

Draft Syllabus for B.A. (Hons.) Economics under CBCS Gauhati University
(To be effective from 2019-20 session)

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

There are a total of fourteen economics core courses that students are required to take across six semesters. All the core courses are compulsory. In addition to core courses in economics, a student of B.A. (Hons.) Economics will choose four Discipline Specific Elective (DSE) Courses. The Discipline Specific Elective (DSE) Courses are offered in the fifth and sixth semesters and two such courses will be selected by a student from a set of courses specified for each of these semesters (Groups I and II in the attached table). It is recommended that each college should offer at least three Discipline Specific Elective (DSE) Courses in the fifth and sixth semesters to allow the students some minimal element of choice.

The syllabi for the Discipline Specific Elective (DSE) Courses are provisional and subject to revision.

Contact Hours: Each course has 5 lectures and 1 tutorial (per group) per week. The size of a tutorial group is 8-10 students.

Note on Course Readings: The nature of several of the courses is such that only selected readings can be specified in advance. Reading lists should be updated and topic-wise readings should be specified at regular intervals, ideally on an annual basis.

Eligibility for Admission into BA Hons Economics: Given the quantitative requirements of the program, only students who have passed mathematics at the Class XII level are eligible for admission. [However not to deprive student who are currently at Higher Secondary level without Mathematics as one of the subjects and who have been considering opting for Economics (Major/Honours) course this eligibility criterion will be in force only from the third year of implementation of this syllabus. This was unanimously agreed upon in the meeting of the Under-Graduate Committee of Courses and Studies in Economics of Gauhati University held on 25/5/18]

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

Semester-I	Semester-II
Core Course 1 ECO-HC-1016: Introductory Microeconomics	Core Course 3 ECO-HC-2016: Introductory Macroeconomics
Core Course 2 ECO-HC-1026: Mathematical Methods for Economics-I	Core Course 4 ECO-HC-2026: Mathematical Methods for Economics-II
Ability Enhancement Compulsory Course (AECC)-I	Ability Enhancement Compulsory Course (AECC)-II
Generic Elective (GE) ECO-HG-1016: Fundamentals of Microeconomics	Generic Elective (GE) ECO-HG-2016: Microeconomic Theory

Semester-III	Semester-IV
Core Course 5 ECO-HC-3016: Intermediate Microeconomics-I	Core Course 8 ECO-HC-4016: Intermediate Microeconomics-II
Core Course 6 ECO-HC-3026: Intermediate Macroeconomics-I	Core Course 9 ECO-HC-4026: Intermediate Macroeconomics-II
Core Course 7 ECO-HC-3036: Statistical Methods for Economics	Core Course 10 ECO-HC-4036: Introductory Econometrics
Skill Enhancement Course (SEC)-I ECO-SE-3014: Data Collection and Presentation	Skill Enhancement Course (SEC)-II ECO-SE-4014: Data Analysis
Generic Elective (GE) ECO-HG-3016: Fundamentals of Macroeconomics	Generic Elective (GE) ECO-HG-4016: Macroeconomic Theory

Semester-V	Semester-VI
Core Course 11 ECO-HC-5016: Indian Economy-I	Core Course 13 ECO-HC-6016: Indian Economy-II
Core Course 12 ECO-HC-5026: Development Economics-I	Core Course 14 ECO-HC-6026: Development Economics-II
Group-I (Discipline Specific Elective (DSE) Courses) (Any Two)	Group-II (Discipline Specific Elective (DSE) Courses) (Any Two)
(i) ECO-HE-5016: Economics of Health and Education	(iv) ECO-HE-6016: Environmental Economics
(ii) ECO-HE-5026: Money and Financial Markets	(v) ECO-HE-6026: International Economics
(iii) ECO-HE-5036: Public Finance	(vi) ECO-HE-6036: The Economy of Assam

FIRST SEMESTER CORE

ECO-HC-1016: 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.

