Institutions*, Pearson Education, 3rd edition, 2009.
- 3. M. R. Baye and D. W. Jansen, *Money, Banking and Financial Markets*, AITBS, 1996.
- 4. Rakesh Mohan, *Growth with Financial Stability- Central Banking in an Emerging Market*, Oxford University Press, 2011.

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

(vii) PUBLIC ECONOMICS

Course Description

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

Course Outline

1. Public Economic Theory

- a. Fiscal functions: an overview.
- b. Public Goods: definition, models of efficient allocation, pure and impure public goods, free riding.
- c. Externalities: the problem and its solutions, taxes versus regulation, property rights, the Coase theorem.
- d. Taxation: its economic effects; dead weight loss and distortion, efficiency and equity considerations, tax incidence, optimal taxation.

2. Indian Public Finances

- a. Tax System: structure and reforms
- b. Budget, deficits and public debt
- c. Fiscal federalism in India

Readings:

1. J. Hindriks, G. Myles: *Intermediate Public Economics*, MIT Press, 2006.
2. H. Rosen, T. Gayer: *Public Finance*, 9th ed., McGraw-Hill/Irwin, 2009.
3. Joseph E. Stiglitz, *Economics of the Public Sector*, W.W. Norton & Company, 3rd edition, 2000.
4. R.A. Musgrave and P.B. Musgrave, *Public Finance in Theory & Practice*, McGraw Hill Publications, 5th edition, 1989.
5. John Cullis and Philip Jones, *Public Finance and Public Choice*, Oxford University Press, 1st edition, 1998.
6. Harvey Rosen, *Public Finance*, McGraw Hill Publications, 7th edition, 2005.
7. Mahesh Purohit, *Value Added Tax: Experiences of India and Other Countries*, 2007.
8. Kaushik Basu and A. Maertens (ed.), *The New Oxford Companion to Economics in India*, Oxford University Press, 2013.
9. M.M. Sury, *Government Budgeting in India*, 1990.

10. M. Govinda Rao, *Changing Contours of Federal Fiscal Arrangements in India*, Amaresh Bagchi (ed.), *Readings in Public Finance*, Oxford University Press, 2005.
11. Paul Samuelson, 1955, -Diagrammatic Exposition of a theory of Public Expenditure, *Review of Economics and Statistics*, Volume 37.
12. Shankar Acharya, 2005, -Thirty Years of Tax Reform in India, *Economic and Political Weekly*, May 14-20.
13. Rangarajan and D.K. Srivastava, 2005, -Fiscal Deficit and Government Debt: Implications for Growth and Stabilization", *Economic and Political Weekly*, July 2-8.
14. M. Govinda Rao, 2011, -Goods and Services Tax: A Gorilla, Chimpanzee or a Genius like Primates?, *Economic and Political Weekly*, February 12-18.
15. Report of the 13th Finance Commission, 2010-15.
16. *Economic Survey*, Government of India (Latest).
17. *State Finances: A Study of Budgets*, Reserve Bank of India (Latest).

DISCIPLINE SPECIFIC ELECTIVE (DSE) PAPERS: ECONOMICS

GROUP-II

(viii) POLITICAL ECONOMY-II

Course Description

Employing perspectives from alternative schools of thought, this course explores the development of the structure and institutions of capitalist economies and their relationship to social and political forces. Students are expected to read some classic texts as well as more recent commentaries.

Course Outline

1. Analysing Social Change in Historical Perspective

The method of historical materialism; the transition from feudalism to capitalism; capitalism as a historical process – alternative perspectives.

2. Capitalism as an Evolving Economic System

Basic features; accumulation and crisis; the modern corporation; monopoly capitalism—alternative perspectives.

3. The State in Capitalism

The state and the economy – contestation and mutual interdependence; the state as an arena of conflict; imperialism – the basic foundations.

Readings:

1. J. Gurley, "The Materialist Conception of History", Ch.2.1 in R. Edwards, M. Reich and T. Weisskopf (ed.), *The Capitalist System*, 2nd edition, 1978.
2. O. Lange, *Political Economy*, vol. 1, 1963, Chapters 1 and 2.
3. E.K. Hunt, *History of Economic Thought*, M.E. Sharpe, Indian edn, Shilpi Publications, 2004.
4. Irfan Habib, 1995, "Capitalism in History", *Social Scientist*, Vol. 23: 15-31.
5. R.L. Heilbroner, "Capitalism", in *The New Palgrave Dictionary of Modern Economics*, Macmillan, 1987. Also reprinted as Chapter 2 in *Behind the Veil of Economics* by R.L. Heilbroner, W.W. Norton, 1988.
6. P. Sweezy, *The Theory of Capitalist Development*, Monthly Review Press, 1942,

- chapters 2, 4, 5, 6, 8 and 10.
7. Anwar Shaikh, Entries on "Economic Crises" and "Falling Rate of Profit" in T. Bottomore et al (eds.), *The Dictionary of Marxist Thought*, OUP, Indian edition, Maya Blackwell, 2000.
 8. Vamsi Vakulabharanam, 2009, -The Recent Crisis in Global Capitalism: Towards a Marxian Understanding, *Economic and Political Weekly*, March 28, Vol. 44: 144-150.
 9. J. Schumpeter, *Capitalism, Socialism and Democracy*, George Allen and Unwin 1976, Chapters 6, 7 and 8.
 10. P. Baran (1957), *The Political Economy of Growth*, Chapter 3, Pelican edition, 1973.
 11. R. Heilbroner, -The Role of the State, Ch.4 in *The Nature and Logic of Capitalism*, 1985.
 12. M. Kalecki, -Political Aspects of Full Employment, in E.K. Hunt and J.G. Schwarz (eds.), *A Critique of Economic Theory*, Penguin Books, 1972.
 13. Amit Bhaduri, -Nationalism and Economic Policy in the Era of Globalization, Ch. 2 in Deepak Nayyar (ed), *Governing Globalization: Issues and Institutions*, OUP, 2002 [also WIDER Working Paper no.188, WIDER website (2000)].
 14. Prabhat Patnaik, -"Lenin's Theory of Imperialism Today", in K.S. Jomo (ed.) *The Long Twentieth Century: The Great Divergence: Hegemony, Uneven Development and Global Inequality*, OUP.
 15. James O'Connor, "The Meaning of Economic Imperialism," in Robert Rhodes, ed., *Imperialism and Underdevelopment*, New York: Monthly Review Press, 1970, pages 101 to 111.

(ix) **COMPARATIVE ECONOMIC DEVELOPMENT (1850-1950)**

Course Description

This course investigates selected issues in comparative historical perspective over the 19th century and the first few decades of the 20th century. The course focuses on a set of countries, which followed clearly diverse trajectories and patterns of growth to achieve their industrial transition and compares the outcomes of these diverse trajectories on sectoral change, inter-sectoral relations, labour processes and industrial relations and also compares the role of the state in facilitating the respective trajectories.

Course Outline

1. Introduction and Perspectives on Comparative Economic Development

2. An Overview of Economic Development of the countries selected for case studies

3. Agriculture

Agrarian surplus and the role of the peasantry in economic development.

4. Industry

The industrial revolution in Britain; Industrialisation in late industrialisers.

5. The Factory System and Making of the Industrial Working Class

Division of labour, structure of industrial authority, organisation of work and industrial production, relationship between workers and managers.

6. The Role of the State in Industrial and Developmental Transition

Readings:

1. E.J. Hobsbawm, *World of Labour: Further studies in the history of labour*, London Weidenfeld & Nicholson, 1984.
2. E.J. Hobsbawm, *Industry and Empire: An Economic History of Britain since 1750*, Weidenfeld & Nicholson, 1968.
3. Peter Mathias, *The First Industrial Nation, An Economic History of Britain, 1700-1914*. 2nd edition Methuen, 1983.
4. T. Nakamura, *Economic Growth in Pre-War Japan*, Tr. by Robert A Feldman, Yale University Press, 1983.
5. Okochi, Karsh and Levine, *Workers and Employees in Japan, The Japanese Employment Relations System*, University of Tokyo, 1965.
6. Y. Hayami, *A Century of Agricultural Growth in Pre-War Japan: Its Relevance to Asian Development*, University of Minnesota Press, 1975.
7. Chalmers Johnson, *MITI and the Japanese Miracle: The Growth of Industrial Policy 1925-1975*, Stanford University Press, 1982.

8. W.W. Lockwood, *Economic Development of Japan*, Expanded edition, Princeton University Press, 1966.
9. Dobb M., *Soviet Economic Development Since 1917*, Universal Book Stall, New Delhi, 1995.
10. Paul R. Gregory and Robert C. Stuart, *Soviet Economic Structure and Performance*, Harper & Row, 3rd edition, 1986.
11. Timothy W. Guinnane, 2002, -Delegated Monitors, Large and Small: Germany's banking System, 1800 –1914, *Journal of Economic Literature*, Volume XL:73-124.
12. Richard A. Easterlin, Davis and Parker, *American Economic Growth: An economist's History of the United States*, Harper & Row, 1972.
13. Hughes and Cain, *American Economic History*, HarperCollins College Publishers, 4th edition, 1994.

Background readings for teachers:

Angus Maddison, *Dynamic Forces in Capitalist Development, A Long-Run Comparative View*, Oxford University Press, 1991.

P.K.O'Brien, 1986, -Do we have a Typology for the Study of European Industrialization in the XIXth Century?, *Journal of European Economic History*, XV 3:291-333.

(x) **FINANCIAL ECONOMICS**

Course Description

This course introduces students to the economics of finance. Some of the basic models used to benchmark valuation of assets and derivatives are studied in detail; these include the CAPM, and the Binomial Option Pricing models. The course ends with a brief introduction to corporate finance.

Course Outline

1. Investment Theory and Portfolio Analysis

a. Deterministic cash-flow streams

Basic theory of interest; discounting and present value; internal rate of return; evaluation criteria; fixed-income securities; bond prices and yields; interest rate sensitivity and duration; immunisation; the term structure of interest rates; yield curves; spot rates and forward rates.

b. Single-period random cash flows

Random asset returns; portfolios of assets; portfolio mean and variance; feasible combinations of mean and variance; mean-variance portfolio analysis: the Markowitz model and the two-fund theorem; risk-free assets and the one-fund theorem.

c. CAPM

The capital market line; the capital asset pricing model; the beta of an asset and of a portfolio; security market line; use of the CAPM model in investment analysis and as a pricing formula.

2. Options and Derivatives

Introduction to derivatives and options; forward and futures contracts; options; other derivatives; forward and future prices; stock index futures; interest rate futures; the use of futures for hedging; duration-based hedging strategies; option markets; call and put options; factors affecting option prices; put-call parity; option trading strategies: spreads; straddles; strips and straps; strangles; the principle of arbitrage; discrete processes and the binomial tree model; risk-neutral valuation.

3. Corporate Finance

Patterns of corporate financing: common stock; debt; preferences; convertibles; Capital structure and the cost of capital; corporate debt and dividend policy; the Modigliani-Miller theorem.

Readings:

1. David G. Luenberger, *Investment Science*, Oxford University Press, USA, 1997.
2. Hull, John C., *Options, Futures and Other Derivatives*, Pearson Education, 6th edition, 2005.
3. Thomas E. Copeland, J. Fred Weston and Kuldeep Shastri, *Financial Theory and Corporate Policy*, Prentice Hall, 4th edition, 2003.
4. Richard A. Brealey and Stewart C. Myers, *Principles of Corporate Finance*, McGraw-Hill, 7th edition, 2002.
5. Stephen A. Ross, Randolph W. Westerfield and Bradford D. Jordan, *Fundamentals of Corporate Finance*. McGraw-Hill, 7th edition, 2005.
6. Burton G. Malkiel, *A Random Walk Down Wall Street*, W.W. Norton & Company, 2003.
7. William Sharpe, Gordon Alexander and Jeffery Bailey, *Investments*, Prentice Hall of India, 6th edition, 2003.

(xi) **TOPICS IN MICROECONOMICS - II**

Course Description

This course deals with repeated games and games with incomplete information. Ideas related to asymmetric information among the interacting economic agents would be the main focus of this course. Students learn the concept of Bayesian and Perfect Bayesian equilibrium. The course ends with the application of game theory to analyse moral hazard, adverse selection and signalling problems.

Course Outline

1. Repeated Games.

Finitely repeated games and backward induction; infinitely repeated games; history dependent strategies; one-step deviation property; the repeated prisoners' dilemma; idea of folk theorem.

2. Simultaneous move games with incomplete information (Bayesian games).

Strategies; Bayesian Nash equilibrium; auctions; other applications.

3. Extensive form games with imperfect information.

Strategies; beliefs and sequential equilibrium; applications.

4. Information economics.

Adverse selection; moral hazard; signalling games.

Readings:

1. Martin J. Osborne, *An Introduction to Game Theory*, Oxford University Press, New Delhi, 2004.
2. Hugh Gravelle and Ray Rees, *Microeconomics*, Pearson Education, 2nd edition, 1992.

(xii) **ENVIRONMENTAL ECONOMICS**

Course Description

This course focuses on economic causes of environmental problems. In particular, economic principles are applied to environmental questions and their management through various economic institutions, economic incentives and other instruments and policies. Economic implications of environmental policy are also addressed as well as valuation of environmental quality, quantification of environmental damages, tools for evaluation of environmental projects such as cost-benefit analysis and environmental impact assessments. Selected topics on international environmental problems are also discussed.

Course Outline

1. Introduction

What is environmental economics; review of microeconomics and welfare economics.

2. The Theory of Externalities

Pareto optimality and market failure in the presence of externalities; property rights and the coase theorem.

3. The Design and Implementation of Environmental Policy

Overview; pigouvian taxes and effluent fees; tradable permits; choice between taxes and quotas under uncertainty; implementation of environmental policy.

4. International Environmental Problems

Trans-boundary environmental problems; economics of climate change; trade and environment.

5. Measuring the Benefits of Environmental Improvements

Non-Market values and measurement methods; risk assessment and perception.

6. Sustainable Development

Concepts; measurement.

Readings:

1. Charles Kolstad, *Intermediate Environmental Economics*, Oxford University Press, 2nd edition, 2010.
2. Robert N. Stavins (ed.), *Economics of the Environment: Selected Readings*, W.W. Norton, 5th edition, 2005.
3. Roger Perman, Yue Ma, James McGilvray and Michael Common, *Natural Resource and Environmental Economics*, Pearson Education/Addison Wesley, 3rd edition, 2003.
4. Maureen L. Cropper and Wallace E. Oates, 1992, -Environmental Economics: A Survey,|| *Journal of Economic Literature*, Volume 30:675-740.

(xiii) **INTERNATIONAL ECONOMICS**

Course Description

This course develops a systematic exposition of models that try to explain the composition, direction, and consequences of international trade, and the determinants and effects of trade policy. It then builds on the models of open economy macroeconomics developed in courses 08 and 12, focusing on national policies as well as international monetary systems. It concludes with an analytical account of the causes and consequences of the rapid expansion of international financial flows in recent years. Although the course is based on abstract theoretical models, students will also be exposed to real-world examples and case studies.

Course Outline

1. Introduction

What is international economics about? An overview of world trade.

2. Theories of International Trade

The Ricardian, specific factors, and Heckscher-Ohlin models; new trade theories; the international location of production; firms in the global economy — outsourcing and multinational enterprises.

3. Trade Policy

Instruments of trade policy; political economy of trade policy; controversies in trade policy.

4. International Macroeconomic Policy

Fixed versus flexible exchange rates; international monetary systems; financial globalization and financial crises.

Readings:

1. Paul Krugman, Maurice Obstfeld, and Marc Melitz, *International Economics: Theory and Policy*, Addison-Wesley (Pearson Education Indian Edition), 9th edition, 2012.
2. Dominick Salvatore, *International Economics: Trade and Finance*, John Wiley International Student Edition, 10th edition, 2011.

(xiv) **DISSERTATION**

Syllabus for B.A. (Hons.)

Generic Elective Courses in Economics

Semester I	Semester II
Generic Elective in Economics I: Introductory Microeconomics	Generic Elective in Economics II: Introductory Macroeconomics
Semester III	Semester IV
Generic Elective in Economics III: (a) Indian Economy-I <i>OR</i> (b) Money and Banking <i>OR</i> (c) Environmental Economics	Generic Elective in Economics IV: (a) Indian Economy-II <i>OR</i> (b) Economic History of India 1857-1947 <i>OR</i> (c) Public Finance
Semester V	Semester VI

Generic Elective in Economics I: Introductory Microeconomics

Course Description

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

Course Outline

1. Exploring the subject matter of Economics

Why study economics? Scope and method of economics; the economic problem: scarcity and choice; the question of what to produce, how to produce and how to distribute output; science of economics; the basic competitive model; prices, property rights and profits; incentives and information; rationing; opportunity sets; economic systems; reading and working with graphs.

2. Supply and Demand: How Markets Work, Markets and Welfare

Markets and competition; determinants of individual demand/supply; demand/supply schedule and demand/supply curve; market versus individual demand/supply; shifts in the demand/supply curve, demand and supply together; how prices allocate resources; elasticity and its application; controls on prices; taxes and the costs of taxation; consumer surplus; producer surplus and the efficiency of the markets.

3. The Households

The consumption decision - budget constraint, consumption and income/price changes, demand for all other goods and price changes; description of preferences (representing preferences with indifference curves); properties of indifference curves; consumer's optimum choice; income and substitution effects; labour supply and savings decision - choice between leisure and consumption.

4. The Firm and Perfect Market Structure

Behaviour of profit maximizing firms and the production process; short run costs and output decisions; costs and output in the long run.

5. Imperfect Market Structure

Monopoly and anti-trust policy; government policies towards competition; imperfect competition.

