



**ST JOSEPH'S  
UNIVERSITY**

**BENGALURU-27**

**SCHOOL OF HUMANITIES  
DEPARTMENT OF ECONOMICS**

**SYLLABUS FOR I ,II,III,IV ,V and VI semester  
UNDERGRADUATE B.A. PROGRAMME**

**2022 onwards**

**I SEMESTER  
ECA 1121: BASIC ECONOMICS – I**

Total Teaching Hours Per Semester: 45  
Number of Credits: 3

Number of Teaching Hours Per Week: 3

**Course Outcomes:**

By the end of the course the student will be able to:

1. Identify the facets of an economic problem.
2. Learn basic economic concepts and terms.
3. Explain the operation of a market system;
4. Analyse the production and cost relationships of a business firm

Contents of Basic Economics I	<b>45 Hrs</b>
<b>Unit – 1 Basic Concepts in Economics</b>	
<p><b>Chapter No. 1 Subject Matter of Economics</b></p> <ul style="list-style-type: none"> <li>• Meaning and definition of Economics</li> <li>• Scope of Economics (Microeconomics and Macroeconomics)</li> <li>• Importance of Economics - Economists as policy adviser and scientist</li> <li>• The Economic Problem: Scarcity, Choice and opportunity Cost; Production Possibility Frontier</li> <li>• Role of Government: Command Economies, laissez-faire Economies-The Free market, Mixed Economies</li> </ul>	8 Hrs
<p><b>Chapter no. 2- Firms and households</b></p> <ul style="list-style-type: none"> <li>• Input and output markets</li> <li>• Types of Economic Activities, Production, Consumption, Distribution</li> <li>• Factors of Production</li> <li>• Relationship between Firms and Household</li> <li>• Circular Flow of Economic Activities—two and three sectors</li> </ul>	7 Hrs
<b>Unit – 2 Demand, Supply and Markets</b>	
<p><b>Chapter No. 3. Demand and Supply</b></p> <ul style="list-style-type: none"> <li>• Meaning and definition of demand</li> <li>• Law of demand - Meaning, Definition</li> <li>• Determinants of Demand</li> <li>• Meaning and definition of supply</li> <li>• Law of Supply and Determinant of supply</li> <li>• Market Equilibrium</li> </ul> <p><b>Chapter No. 4. Elasticity and its Measurement</b></p> <ul style="list-style-type: none"> <li>• Types of Elasticity of Demand</li> <li>• Price, Income and Cross Elasticities</li> <li>• Measurement of Price Elasticity of Demand</li> <li>• Determinants of Price Elasticity of Demand</li> </ul>	8 Hrs

	7 Hrs
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<b>Unit – 3 Cost and Market Structures</b>	
<p><b>Chapter No. 5 Production and Costs</b></p> <ul style="list-style-type: none"> <li>• Production Function - Meaning</li> <li>• Production Analysis: Short-run and long-run production functions</li> <li>• Total Product, Average product, Marginal Product</li> <li>• Cost of production - implicit (opportunity) and explicit costs, Short Run Cost: fixed and variable costs - short-run cost curves - long- run average cost curve, Relation between Short Run and Long Run Cost</li> </ul> <p><b>Chapter No. 6. Market Structures</b></p> <ul style="list-style-type: none"> <li>• Markets- Meaning, Types</li> <li>• Difference between Perfect and Imperfect Competition</li> <li>• Monopoly, Oligopoly and Monopolistic Competition (definition and features)</li> <li>• Pricing Strategies - meaning and types</li> </ul> <p><b>References (indicative)</b></p> <ol style="list-style-type: none"> <li>1. Cohen, A.J. (2020). <i>Macroeconomics for Life: Smart Choicesfor All+MyLab Economics with Pearson eText</i> (updated 2nd ed.). Toronto, ON: Pearson Canada Inc. Type: Textbook: ISBN: 9780136716532</li> <li>2. Cohen, A.J. (2015). <i>Microeconomicsfor Life: Smart Choicesfor You +MyLab Economics with Pearson eText</i> (2nd ed.). Toronto, ON: Pearson Canada Inc. Type: Textbook: ISBN: 9780133899368</li> <li>3. Case Karl E. and Fair Ray C.( 2014) <i>Principles of Economics</i>, Pearson Education Asia,.</li> <li>4. Mankiw N. Gregory. (2013) <i>Principles of Economics</i>,Cengage Learning.</li> <li>5. Stiglitz J.E. and Walsh C.E.(2011) <i>Principles of Economics</i>, W.W. Norton &amp;Co, NewYork</li> </ol>	<p>8 Hrs</p> <p>7 Hrs</p>

**I SEMESTER  
ECA 1221: CONTEMPORARY INDIAN ECONOMY**

Total Teaching Hours Per Semester: 45  
Number of Credits: 3

Number of Teaching Hours Per Week: 3

**Course Outcomes (COs):**

At the end of the course the student should be able to:

1. Understand the structure of Indian Economy
2. Understand the current problems of Indian Economy
3. Identify the factors contributing to the recent growth of the Indian economy
4. Analyze the sector specific policies adopted for achieving the aspirational goals