ECO-HC-1026: 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

Sets and set operations, relations and functions, number system

2. Functions of one real variable

Elementary types of functions: quadratic, polynomial, power, exponential, logarithmic, convex, quasi-convex and concave functions, limit and continuity of functions

3. Differential calculus

Differentiation of a function, Basic rules of differentiation, partial and total differentiation, second and higher order derivatives for single variable, economic applications of differentiation

4. Single variable optimization

Local and global optima: geometric characterization, characterization using calculus: tests for maximization and minimization, applications: profit maximization, cost minimization, revenue maximization

5. Integration of functions

Meaning and significance of integration, basic rules of integration, significance of a constant after integration, applications: derivations of total functions (total cost, total revenue, consumption and

saving functions) from marginal functions, consumer's surplus and producer's surplus, problems relating to investment and capital formation

Readings:

1. K. Sydsaeter and P. Hammond, *Mathematics for Economic Analysis*, Pearson Educational Asia: Delhi, 2002
2. Chiang A.C. and K. Wainwright, *Fundamental Methods of Mathematical Economics*, McGraw Hill International Edition
3. Baruah S.N., *Basic Mathematics and its Economic Applications*, MacMillan

SECOND SEMESTER CORE

ECO-HC-2016: 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.

ECO-HC-2026: 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. Linear algebra

Matrix: various types of matrices, vector and vector space-concept, matrix operations: addition, subtraction and multiplication; rank, norm and trace of a matrix, introduction to the concept of determinants and their properties, non-singularity of matrix, matrix inversion, solutions of simultaneous equations by using matrix inversion and Cramer's rule, simple market model and national income model

2. Functions of several real variables

Homogeneous and homothetic functions: concepts, Differentiable functions: concepts, Implicit Function Theorem and applications

3. Multi-variable optimization

Unconstrained optimization: geometric characterization, characterization using calculus and applications: price discrimination and multi-plant firm; constrained optimization with equality constraints, Lagrange multiplier, applications: consumer's equilibrium and producer's equilibrium

4. Differential equation

Meaning, first order differential equation, application to market model

5. Difference equation

First order difference equation, Cob-Web market model

Readings:

1. K. Sydsaeter and P. Hammond, *Mathematics for Economic Analysis*, Pearson Educational Asia: Delhi, 2002
2. Chiang A.C. and K. Wainwright, *Fundamental Methods of Mathematical Economics*, McGraw Hill International Edition
3. Baruah S.N., *Basic Mathematics and its Economic Applications*, MacMillan

THIRD SEMESTER CORE

ECO-HC-3016: 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 inter-temporal 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.

ECO-HC-3026: INTERMEDIATE MACROECONOMICS - I

CourseDescription

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 openeconomy.

Course Outline

1. Aggregate Demand and Aggregate SupplyCurves

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

2. Inflation, Unemployment andExpectations

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.

ECO-HC-3036: 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; moments – basic concepts and types.

2. Elementary Probability Theory

Sample spaces and events; probability axioms and properties; addition and multiplication theorem of probability, counting techniques; conditional probability and Bayes' rule; independence of events.

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, poisson and normal random variables).

4. Random Sampling and Jointly Distributed Random Variables

Density and distribution functions for jointly distributed random variables- basic concepts; covariance and correlation coefficients.

5. Sampling

Principal steps in a sample survey; methods of sampling; Sampling techniques- random, stratified random, multi-stage random and systematic random sampling; the role of sampling theory; properties of random samples.

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.

FOURTH SEMESTER CORE

ECO-HC-4016: 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.

Unit 1: General Equilibrium, Efficiency and Welfare

- a) Exchange Economy, Consumption Allocation and Pareto Optimality; Edgeworth Box and Contract Curve; Equilibrium and Efficiency under Pure Exchange.
- b) Pareto Efficiency with production: Concepts of PPF, Social Indifference Curves and Resource Allocation.
- c) Perfect Competition, Pareto Efficiency and Market Failure (Externalities and Public Goods), Property Right and Coase Theorem.