6. Input Markets

Labour and land markets - basic concepts (derived demand, productivity of an input, marginal productivity of labour, marginal revenue product); demand for labour; input demand curves; shifts in input demand curves; competitive labour markets; and labour markets and public policy.

Readings

1. Karl E. Case and Ray C. Fair, *Principles of Economics*, Pearson Education Inc., 8th Edition, 2007.
2. N. Gregory Mankiw, *Economics: Principles and Applications*, India edition by South Western, a part of Cengage Learning, Cengage Learning India Private Limited, 4th edition, 2007.
3. Joseph E. Stiglitz and Carl E. Walsh, *Economics*, W.W. Norton & Company, Inc., New York, International Student Edition, 4th Edition, 2007.

Generic Elective in Economics II: Introductory Macroeconomics

Course Description

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

Course Outline

1. Introduction to Macroeconomics and National Income Accounting

Basic issues studied in macroeconomics; measurement of gross domestic product; income, expenditure and the circular flow; real versus nominal GDP; price indices; national income accounting for an open economy; balance of payments: current and capital accounts.

2. Money

Functions of money; quantity theory of money; determination of money supply and demand; credit creation; tools of monetary policy.

3. Inflation

Inflation and its social costs; hyperinflation.

4. The Closed Economy in the Short Run

Classical and Keynesian systems; simple Keynesian model of income determination; IS-LM model; fiscal and monetary multipliers.

Readings:

1. Dornbusch, Fischer and Startz, *Macroeconomics*, McGraw Hill, 11th edition, 2010.
2. N. Gregory Mankiw. *Macroeconomics*, Worth Publishers, 7th edition, 2010.
3. Olivier Blanchard, *Macroeconomics*, Pearson Education, Inc., 5th edition, 2009.
4. Richard T. Froyen, *Macroeconomics*, Pearson Education Asia, 2nd edition, 2005.
5. Andrew B. Abel and Ben S. Bernanke, *Macroeconomics*, Pearson Education, Inc., 7th edition, 2011.
6. Errol D'Souza, *Macroeconomics*, Pearson Education, 2009.
7. Paul R. Krugman, Maurice Obstfeld and Marc Melitz, *International Economics*, Pearson Education Asia, 9th edition, 2012.

Generic Elective in Economics III(a): Indian Economy-I

Course Description

Using appropriate analytical frameworks, this course reviews major trends in economic indicators and policy debates in India in the post-Independence period, with particular emphasis on paradigm shifts and turning points.

Course Outline

1. Economic Development since Independence

Major features of the economy at independence; growth and development under different policy regimes—goals, constraints, institutions and policy framework; an assessment of performance—sustainability and regional contrasts; structural change, savings and investment.

2. Population and Human Development

Demographic trends and issues; education; health and malnutrition.

3. Growth and Distribution

Trends and policies in poverty; inequality and unemployment.

4. International Comparisons

Readings:

1. Jean Dreze and Amartya Sen, 2013. *An Uncertain Glory: India and its Contradictions*, Princeton University Press.
2. Pulapre Balakrishnan, 2007, The Recovery of India: Economic Growth in the Nehru Era, *Economic and Political Weekly*, November.
3. Rakesh Mohan, 2008, –Growth Record of Indian Economy: 1950-2008. A Story of Sustained Savings and Investment, *Economic and Political Weekly*, May.
4. S.L. Shetty, 2007, –India's Savings Performance since the Advent of Planning, in K.L. Krishna and A. Vaidyanathan, editors, *Institutions and Markets in India's Development*.
5. Himanshu, 2010, –Towards New Poverty Lines for India, *Economic and Political Weekly*, January.
6. Jean Dreze and Angus Deaton, 2009, –Food and Nutrition in India: Facts and Interpretations, *Economic and Political Weekly*, February.
7. Himanshu. 2011, –Employment Trends in India: A Re-examination, *Economic and Political Weekly*, September.
8. Rama Baru et al, 2010, –Inequities in Access to Health Services in India: Caste, Class and Region, *Economic and Political Weekly*, September.
9. Geeta G. Kingdon, 2007, –The Progress of School Education in India, *Oxford Review of Economic Policy*.

10. J.B.G. Tilak, 2007, –Post Elementary Education, Poverty and Development in India, *International Journal of Educational Development*.
11. T. Dyson, 2008, –India's Demographic Transition and its Consequences for Development in Uma Kapila, editor, *Indian Economy Since Independence*, 19th edition, Academic Foundation.
12. Kaushik Basu, 2009, –China and India: Idiosyncratic Paths to High Growth, *Economic and Political Weekly*, September.
13. K. James, 2008, –Glorifying Malthus: Current Debate on Demographic Dividend in India, *Economic and Political Weekly*, June.
14. Reetika Khera, 2011, –India's Public Distribution System: Utilisation and Impact *Journal of Development Studies*.
15. Aniruddha Krishna and Devendra Bajpai, 2011, –Lineal Spread and Radial Dissipation: Experiencing Growth in Rural India, 1992-2005, *Economic and Political Weekly*, September.
16. Kaushik Basu and A. Maertens, eds, 2013, *Oxford Companion to Economics*, Oxford University Press.

Generic Elective in Economics III(b): Money and Banking

Course Description

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

Course Outline

1. Money

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

2. Financial Institutions, Markets, Instruments and Financial Innovations

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

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

3. Interest Rates

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

4. Banking System

- a. Balance sheet and portfolio management.
- b. Indian banking system: Changing role and structure; banking sector reforms.

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.

Readings

1. F. S. Mishkin and S. G. Eakins, *Financial Markets and Institutions*, Pearson Education, 6th edition, 2009.
2. F. J. Fabozzi, F. Modigliani, F. J. Jones, M. G. Ferri, *Foundations of Financial Markets and Institutions*, Pearson Education, 3rd edition, 2009.
3. L. M. Bhole and J. Mahukud, *Financial Institutions and Markets*, Tata McGraw Hill, 5th edition, 2011.
4. M. Y. Khan, *Indian Financial System*, Tata McGraw Hill, 7th edition, 2011.
5. Various latest issues of R.B.I. Bulletins, Annual Reports, Reports on Currency and Finance and Reports of the Working Group, IMF Staff Papers.

Generic Elective in Economics III(c): Environmental Economics

Course Description

This course introduces students to concepts, methods and policy options in managing the environment using tools of economic analysis. This course should be accessible to anyone with an analytical mind and familiarity with basic concepts of economics. 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. The course will be useful for students aiming towards careers in the government sector, policy analysis, business, journalism and international organisations.

Course Outline

1. Introduction

Key environmental issues and problems, 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.

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.

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.

4. Sustainable Development

Concepts; measurement; perspectives from Indian experience

Readings

1. Roger Perman, Yue Ma, Michael Common, David Maddison and James McGilvray, "*Natural Resource and Environmental Economics*", Pearson Education/Addison Wesley, 4th edition, 2011.
2. Charles Kolstad, "*Intermediate Environmental Economics*", Oxford University Press, 2nd edition, 2010.
3. Robert N. Stavins (ed.), "*Economics of the Environment: Selected Readings*", W.W. Norton, 6th edition, 2012.
4. Robert Solow, "An Almost Practical Step toward Sustainability," Resources for the Future 40th anniversary lecture, 1992.
5. Kenneth Arrow et al., "Are We Consuming Too Much?" *Journal of Economic Perspectives*, 18(3): 147-172, 2004.
6. IPCC (Intergovernmental Panel on Climate Change), Fifth Assessment Report (forthcoming 2014).

Generic Elective in Economics IV(a): Indian Economy-II

Course Description

This course examines sector-specific policies and their impact in shaping trends in key economic indicators in India. It highlights major policy debates and evaluates the Indian empirical evidence.

Course Outline

1. Macroeconomic Policies and Their Impact

Fiscal Policy; trade and investment policy; financial and monetary policies; labour regulation.

2. Policies and Performance in Agriculture

Growth; productivity; agrarian structure and technology; capital formation; trade; pricing and procurement.

3. Policies and Performance in Industry

Growth; productivity; diversification; small scale industries; public sector; competition policy; foreign investment.

4. Trends and Performance in Services

Readings:

1. Shankar Acharya, 2010, –Macroeconomic Performance and Policies 2000-8, in Shankar Acharya and Rakesh Mohan, editors, *India's Economy: Performances and Challenges: Development and Participation*, Oxford University Press.
2. Rakesh Mohan, 2010, –India's Financial Sector and Monetary Policy Reforms, in Shankar Acharya and Rakesh Mohan, editors, *India's Economy: Performances and Challenges: Development and Participation*, Oxford University Press.
3. Pulapre Balakrishnan, Ramesh Golait and Pankaj Kumar, 2008, –Agricultural Growth in India Since 1991, *RBI DEAP Study no. 27*.
6. Kunal Sen, 2010, –Trade, Foreign Direct Investment and Industrial Transformation in India, in Premachandra Athukorala, editor, *The Rise of Asia*, Routledge.
7. A. Ahsan, C. Pages and T. Roy, 2008, –Legislation, Enforcement and Adjudication in Indian Labour Markets: Origins, Consequences and the Way Forward, in D. Mazumdar and S. Sarkar, editors, *Globalization, Labour Markets and Inequality in India*, Routledge.
8. Dipak Mazumdar and Sandeep Sarkar, 2009, –The Employment Problem in India and the Phenomenon of the Missing Middle, *Indian Journal of Labour Economics*.
9. J. Dennis Rajakumar, 2011, –Size and Growth of Private Corporate Sector in Indian Manufacturing, *Economic and Political Weekly*, April.
10. Ramesh Chand, 2010, Understanding the Nature and Causes of Food Inflation,

- Economic and Political Weekly*, February.
11. Bishwanath Goldar, 2011, Organised Manufacturing Employment: Continuing the Debate, *Economic and Political Weekly*, April.
 12. Kaushik Basu and A. Maertens, eds, 2013. *The New Oxford Companion to Economics in India*, Oxford University Press.

Generic Elective in Economics IV(b): Economic History of India 1857-1947

Course Description

This course analyses key aspects of Indian economic development during the second half of British colonial rule. In doing so, it investigates the place of the Indian economy in the wider colonial context, and the mechanisms that linked economic development in India to the compulsions of colonial rule. This course links directly to the course on India's economic development after independence in 1947.

Course Outline

1. Introduction: Colonial India: Background and Introduction

Overview of colonial economy.

2. Macro Trends

National Income; population; occupational structure.

3. Agriculture

Agrarian structure and land relations; agricultural markets and institutions – credit, commerce and technology; trends in performance and productivity; famines.

4. Railways and Industry

Railways; the de-industrialisation debate; evolution of entrepreneurial and industrial structure; nature of industrialisation in the interwar period; constraints to industrial breakthrough; labor relations.

5. Economy and State in the Imperial Context

The imperial priorities and the Indian economy; drain of wealth; international trade, capital flows and the colonial economy – changes and continuities; government and fiscal policy.

Readings:

1. Lakshmi Subramanian, “*History of India 1707-1857*”, Orient Blackswan, 2010,

Chapter 4.

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

Background reading for students:

Irfan Habib, *Indian Economy 1858-1914* (A People's History of India), Vol.28, Tulika 2006.

Daniel Thorner, *Agrarian Prospect in India*, 1977.

Generic Elective in Economics IV(c): Public Finance

Course Description

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

Course Outline

Part 1: Theory

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

Part 2: Issues from Indian Public Finance

4. Working of Monetary and Fiscal Policies.
5. Current Issues of India's Tax System.
6. Analysis of Budget and Deficits
7. Fiscal Federalism in India
8. State and Local Finances

Readings

1. Musgrave, R.A. and P.B. Musgrave, *Public Finance in Theory and Practice*, Mc-Graw Hill, 1989.
2. Mahesh Purohit, "*Value Added Tax: Experience of India and Other Countries*", Gayatri Publications, 2007.
3. Kaushik Basu, and A. Maertens (ed.), *The Oxford Companion to Economics in India*, Oxford University Press, 2007.
4. M.M Sury, *Government Budgeting in India*, Commonwealth Publishers, 1990.
5. Shankar Acharya, "Thirty years of tax reform" in India, *Economic and Political Weekly*, May 2005.
6. Government of India, *Report of the 13th Finance Commission*.
7. *Economic Survey*, Government of India (latest).
8. State Finances: A Study of Budgets, *Reserve Bank of India* (latest).

Skill Enhancement Courses (SEC) offered by Economics Department

Skill Enhancement Course (SEC) I: FINANCIAL ECONOMICS

Course Description

This course introduces students to the economics of finance. The course does not require any prior knowledge of economics. This course should be accessible to anyone with an exposure to elementary mathematics. The course is designed to impart the essential aspects of financial asset valuation. The students will be introduced to numerical techniques in finance using spreadsheet programmes such as Microsoft Excel. The course will impart skills that will be useful in a variety of business settings including investment banks, asset management companies and in the field of financial and business journalism.

Course Outline

1. Deterministic cash-flow streams

Basic theory of interest; discounting and present value; internal rate of return; evaluation criteria; fixed-income securities; bond prices and yields; interest rate sensitivity and duration; immunisation; the term structure of interest rates; yield curves; spot rates and forward rates.

2. Single-period random cash flows

Random asset returns; portfolios of assets; portfolio mean and variance; feasible combinations of mean and variance; mean-variance portfolio analysis: the Markowitz model and the two-fund theorem; risk-free assets and the one-fund theorem.

3. Capital Asset Pricing Model (CAPM)

The capital market line; the capital asset pricing model; the beta of an asset and of a portfolio; security market line; use of the CAPM model in investment analysis and as a pricing formula.

Readings

1. David G. Luenberger, *Investment Science*, Oxford University Press, USA, 1997.
2. Richard A. Brealey and Stewart C. Myers, *Principles of Corporate Finance*, McGraw-Hill, 7th edition, 2002.
3. Burton G. Malkiel, *A Random Walk Down Wall Street*, W.W. Norton & Company, 2003.
4. Simon Benninga, *Financial Modeling*, MIT Press, USA, 1997.

Skill Enhancement Course (SEC) II: DATA ANALYSIS

Course Description:

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

Course Outline:

1. Sources of data. Population census versus sample surveys. Random sampling.
2. Univariate frequency distributions. Measures of central tendency: mean, median and mode; arithmetic, geometric and harmonic mean. Measures of dispersion, skewness and kurtosis.
3. Bivariate frequency distribution. Correlation and regression. Rank correlation.
4. Introduction to probability theory. Notions of random experiment, sample space, event, probability of an event. Conditional probability. Independence of events. Random variables and probability distributions. Binomial and normal distributions.
5. Estimation of population parameters from sample data. Unbiased estimators for population mean and variance.
6. Basics of index numbers: price and quantity index numbers.

Readings:

1. P.H. Karmel and M. Polasek (1978), *Applied Statistics for Economists*, 4th edition, Pitman.
2. M.R. Spiegel (2003), *Theory and Problems of Probability and Statistics* (Schaum Series).

UNIVERSITY OF DELHI

Bachelor of Arts (Honours) Economics

(Effective from Academic Year 2019-20)



Revised Syllabus as approved by

Academic Council

Date:

No:

Executive Council

Date:

No:

CONTENTS

Preamble

1. Course Structure	
1.1 Alignment with CBCS.....	1
1.2 Types of Courses	1
1.3 Number of Courses and Credits	2
1.4 Semester-wise Courses	3
2. Learning Outcome-based Approach.....	5
3. Graduate Attributes	5
4. Qualification Description	5
5. Programme Objectives	5
6. Programme Learning Outcomes.....	6
7. Teaching Learning Process.....	6
8. Assessment Methods / Evaluation Scheme	6

Core Courses

Mathematical Methods for Economics I (HC11)	8
Introductory Microeconomics (HC12)	9
Mathematical Methods for Economics II (HC21).....	11
Introductory Macroeconomics (HC22)	12
Intermediate Microeconomics I (HC31)	13
Intermediate Macroeconomics I (HC32)	14
Statistical Methods for Economics (HC33).....	15
Intermediate Microeconomics II (HC41)	17
Intermediate Macroeconomics II (HC42)	18
Introductory Econometrics (HC43)	19
Indian Economy I (HC51).....	20
Development Economics I (HC52)	21
Indian Economy II (HC61).....	23
Development Economics II (HC62).....	25

Discipline Specific Elective Courses

Game Theory (HE51)	27
International Trade (HE52)	28
Public Economics (HE53)	29
Financial Economics (HE54)	30
Applied Econometrics (HE55)	32
Economic History of India 1857-1947 (HE56)	33
Political Economy I (HE57)	35
Economics of Health and Education (HE62)	37
Environmental Economics (HE63).....	38
Open Economy Macroeconomics (HE64).....	39
Money and Financial Markets (HE65).....	41
Comparative Economic Development: 1850-1950 (HE66)	42
Law and Economics (HE67)	44
Political Economy II (HE68).....	45

Generic Elective Courses

Introductory Microeconomics (GE11)	48
Introductory Macroeconomics (GE21).....	49
Data Analysis (GE31).....	50
Money and Banking (GE32)	51
Indian Economy I (GE33)	52
Economic History of India (GE34)	54
Public Finance (GE41)	55
Indian Economy II (GE42).....	57
Global Political Economy (GE43).....	58
Game Theory (GE44)	60

Skill Enhancement Elective Courses

Data Analysis (HS31).....	62
Research Methodology (HS41)	63
Contemporary Economic Issues (HS42)	64

Preamble

The endeavour of any university programme is to prepare its students to be upright and productive citizens. Accordingly, the University of Delhi is moulding its undergraduate programmes to a Learning Outcome-based Curriculum Framework (LOCF).