<b>Unit – 1 Structure of Indian Economy</b>	<b>15</b>
<p><b>Chapter No. 1. Structure of Indian Economy</b></p> <ul style="list-style-type: none"> <li>• Sectors of the economy – Primary, Secondary and Tertiary sectors - Meaning and features.</li> <li>• Occupational structure and contribution of various sectors to the GDP.</li> <li>• Demography – Meaning and definition, demographic transition and demographic dividend in India.</li> </ul>	<b>8</b>
<p><b>Chapter No. 2. Rural-Urban disparities</b></p> <ul style="list-style-type: none"> <li>• Urbanization - Meaning and features.</li> <li>• Smart City Mission – Meaning and Objectives</li> <li>• Rural Areas - Meaning and features</li> <li>• Rural-urban disparities – Education, healthcare, employment, and lifestyle.</li> </ul> <p><b>Assignment:</b> Impact of COVID-19 Pandemic , COVID -19 and Governance</p>	<b>7</b>
<b>Unit – 2 AGRICULTURE REFORMS AND BUSINESS</b>	<b>15</b>
<p><b>Chapter No. 3. Agriculture Reforms</b></p> <ul style="list-style-type: none"> <li>• Agriculture Price policy and Subsidies</li> <li>• Commercialisation and Diversification of agriculture</li> <li>• Public Distribution System</li> <li>• Agrarian Crisis, Doubling Farm Incomes, green revolution</li> <li>• MGNREGS</li> <li>• Agriculture and WTO – AOA</li> </ul>	<b>8</b>
<p><b>Chapter No. 4. Industry</b></p> <ul style="list-style-type: none"> <li>• MSMEs – Meaning and Defintion</li> <li>• Formal and informal sectors – meaning and features</li> <li>• Performance of MSMEs</li> <li>• Atma Nirbhara Bharat Abhiyan -features</li> <li>• Role of MNC’s in Industrial Development</li> <li>• Concepts of economic and social infrastructure</li> </ul> <p><b>Assignment :</b> Make in India, National monetisation pipeline, ease of doing business</p>	<b>7</b>

<b>Unit – 3 FINANCIAL MARKETS AND FOREIGN TRADE</b>	<b>15</b>
<p><b>Chapter No. 5. Money and Capital Markets</b></p> <ul style="list-style-type: none"> <li>• Meaning and definition of Money market and capital market.</li> <li>• Components of India’s Money market</li> <li>• Components of Capital Market</li> <li>• Difference between the money and capital market</li> <li>• Role of SEBI</li> </ul>	<b>7</b>
<p><b>Chapter No. 6. Foreign Trade and Investment</b></p> <ul style="list-style-type: none"> <li>• Economic Policy 1991 (LPG) – Features and Outcomes</li> <li>• India’s foreign trade- volume, direction and composition (latest trends)</li> <li>• India’s Balance of payment since 1991</li> <li>• FDI – Meaning, Trends and Patterns</li> <li>• New EXIM policy</li> </ul> <p><b>Assignment:</b> Demonetization and its impact, India’s trade policies and trade agreements, Bilateral and Multilateral trade agreements</p> <p><b>References</b></p> <ul style="list-style-type: none"> <li>• Bardhan, P.K. (9th Edition) (1999), The Political Economy of Development in India, Oxford University Press, New Delhi.</li> <li>• Byres Terence J. (ed.), (1998), The State, Development Planning and Liberalisation 'in India, Delhi, OUP</li> <li>• Dutt Ruddar and K.P.M Sundaram (2001): Indian Economy, S Chand &amp; Co. Ltd. New Delhi</li> <li>Frankel Francine R., (2004), India's Political Economy, Delhi. OUP Jenkins Rob, 2000, Economic Reform in India, Cambridge, CUP</li> <li>• Jalan, B. (1996), India’s Economic Policy- Preparing for the Twenty First Century, Viking, New Delhi.</li> <li>• Joshi Vijaya and L.M.D. Little, (1998), India's Economic Reform 1991-2001, Delhi, OUP.</li> <li>• Kapila Uma: Indian Economy: Policies and Performances, Academic Foundation</li> <li>• Mishra S.K &amp; V.K Puri (2001) “Indian Economy and –Its development experience”, Himalaya Publishing House.</li> <li>• Mukharji Rahul (ed.) (2007), India’s Economic Transition: The Politics of Reforms, edited by Rahul Mukherji, Oxford University Press , New Delhi.</li> </ul>	<b>8</b>

**II SEMESTER  
ECA 2121: BASIC ECONOMICS II**

**Total Teaching Hours Per Semester: 45**

**Number of Teaching Hours Per**

**Week: 3**

**Number of Credits: 3**

**Course Outcomes (COs):**

At the end of the course the student should be able to:

1. Understand the operation of the overall economic system;
2. Calculate national income and related aggregates
3. Explain the relationship between macroeconomic aggregates;
4. Evaluate the macroeconomic policies for solving major problems like poverty and unemployment