Unit 2: Market Structure and Game Theory

- a) Monopoly, Pricing with Market Power; Degree of Monopoly, Price Discrimination-Different Degrees; Multi-plant Monopoly, Peak-Load Pricing.
- b) Monopolistic competition; Product Differentiation; Perceived and Proportionate Demand Curves; Price-Output Determination.
- c) Oligopoly and Game Theory (Two Person Zero Sum Game, Basic ideas and examples of non zero sum games, Prisoner's Dilemma), Applications of Game Theory in Oligopolistic Markets (Cournot Equilibrium, Bertrand Equilibrium, Stackleberg Equilibrium).

Unit 3: Markets with Asymmetric Information

Information Asymmetry, Adverse Selection, Moral Hazard, Signaling and Screening.

Readings:

1. Dominick Salvatore, Micro Economics – Theory and Applications, OUP.
2. Koutsoyiannis. A, Modern Micro-Economics, ELBS/Macmillan.
3. Hal Varian, Microeconomic Analysis, Third Edition, Selected Chapters, W.W. Norton and Company.
4. C. Snyder and W. Nicholson, Fundamentals of Micro Economics, Cengage Learning (India).
5. G.S. Maddala and Ellen Miller, Micro Economic Theory and Application, Tata McGraw Hill.
6. R.R. Barthwal, Micro Economic Analysis, Wiley Eastern Limited.
7. Martin J. Osborne, An Introduction to Game Theory, OUP, New Delhi.
8. Hugh Gravelle and Ray Rees, Micro Economics, Pearson Education.

ECO-HC-4026: 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. Andrew B. Abel and Ben S. Bernanke, *Macroeconomics*, Pearson Education, Inc., 7th edition, 2011.
5. Robert J. Gordon, *Macroeconomics*, Prentice-Hall India Limited, 2011.

ECO-HC-4036: 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. Statistical Background

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.

2. Simple Linear Regression Model: Two Variable Case

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

3. 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.

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

Multicollinearity; heteroscedasticity; serial correlation.

5. Specification Analysis

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

Readings

1. D.N.Gujarati and D.C.Porter, *Essentials of Econometrics*, McGraw Hill, 4th edition, International Edition, 2009.
2. Christopher Dougherty, *Introduction to Econometrics*, Oxford University Press, 3rd edition, Indian edition, 2007

FIFTH SEMESTER CORE

ECO-HC-5016: 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

With China, Pakistan, Bangladesh, Sri Lanka, Nepal and Vietnam

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 Performances 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 Barua 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.

ECO-HC-5026: 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 stategovernance.

Course Outline

1. Conceptions ofDevelopment

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

2. Growth Models andEmpirics

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 andMechanisms

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 theState

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. ParthaDasgupta, *Economics, A Very Short Introduction*, Oxford University Press,2007.
3. Abhijit Banerjee, Roland Benabou and DilipMookerjee, *Understanding Poverty*, Oxford University Press,2006.
4. KaushikBasu, *The Oxford Companion to Economics in India*, OUP,2007.
5. AmartyaSen, *Development as Freedom*, OUP,2000.
6. DaronAcemoglu 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

SIXTH SEMESTER CORE

ECO-HC-6016: 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.
- 0 Ramesh Chand, 2010, -Understanding the Nature and Causes of Food Inflation, *Economic and Political Weekly*, February.
- 1 Bishwanath Goldar, 2011, -Organised Manufacturing Employment: Continuing the Debate, *Economic and Political Weekly*, April.

ECO-HC-6026: 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:
(Any Two per Semester)

FIFTH SEMESTER DSE

ECO-HE-5016: 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.

ECO-HE-5026: 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 of money; concept of money supply and its measurement; money multiplier theory, RBI's approach to money supply.

2. Financial Institutions, Markets, Instruments and Financial Innovations

Meaning and types of financial institutions, nature and role of financial institutions; financial markets: definitions and types-money market and capital market, their characteristics and functions, call money market, treasury bill market, commercial bill market including commercial paper and certificates of deposits, government securities market, primary and secondary market for securities, financial sector reforms in India, financial derivatives –meaning, types, distinctive features of financial derivatives and its benefits.

3. Interest Rates

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

4. Banking System

Meaning and types; Functions of Commercial banks, process of credit creation and its limitations, Balance sheet of Commercial banks, portfolio management-meaning and objective of portfolio management, theories of portfolio management; banking sector reforms in India.