The LOCF approach is envisioned to provide a focussed, outcome-based syllabus at the undergraduate level with an agenda to structure the teaching-learning experiences in a more student-centric manner. The LOCF approach has been adopted to strengthen students' experiences as they engage themselves in the programme of their choice. The undergraduate Programmes will prepare the students for both, academia and employability.

Each programme vividly elaborates its nature and promises the outcomes that are to be accomplished by studying the courses. The programmes also state the attributes that it aims to inculcate at the point of graduation. These attributes encompass values related to wellbeing, emotional stability, critical thinking, social justice and skills for employability. In short, each programme prepares students for sustainability and life-long learning.

The new curriculum of B.A. (Hons) Economics offers a rigorous basis for much of the advanced thinking in the Economics discipline. It provides the student with a logical paradigm for conceptualising and interpreting the behaviour and interactions of households, firms, and government institutions. The curriculum allows students to choose elective courses from a set of courses with contemporary relevance, thereby offering students the flexibility to prepare for careers in academia, law, management, journalism, government, and many other fields. The programme is consistent with global standards in the Economics discipline. It offers training that is comparable to that of an undergraduate student at the world's best universities.

The University of Delhi hopes that the LOCF approach of the B.A. (Hons) Economics programme will help students in making an informed decision regarding the goals that they wish to pursue in further education and life.

1. Course Structure

1.1 Alignment with CBCS

The B.A. (Hons) Economics programme is aligned with Choice Based Credit System (CBCS) adopted by the University of Delhi.

1.2 Types of Courses

The following types of courses are offered under CBCS:

1. **Core Courses (CC).** A core course is a compulsory course. A student of Economics (Hons) has to take fourteen such Economics courses over six semesters.
2. **Elective Courses (EC).** An elective course is a course that is to be chosen from a specified set of courses. These courses are of two types.

Discipline Specific Electives (DSE). These are elective courses that provide advanced undergraduate training in specialised areas of Economics. A set of seven, semester-specific, courses of this kind are offered in the fifth and sixth semesters of the Honours programme. In each of these semesters, a student has to take two such courses from the relevant semester's set of seven courses.

Generic Electives (GE). These courses, in disciplines other than Economics, are intended to broaden the training of a student in the Economics (Hons) programme. A student of Economics will take one such course, offered by another department, in each of Semesters I to IV.

3. **Ability Enhancement Compulsory Course (AECC).** Two such courses are to be taken, one in Semester I (Art of Communication, equivalent to MIL) and one in Semester II (Environmental Science).
4. **Skill Enhancement Course (SEC).** A student is to take one such course in Semester III and one in Semester IV.

1.3 Number of Courses and Credits

1. Core Courses (CC): 14 (6 credits each)
2. Discipline Specific Electives (DSE): 4 (6 credits each)
3. Generic Electives (GE): 4 (6 credits each)
4. Skill Enhancement Courses (SEC): 2 (4 credits each)
5. Ability Enhancement Compulsory Courses (AECC): 2 (4 credits each)

Total number of courses (credits) taken by a student: 26 (148)

Table 1. Semester-wise Distribution of Credits

Year	Semester	Courses	Credits
First	I	2 CC (x6) 1 AECC (x4) 1 GE (x6)	22
	II	2 CC (x6) 1 AECC (x4) 1 GE (x6)	22
Second	III	3 CC (x6) 1 SEC (x4)	28

		1 GE (x6)	
	IV	3 CC (x6) 1 SEC (x4) 1 GE (x6)	28
Third	V	2 CC (x6) 2 DSE (x6)	24
	VI	2 CC (x6) 2 DSE (x6)	24
Total		26	148

1.4 Semester-wise Courses

Table 2. Courses for B.A. (Hons) Economics

Semester	Course title	Course code						
I	CC		AECC	SEC	DSE	GE		
	Mathematical Methods for Economics I	HC11	Art of Communi- cation			GE 1		
	Introductory Micro-economics	HC12						
II	Mathematical Methods for Economics II	HC21	Environ- mental Science					GE 2
	Introductory Macro-economics	HC22						
III	Intermediate Micro-economics I	HC31						GE 3
	Intermediate Macro-economics I	HC32						
	Statistical Methods for Economics	HC33						
		HS31		Data Analysis				
IV	Intermediate Micro-economics II	HC41						

						GE 4
	Intermediate Macro- economics II	HC42				
	Introductory Econometrics	HC43				
				<i>Pick one from</i>		
		HS41		Research Method- ology		
		HS42		Contem- porary Economic Issues		
V	Indian Economy I	HC51				
	Development Economics I	HC52				
						<i>Pick two from</i>
		HE51				Game Theory
		HE52				International Trade
		HE53				Public Economics
		HE54				Financial Economics
		HE55				Applied Econometrics
		HE56				Economic History of India (1857-1947)
		HE57				Political Economy I
VI	Indian Economy II	HC61				
	Development Economics II	HC62				
						<i>Pick two from</i>
		HE62				Economics of Health and Education
		HE63				Environmental Economics
		HE64				Open Economy Macroeconomics
		HE65				Money and Financial Markets
		HE66				Comparative Economic Development (1850- 1950)

		HE67			Law and Economics	
		HE68			Political Economy II	

Key: CC = Core Course; AECC = Ability Enhancement Compulsory Course; SEC = Skill Enhancement Course; DSE = Discipline Specific Elective; GE = Generic Elective

2. Learning Outcome-based Approach

The B.A. (Hons) Economics programme provides a firm basis for much of the advanced thinking in the Economics discipline. It provides the student with a logical paradigm for modelling and interpreting the behaviour and interactions of households, firms, and government institutions.

The programme is consistent with global standards in the Economics discipline. It offers training that is comparable to that of an undergraduate student at the world's best universities.

The curriculum allows students to choose elective courses from a set of courses with contemporary relevance, thereby offering students the flexibility to prepare for careers in academia, law, management, journalism, government, and many other fields.

3. Graduate Attributes

Upon completion of this programme, a student will have the necessary skills to understand and analyse in a logical manner all major economic phenomena.

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.

4. Qualification Description

Upon successfully completing the programme, a student will be awarded the degree of B.A. Honours (Economics).

5. Programme Objectives

The programme aims to:

1. Train students in basic economic theory;

2. Equip students with the mathematical and statistical techniques necessary for a proper understanding of the discipline;
3. Discuss real world economic issues and problems facing the country and the world;
4. Enable students to understand proper policy responses to economic problems;
5. Train students to collect primary data and learn sampling techniques;
6. Train students to use statistical and econometric methods to arrive at conclusions about the validity of economic theories;
7. Train students to learn the art of economic modelling.

6. Programme Learning Outcomes

Students will:

1. Get an understanding of basic economic theory;
2. Learn the mathematical and statistical techniques necessary for a proper understanding of the discipline;
3. Get an introduction to real world economic issues and problems facing the country and the world;
4. Gain an understanding of proper policy responses to economic problems;
5. Get trained to collect primary data and learn sampling techniques;
6. Learn to use scientific empirical methods to arrive at conclusions about the validity of economic theories;
7. Get trained in the art of economic modelling.

7. Teaching Learning Process

Teaching and learning in this programme involves classroom lectures as well 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. Written assignments and projects submitted by students as part of the course are also discussed in tutorials. Some courses also have a laboratory component and some require the students to undertake an independent research project and submit a written report at the end of the project. Research projects will encourage independent thinking among students and prepare them to carry out research on their own after completion of the degree. 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.

8. Assessment Methods / Evaluation Scheme

Assessment methods and evaluation schemes will be as *per* University of Delhi norms. Maximum marks for each theory paper will be 100. The break-up of marks is as follows:

1. 25 marks for internal assessment to be assigned at the college level, which will be determined as follows:
 - a. 5 marks for attendance in lectures and tutorials,

- b. 10 marks for a written class test, and
 - c. 10 marks for a project/seminar/class test.
- 2. 75 marks for the final examination conducted by the University at the end of the semester.

Practical papers will also follow the evaluation scheme of University of Delhi.

Core Courses

Mathematical Methods for Economics I (HC11)

Core Course (CC) Credit: 6

Course Objective

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

Course Learning Outcomes

The course hones and upgrades the mathematical skills acquired in school and paves the way for the second semester course Mathematical Methods in Economics II. Collectively, the two papers provide the mathematical foundations necessary for further study of a variety of disciplines including economics, statistics, computer science, finance and data analytics. The analytical tools introduced in this course have applications wherever optimisation techniques are used in business decision-making. These tools are necessary for anyone seeking employment as an analyst in the corporate world. The course additionally makes the student more logical in making or refuting arguments.

Unit 1

Preliminaries Logic and proof techniques; sets and set operations; relations; functions and their properties; number systems

Unit 2

Functions of one real variable Graphs; elementary types of functions: quadratic, polynomial, power, exponential, logarithmic; sequences and series: convergence, algebraic properties and applications;

Continuous functions: characterisations, properties with respect to various operations and applications;

Differentiable functions: characterisations, properties with respect to various operations and applications;

Second and higher order derivatives: properties and applications

Unit 3

Single-variable optimization Geometric properties of functions: convex functions, their characterisations and applications; local and global optima: geometric and calculus-based characterisations, and applications

Unit 4

Linear algebra Vector spaces: algebraic and geometric properties, scalar products, norms, orthogonality; linear transformations: properties, matrix representations and elementary operations; systems of linear equations: properties of their solution sets; determinants: characterization, properties and applications

References

1. Sydsaeter, K., Hammond, P. (2002). *Mathematics for economic analysis*. Pearson Educational.

Teaching Learning Process

Lectures and tutorials

Assessment Methods

Internal assessment and final examination as per CBCS rules

Keywords

Sets, functions, continuity, differentiability, vector space, linear mappings

Introductory Microeconomics (HC12)

Core Course (CC) Credit: 6

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 introduces the students to the first course in 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, and characteristics of perfect and imperfect markets.

Unit 1

Introduction What is microeconomics? Scope and method of economics; the economic problem: scarcity and choice; the concept of opportunity cost; the question of what to produce, how to produce and how to distribute output; science of economics; institutions for allocating resources; the basic competitive model; prices, property rights and profits; incentives and information; rationing; positive versus normative analysis

The scientific method; the role of assumptions; models and mathematics; why economists sometimes disagree

Interdependence and gains from trade; specialization and trade; absolute advantage; comparative advantage and trade

Unit 2

Supply and demand: How markets work, markets and welfare Markets and competition; determinants of individual demand/supply; demand/supply schedule and demand/supply curve; market versus individual demand/supply; shifts in the demand/supply curve, demand and supply together; how prices allocate resources; elasticity and its application; controls on prices; taxes and the costs of taxation; consumer surplus; producer surplus and the efficiency of the markets

Application to international trade; comparison of equilibria with and without trade, the winners and losers from trade; effects of tariffs and quotas; benefits of international trade; some arguments for restricting trade

Unit 3

The Households The consumption decision - budget constraint, consumption and income/price changes, demand for all other goods and price changes; description of preferences (representing preferences with indifference curves); properties of indifference curves; consumer's optimum choice; income and substitution effects; labour supply and savings decision; choice between leisure and consumption

Unit 4

The firm and perfect market structure Behaviour of profit maximizing firms and the production process; short-run costs and output decisions; costs and output in the long-run

Unit 5

Imperfect Market Structure Monopoly and anti-trust policy; government policies towards competition; imperfect competition

Unit 6

Input Markets Labour and land markets: Basic concepts (derived demand, productivity of an input, marginal productivity of labour, marginal revenue product); demand for labour; input demand curves; shifts in input demand curves; competitive labour markets; labour markets and public policy

References

1. Bernheim, B., Whinston, M. (2009). *Microeconomics*. Tata McGraw-Hill.
2. Mankiw, N. (2007). *Economics: Principles and applications, 4th ed.* Cengage Learning.

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 and imperfect markets

Mathematical Methods for Economics II (HC21)

Core Course (CC) Credit: 6

Course Objective

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

Course Learning Outcomes

The course provides the mathematical foundations necessary for further study of a variety of disciplines including postgraduate economics, statistics, computer science, finance and data analytics. The analytical tools introduced in this course have applications wherever optimization techniques are used in business decision-making for managers and entrepreneurs alike. These tools are necessary for anyone seeking employment as an analyst in the corporate world.

Unit 1

Functions of several real variables Geometric representations: graphs and level curves; differentiable functions: characterisations, properties with respect to various operations and applications; second order derivatives: properties and applications; the implicit function theorem, and application to comparative statics problems; homogeneous and homothetic functions: characterisations and applications

Unit 2

Multivariate optimization Convex sets; geometric properties of functions: convex functions, their characterisations, properties and applications; further geometric properties of functions: quasiconvex functions, their characterisations, properties and applications; unconstrained optimisation: geometric characterisations, characterisations using calculus and applications; constrained optimisation with equality constraints: geometric characterisations, Lagrange characterisation using calculus and applications; properties of value function: envelope theorem and applications

Unit 3

Linear programming Introduction, graphical solution, matrix formulation, duality, economic interpretation

Unit 4

Integration, differential equations, and difference equations Definite integrals, indefinite integrals and economic applications; first order difference equations, equilibrium and its stability; first order differential equations, phase diagrams and stability

References

1. Sydsaeter, K., Hammond, P. (2002). *Mathematics for economic analysis*. Pearson Educational.

Teaching Learning Process

Lectures and tutorials

Assessment Methods

Internal assessment and final examination as per CBCS rules

Keywords

Functions of several real variables, multivariate optimisation, linear programming, integration, differential equations, and difference equations

Introductory Macroeconomics (HC22)

Core Course (CC) Credit: 6

Course Objective

This is the first module in a three-module sequence that introduces students to the basic concepts of Macroeconomics. Macroeconomics deals with the aggregate economy. This course discusses the preliminary concepts associated with the determination and measurement of aggregate macroeconomic variable like GDP, savings, investment, money, inflation, and the balance of payments. It also introduces students to simple analytical frameworks (e.g., the IS-LM model) 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.

Unit 1

Introduction to macroeconomics and national income accounting Basic issues studied in macroeconomics: Measurement of gross domestic product; income, expenditure and the circular flow; real versus nominal GDP; price indices; national income accounting for an open economy; balance of payments: current and capital accounts

Unit 2

Money Functions of money; quantity theory of money; determination of money supply and demand; credit creation; tools of monetary policy

Unit 3

Inflation Inflation and its social costs; hyperinflation

Unit 4

The closed economy in the short run Classical and Keynesian systems; simple Keynesian model of income determination; IS-LM model; fiscal and monetary multipliers

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 accounting, money, inflation, classical model, Keynesian model

Intermediate Microeconomics I (HC31)

Core Course (CC) Credit: 6

Course Objective

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

Course Learning Outcomes

The course trains the students of Economics about the basic elements of consumer theory and production theory and the functioning of perfectly competitive market. This course aims to give students a solid grasp of microeconomic analysis at the intermediate-level using mathematical techniques where appropriate.

Unit 1

Consumer theory. Preference; utility; budget constraint; choice; demand; Slutsky equation; buying and selling; choice under risk and intertemporal choice; revealed preference

Unit 2

Production, costs and perfect competition Technology; isoquants; production with one and more variable inputs; returns to scale; short run and long run costs; cost curves in the short run and long run; review of perfect competition

References

1. Bernheim, B., Whinston, M. (2009). *Microeconomics*. Tata McGraw- Hill.
2. Snyder, C., Nicholson, W. (2010). *Fundamentals of microeconomics*. Cengage Learning.
3. Varian, H. (2010). *Intermediate microeconomics: A modern approach, 8th ed.* W. W. Norton.

Additional Resources

1. Bergstrom, T., Varian, H. (2014). *Workouts in intermediate microeconomics*. W. W. Norton.

Teaching Learning Process

Lectures and tutorials

Assessment Methods

Internal assessment and final examination as per CBCS rules

Keywords

Consumer theory, producer theory, perfect competition

Intermediate Macroeconomics I (HC32)

Core Course (CC) Credit: 6

Course Objective

This is the second module of a three-module sequence on Macroeconomics. This course introduces students to formal modeling of the macroeconomy in terms of analytical tools. It discusses various alternative theories of output and employment determination in a closed economy in the short run as well as medium run, and the role of policy in this context. It also introduces students to various micro-founded theories of macro behaviour, e.g., consumption and investment behaviour of households and the demand for money generated in the household sector.

Course Learning Outcomes

This course enables students to analyse the macroeconomic performance of various countries using formal analytical tools. It also allows them to evaluate important macroeconomic policies and their implications.

Unit 1

The labour market Wage determination; wages, prices and employment; natural rate of unemployment; from employment to output

Unit 2

Aggregate demand and aggregate supply curves Derivation of aggregate demand and aggregate and supply curves; interaction of aggregate demand and supply to determine equilibrium output, price level and employment

Unit 3

Inflation, unemployment and expectations Phillips curve; adaptive and rational expectations; policy ineffectiveness debate

Unit 4

Microeconomic foundations Consumption: Keynesian consumption function; Fisher's theory of optimal intertemporal choice; lifecycle and permanent income hypotheses; rational expectations and random walk of consumption expenditure

Investment: determinants of business fixed investment; residential investment and inventory investment

Demand for money

References

1. Abel, A., Bernanke, B. (2016). *Macroeconomics, 9th ed.* Pearson Education.
2. Blanchard, O. (2018). *Macroeconomics, 7th ed.* Pearson Education.
3. Branson, W. (2013). *Macroeconomics: Theory and policy, 3rd ed.* East West Press.
4. Dornbusch, R., Fischer, S., Startz, R. (2018). *Macroeconomics, 12th ed.* McGraw-Hill.
5. Jones, C. (2016). *Macroeconomics, 4th ed.* W. W. Norton.
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

Aggregate demand, aggregate supply, inflation, unemployment, expectations

Statistical Methods for Economics (HC33)

Core Course (CC) Credit: 6

Course Objective

The course teaches students the basics of probability theory and statistical inference. It sets a necessary foundation for the econometrics courses within the Honours programme. The familiarity with probability theory will also be valuable for courses in advanced microeconomic theory.

Course Learning Outcomes

At the end of the course, the student should understand the concept of random variables and be familiar with some commonly used discrete and continuous distributions of random variables. They will be able to estimate population parameters based on random samples and test hypotheses about these parameters. An important learning outcome of the course will be the capacity to analyse statistics in everyday

life to distinguish systematic differences among populations from those that result from random sampling.

Unit 1

Introduction and overview The distinction between populations and samples and between population parameters and sample statistics

Unit 2

Elementary probability theory Sample spaces and events; probability axioms and properties; counting techniques; conditional probability and Bayes' rule; independence

Unit 3

Random variables and probability distributions Defining random variables; probability distributions; expected values and functions of random variables; properties of commonly used discrete and continuous distributions (uniform, binomial, exponential, Poisson, hypergeometric and Normal random variables)

Unit 4

Random sampling and jointly distributed random variables Density and distribution functions for jointly distributed random variables; computing expected values of jointly distributed random variables; covariance and correlation coefficients

Unit 5

Point and interval estimation Estimation of population parameters using methods of moments and maximum likelihood procedures; properties of estimators; confidence intervals for population parameters

Unit 6

Hypothesis testing Defining statistical hypotheses; distributions of test statistics; testing hypotheses related to population parameters; Type I and Type II errors; power of a test; tests for comparing parameters from two samples

References

1. Devore, J. (2012). *Probability and statistics for engineers, 8th ed.* Cengage Learning.
2. Larsen, R., Marx, M. (2011). *An introduction to mathematical statistics and its applications.* Prentice Hall.
3. Miller, I., Miller, M. (2017). *J. Freund's mathematical statistics with applications, 8th ed.* Pearson.

Teaching Learning Process

Lectures and tutorials

Assessment Methods

Internal assessment and final examination as per CBCS rules

Keywords

Population parameters, sample statistics, probability, statistical inference

Intermediate Microeconomics II (HC41)

Core Course (CC) Credit: 6

Course Objective

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

Course Learning Outcomes

This course helps the students to understand efficiency of markets and the environment where the standard market mechanism fails to generate the desirable outcomes. The issues of market imperfection and market failures are important building blocks of this course.

Unit 1

General equilibrium, efficiency and welfare Equilibrium and efficiency under pure exchange and production; overall efficiency and welfare economics

Unit 2

Market structure and game theory Monopoly; pricing with market power; price discrimination; peak-load pricing; two-part tariff; monopolistic competition and oligopoly; game theory and competitive strategy

Unit 3

Market failure Externalities; public goods and markets with asymmetric information

References

1. Osborne, M. (2004). *An introduction to game theory*. Oxford University Press.
2. Snyder, C., Nicholson, W. (2010). *Fundamentals of microeconomics*. Cengage Learning.
3. Varian, H. (2010). *Intermediate microeconomics: A modern approach, 8th ed.* W. W. Norton.

Additional Resources

1. Bergstrom, T., Varian, H. (2014). *Workouts in intermediate microeconomics*. W. W. Norton.

Teaching Learning Process

Lectures and tutorials

Assessment Methods

Internal assessment and final examination as per CBCS rules

Keywords

General equilibrium, efficiency, welfare, market structure, imperfect competition, externalities, public goods

Intermediate Macroeconomics II (HC42)

Core Course (CC) Credit: 6

Course Objective

This course is a sequel to Intermediate Macroeconomics I. In this course, students are introduced to long run issues like growth, technical progress, economics of ideas, R&D, innovation and knowledge creation. This course also provides insights into modern business cycle analysis. Finally it introduces students to open economy macro issues. At the end, it provides a long run perspective to policy-making by framing policies in a dynamic context.

Course Learning Outcomes

This course will enable students to combine their knowledge of the working of the macroeconomy with long run economic phenomena like economic growth, technological progress, R&D and innovation. It will also enable students to understand business cycles and the concomitant role of policies.

Unit 1

Economic growth Harrod-Domar model; Solow model; Golden rule, technological progress, economics of ideas, engines of growth, modern theories of endogenous growth

Unit 2

Business cycles Real business cycle theory; new Keynesian models of sticky prices

Unit 3

Open economy models Short-run open economy models; Mundell-Fleming model; exchange rate determination; purchasing power parity; asset market approach; Dornbusch's overshooting model; monetary approach to balance of payments; international financial markets

Unit 4

Fiscal and monetary policy Active or passive; monetary policy objectives and targets; rules versus discretion: time consistency; the government budget constraint; government debt and Ricardian equivalence

References

1. Abel, A., Bernanke, B. (2016). *Macroeconomics*, 9th ed. Pearson Education.
2. Blanchard, O. (2018). *Macroeconomics*, 7th ed. Pearson Education.
3. Branson, W. (2013). *Macroeconomics: Theory and policy*, 3rd ed, East West Press.
4. Dornbusch, R., Fischer, S., Startz, R. (2018). *Macroeconomics*, 12th ed. McGraw-Hill.
5. Jones, C. (2013). *Introduction to economic growth*, 2nd ed. W. W. Norton.
6. Jones, C. (2016). *Macroeconomics*, 4th ed. W. W. Norton.
7. 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

Economic growth, business cycles, open economy models, fiscal and monetary policy

Introductory Econometrics (HC43)

Core Course (CC) Credit: 6

Course Objective

This course introduces students to the econometric methods used to conduct empirical analysis in Economics. The course is designed to provide the students with the basic quantitative techniques needed to undertake applied research projects. It also provides the base for more advanced optional courses in econometrics.

Course Learning Outcomes

Students will learn to estimate linear models using ordinary least squares and make inferences about population parameters. They will also understand the biases created through mis-specified models, such as those that occur when variables are omitted.

Unit 1

Nature and scope of econometrics

Unit 2

Simple linear regression model: Two variable case Ordinary least squares estimation of a linear model; properties of estimators; goodness of fit; testing of hypotheses; scaling and units of measurement; confidence intervals; the Gauss-Markov theorem; forecasting and prediction

Unit 3

Multiple linear regression model Extension of the single explanatory variable case to a multivariate setting; introducing non-linearities through functions of explanatory variables

Unit 4

Violations of classical assumptions: Consequences, detection and remedies
Multicollinearity; heteroscedasticity; serial correlation

Unit 5

Specification Analysis Omission of a relevant variable; inclusion of irrelevant variable; specification tests

References

1. Dougherty, C. (2011). *Introduction to econometrics, 4th ed.* Oxford University Press.

2. Gujarati, D. (2014). *Econometrics by example, 2nd ed.* Palgrave Macmillan.
3. Gujarati, D., Porter, D. (2010). *Essentials of econometrics, 4th ed.* McGraw-Hill.
4. Kmenta, J. (2008). *Elements of econometrics.* Khosla Publishing House.
5. Maddala, G., Lahiri, K. (2009). *Introduction to econometrics, 4th ed.* Wiley.
6. Wooldridge, J. (2014). *Introduction to econometrics: A modern approach, 5th ed.* Cengage Learning.

Teaching Learning Process

Lectures and tutorials

Assessment Methods

Internal assessment and final examination as per CBCS rules

Keywords

Regression, least squares, linear models

Indian Economy I (HC51)

Core Course (CC) Credit: 6

Course Objective

Using appropriate analytical frameworks, this course reviews major trends in economic indicators and policy debates in India in the post-Independence period, with particular emphasis on paradigm shifts and turning points.

Course Learning Outcomes

At the end of the course, a student should be able to understand the development paradigm adopted in India since independence and evaluate its impact on economic as well as social indicators of progress and well being.

Unit 1

Economic development since independence

Unit 2

Human Capital: Demography, health and education

Unit 3

Growth and Distribution: Poverty, inequality, unemployment and policy interventions

Unit 4

International comparisons

References

Given the topical nature of this course, some readings will change from year to year.

1. Balakrishnan, P. (2007). The recovery of India: Economic growth in the Nehru era. *Economic and Political Weekly*, 42(45-46), 52-66.

2. Bardhan, P. (2012). *Awakening giants, feet of clay: Assessing the economic rise of China and India*. Princeton University Press.
3. Basu, K., Maertens, A. (2007). The pattern and causes of economic growth in India. *Oxford Review of Economic Policy*, 23, 143-167.
4. Bhagwati, J., Panagariya, A. (2012). *India's tryst with destiny*, Collins Business.
5. Centre for Sustainable Employment. (2018). *State of working India 2018*. Azim Premji University.
6. Desai, S. (2015). Demographic deposit, dividend and debt. *The Indian Journal of Labour Economics*, 58, 217-232.
7. Dreze, J., Khera, R. (2017). Recent social security initiatives in India, *World Development*, 98, 555-572.
8. Dreze, J., Sen, A. (2013). *India: An uncertain glory*. Allen Lane.
9. Joshi, V. (2016). *India's long road: The search for prosperity*. Allen Lane.
10. Meenakshi, J. (2016). Trends and patterns in the triple burden of malnutrition in India. *Agricultural Economics*, 47, 115-134.
11. Ministry of Finance. (2016). Universal basic income: A conversation with and within the mahatma. Chapter 9 in *Economic Survey*, 172-212.
12. Panagariya, A., Mukim, M. (2014). A comprehensive analysis of poverty in India. *Asian Development Review*, 31, 1-52.
13. Rangarajan Committee. (2014). *Report of the expert group to review the methodology for measurement of poverty*. Government of India.
14. Rawal, V., Bansal, V., Bansal, P. (2019). Prevalence of undernourishment in Indian states: Explorations based on NSS 68th round data. *Economic and Political Weekly*, 54(15), 35-45.
15. Rodgers, G. (2018). Inequality in the Indian growth regime. *Indian Journal of Human Development*, 12, 134-148.
16. Thomas, J. (2014). India's labour market during the 2000s: An overview. In K. Ramaswamy (ed.): *Labour, employment and economic growth in India*. Cambridge University Press, 21-56.
17. Verick, S. (2018). Female labor force participation and development. *IZA World of Labor*, 2, 1-11.

Teaching Learning Process

Lectures and tutorials

Assessment Methods

Internal assessment and final examination as per CBCS rules

Keywords

Indian economic development, government policy

Development Economics I (HC52)

Core Course (CC) Credit: 6

Course Objective

This is the first part of a two-part course on economic development. The course begins with a discussion of alternative conceptions of development and their justification. It then proceeds to aggregate models of growth and cross-national

comparisons of the growth experience that can help evaluate these models. The axiomatic basis for inequality measurement is used to develop measures of inequality and connections between growth and inequality are explored. The course ends by linking political institutions to growth and inequality by discussing the role of the state in economic development and the informational and incentive problems that affect state governance.

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.

Unit 1

Conceptions of Development Alternative measures of development, documenting the international variations in these measures, comparing development trajectories across nations and within them

Unit 2

Growth Models and Empirics The Harrod-Domar model, the Solow model and its variants, endogenous growth models, and evidence on the determinants of growth

Unit 3

Poverty and Inequality: Definitions, Measures and Mechanisms Inequality axioms; comparison of commonly used inequality measures; connections between inequality and development; poverty measurement; characteristics of the poor; mechanisms that generate poverty traps, and path dependence of growth processes

Unit 4

Political Institutions and the Functioning of the State The determinants of democracy; alternative institutional trajectories and their relationship with economic performance; within-country differences in the functioning of state institutions; state ownership and regulation; government failures and corruption

References

1. Banerjee, A., Benabou, R., Mookerjee, D. (eds.) (2006). *Understanding poverty*. Oxford University Press.
2. Bardhan, P. (2010). *Awakening giants, feet of clay: Assessing the economic rise of China and India*. Oxford University Press.
3. Basu, K. (2007). *The Oxford companion to economics in India*. Oxford University Press.
4. Dasgupta, P. (2007). *Economics: A very short introduction*. Oxford University Press.
5. Deaton, A. (2013). *The great escape: Health, wealth and the origins of inequality*. Princeton University Press.
6. Hirschman, A. (1992). *Rival views of market society and other essays*. Ch. 3: "Linkages in Economic Development". Harvard University Press.
7. Human Development Report. Relevant years.
8. Olson, M. (1996). Big bills left on the sidewalk: Why some nations are rich, and others poor. *Journal of Economic Perspectives*, 10, 3-24.

9. Ostrom, E. (1990). *Governing the commons: The evolution of institutions for collective action*. Cambridge University Press.
10. Piketty, T., Saez, E. (2014). Inequality in the long run, *Science*, 344.
11. Ray, D. (1998). *Development economics*. Princeton University Press.
12. Rodrik, D. (2009). *One economics, many recipes: Globalization, institutions and economic growth*. Ch. 1: "Fifty Years of Growth (and lack thereof): An Interpretation". Princeton University Press.
13. Sen, A. (2000). *Development as freedom*. Oxford University Press.
14. Shleifer, A., Vishny, R. (1993). Corruption. *Quarterly Journal of Economics*, 108, 599-617.
15. Todaro, M., Smith, S. (2015). *Economic Development*. Pearson.

Teaching Learning Process

Lectures and tutorials

Assessment Methods

Internal assessment and final examination as per CBCS rules

Keywords

Economic development, poverty, inequality

Indian Economy II (HC61)

Core Course (CC) Credit: 6

Course Objective

This course examines sector-specific policies and their impact in shaping trends in key economic indicators in India. It highlights major policy debates and evaluates the Indian empirical evidence.

Course Learning Outcomes

At the end of the course, a student should be able to understand the role of economic policies in shaping and improving economic performance in agriculture, manufacturing and services.

Unit 1

Macroeconomic policies and their impact

Unit 2

Policies and performance in agriculture

Unit 3

Policies and performance in industry and services

References

Given the topical nature of this course, readings will be updated from year to year.

1. Anand, R., Kochhar, K., Mishra, S. (2015). Make in India: Which exports can drive the next wave of growth? *IMF working paper*, WP/15/119.

2. Banga, R. (2014). Trade facilitation and 'hollowing-out' of Indian manufacturing. *Economic and Political Weekly*, 49(40), 57-63.
3. Basole, A., Basu, D., Bhattacharya, R. (2015). Determinants and impacts of subcontracting: Evidence from India's unorganised manufacturing sector. *International Review of Applied Economics*, 29, 374-402.
4. Bhagwati, J., Panagariya, A. (2012). A multitude of labor laws and their reforms. In *India's tryst with destiny*. Collins Business.
5. Centre for Sustainable Employment. (2018). State of working India 2018. *Azim Premji University*.
6. Chanda, R. (2017). Services for Indian manufacturing. In M. Dev (ed.) *India Development Report*.
7. Chatterjee, S., Kapur, D. (2017). Six puzzles in Indian agriculture. *India Policy Forum* 2016, Vol. 17.
8. Das, D., Singh, J., Choudhury, H. (2018). Judicial production of labour market flexibility: Contract labour employment in Indian organised manufacturing. In Hill and Patil (eds.): *Employment policy in emerging economies*. Routledge.
9. Deakin, S., Halder, A. (2015). How should India reform its labor laws? *Economic and Political Weekly*, 50(12), 48-55.
10. Gulati, A., Saini, S. (2017) 25 years of policy tinkering in agriculture. In R. Mohan (ed.): *India transformed: 25 years of economic reforms*. Penguin.
11. Kapoor, R., Krishnapriya, P. (2019). Explaining the contractualisation of India's workforce. *ICRIER Working Paper* 369.
12. 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.
13. Ministry of Finance. (2017). Climate, climate change and agriculture. Ch. 6 in *Economic Survey*.
14. Mohan, R., Ray, P. (2017). Indian financial sector - structure, trends and turns. *IMF working paper*.
15. Panda, M. (2017). Macroeconomic development and challenges for growth. In M. Dev (ed.): *India Development Report*.
16. Rajesh, S., Sen, K. (2016). Some puzzles about firms. *Economic and Political Weekly*, 51(7), 43-51.
17. Roychowdhury, A. (2019). Application of job security laws, workers' bargaining power and employment outcomes in India. *The Economic and Labour Relations Review*, 30, 120-141.
18. Sen, K., Das, D. (2015). Where have all the workers gone? The puzzle of declining labour intensity in organised Indian manufacturing. *Economic and Political Weekly*, 50(23), 108-115.
19. Veeramani, C., Dhir, G. (2017). Make what in India? In M. Dev (ed.): *India Development Report*.

Teaching Learning Process

Lectures and tutorials

Assessment Methods

Internal assessment and final examination as per CBCS rules

Keywords

Economic development, sectoral performance, policy analysis

Development Economics II (HC62)

Core Course (CC) Credit: 6

Course Objective

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

Course Learning Outcomes

This course teaches the student various aspects of the Indian economy, as well as important themes relating to the environment and sustainable development. It also introduces them to some issues of globalisation.

Unit 1

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

Unit 2

Land, Labour and Credit Markets The distribution of land ownership; land reform and its effects on productivity; contractual relationships between tenants and landlords; land acquisition; nutrition and labor productivity; informational problems and credit contracts; microfinance; inter- linkages between rural factor markets

Unit 3

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

Unit 4

Globalisation Globalisation in historical perspective; the economics and politics of multilateral agreements; trade, production patterns and world inequality; financial instability in a globalised world

References

1. Banerjee, A., Benabou, R., Mookerjee, D. (eds.) (2006). *Understanding poverty*. Oxford University Press.
2. Dasgupta, P. (2007). *Economics: A very short introduction*. Oxford University Press.
3. Kolstad, C. (2012). *Intermediate environmental economics*. Oxford University Press.