5. Central Banking and Monetary Policy

Functions of central bank; monetary policy-objectives, 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).
10. Sampat Mukherjee, *Macro Economics: Global Text*,
11. S.B.Gupta, *Monetary Economics: Institutions, Theory and Policy*, S.Chand and Company Ltd., 2003.
12. M.L.Jinghan, *Money, Banking, International Trade and Public Finance*, Vrinda Publications.
13. Bharati V Pathak, *Indian Financial System: Markets, Institutional and services*, Pearson Education India, 3rd edition, 2011.

ECO-HE-5036: 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. Normative Theory of Public Finance –Nature and Scope: Allocation Function, Distribution Function and Stabilization Function. Coordinating the functions.
2. Public Goods and their characteristics. Free Rider Problem and Market Failure, Externalities vis-à-vis Public Good.
3. Direct and Indirect Tax. Concepts of taxation: tax rate, buoyancy & elasticity of a tax. Proportional, Progressive and Regressive Taxation. Benefit Principle and Ability to Pay Theory.

Part 2: Issues from Indian Public Finance

4. Fiscal Policies: Definition and Objectives. Instruments of Fiscal Policy. Adopting Monetary

Policy to complement Fiscal Policy: The Indian Experience.

5. Indian Tax System. Direct Taxes: Income Tax, Corporate Tax, Customs Duty etc. Reforms in the Indirect Tax Structure: Goods and Service Tax.

6. Structure of the Public Budget. Types of Deficits and their significance: Revenue Deficit, Fiscal Deficit and Primary Deficit

7. Fiscal Federalism in India: Principles of Fiscal Devolution, Horizontal and Vertical Fiscal Balance. Federal Finance and the Finance Commission.

8. State and Local Finances. The State Subjects and its Budget. Fiscal decentralization: Role of Municipalities and GaonPanchayats.

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. KaushikBasu, 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).

SIXTH SEMESTER DSE

ECO-HE-6016: 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

Basic concepts: Environment, Ecology, Economy and the ecosystem. Definition and scope of environmental economics, why study environmental economics. Interaction between the environment and the economy, environmental economics and ecological economics, environmental economics and resource economics. Review of microeconomics and welfare economics: the utility function, social choice mechanism, the compensation Principle and social welfare function (concepts only).

2. The Theory of Externalities

Pareto optimality or Pareto efficiency, Externalities: meaning and types of externality, market failure: meaning, market failure in the presence of externalities; market failure and public goods, is environment a public good? Property rights and the Coase theorem.

3. The Design and Implementation of Environmental Policy

Environmental Policies: an overview; Nonmarket and market based instruments of Environmental Policy: command and control (CAC) approach, economic instruments like Pigovian taxes and effluent fees, tradable permits and mixed instruments. Monitoring and Enforcement: What is monitoring and enforcement? Penalties, cost of abatement. Damages from pollution. Incentives to sources to comply with environmental regulations.

4. International Environmental Problems

Nature of environmental problems: transboundary pollution –Climate change, global warming, ozone depletion and bio-diversity loss; Trade and environment: pollution haven hypothesis.

5. Measuring the Benefits of Environmental Improvements

Non-Market values: use and non-use values and optional value, measurement methods: Direct method-contingent valuation and indirect method-hedonic pricing methods, value of statistical life; their applications and limitations.

6. Sustainable Development

Conventional development model: a critique, Alternative approach: Sustainable Development and its origin, objectives of Sustainable Development, Approaches to Sustainable Development: weak sustainability, strong sustainability, Safe minimum standard approach, ecological perspective and social perspective, Rules and indicators of Sustainable Development.

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.
5. Subhashini Muthukrishnan, *Economics of Environment*, PHI Learning Private Limited, 2nd edition, 2015.
6. Bhattacharyya R, *Environmental Economics*, Oxford University Press.
7. Nick Hanley, Jason F. Shogren and Ben White, *Introduction to Environmental Economics*, Oxford University Press.
8. Gautam Purkayastha, *Environmental Economics: Theory, Problems and Solutions*, Kalyani Publishers, Reprinted 2016

ECO-HE-6026: 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?, subject matter of International Economics, An overview of world trade- its changing pattern.