4. Meier, G., Rauch, J. (2005). *Leading issues in economic development*. Oxford University Press.
5. Nordhaus, W. (2013). *The Climate Casino*. Yale University Press.
6. Rajan, R. (2011). *Fault lines: How hidden fractures still threaten the world economy*. Princeton University Press.
7. Ray, D. (1998). *Development economics*. Princeton University Press.
8. Rodrik, D. (2011). *The globalization paradox: Why global markets, states and democracy can't coexist*. Oxford University Press.

Teaching Learning Process

Lectures and tutorials

Assessment Methods

Internal assessment and final examination as per CBCS rules

Keywords

Demography, development, land, labour, credit, environment, sustainable development

Discipline Specific Elective Courses

Game Theory (HE51)

Discipline Specific Elective (DSE) Credit: 6

Course Objective

Game theory introduces the students to optimal decision making in interactive settings. This course will deal with the solution concepts for normal form and extensive form games, along with a variety of applications. Ideas related to asymmetric information among the interacting agents will also be analysed in this course. The course ends with the application of game theory to analyse moral hazard, adverse selection and signalling problems.

Course Learning Outcomes

The students will learn how to model multi-person decision making in an interactive setting. They will understand how to formulate different real life situations as games and learn to predict the optimal strategies of players and how the players can exploit strategic situations for their own benefit.

Unit 1

Normal form games The normal form; dominant and dominated strategies; dominance solvability; mixed strategies; Nash equilibrium; symmetric single population games; applications

Unit 2

Extensive form games with perfect information The game tree; strategies; subgame perfection; backward induction in finite games; commitment; bargaining; other applications

Unit 3

Simultaneous move games with incomplete information Strategies; Bayesian Nash equilibrium; applications

Unit 4

Extensive form games with imperfect information Strategies; beliefs and sequential equilibrium; applications

Unit 5

Information economics. Adverse selection; moral hazard; signalling games

References

1. Osborne, M. (2004). *An introduction to game theory*. Oxford University Press.

Teaching Learning Process

Lectures and tutorials

Assessment Methods

Internal assessment and final examination as per CBCS rules

Keywords

Normal form games, extensive form games, complete information, Nash equilibrium, subgame perfect equilibrium, incomplete information, Bayesian Nash equilibrium, sequential equilibrium

International Trade (HE52)

Discipline Specific Elective (DSE) Credit: 6

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 deal with simple algebraic problems that will help them to better understand these concepts, 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.

Unit 1

Introduction: What is international economics about? An overview of world trade. Stylized facts about international trade

Unit 2

Neoclassical trade theories: Ricardian trade theory (notion of comparative advantage and gains from trade due to specialisation); an introduction to the distributional effects of trade; the specific factor model; Heckscher-Ohlin theory: Rybczynski and Stolper-Samuelson theorems; Heckscher-Ohlin theorem; factor price equalisation

Unit 3

New trade theories: external economies of scale, internal economies of scale; the Krugman model; firm heterogeneity; international movement of factors; introduction to the theory of multinational firms

Unit 4

Trade policy: instruments of trade policy; tariffs, quotas, export subsidies, voluntary export restraints. The economics of trade policy; political economy of trade policy; controversies in trade policy

References

1. Feenstra, R., Taylor, A. (2014). *International economics*, 3rd ed. Worth Publishers.
2. Krugman, P., Obstfeld, M., Melitz, M. (2018). *International Economics - Theory and Policy*, 11th ed. Pearson Education.
3. Pugel, T. (2015). *International economics*, 16th ed. McGraw-Hill.

Teaching Learning Process

Lectures and tutorials

Assessment Methods

Internal assessment and final examination as per CBCS rules

Keywords

International trade, theories and policy

Public Economics (HE53)

Discipline Specific Elective (DSE) Credit: 6

Course Objective

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

Course Learning Outcomes

The module aims to introduce students to the main theoretical and empirical concepts in public economics, equip students with a thorough analytical grasp of implications of government intervention for allocation, distribution and stabilization, and familiarise students with the main issues in government revenues and expenditure. At the end of the module the students should be able to demonstrate their understanding of the public economics. In some models, the student will be required to deal with simple algebra problems that will help them to better understand these concepts, use diagrammatic analysis to demonstrate and compare the economic welfare effects of various environmental policy options, demonstrate their understanding of the usefulness and problems related to taxation and government expenditure, and demonstrate their critical understanding of public policies

Unit 1

Public Economic Theory: Fiscal functions: an overview; Public Goods: definition, models of efficient allocation, pure and impure public goods, free riding; Externalities: the problem and its solutions, taxes versus regulation, property rights, the Coase theorem; and Taxation: its economic effects; dead weight loss and distortion, efficiency and equity considerations, tax incidence, optimal taxation

Unit 2

Indian Public Finances: Tax System: structure and reforms; Budget, deficits and public debt; Fiscal federalism in India

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 Exam

Keywords

Taxation, public expenditure, federal system, India

Financial Economics (HE54)

Discipline Specific Elective (DSE) Credit: 6

Course Objective

This course provides a strong theoretical foundation and an economic framework to understand the world of modern finance. Major topics in the course include: time-value of money; fixed-income securities; bond pricing and the term structure of

interest rates; portfolio theory and pricing models such as the capital asset pricing model; hedging, speculation, and arbitrage; futures and options contracts; determination of forward and futures prices; trading strategies involving options; binomial trees; and the Black-Scholes-Merton option pricing model

Course Learning Outcomes

Students acquire extensive theoretical knowledge in portfolio risk management, capital asset pricing, and the operation of financial derivatives. The course familiarises students with the terms and concepts related to financial markets and helps them comprehend business news/articles better. The course also helps to enhance a student's understanding of real life investment decisions. The course has a strong employability quotient given the relatively high demand for skilled experts in the financial sector.

Unit 1

Investment theory and portfolio analysis: deterministic cash flow streams; basic theory of interest; discounting and present value; internal rate of return; evaluation criteria; fixed-income securities; bond prices and yields; interest rate sensitivity and duration; immunisation; the term structure of interest rates; yield curves; spot rates and forward rates

Unit 2

Single period random cash flows; mean-variance portfolio theory; random asset returns; portfolios of assets; portfolio mean and variance; feasible combinations of mean and variance; mean-variance portfolio analysis: the Markowitz model and the two-fund theorem; risk-free assets and the one-fund theorem. CAPM: the capital market line; the capital asset pricing model; the beta of an asset and of a portfolio; security market line; use of the CAPM model in investment analysis and as a pricing formula; the CAPM as a factor model, arbitrage pricing theory

Unit 3

Futures, options and other derivatives: introduction to derivatives and options; forward and futures contracts; options; other derivatives; the use of futures for hedging, stock index futures; forward and futures prices; interest rate futures and duration-based hedging strategies, option markets; call and put options; factors affecting option prices; put-call parity; option trading strategies: spreads; straddles; strips and straps; strangles; the principle of arbitrage; discrete processes and the binomial tree model; risk neutral valuation; stochastic process (continuous variable, continuous time), the Markov property, Itô's lemma; the idea underlying the Black-Scholes-Merton (BSM) differential equation, BSM pricing formulas; the Greek letters

References

1. Brealey, R., Myers, S., Allen, F., Mohanty, P. (2013). *Principles of corporate finance, 10th ed.* Tata McGraw-Hill.
2. Hull, J., Basu, B. (2017). *Options, futures, and other derivatives, 9th ed.* Pearson Education.
3. Luenberger, D. (2013). *Investment science.* Oxford University Press.

Teaching Learning Process

Lectures and tutorials

Assessment Methods

Internal assessment and final examination as per CBCS rules

Keywords

Finance, economics

Applied Econometrics (HE55)

Discipline Specific Elective (DSE) Credit: 6

Course Objective

The course assumes that students have a basic knowledge of statistics, mathematics as well as basic econometric theory. It builds on the compulsory Introductory Econometrics course and teaches students a broad set of commonly used econometric methods. These include estimating models with limited dependent variables and the use of instrumental variables to estimate models with endogenous regressors.

Course Learning Outcomes

Students will learn the theoretical basis for techniques widely used in empirical research and consider their application in a wide range of problems.

Unit 1

Stages in empirical econometric research

Unit 2

The linear regression model: estimation, specification and diagnostic testing: estimation, specification and inference

Unit 3

Advanced topics in regression analysis: dynamic econometric models, instrumental variable estimation, measurement errors

Unit 4

Panel data models and estimation techniques: pooled regression, fixed and random effects models

Unit 5

Limited dependent variables: logit and probit models for binary responses, tobit models for truncated data.

Unit 6

Introduction to econometric software; publicly available data sets and software will be used to estimate models and apply the techniques learned in class

References

1. Gujarati, D. (2014). *Econometrics by example, 2nd ed.* Palgrave Macmillan.

2. Gujarati, D., Porter, D. (2012). *Basic econometrics*, 5th ed. McGraw-Hill.
3. Wooldridge, J. (2014). *Introduction to econometrics: A modern approach*, 5th ed. Cengage Learning.

Teaching Learning Process

Lectures and tutorials

Assessment Methods

Internal assessment and final examination as per CBCS rules

Keywords

Regression, instrumental variables, panel data

Economic History of India 1857-1947 (HE56)

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 develops critical analytical skills and exposes students to understanding the intricacies of India's economic, political and social developments both in the past and present times. It increases their employability by enhancing their ability to deal with a variety of textual and statistical sources, and to draw upon them to construct a coherent argument. These skills would be useful in a variety of careers in academics, research, journalism and the 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

Some readings may be updated periodically. Material for the course will be drawn from the following sources

1. Balachandran, G. (2016). Colonial India and the world economy, C. 1850-1940. In L. Chaudhary, B. Gupta, T. Roy, A. Swami (eds.): *A new economic history of colonial India*. Routledge.
2. Bogart, D., Chaudhary, L. (2016). Railways in colonial India: an economic achievement? In L. Chaudhary, B. Gupta, T. Roy, A. Swami (eds.): *A new economic history of colonial India*. Routledge.
3. Chaudhary, L., Gupta, B., Roy, T., Swami, A. (2016). Agriculture in colonial India. In L. Chaudhary, B. Gupta, T. Roy, A. Swami (eds.): *A new economic history of colonial India*. Routledge.
4. Chaudhuri K. (1982). Foreign trade and balance of payments (1757-1947). In D. Kumar, T. Raychaudhari (eds.): *Cambridge economic history of India 1757-c.1970* 2. Orient Longman.
5. Guha, S. (1991). Mortality decline in early 20th century India. *Indian Economic and Social History Review*, 28(4), 371-87.
6. Jain, L. (2011). Indigenous credit instruments and systems. In M. Kudaisya (ed.): *The Oxford India anthology of business history*. Oxford University Press.
7. Klein, I. (1984). When rains fail: Famine relief and mortality in British India. *Indian Economic and Social History Review*, 21, 185-214.
8. Krishnamurty, J. (1982). Occupational structure. In D. Kumar, T. Raychaudhari (eds.): *Cambridge economic history of India 1757-c.1970* 2. Orient Longman.
9. Morris, M. (1965). *Emergence of an industrial labour force in India*. Oxford University Press.
10. 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 Academic.
11. Parthasarathy, P. (2011). *Why Europe grew rich and Asia did not: Global economic divergence, 1600-1850*. Chapters 2, 8. Cambridge University Press.
12. Ray, R. (1994). Introduction. In R. Ray (ed.): *Entrepreneurship and industry in India 1800-1947*. Oxford University Press.
13. Roy, T. (2018). *A business history of India: Enterprise and the emergence of capitalism from 1700*. Chapters 4, 5, 6. Cambridge University Press.
14. Roy, T. (2011). *The Economic History of India 1857-1947*, 3rd ed. Chapters 3, 5, 6, 11. Orient Longman.
15. 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

Colonial India, railways, agriculture, industry

Political Economy I (HE57)

Discipline Specific Elective (DSE) Credit: 6

Course Objective

This course explores the systemic structures and institutions of capitalist economies and their evolution in a political economic framework. Students will be exposed to alternative schools of thought and are expected to read some classic texts and commentaries as well as more contemporary essays on the subject.

Course Learning Outcomes

This course prepares the students to develop critical thinking by exposing them to elements of economic thought, juxtaposing ideas and theoretical structures based largely on original texts and journal articles. Students learn to assimilate from a diverse range of opinions and crystallize their own thought processes and standpoints. This also helps them to develop advanced writing, presentation and research skills. It further enables them to comprehend a larger view of the world around us by analysing the existing social and political structures and their links with the economic processes. It is thus a crucial course, which exposes the social science dimension of economics to the students and also provides them skills to think and analyse in an interdisciplinary manner. The exposure to interdisciplinary thinking further enables the students for pursuing studies in diverse related areas such as development studies, economic sociology, critical geography, gender studies and social work as also for taking up employment in organisations ranging from international development agencies to development NGOs and corporate CSR. It also prepares the students to face the practical world of work, where economics, business, civil society organisations, social institutions and politics often cohabit in a complex interlinked structure.

Unit 1

Analysing Social Change in Historical Perspective The method of historical materialism; the transition from feudalism to capitalism; capitalism as a historical process – alternative perspectives

Unit 2

Capitalism as an Evolving Economic System Basic features; accumulation and crisis; monopoly capitalism— alternative perspectives

Unit 3

The State in Capitalism The state and the economy – contestation and mutual interdependence; the state as an arena of conflict; imperialism – the basic foundations

References

1. Baran, P. (1973). *The political economy of growth*. Chapter 3. Pelican.
2. Gurley, J. (1978). The materialist conception of history. In R. Edwards, M. Reich, T. Weisskopf (eds.): *The capitalist system, 2nd ed.* Prentice-Hall.
3. Habib, I. (1995). Capitalism in history. *Social Scientist*, 23, 15-31.
4. Harvey, D. (2014). *Seventeen contradictions and the end of capitalism*. Chapter 3. Oxford University Press.

5. Heilbroner, R. (1985). *The nature and logic of capitalism*. Chapter 4. W. W. Norton.
6. Heilbroner, R. (1987). Capitalism. In *The New Palgrave Dictionary of Modern Economics*. Macmillan. Also reprinted in Heilbroner R. (1978). *Behind the veil of economics*. W. W. Norton.
7. Heinrich, M. (2012). *An introduction to the three volumes of Karl Marx's Capital*. (English translation by A. Locascio). Monthly Review Press.
8. Hunt, E. (2004). *History of economic thought*. Chapter 1. Shilpi Publications.
9. Kalecki, M. (1972). Political aspects of full employment. In E. Hunt, J. Schwarz (eds.): *A critique of economic theory*. Penguin Books.
10. Lange, O. (1963). *Political economy, Vol. I*. Chapters 1 and 2. Macmillan.
11. Patnaik, P. (2006). Lenin's theory of imperialism today. In K. S. Jomo (ed.): *The long twentieth century: The great divergence: Hegemony, uneven development and global inequality*. Oxford University Press.
12. Schumpeter, J. (1976). *Capitalism, socialism and democracy*. Chapters 6, 7 and 8. George Allen and Unwin.
13. Shaikh, A. (2000). Economic crises. In T. Bottomore, et al. (eds.): *The dictionary of Marxist thought*. Maya Blackwell.
14. Shaikh, A. (2000). Falling rate of profit. In T. Bottomore et al. (eds.): *The dictionary of Marxist thought*. Maya Blackwell.
15. Sweezy, P. (1942). *The theory of capitalist development*. Monthly Review Press.
16. Vakulabharanam, V. (2009). The recent crisis in global capitalism: Towards a Marxian understanding. *Economic and Political Weekly*, 44, 144-150.

Additional Resources

1. Basu, D. (2017). A unified Marxist approach to accumulation and crisis in capitalist economies. *Economics Department Working Paper Series, University of Massachusetts, Amherst*.
2. O'Connor, J. (1970). The meaning of economic imperialism. Pages 101 – 111. In R. Rhodes (ed.): *Imperialism and underdevelopment*. Monthly Review Press.

Teaching Learning Process

Lectures and tutorials

Assessment Methods

Internal assessment and final examination as per CBCS rules

Keywords

Feudalism, capitalism, historical perspectives, economic crisis, state, imperialism, creative destruction

Economics of Health and Education (HE62)

Discipline Specific Elective (DSE) Credit: 6

Course Objective

This is a course in applied economics, which will introduce the students to the study of health and education as components of human capital in the framework of economic theory.

Course Learning Outcomes

The students will learn the role of health and education in human development. They will be able to apply economic theory to understand the demand for health care, market failure in health insurance, economic evaluation of health care programmes and the role of public policy in the healthcare industry. They will also learn to analyse the returns to education, its role in labor market signalling, and the progress of schooling in India. They will also be exposed to the theories of discrimination.

Unit 1

Role of health and education in human development: health and education outcomes and their relationship with macroeconomic performance

Unit 2

Topics in health economic theory: demand for health, Grossman's model of demand for health, information asymmetry in healthcare demand, and the health insurance market, physician induced demand, adverse selection and moral hazard in health insurance

Unit 3

Economic evaluation of health care: cost effectiveness and cost-benefit analysis; valuing life

Unit 4

Public policy in the health sector; externalities in health and health care; rationale for government intervention in the health sector

Unit 5

Education: investment in human capital; rate of return to education: private and social; quality of education; signalling of human capital; theories of discrimination; gender and caste discrimination in India

Unit 6

Education sector in India: an overview

References

1. Bhattacharya, J., Hyde, T., Tu, P. (2014). *Health economics*, Palgrave Macmillan.
2. Ehrenberg, R., Smith, R. (2012). *Modern labor economics: Theory and public policy, 11th ed.* Addison Wesley.
3. World Development Report (1993). *Investing in Health*. The World Bank.