2. Theories of International Trade

The Ricardian theory- comparative advantage, Heckscher-Ohlin model, specific factors model, new trade theories- Leontief Paradox, factor-intensity reversal, international trade in the context of

economies of scale and imperfect competition, technological gap and product cycle theories; the Locational theory international trade; multinational enterprises and international trade.

3. Trade Policy

Instruments of trade policy- tariff and quota- partial equilibrium analysis; political economy of trade policy- free trade vs. protection; controversies in trade policy.

4. International Macroeconomic Policy

Fixed versus flexible exchange rates; international monetary systems- Gold Standard, interwar period, Bretton-Woods system, European Monetary system; 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), 9 edition, 2012.
2. Dominick Salvatore, *International Economics: Trade and Finance*, John Wiley International Student Edition, 10th edition, 2011.

ECO-HE-6036: THE ECONOMY OF ASSAM

[To be framed]

FIRST SEMESTER GE

ECO-HG-1016: Fundamentals of Microeconomics

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: behavior of profit maximizing 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.

SECOND SEMESTER GE

ECO-HG-2016: Microeconomic Theory

Course Description

This is a sequel to Fundamentals of Microeconomics covered in the first semester.

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, short run and long run price and output determinations under monopolistic competition,
Oligopoly: assumptions, overview of different oligopoly models, contestable markets.

2. Factor pricing

Demand for a factor input in a competitive factor market, supply of inputs to a firm, market supply of inputs, equilibrium in a competitive factor market. Factor markets with monopsony power.

3. Market Failure

Efficiency of perfect competition, Sources of market failure.

Externalities and market failure, public goods and market failure, markets with asymmetric information (Ideas only)

Readings:

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

Pindyck, R.S, Rubinfeld, B.L and Mehta, P.L, *Microeconomics*, Pearson, 7th edition

THIRD SEMESTER GE

ECO-HG-3016: Fundamentals of Microeconomics

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 Income, Domestic Income and National Income; GDP and NDP at Market Price and Factor Cost, measurement of national income and related aggregates; nominal and real income;

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 with Government Intervention and Foreign Trade

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

FOURTH SEMESTER GE

ECO-HG-4016: Macroeconomic Theory

Course Description

This is a sequel to Fundamentals of Macroeconomics. 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 LongRun

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

THIRD SEMESTER SE

ECO-SE-3014: Data Collection and Presentation

Course Description:

This course helps students in understanding use of data, presentation of data using computer softwares like MS-Excel. Students will be involved practically to preparation of questionnaires/interview schedules, collection of both primary and secondary data and its presentation. Students will also be asked to prepare a report on collected data and will be evaluated accordingly.

Course Outline:

1. Use of Data

Use of data in social sciences; types and sources of data; data collection methods. Population census versus sample surveys. Random sampling.

2. Questionnaires and Schedules

Meaning; how to prepare a questionnaire and interview schedule; use of questionnaire and interview schedule for data collection.

3. Presentation of Data

Data presentation in tabular formats; use of diagrams for data presentation; creating charts and diagrams in MS-Excel – bar, line, pie, scatter, radar, bubble diagrams, population pyramids.

Readings

1. S P Gupta, *Statistical Methods*, S Chand.
2. Webtech Solutions Inc., *Mastering Microsoft Excel Functions and Formulas*

FOURTH SEMESTER SE

ECO-SE-4014: Data Analysis

Course Description:

This course 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 statistical softwares like SPSS/PSPP to analyse data.

Course Outline:

1. Data entry in softwares like MS-Excel, SPSS/PSPP
2. Univariate frequency distributions. Measures of central tendency: mean, median and mode; arithmetic, geometric and harmonic mean. Measures of dispersion: range, mean deviation and standard deviation, skewness and kurtosis.
3. Bivariate frequency distribution. Correlation and regression. Rank correlation.
4. Estimation of population parameters from sample data. Unbiased estimators for population mean and variance.