4. World Health Organisation (2013). *The economics of the social determinants of health and health inequalities: A resource book*. World Health Organisation.

Teaching Learning Process

Lectures and tutorials

Assessment Methods

Internal assessment and final examination as per CBCS rules

Keywords

Education, health, economics, India

Environmental Economics (HE63)

Discipline Specific Elective (DSE) Credit: 6

Course Objective

This course focuses on economic causes of environmental problems. In particular, economic principles are applied to environmental questions viewed as externalities and their management through various economic institutions, economic incentives and other instruments and policies. Methods for analysing economic implications of environmental policy are also addressed as well as the valuation of environmental quality, assessment of environmental damages, and tools needed for the evaluation of projects such as cost-benefit analysis, and environmental impact assessments. Selected topics on international environmental issues are also discussed.

Course Learning Outcomes

The module aims to introduce students to the main theoretical and empirical concepts in environmental economics, equip students with a thorough analytical grasp of environmental policy theory, ranging from externalities to international environmental agreements, and familiarise students with the main issues in environmental valuation and with the basic features of the environmental policy tools. At the end of the module the students should be able to demonstrate their understanding of the economic concepts of environmental policy. In some models, the student will be required to deal with simple algebra problems that will help them to better understand these concepts, use diagrammatic analysis to demonstrate and compare the economic welfare effects of various environmental policy options, demonstrate their understanding of the usefulness and problems related to environmental valuation, and demonstrate their critical understanding of environmental policies.

Unit 1

Introduction: What is environmental economics? Review of microeconomics and welfare economics

Unit 2

The theory of externalities: Pareto optimality and market failure in the presence of externalities; property rights and the Coase theorem

Unit 3

The design and implementation of environmental policy: overview; Pigouvian taxes and effluent fees; tradable permits; choice between taxes and quotas under uncertainty; implementation of environmental policy

Unit 4

International environmental problems: trans-boundary environmental problems; economics of climate change; trade and environment

Unit 5

Measuring the benefits of environmental improvements: non-market values and measurement methods; risk assessment and perception

Unit 6

Sustainable development: concepts; measurement

References

1. Aldy, J. et al. (2010). Designing climate mitigation policy. *Journal of Economic Literature*, 48, 903-934.
2. Cropper, M., Oates, W. (1992). Environmental economics: A survey, *Journal of Economic Literature*, 30, 675-740.
3. Heal, G. (2012). Reflections – defining and measuring sustainability. *Review of Environmental Economics and Policy*, 6, 147-163.
4. Kolstad, C. (2010). *Intermediate environmental economics*, 2nd ed. Oxford University Press.
5. Newell, R., Pizer, W., Raimi, D. (2013). Carbon markets 15 years after Kyoto: Lessons learned, new challenges. *Journal of Economic Perspectives*, 27, 123-46.
6. Perman, R., Ma, Y., McGilvray, J., Common, M. (2011). *Natural resource and environmental economics*, 3rd ed. Pearson Education/Addison Wesley.
7. Stavins, R. (ed.) (2012). *Economics of the environment: Selected readings*, 5th ed. W. W. Norton.

Teaching Learning Process

Lectures and tutorials

Assessment Methods

Internal assessment and final examination as per CBCS rules

Keywords

Pollution, externalities, natural resources

Open Economy Macroeconomics (HE64)

Discipline Specific Elective (DSE) Credit: 6

Course Objective

This course intends to emphasise on how a country's relations to the rest of the world influence aggregate economic activity, employment, exchange rate and inflation and

forms the scope for monetary and fiscal policy. The course includes a thorough introduction to the foreign exchange market and a discussion of world level interactions. A major part of the course deals with the dynamic effects (effects over time) of economic shocks and policies. The course prepares the student for taking part in professional discussions about the design of monetary and fiscal policy and for any kind of work where it is important to have a good understanding of macroeconomic fluctuations (e.g. for making predictions of macro variables, for choosing investment where the return depend on macro developments) when the economies are open.

Course Learning Outcomes

The student will know how exchange rates, interest rates and capital movements between currencies are determined within different institutional settings for monetary policy (e.g. inflation targeting versus money supply targeting or exchange rate targeting), how a country's current account balance is determined, or, which amounts to the same, how capital movements between countries are determined, how shocks emanating abroad or in the foreign exchange market affect output, employment, inflation and interest rates, how the effects of changes in fiscal and monetary policy and shifts in private sector behaviour are modified through the foreign exchange markets and foreign trade, the role of cost competitiveness in the determination of economic activity, the different responses to economic shocks in the traded-goods and non-traded goods sectors of the economy, how the effects of policy actions and economic shocks are transmitted from country to country in the world economy, and the merits of different exchange rate systems (fixed versus flexible, monetary unions). In particular, you will learn more about the effects over time as flows accumulate to stocks and as the economy moves towards long-run equilibrium. At the end of course the will acquire to analyze the effects of macroeconomic events on the future time path of the economy, analyse how forces inherent in the initial state of the economy will tend to change the economy over time, discuss how current and future events may influence the exchange rate through expectations, and come up with policy suggestions and consider their effects over time.

Unit 1

Open-Economy Macroeconomics and Exchange Rates: National Income accounting and balance of payment; Exchange Rates and the Foreign Exchange Market; Money, Interest Rates, and Exchange Rates; Price Levels and the Exchange Rate in the Long Run; Output and the Exchange Rate in the Short Run; Fixed Exchange Rates and Foreign Exchange Intervention

Unit 2

International Macroeconomic Policy: International Monetary Systems: An Historical Overview; Financial Globalization: Opportunity and Crisis; Optimum Currency Areas and the Euro; Developing Countries: Growth, Crisis, and Reform

References

1. Feenstra, R., Taylor, A. (2014). *International economics, 3rd ed.* Worth Publishers.
2. Krugman, P., Obstfeld, M., Melitz, M. (2018). *International economics: Theory and policy, 11th ed.* Pearson Education.
3. Pugel, T. (2015). *International Economics, 16th ed.* McGraw-Hill Education.

Teaching Learning Process

Lectures and tutorials

Assessment Methods

Internal assessment and final examination as per CBCS rules

Keywords

Open economy, international economics, exchange rate

Money and Financial Markets (HE65)

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 organisation, 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

This allows students to understand current monetary policies and financial market outcomes. It also enables them to critically 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; problems of adverse selection and moral hazard; financial crises

Money and capital markets: organisation, 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. Baye, M., Jansen, D. (2006). *Money, banking and financial markets*. AITBS.
2. Bhole, L., Mahukud, J. (2017). *Financial institutions and markets, 6th ed.* Tata McGraw-Hill.
3. Fabozzi, F., Modigliani, F., Jones, F., Ferri, M. (2010). *Foundations of financial markets and institutions, 4th ed.* Pearson Education.
4. Jadhav, N. (2009). *Monetary policy, financial stability and central banking in India*. Macmillan.
5. Khan, M. (2015). *Indian financial system, 9th ed.* Tata McGraw-Hill.
6. Mishkin, F., Eakins, S. (2017). *Financial markets and institutions, 8th ed.* Pearson.
7. Mohan, R. (2011). *Growth with financial stability: Central banking in an emerging market*. Oxford University Press.
8. Various latest issues of RBI Bulletins, Annual Reports, Reports on Currency and Finance, and 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, banking, monetary policy

Comparative Economic Development: 1850-1950 (HE66)

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

By analysing the history of industrialisation and economic transition, students will be able to visualise economic development in a historical perspective and assimilate material from a diverse range of opinions. It will help them to think in an interdisciplinary manner and therefore aid them in jobs where developing and presenting comparative perspectives are key tasks.

Unit 1

Introduction and overview of the countries selected for case studies - Britain, Japan, USSR, and USA

Unit 2

Agriculture, agrarian and land relations and agrarian surplus in industrialisation and economic development

Unit 3

The industrialisation process

Unit 4

The factory system and making of the industrial working class

Unit 5

The role of the state in industrial and developmental transition

References

Some readings may be updated from year to year. Material for the course will be drawn from the following sources.

1. Davies, R. (1998). *Soviet economic development from Lenin to Khrushchev*. Chapters 1, 2, 3, 4, 5, 6, 7, 8. Cambridge University Press.
2. Dobb, M. (1966). *Soviet economic development since 1917*. Chapter 17. Routledge.
3. Hughes, J., Cain, L. (1994). *American economic history, 4th ed.* Chapters 2, 3, 7, 21. Harper Collins College Publishers.
4. Hayami, Y. (1975). *A century of agricultural growth in pre-war Japan: Its relevance to Asian development*. Chapters 1, 3. University of Minnesota Press.
5. Hobsbawm, E. (1968). *Industry and empire: An economic history of Britain since 1750*. Chapters 1, 2, 3, 5, 6, 12. Weidenfeld & Nicholson.
6. Hobsbawm, E. (1984). *Worlds of labour: Further studies in the history of labour*. Chapter 11. Weidenfeld & Nicholson.
7. Johnson, C. (1982). *MITI and the Japanese miracle: The growth of industrial policy 1925-1975*. Chapter 1. Stanford University Press.
8. Macpherson, W. (1995). *The economic development of Japan 1868-1941*. Chapters 1, 2, 3, 4, 6. Cambridge University Press.
9. Norman, E. (2007). *Japan's emergence as a modern state: Political and economic problems of the Meiji period*. Chapters 3, 4. University of British Columbia Press.
10. Okochi, K., Karsh, B., Levine, S. (1974). *Workers and employees in Japan: The Japanese employment relations system*. Chapter 13. Princeton University Press.
11. Paul, G., Robert, C. (1990). *Soviet economic structure and performance, 3rd ed.* Chapters 4, 7. Harper and Row.
12. Tauger, M. (2004). Soviet peasants and collectivization 1930-39: resistance and adaptation. *Journal of Peasant Studies*, 31: 3-4. 427-456.

Teaching Learning Process

Lectures and tutorials

Assessment Methods

Internal assessment and final examination as per CBCS rules

Keywords

Land relations, agrarian surplus, industrialisation, role of the state

Law and Economics (HE67)

Discipline Specific Elective (DSE) Credit: 6

Course Objective

While law is a non-market institution, it impacts market and non-market outcomes. By shaping incentive structure for the private individuals and the government entities, legal rules play important role in functioning of an economy. Indeed, legal rules can have astounding effects on allocation and use of resources. Besides, legal rules greatly affect the distribution of different forms of wealth. This course will illustrate how legal rules are amenable to economic analysis, and how different legal rules can lead to different outcomes in terms of allocative efficiency and distribution.

Course Learning Outcomes

This course will familiarise students with the economic approach towards thinking about the law and public policy. Students will come to recognise the law as an important organising force that influences the actions of private citizens as well as government agencies. Students will also learn how the law can support and, at times conflict with, the functioning of the market and the government, the other two important organising forces of an economy. The course will enhance critical thinking and an inter-disciplinary approach towards the law, economics, and policymaking. Thereby, the course will help to develop an inter-disciplinary approach and enhance the employability of students.

Unit 1

Law and economics: efficiency criteria in welfare economics; Coase theorem; prisoners' dilemma. Contracts; role of contracts for the functioning of markets; efficient contracts; damages measures and their efficiency properties; property rights and their role in resource allocation; Coase theorem; legal remedies for breach of property rights and their economic effects; liability for accidents and harms; product liability; efficiency of liability rules; efficiency-compensation trade-off. Litigation - its causes and consequences; benefits of legal certainty

Unit 2

Law and public policy; land and property; market and non-market mechanisms for allocation and transfer of land; land markets; eminent domain – the land acquisition law; land-pooling. Contracts for provisions of public goods: procurement contracts; government provisions vs. public-private partnerships; cost-quality trade-off. Intellectual Property Rights (IPRs): patents, copyright and trademarks. Cost and benefits of private IPRs; individual rights vs. common good

References

1. Cooter, R., Ulen, T. (2013). *Law and economics*. Pearson.
2. Hart, O. (2003). Incomplete contracts and public ownership: Application to public-private partnerships. *The Economic Journal*, 113, 69-76.
3. Miceli, T. (2012). *The theory of eminent domain: Private property, public use, 2nd ed.* Cambridge University Press.

Teaching Learning Process

Lectures and tutorials

Assessment Methods

Internal assessment and final examination as per CBCS rules

Keywords

Law, policy, economics

Political Economy II (HE68)

Discipline Specific Elective (DSE) Credit: 6

Course Objective

This course explores some of the fundamental structural changes and dynamics of the advanced capitalist system since the development of Fordism to the contemporary period. Particularly, the course analyses the changes in the organization of production, labour market institutions as well as shifts in corporate, managerial, financial and inter-firm governance structures. It further analyses the role of the state in the era of globalization, by studying both its changed ideological foundation and varied practices. It goes on to examine the social and geopolitical consequences of such fundamental shifts. It also integrates contemporary issues of gender and environment in a political economy framework. Though grounded in political economic traditions, the course also exposes the students to interdisciplinary thought and content. It also offers a layered and contrasting perspective to some of the issues analysed in the core theoretical courses, such as microeconomics and macroeconomics. It also provides a more global and interdisciplinary context for analyzing the issues studied in the compulsory courses on the Indian Economy and Development Economics. Whereas the course is related to the fifth semester DSE course Political Economy I, it is largely a stand-alone independent course and can be pursued without any detailed knowledge of the fifth semester course.

Course Learning Outcomes

This course exposes the students to the realities of the contemporary world economy and teaches them to develop critical analysis in an integrated and broader political economy framework. It thus enables them to form a more informed view of the world we inhabit by analyzing some of the most contemporary trends and developments from different perspectives. It also exposes the students to interdisciplinary skills and written argumentation, and prepares them for a more holistic research framework. The exposure to interdisciplinary thinking further enables the students for pursuing studies in diverse related areas such as development studies, economic sociology, critical geography, gender studies and social work as also for taking up employment in

organisations ranging from international development agencies to development NGOs and corporate CSR. It also prepares the students to face the practical world of work, where economics, business, civil society organisations, social institutions and politics often cohabit in a complex interlinked structure, and employees are expected to comprehend and synthesize materials from diverse sources and perspectives.

Unit 1

Introduction and Historical Overview: Perspective on political economy with a historical overview: Capitalist development in the pre Second World War period, the 'Golden Age' and later

Unit 2

Changing Dynamics of Capitalist Production, Organisational Form and Labour Process: Fordist and Post-Fordist production; The changing dynamics of the organisation of production, markets and labour process; The evolution of the multinational corporations and their economic logic; The contemporary forms value chain networks and forms of inter-firm governance; The changing nature of employment, job security and labour rights

Unit 3

The State in the Era of Globalisation: Ideology, Theory and Practice: Theoretical foundations and ideological underpinnings of the neoliberal state; The neoliberal state in practice: social contradictions, instability, and the nature of resolutions in a globalized world

Unit 4

The Changing Role of Finance: The changing role of finance in the dynamics of capital accumulation and the shifts in corporate structure; Financialisation: its nature and consequences

Unit 5

The Social Dimension: Globalization and Uneven Development – Growth, inequality and crisis in an uneven geographical spread and its social ramifications

Unit 6

Broader Perspectives (Gender and Environment): Dimensions of Gender in work, accumulation and globalization; Political economic issues in environment, sustainability and inequality

References

This course will draw upon the following readings:

1. Arnold, D., Bongiovi, J. (2013). Precarious, informalising, and flexible work: Transforming concepts and understandings. *American Behavioral Scientist*, 57, 289-308.
2. Beaud, M. (2001). *A history of capitalism, 1500-2000*. Chapters 2, 4, 5. Monthly Review Press.
3. Boyce, J. (2002). *The political economy of the environment*. Chapter 4. Edward Elgar.

4. Chang, D. (2009). Informalising labour in Asia's global factory. *Journal of Contemporary Asia*, 39, 161-179.
5. Dore, R. (2008). Financialisation of the global economy. *Industrial and Corporate Change*, 17, 1097-1112.
6. Dumenil, G., Levy, D. (2011). *The crisis of neoliberalism*. Chapter 1. Harvard University Press.
7. Elam, M. (1994). Puzzling out the post-Fordist debate: Technology, markets and institutions. In A. Amin (ed.): *Post-Fordism: A reader*. Blackwell.
8. Foster, J. (2009). *The ecological revolution*. Introduction. Cornerstone Publications.
9. Gereffi, G., Humphrey, J., Sturgeon, T. (2005). The governance of global value chains. *Review of International Political Economy*, 12, 78-104.
10. Gottfried, H. (2013). *Gender, work and economy: Unpacking the global economy*. Chapter 10. Polity Press.
11. Harvey, D. (2005). *A brief history of neoliberalism*. Introduction, Chapters 1-3. Oxford University Press.
12. Hymer, S. (1975). The multinational corporation and the law of uneven development. In H. Radice (ed.): *International firms and modern imperialism*. Penguin Books.
13. Reddy, N. (2003). Economic globalisation, past and present: The challenges to labour. In K. Jomo, K. Jin (eds.): *Globalization and its discontents, revisited*. Tulika Books.
14. Sen, A. (1990). Gender and cooperative conflicts. In I. Tinker (ed.): *Persistent inequalities: Women and world development*. Oxford University Press.
15. Tonkiss, F. (2008). *Contemporary economic sociology: Globalisation, production, inequality*. Chapter 4. Routledge.