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).

Course Structure for B.A. (Regular) Economics

Semester	CORE COURSE (12)	Ability Enhancement Compulsory Course (AECC) (2)	Skill Enhancement Course (SEC) (2)	Discipline Specific Elective (DSE) (4)	Generic Elective (GE) (2)
I	English-1	(English/Hindi/MIL Communication)			
	Discipline Specific Core (Economics) ECO-RC-1016: Principles of Microeconomics-I				
	Discipline Specific Core (other than Economics)				
II	English-2	Environmental Science			
	Discipline Specific Core (Economics) ECO-RC-2016: Principles of Microeconomics-II				
	Discipline Specific Core (other than Economics)				
III	MIL-1/ Alt English-1		SEC-I ECO-SE-3014: Data Collection and Presentation		
	Discipline Specific Core (Economics) ECO-RC-3016: Principles of Macroeconomics-I				
	Discipline Specific Core (other than Economics)				
IV	MIL-2/ Alt English-2		SEC-2 ECO-SE-4014: Data Analysis		
	Discipline Specific Core (Economics) ECO-RC-4016: Principles of Macroeconomics-II				
	Discipline Specific Core (other than Economics)				
V			SEC -3 ECO-SE-5014: to be framed	DSE-1 ECO-RE-5016/5026/5036 DSE-2 (other than economics)	GE-1 ECO-RG-5016
VI			SEC -4 ECO-SE-6014: to be framed	DSE-1 ECO-RE-6016/6026/6036 DSE-2 (other than economics)	GE-2 ECO-RG-6016

FIRST SEMESTER CORE

ECO-RC-1016: 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

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, producersurplus.

Elasticity: price elasticity of demand, calculating elasticity, determinants of price elasticity, otherelasticities.

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

Production: behavior of profit maximizing firms, production process, production functions, law of variable proportions, choice of technology, isoquant and isocost lines, cost minimizing equilibriumcondition.

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 runadjustments.

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 costindustries.

Welfare: allocative efficiency under perfectcompetition.

Readings:

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

SECOND SEMESTER CORE

ECO-RC-2016: Principles of Microeconomics–II

Course Description

This is a sequel to Fundamentals of Microeconomics covered in the first semester.

Course Outline

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, short run and long run price and output determinations under monopolistic competition,
Oligopoly: assumptions, overview of different oligopoly models, contestable markets.

2. Factor Pricing

Demand for a factor input in a competitive factor market, supply of inputs to a firm, market supply of inputs, equilibrium in a competitive factor market. Factor markets with monopsony power.

3. Market Failure

Efficiency of perfect competition, Sources of market failure.

Externalities and market failure, public goods and market failure, markets with asymmetric information (Ideas only)

Readings:

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

Pindyck, R.S, Rubinfeld, B.L and Mehta, P.L, *Microeconomics*, Pearson, 7th edition

THIRD SEMESTER CORE

ECO-RC-3016: 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 Income, Domestic Income and National Income; GDP and NDP at Market Price and Factor Cost, measurement of national income and related aggregates; nominal and real income;

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 with Government Intervention and Foreign Trade

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

FOURTH SEMESTER CORE

ECO-RC-4016: 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 LongRun

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

FIFTH SEMESTER DSE

ECO-RE-5016: 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, Finance Commission Report (latest)

ECO-RE-5026: 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.

ECO-RE-5036: 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. 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).

SIXTH SEMESTER DSE

ECO-RE-6016: 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)

ECO-RE-6026: 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. A. K. Bagchi, 'Deindustrialization in India in the nineteenth century: Some theoretical implications', Journal of Development Studies, 1976.
11. M. D. 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.

ECO-RE-6036: 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 14th Finance Commission*.
7. *Economic Survey*, Government of India (latest).
8. State Finances: A Study of Budgets, *Reserve Bank of India* (latest).

FIFTH SEMESTER GE

ECO-RG-5016: 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, Finance Commission Report (latest)

SIXTH SEMESTER GE

ECO-RG-6016: 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:

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