Additional Resources

1. Dumenil, G., Levy, D. (2004). *Capital resurgent: Roots of the neoliberal revolution*. Chapter 11. Harvard University Press.
2. Evans, P. (1998). Transnational corporations and the third world states: From old internationalisation to the new. In R. Wright, R. Rowthorn (eds.): *Transnational corporations and the global economy*. UNU/WIDER, Macmillan Press.
3. Vaasudevan, R. (2013). *Things fall apart: From the crash of 2008 to the great slump*. Chapter 3. Sage Publications.

Teaching Learning Process

Lectures and tutorials

Assessment Methods

Internal assessment and final examination as per CBCS rules

Keywords

Fordism, globalisation, MNCs, global value chains, labour flexibility, informalisation, financialisation, corporate governance, neoliberalism, gender, feminisation, environment

Generic Elective Courses

Introductory Microeconomics (GE11)

Generic Elective (GE) Credit: 6

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 introduces the students to the first course in 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 and characteristics of perfect and imperfect markets.

Unit 1

Introduction What is microeconomics? Scope and method of economics; the economic problem: scarcity and choice; the concept of opportunity cost; the question of what to produce, how to produce and how to distribute output; science of economics; Institutions for allocating resources; the basic competitive model; prices, property rights and profits; incentives and information; rationing; positive versus normative analysis. The Scientific method; the role of assumptions; models and mathematics; why economists sometimes disagree. Interdependence and gains from trade; specialisation and trade; absolute advantage; comparative advantage and trade

Unit 2

Supply and demand: Markets and welfare Markets and competition; determinants of individual demand/supply; demand/supply schedule and demand/supply curve; market versus individual demand/supply; shifts in the demand/supply curve, demand and supply together; how prices allocate resources; elasticity and its application; controls on prices; taxes and the costs of taxation; consumer surplus; producer surplus and the efficiency of the markets. Application to international trade; comparison of equilibria with and without trade, the winners and losers from trade; effects of tariffs and quotas; benefits of international trade; some arguments for restricting trade

Unit 3

The households The consumption decision - budget constraint, consumption and income/price changes, demand for all other goods and price changes; description of preferences (representing preferences with indifference curves); properties of indifference curves; consumer's optimum choice; income and substitution effects; labour supply and savings decision - choice between leisure and consumption

Unit 4

The Firm and Perfect Market Structure Behaviour of profit maximizing firms and the production process; short run costs and output decisions; costs and output in the long run

Unit 5

Imperfect Market Structure Monopoly and anti-trust policy; government policies towards competition; imperfect competition

Unit 6

Input Markets Labour and land markets - basic concepts (derived demand, productivity of an input, marginal productivity of labour, marginal revenue product); demand for labour; input demand curves; shifts in input demand curves; competitive labour markets; and labour markets and public policy

References

1. Bernheim, B., Whinston, M. (2009). *Microeconomics*. Tata McGraw-Hill.
2. Mankiw, N. (2007). *Economics: Principles and applications, 4th ed.* Cengage Learning.

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 and imperfect markets

Introductory Macroeconomics (GE21)

Generic Elective (GE) Credit: 6

Course Objective

This course aims to introduce the students to the basic concepts of Macroeconomics. Macroeconomics deals with the aggregate economy. This course discusses the preliminary concepts associated with the determination and measurement of aggregate macroeconomic variable like GDP, savings, investment, money, inflation, and the balance of payments. It also introduces students to simple analytical frameworks (e.g., the IS-LM model) for determination of equilibrium output.

Course Learning Outcomes

This course will allow students to understand the basic functioning of the macroeconomy.

Unit 1

Introduction to macroeconomics and national income accounting Basic issues studied in macroeconomics; measurement of gross domestic product; income, expenditure and the circular flow; real versus nominal GDP; price indices; national income accounting for an open economy; balance of payments: current and capital accounts

Unit 2

Money Functions of money; quantity theory of money; determination of money supply and demand; credit creation; tools of monetary policy

Unit 3

Inflation Inflation and its social costs; hyperinflation

Unit 4

The closed economy in the short run Classical and Keynesian systems; simple Keynesian model of income determination; IS-LM model; fiscal and monetary multipliers

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

GDP, BOP, money, inflation, classical model, Keynesian model

Data Analysis (GE31)

Generic Elective (GE) Credit: 6

Course Objective

This is a skill enhancement course for data analysis. The students will be given hands on training on using statistical and computing software to better visualize and understand data concepts. The course is to be delivered through 2 classroom lectures and 4 computer lab classes per week.

Course Learning Outcomes

The course will use data simulations and publicly available data sources to help students learn about data types, their organization and visual representation. They will learn how to compute summary statistics and do some basic statistical inference.

Unit 1

Introduction to the course: How can the representation and analysis of data help us study real-world problems. Publicly available data sets

Unit 2

Using Data: Available statistical software, steps in data storage, organization and cleaning

Unit 3

Visualization and Representation: Alternative forms of presenting summarizing and presenting data

Unit 4

Simple estimation techniques and tests for statistical inference

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

Lectures and tutorials

Assessment Methods

Internal assessment and final examination as per CBCS rules

Keywords

Data representation, statistical software, estimation

Money and Banking (GE32)

Generic Elective (GE) Credit: 6

Course Objective

This course 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

This course exposes students to the theory and functioning of the monetary and financial sectors of the economy.

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: organisation, 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, and 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 rate, banking, monetary policy

Indian Economy I (GE33)

Generic Elective (GE) 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.

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.
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

Economic History of India (GE34)

Generic Elective (GE) 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 the students to understanding the intricacies of India's economic, political and social developments both in the past and present times. It develops analytical skills, and 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

Macro 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

Some readings may be updated from year to year.

1. Chatterjee, B. (1992). *Trade, tariffs and empire*. 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. Kumar, D. (ed.) (1982). *Cambridge economic history of India, c.1751-c.1970* 2. Chapters 8, 12. Orient Longman.
7. Morris, M. (1965). *Emergence of an industrial labour force in India*. Chapter 11. Oxford University Press.
8. Parthasarathy, P. (2011). *Why Europe grew rich and Asia did not: Global economic divergence, 1600-1850*. Chapters 2, 8. Cambridge University Press.
9. 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.
10. Roy, T. (2018). *A business history of India: Enterprise and the emergence of capitalism from 1700*. Chapters 4, 5. Cambridge University Press.
11. Roy, T. (2011). *The economic history of India 1857-1947, 3rd ed.* Chapters 3, 11. Orient Longman.
12. Subramanian, L. (2010). *History of India 1707-1857*. Chapter 4. Orient Blackswan.
13. Tomlinson, B. (1975). India and the British Empire 1880-1935. *The Indian Economic and Social History Review*, 12(14), 337-380.
14. 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

Colonial India, agriculture, industry, demography

Public Finance (GE41)

Generic Elective (GE) 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

Taxation, public expenditure, policy

Indian Economy II (GE42)

Generic Elective (GE) 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, 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

Global Political Economy (GE43)

Generic Elective (GE) Credit: 6

Course Objective

This generic elective course introduces students to the contemporary structures, trends and developments in the Global Economy through a Political Economy lens. It explores the period since the end of Second World War up to recent global economic crisis – from the 'Golden age of capitalism' to the 'neoliberal' shift. It particularly explores changes in the organization of production and corporate structure along with changes in labour processes and labour regimes and also the increasing dominance of finance in the contemporary world. It also examines the shifts in the nature, scope and ideology of the state under globalisation.

Course Learning Outcomes

This course enables students who have not studied economics at the undergraduate level to develop a critical understanding of the contemporary global economy. It enables them to form a more informed view of the world we inhabit by analyzing some of the economic trends and developments over the last five or six decades. As the economy is a crucial sphere both of social life in general and the world of work in particular, an analytical exposure to the structures, institutions and processes of the global economy will thus enrich their comprehension of the contemporary world. With such a comprehension, students from all backgrounds will thus be better prepared to face the professional world and can use the knowledge base of this course for facing the challenges of group discussions and general interviews for corporate or civil service jobs. Students of other social sciences and humanities, who intend to pursue higher studies and research, will also immensely benefit from this course by being able to develop an interdisciplinary understanding of basic economic structures and processes, which are often crucial to the understanding of their core subjects.

Unit 1

Introduction and overview: Perspectives on political economy of globalisation with a historical overview

Unit 2

Changing dynamics of capitalist production, organisational forms and labour processes: Fordist and post-Fordist production regimes; multinational corporations – evolution, structural form and dynamics; global value chains and production networks; the changing nature of employment, job security and labour rights in a globalised economy

Unit 3

The political economy of global trade: Structure and institutions of the international trade regime

Unit 4

The role of finance in the globalised economy: financialisation of the global economy – trends, instruments, features and consequences

Unit 5

The state in the era of globalisation: Globalisation and the limits of the welfare and developmental states; the neoliberal state.

Unit 6

Global economic instability and crisis: The 2008 global economic crisis – prelude, proximate and long term causes; possibility of recurring crises.

References

1. Bhaduri, A. (2002). Nationalism and economic policy in the era of globalization. In D. Nayyar (ed.): *Governing globalization: Issues and institutions*. Oxford University Press.
2. Chang, D. (2009). Informalising labour in Asia's global factory. *Journal of Contemporary Asia*, 39, 161-179.

3. Dore, R. (2008). Financialisation of the global economy. *Industrial and Corporate Change*, 17, 1097-1112.
4. Harvey, D. (2005). *A brief history of neoliberalism*. Introduction, Chapters 1-3. Oxford University Press.
5. Hymer, S. (1975). The multinational corporation and the law of uneven development. In H. Radice (ed.): *International firms and modern imperialism*. Penguin Books.
6. Nayyar, D. (2003). Globalisation and development. In H.-J. Chang (ed.): *Rethinking development economics*. Anthem Press.
7. Reddy, N. (2003). Economic globalisation, past and present: The challenges to labour. In K. Jomo, K. Jin (eds): *Globalization and its discontents, revisited*. Tulika Books.
8. Rodrik, D. (2011). *The globalization paradox: Why global markets, states and democracy can't coexist*. Oxford University Press.
9. Thun, E. (2011). The globalization of production. In J. Ravenhill (ed.): *Global political economy*. Chapter 11. Oxford University Press.
10. Tonkiss, F. (2008). *Contemporary economic sociology: Globalisation, production, inequality*. Chapter 4. Routledge.
11. Vakulabharanam, V. (2009). The recent crisis in global capitalism: Towards a Marxian understanding. *Economic and Political Weekly*, 44, 144-150.
12. Varoufakis, Y. (2011). *The global Minotaur: America, the true origins of the financial crisis and the future of the world economy*. Zed Books.
13. Winham, G. (2011). The evolution of the global trade regime. In J. Ravenhill (ed.): *Global political economy*. Oxford University Press.

Teaching Learning Process

Lectures and tutorials

Assessment Methods

Internal assessment and final examination as per CBCS rules

Keywords

Fordism, globalisation, MNCs, global production networks, labour flexibility, informalisation, global trade regime, financialisation, state under globalisation, neoliberalism, economic crisis

Game Theory (GE44)

Generic Elective (GE) Credit: 6

Course Objective

Game theory is used in various fields, such as economics, biology, business, law, politics, sociology, and computer science. The purpose of this course is to introduce the basics of game theory to undergraduate students in various disciplines. Game Theory introduces the students to optimal decision making under an interactive settings. This course introduces the basic concepts of game theory in a way that allows students to use them in solving simple problems in various disciplines. The course will deal with the solution concepts for normal form and extensive form games along with a variety of applications. Ideas related to asymmetric information among the interacting agents would also be analysed in this course. The course ends with the

application of game theory to analyse moral hazard, adverse selection and signalling problems.

Course Learning Outcomes

The students will learn how to model multi-person decision-making in an interactive setting. They will understand how to formulate different real life situations as games and learn to predict the optimal strategies of players and how the players can exploit strategic situations for the benefit of their own.

Unit 1

Normal form games. The normal form; dominant and dominated strategies; dominance solvability; mixed strategies; Nash equilibrium; symmetric single population games; applications

Unit 2

Extensive form games with perfect information. The game tree; strategies; subgame perfection; backward induction in finite games; commitment; bargaining; other applications

Unit 3

Simultaneous move games with incomplete information. Strategies; Bayesian Nash equilibrium; applications

Unit 4

Extensive form games with imperfect information. Strategies; beliefs and sequential equilibrium; applications

Unit 5

Information economics. Adverse selection; moral hazard; signalling games

References

1. Osborne, M. (2004). *An introduction to game theory*. Oxford University Press.

Teaching Learning Process

Lectures and tutorials

Assessment Methods

Internal assessment and final examination as per CBCS rules

Keywords

Normal form games, extensive form games, complete information, Nash equilibrium, subgame perfect equilibrium, incomplete information, Bayesian Nash equilibrium, sequential equilibrium

Skill Enhancement Elective Courses

Data Analysis (HS31)

Skill Enhancement Elective Courses (SEC) Credit: 4

Course Objective

This is a skill enhancement course for data analysis. The students will be given hands on training on using statistical and computing software to better visualize and understand data concepts. The course is designed to be delivered through 2 classroom lectures and 4 computer lab classes per week.

Course Learning Outcomes

The course will use data simulations and publicly available data sources to help students learn about data types, their organization and visual representation. They will learn how to compute summary statistics and do some basic statistical inference.

Unit 1

Introduction to the course: How can the representation and analysis of data help us study real-world problems. Publicly available data sets

Unit 2

Using Data: Available statistical software, steps in data storage, organisation and cleaning

Unit 3

Visualisation and Representation: Alternative forms of presenting summarising and presenting data

Unit 4

Simple estimation techniques and tests for statistical inference

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

Lectures and tutorials

Assessment Methods

Internal assessment and final examination as per CBCS rules

Keywords

Data representation, statistical software, estimation

Research Methodology (HS41)

Skill Enhancement Elective Course (SEC) Credit: 4

Course Objective

The course begins with the formulation of a research problem and covers the issues concerning the generation of primary sample data. In this regard the designing of a questionnaire, the methods of design of a sample and its size, the modes of data collection from direct interview to online surveys, the appreciation of possible sources of errors, and the cleaning of data forms the bulk of the classroom instruction.

Course Learning Outcomes

The course imparts skills to undertake data based research. The student enrolling in this course would develop competency in executing sample surveys and would have reasonable exposure to a variety of secondary data sources.

Unit 1

Data types and sources: Qualitative and quantity data, measurement and scales; secondary sources of data and institutions

Unit 2

Sample questionnaires: Measurement and scales; questionnaires

Unit 3

Sample type and size: Simple random sampling; cluster sampling; stratified sampling and its complications; Determining an appropriate size

Unit 4

Errors in surveys: Misunderstanding of questions and answers; problem of non-response

Unit 5

Processing of survey data: Cleaning of data and its coding

Unit 6

Ethics and scientific integrity: Standards of conduct, privacy in data

References

1. Bethlehem, J. (2009). *Applied survey methods: A statistical perspective*. Wiley.
2. Cochran, W. (2008). *Sampling techniques*, 3rd ed. Wiley.
3. Cooper, D., Schindler, P., Sharma, J. (2012). *Business research methods*, 12th ed. McGraw-Hill.
4. Flick, U. (2012). *Introducing research methodology: A beginner's guide to doing a research project*. Sage Publications.
5. Groves, R., Fowler, F., Couper, M., Lepkowski, J., Singer, E., Tourangeau, R. (2009). *Survey Methodology*. Wiley.
6. Kumar, R. (2014). *Research methodology: A step by step guide for beginners*, 4th ed. Sage Publications.

Teaching Learning Process

Lectures and tutorials

Assessment Methods

Internal assessment and final examination as per CBCS rules

Keywords

Data, sampling, surveys

Contemporary Economic Issues (HS42)

Skill Enhancement Elective Courses (SEC) Credit: 4

Course Objective

The course seeks to familiarize 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 in general 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 rationalisation 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, the 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. Dasgupta, D., De, S. (2012). Fiscal deficit. In *The new Oxford companion to economics in India*. Oxford University Press.
4. Kapila, U. (2016). *Fiscal and budgetary developments in Indian economy since independence*. Academic Foundation.
5. Ministry of Finance. Economic and social classification of the budget.
6. Ministry of Finance. Economic survey (latest).
7. Ministry of Finance. Finance Commission report (latest).
8. Ministry of Finance. Union Budget.
9. Mukherjee, P. (2012). Budget making. In K. Basu, A. Maertens (eds.): *The new Oxford companion to economics in India*. Oxford University Press.
10. Mukherjee, S. (2015). Present state of goods and services tax (GST) reform in India. Working Paper No. 154. *National Institute of Public Finance and Policy*.
11. Reddy, Y. (2015). Continuity, change and the way forward: The fourteenth finance commission. *Economic and Political Weekly*, 50(21), 27-36.
12. Spiegel, M. (2003). *Theory and problems of probability and statistics*. Chapter 19. McGraw-Hill.

Teaching Learning Process

Lectures and tutorials

Assessment Methods

Internal assessment and final examination as per CBCS rules

Keywords

Union budget, economic survey, government policy

UNIVERSITY OF DELHI

Bachelor of Arts (Programme) Economics Courses

(Effective from Academic Year 2019-20)



Revised Syllabus as approved by

Academic Council

Date:

No:

Executive Council

Date:

No:

CONTENTS

Discipline Core Courses

Principles of Microeconomics I (PD11)	1
Principles of Microeconomics II (PD21)	2
Principles of Macroeconomics I (PD31)	4
Principles of Macroeconomics II (PD41)	5

Discipline Elective Courses

Environmental Economics (PDE51)	7
Money and Banking (PDE52)	8
Economic Development & Policy in India I (PDE53)	9
Public Finance (PDE61)	11
Economic Development & Policy in India II (PDE62)	12
Economic History of India (PDE63)	14

Generic Elective Courses

Principles of Microeconomics (PGE51)	16
Issues in Economic Development (PGE52)	17
Principles of Macroeconomics (PGE61)	18
The Indian Economy (PGE62)	20

Skill Enhancement Courses

Understanding Economic Survey and Union Budget (PS31)	22
Research Methodology (PS41)	23
Data Analysis (PS51)	24

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

Choice Based Credit System (CBCS)

UNIVERSITY OF DELHI

DEPARTMENT OF ECONOMICS

UNDERGRADUATE PROGRAMME (Courses effective from Academic Year 2015-16)



SYLLABUS OF COURSES TO BE OFFERED **Core Courses, Elective Courses & Ability Enhancement Courses**

Disclaimer: The CBCS syllabus is uploaded as given by the Faculty concerned to the Academic Council. The same has been approved as it is by the Academic Council on 13.7.2015 and Executive Council on 14.7.2015. Any query may kindly be addressed to the concerned Faculty.

Undergraduate Programme Secretariat

Preamble

The University Grants Commission (UGC) has initiated several measures to bring equity, efficiency and excellence in the Higher Education System of country. The important measures taken to enhance academic standards and quality in higher education include innovation and improvements in curriculum, teaching-learning process, examination and evaluation systems, besides governance and other matters.

The UGC has formulated various regulations and guidelines from time to time to improve the higher education system and maintain minimum standards and quality across the Higher Educational Institutions (HEIs) in India. The academic reforms recommended by the UGC in the recent past have led to overall improvement in the higher education system. However, due to lot of diversity in the system of higher education, there are multiple approaches followed by universities towards examination, evaluation and grading system. While the HEIs must have the flexibility and freedom in designing the examination and evaluation methods that best fits the curriculum, syllabi and teaching-learning methods, there is a need to devise a sensible system for awarding the grades based on the performance of students. Presently the performance of the students is reported using the conventional system of marks secured in the examinations or grades or both. The conversion from marks to letter grades and the letter grades used vary widely across the HEIs in the country. This creates difficulty for the academia and the employers to understand and infer the performance of the students graduating from different universities and colleges based on grades.

The grading system is considered to be better than the conventional marks system and hence it has been followed in the top institutions in India and abroad. So it is desirable to introduce uniform grading system. This will facilitate student mobility across institutions within and across countries and also enable potential employers to assess the performance of students. To bring in the desired uniformity, in grading system and method for computing the cumulative grade point average (CGPA) based on the performance of students in the examinations, the UGC has formulated these guidelines.

CHOICE BASED CREDIT SYSTEM (CBCS):

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

Outline of Choice Based Credit System:

1. **Core Course:** A course, which should compulsorily be studied by a candidate as a core requirement is termed as a Core course.
2. **Elective Course:** Generally a course which can be chosen from a pool of courses and which may be very specific or specialized or advanced or supportive to the discipline/ subject of study or which provides an extended scope or which enables an exposure to some other discipline/subject/domain or nurtures the candidate's proficiency/skill is called an Elective Course.
 - 2.1 **Discipline Specific Elective (DSE) Course:** Elective courses may be offered by the main discipline/subject of study is referred to as Discipline Specific Elective. The University/Institute may also offer discipline related Elective courses of interdisciplinary nature (to be offered by main discipline/subject of study).
 - 2.2 **Dissertation/Project:** An elective course designed to acquire special/advanced knowledge, such as supplement study/support study to a project work, and a candidate studies such a course on his own with an advisory support by a teacher/faculty member is called dissertation/project.
 - 2.3 **Generic Elective (GE) Course:** An elective course chosen generally from an unrelated discipline/subject, with an intention to seek exposure is called a Generic Elective.

P.S.: A core course offered in a discipline/subject may be treated as an elective by other discipline/subject and vice versa and such electives may also be referred to as Generic Elective.
3. **Ability Enhancement Courses (AEC)/Competency Improvement Courses/Skill Development Courses/Foundation Course:** The Ability Enhancement (AE) Courses may be of two kinds: AE Compulsory Course (AECC) and AE Elective Course (AEEC). "AECC" courses are the courses based upon the content that leads to Knowledge enhancement. They ((i) Environmental Science, (ii) English/MIL Communication) are mandatory for all disciplines. AEEC courses are value-based and/or skill-based and are aimed at providing hands-on-training, competencies, skills, etc.
 - 3.1 AE Compulsory Course (AECC): Environmental Science, English Communication/MIL Communication.
 - 3.2 AE Elective Course (AEEC): These courses may be chosen from a pool of courses designed to provide value-based and/or skill-based instruction.

Project work/Dissertation is considered as a special course involving application of knowledge in solving / analyzing /exploring a real life situation / difficult problem. A Project/Dissertation work would be of 6 credits. A Project/Dissertation work may be given in lieu of a discipline specific elective paper.

Details of Courses Under Undergraduate Programme (B.A./ B.Com.)

Course	*Credits	
	Paper+ Practical	Paper + Tutorial
<u>I. Core Course</u>	12X4= 48	12X5=60
(12 Papers)		
Two papers – English		
Two papers – MIL		
Four papers – Discipline 1.		
Four papers – Discipline 2.		
Core Course Practical / Tutorial*	12X2=24	12X1=12
(12 Practicals)		
<u>II. Elective Course</u>	6x4=24	6X5=30
(6 Papers)		
Two papers- Discipline 1 specific		
Two papers- Discipline 2 specific		
Two papers- Inter disciplinary		
Two papers from each discipline of choice and two papers of interdisciplinary nature.		
Elective Course Practical / Tutorials*	6 X 2=12	6X1=6
(6 Practical/ Tutorials*)		
Two papers- Discipline 1 specific		
Two papers- Discipline 2 specific		
Two papers- Generic (Inter disciplinary)		
Two papers from each discipline of choice including papers of interdisciplinary nature.		
<ul style="list-style-type: none"> • Optional Dissertation or project work in place of one elective paper (6 credits) in 6th Semester 		
<u>III. Ability Enhancement Courses</u>		
1. Ability Enhancement Compulsory	2 X 2=4	2 X 2=4
(2 Papers of 2 credits each)		
Environmental Science		
English Communication/MIL		
2. Ability Enhancement Elective	4 X 2=8	4 X 2=8
(Skill Based)		
(4 Papers of 2 credits each)		
	Total credit= 120	Total = 120
Institute should evolve a system/policy about ECA/ General Interest/Hobby/Sports/NCC/NSS/related courses on its own.		

*wherever there is a practical there will be no tutorial and vice-versa.

B.A. Economics

Semester I	Semester II
Core Economics I: Principles of Microeconomics–I	Core Economics II: Principles of Microeconomics–II
Semester III	Semester IV
Core Economics III: Principles of Macroeconomics–I	Core Economics IV: Principles of Macroeconomics–II
Semester V	Semester VI
Discipline Specific Elective I One of the following: i. DSE 1: Economic Development and Policy in India–I ii. DSE 2: Money and Banking iii. DSE 3: Environmental Economics	Discipline Specific Elective II One of the following: iv. DSE 3: Economic Development and Policy in India–II v. DSE 4: Economic History of India 1857-1947 vi. Public Finance

Core Economics I: Principles of Microeconomics–I

Course Description

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

Course Outline

1. Introduction

- a. Problem of scarcity and choice: scarcity, choice and opportunity cost; production possibility frontier; economic systems.
- b. 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.
- c. Applications of demand and supply: price rationing, price floors, consumer surplus, producer surplus.
- d. Elasticity: price elasticity of demand, calculating elasticity, determinants of price elasticity, other elasticities.

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.

3. Production and Costs

- a. 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.
- b. Costs: costs in the short run, costs in the long run, revenue and profit maximizations, minimizing losses, short run industry supply curve, economies and diseconomies of scale, long run adjustments.

4. Perfect Competition

- a. 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.
- b. Welfare: allocative efficiency under perfect competition.

Readings:

Case, Karl E. & Ray C. Fair, *Principles of Economics*, Pearson Education, Inc., 8th edition, 2007.

Core Economics II: Principles of Microeconomics–II

Course Description

This is a sequel to Principles of Microeconomics–I covered in the first semester. The objective of the course is the same as in Principles of Microeconomics I.

Course Outline

1. Market Structures

a. 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.

b. Imperfect Competition

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

2. Consumer and Producer Theory

a. Consumer and Producer Theory in Action

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

b. 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.

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.

4. International Trade

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

Readings:

Case, Karl E. & Ray C. Fair, *Principles of Economics*, Pearson Education, Inc., 8th edition, 2007.

Core Economics III: Principles of Macroeconomics–I

Course Description

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 Outline

1. Introduction

What is macroeconomics? Macroeconomic issues in an economy.

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.

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.

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.

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.

Readings:

1. Case, Karl E. & Ray C. Fair, *Principles of Economics*, Pearson Education, Inc., 8th edition, 2007.
2. Sikdar, Shoumyen, *Principles of Macroeconomics*, 2nd Edition, Oxford University Press, India

Core Economics IV: Principles of Macroeconomics–II

Course Description

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 Outline

1. IS-LM Analysis

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

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.

3. Inflation and Unemployment

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

4. Balance of Payments and Exchange Rate

Balance of payments: current account and capital account; market for foreign exchange; determination of exchange rate.

Readings:

1. Case, Karl E. & Ray C. Fair, *Principles of Economics*, Pearson Education, Inc., 8th edition, 2007.
2. Sikdar, Shoumyen, *Principles of Macroeconomics*, 2nd Edition, Oxford University Press, India

Discipline Specific Elective I

One of the following:

i. DSE 1: Economic Development and Policy in India–I

Course Description

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

Course Outline

1. Issues in Growth, Development and Sustainability

2. Factors in Development

Capital formation (Physical and Human); technology; institutions.

3. Population and Economic Development

Demographic trends; urbanisation.

4. Employment

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

5. Indian Development Experience

Critical evaluation of growth, inequality, poverty and competitiveness, pre and post reforms era; savings and investment; mobilisation of internal and external finance; monetary and fiscal policies; centre-state financial relations.

Readings:

1. Michael P Todaro and Stephen Smith. *Economic Development*, Pearson, 11th edition (2011).
2. Uma Kapila, *Indian Economy since Independence*, Academic Foundation, 19th edition (2009).
3. United Nations Development Programme, *Human Development Report*

2010, Palgrave Macmillan (2010).

4. Government of India, *Economic Survey*
(latest)
5. Government of India, *Five Year Plan*
(latest)
6. Government of India, *Finance Commission Report*
(latest)

ii. DSE 2: Money and Banking:

Course Description

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

Course Outline

1. Money

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

2. Financial Institutions, Markets, Instruments and Financial Innovations

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

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

3. Interest Rates

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

4. Banking System

a. Balance sheet and portfolio management.

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

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.

Readings

1. F. S. Mishkin and S. G. Eakins, *Financial Markets and Institutions*, Pearson Education, 6th edition, 2009.
2. F. J. Fabozzi, F. Modigliani, F. J. Jones, M. G. Ferri, *Foundations of Financial Markets and Institutions*, Pearson Education, 3rd edition, 2009.
3. L. M. Bhole and J. Mahukud, *Financial Institutions and Markets*, Tata McGraw Hill, 5th edition, 2011.
4. M. Y. Khan, *Indian Financial System*, Tata McGraw Hill, 7th edition, 2011.
5. Various latest issues of R.B.I. Bulletins, Annual Reports, Reports on Currency and Finance and Reports of the Working Group, IMF Staff Papers.

iii. DSE 3: Environmental Economics:

Course Description

This course introduces students to concepts, methods and policy options in managing the environment using tools of economic analysis. This course should be accessible to anyone with an analytical mind and familiarity with basic concepts of economics. 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. The course will be useful for students aiming towards careers in the government sector, policy analysis, business, journalism and international organisations.

Course Outline

1. Introduction

Key environmental issues and problems, 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.

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.

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.

4. Sustainable Development

Concepts; measurement; perspectives from Indian experience

Readings

1. Roger Perman, Yue Ma, Michael Common, David Maddison and James McGilvray, *"Natural Resource and Environmental Economics"*, Pearson Education/Addison

- Wesley, 4th edition, 2011.
2. Charles Kolstad, “*Intermediate Environmental Economics*”, Oxford University Press, 2nd edition, 2010.
 3. Robert N. Stavins (ed.), “*Economics of the Environment: Selected Readings*”, W.W. Norton, 6th edition, 2012.
 4. Robert Solow , “An Almost Practical Step toward Sustainability,” Resources for the Future 40th anniversary lecture, 1992.
 5. Kenneth Arrow et al. , “Are We Consuming Too Much?” *Journal of Economic Perspectives*, 18(3): 147-172, 2004.
 6. IPCC (Intergovernmental Panel on Climate Change), Fifth Assessment Report (forthcoming 2014).

Discipline Specific Elective II

One of the following:

iv. DSE 4: Economic Development and Policy in India–II

Course Description

Building on the more aggregative analysis of trends in the Indian Economy offered in Economic Development and Policy–I, this course examines sector-specific trends in key indicators and their implications in the post-Independence period.

Course Outline

1. Agriculture: Policies and Performance

Production and productivity; credit; labour; markets and pricing; land reforms; regional variations.

2. Industry: Policies and Performance

Production trends; small scale industries; public sector; foreign investment.

3. Foreign Trade: Trends and Policies

Balance of trade and balance of payments; India and the World Trade Organisation.

Readings:

1. Uma Kapila, *Indian Economy since Independence*, Academic Foundation, 19th edition (2009).
2. Government of India, *Economic Survey* (latest)
3. Government of India, *Five Year Plan* (latest)

v. **DSE 5: Economic History of India 1857-1947**

Course Description

This course analyses key aspects of Indian economic development during the second half of British colonial rule. In doing so, it investigates the place of the Indian economy in the wider colonial context, and the mechanisms that linked economic development in India to the compulsions of colonial rule. This course links directly to the course on India's economic development after independence in 1947.

**Course
Outline**

1. Introduction: Colonial India: Background and Introduction

Overview of colonial economy.

2. Macro Trends

National Income; population; occupational structure.

3. Agriculture

Agrarian structure and land relations; agricultural markets and institutions – credit, commerce and technology; trends in performance and productivity; famines.

4. Railways and Industry

Railways; the de-industrialisation debate; evolution of entrepreneurial and industrial structure; nature of industrialisation in the interwar period; constraints to industrial breakthrough; labor relations.

5. Economy and State in the Imperial Context

The imperial priorities and the Indian economy; drain of wealth; international trade, capital flows and the colonial economy – changes and continuities; government and fiscal policy.

Readings:

1. Lakshmi Subramanian, *"History of India 1707-1857"*, Orient Blackswan, 2010, Chapter 4.
2. Sumit Guha, 1991, 'Mortality decline in early 20th century India', *Indian Economic and Social History Review (IESHR)*, pp 371-74 and 385-87.

3. Tirthankar Roy, *The Economic History of India 1857-1947*, Oxford University Press, 3rd edition, 2011.
4. J. Krishnamurty, *Occupational Structure*, Dharma Kumar (editor), The Cambridge Economic History of India, Vol. II, (henceforth referred to as CEHI), 2005, Chapter 6.
5. Irfan Habib, *Indian Economy 1858-1914*, A People's History of India, Vol.28, Tulika, 2006.
6. Ira Klein, 1984, -When Rains Fail: Famine relief and mortality in British India, *IESHR* 21.
7. Jean Dreze, *Famine Prevention in India in Dreze and Sen (eds.) Political Economy of Hunger*, WIDER Studies in Development Economics, 1990, pp.13-35.
8. John Hurd, *Railways*, CEHI, Chapter 8, pp.737-761.
9. Rajat Ray (ed.), *Entrepreneurship and Industry in India*, 1994.
10. AK Bagchi, -Deindustrialization in India in the nineteenth century: Some theoretical implications, *Journal of Development Studies*, 1976.
11. MD Morris, *Emergence of an Industrial Labour Force in India*, OUP 1965, Chapter 11, Summary and Conclusions.
12. K.N. Chaudhuri, *Foreign Trade and Balance of Payments*, CEHI, Chapter 10.
13. B.R. Tomlison, 1975, *India and the British Empire 1880-1935*, IESHR, Vol.XII.
14. Dharma Kumar, *The Fiscal System*, CEHI, Chapter 12.
15. Basudev Chatterjee, *Trade, Tariffs and Empire*, OUP 1992,

Epilogue. Background reading for students:

Irfan Habib, *Indian Economy 1858-1914* (A People's History of India), Vol.28, Tulika 2006.

Daniel Thorner, *Agrarian Prospect in India*, 1977.

L. Visaria and P. Visaria, *Population*. CEHI, Chapter 5.

vi. **DSE 6: Public Finance**

Course Description

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

Course Outline

Part 1: Theory

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

Part 2: Issues from Indian Public Finance

4. Working of Monetary and Fiscal Policies.
5. Current Issues of India's Tax System.
6. Analysis of Budget and Deficits
7. Fiscal Federalism in India
8. State and Local Finances

Readings

1. Musgrave, R.A. and P.B. Musgrave, *Public Finance in Theory and Practice*, Mc-Graw Hill, 1989.
2. Mahesh Purohit, "*Value Added Tax: Experience of India and Other Countries*", Gayatri Publications, 2007.
3. Kaushik Basu, and A. Maertens (ed.), *The Oxford Companion to Economics in India*, Oxford University Press, 2007.
4. M.M Sury, *Government Budgeting in India*, Commonwealth Publishers, 1990.
5. Shankar Acharya, "Thirty years of tax reform" in India, *Economic and Political Weekly*, May 2005.
6. Government of India, *Report of the 13th Finance Commission*.
7. *Economic Survey*, Government of India (latest).
8. State Finances: A Study of Budgets, *Reserve Bank of India* (latest).