Unit	Description	Hrs
<b>I</b>	<b>Macroeconomic Concepts and Relationships</b>	<b>16</b>
	<p><b>Chapter 1: National Income Accounting</b> National Income- Definition-National Income-GNP-NNP-GDP, NDP, Per-capita Income-Disposable Income-NI at Factor Cost-NI at Market Price-nominal and Real Income (Concepts only). Measurement of National Income: Methods of measuring National Income Importance-Difficulties.</p>	<b>8</b>
	<p><b>Chapter 2: Monetary Economy:</b> Money – Evolution, Types, Meaning-Definition and Functions-Importance-Demand for Money and Supply of Money. Quantitative Theory of Money [Fisher's Equation].</p>	<b>8</b>
<b>II</b>	<b>Macroeconomic Challenges and Policies</b>	<b>12</b>
	<p><b>Chapter 3: Macroeconomic challenges</b></p> <ul style="list-style-type: none"> <li>• Unemployment- Meaning and types</li> <li>• Economic inequality- Meaning and types</li> <li>• Poverty- Meaning and types, Poverty line, Measurements of poverty.</li> </ul>	<b>6</b>
	<p><b>Chapter 4: Monetary Policy- Applications and Practices</b></p> <ul style="list-style-type: none"> <li>• RBI- Objectives and Functions.</li> <li>• Monetary Policy-Meaning-Objectives and Instruments- Qualitative and Quantitative measures.</li> <li>• Narasimhan Committee report-Summary.</li> </ul>	<b>6</b>
<b>III</b>	<b>Public Policy and International Trade</b>	<b>17</b>



**II SEMESTER  
ECA 2221: KARNATAKA ECONOMY**

Total Teaching Hours Per Semester: 45  
Number of Credits: 3

Number of Teaching Hours Per Week: 3

**Course Outcomes (COs):**

At the end of the course the student should be able to:

1. Understand the nature of economic growth and problems of Karnataka state.
2. Explain the process of structural growth in Karnataka economy;
3. Evaluate the policies and programmes undertaken by the Govt. of Karnataka for bringing about socio-economic development

Unit	Description	Hours
<b>I</b>	<b>Characteristics of Karnataka Economy</b>	<b>15</b>
	<p><b>Chapter 1: State Income</b></p> <ul style="list-style-type: none"> <li>• State Domestic Product and PCI</li> </ul> <p>• Regional imbalance in Karnataka, Causes Dr. Nanjudappa Committee recommendations</p>	3  7
	<p><b>Chapter 2: Human and Natural Resources</b></p> <ul style="list-style-type: none"> <li>• Population</li> <li>• Human Development Index</li> <li>• Poverty and Unemployment– Anti-Poverty and Employment generation Programmes</li> <li>•</li> </ul>	5
	<p><b>Chapter 3: Natural Resources in Karnataka</b></p> <ul style="list-style-type: none"> <li>• Land, Water, Forest and mineral resources in Karnataka</li> <li>• Karnataka environmental Policy</li> </ul>	
<b>II</b>	<b>Agriculture and Industries in Karnataka</b>	<b>15</b>
	<p><b>Chapter 4: Agriculture and Rural Development in Karnataka</b></p> <ul style="list-style-type: none"> <li>• Land Reforms- Introduction</li> <li>• Irrigation</li> <li>• Watershed Development</li> <li>• Dry Land Farming</li> <li>• Farmers Suicide in Karnataka– causes and solutions</li> <li>• Public Distribution System</li> <li>• Rural Development Programmes. Functioning of Panchayat Raj Institutions</li> </ul>	10
	<p><b>Chapter 5: Industries in Karnataka</b></p> <ul style="list-style-type: none"> <li>• Major Industries in Karnataka - Problems and Prospects</li> <li>• MSMEs - Problems and Measures</li> <li>• IT Industries in Karnataka</li> <li>• Industrial Finance in Karnataka</li> <li>• Industrial Policy of Karnataka</li> </ul>	5



III	<b>Infrastructure and Finances</b>	15
	<b>Chapter 6: Social and Economic Infrastructure in Karnataka</b> <ul style="list-style-type: none"> <li>• Transportation: Road, Rail, Water and Air Transport</li> <li>• Information and Communication Technology facilities;</li> <li>• Drinking Water, Sanitation</li> <li>• Housing</li> <li>• Health and Education</li> <li>• Social Security in Karnataka</li> </ul>	7
	<b>Chapter 7: State Finance</b> <ul style="list-style-type: none"> <li>• Sources of Revenue: Direct and Indirect Taxes</li> <li>• GST – Impact and Collections</li> <li>• Sharing of Central Taxes and Grand-in-Aid</li> <li>• States Indebtedness</li> <li>• State Finance Commission</li> <li>• State Budget (latest)</li> </ul>	8

**References (indicative)**

1. Government of Karnataka, Economic Survey [Various Issues]
2. Planning Department, Annual Publication, Government of Karnataka.
3. Karnataka at Glance, Annual Publication Government of Karnataka.
4. Madaiah M & Ramapriya. Karnataka Economy Growth: Issues and Development, Himalaya Pub., House, New Delhi.
5. Adul Aziz and K.G. Vasanti. (Eds) Karnataka Economy.
6. Government District Development Reports
7. Hanumantha Rao. Regional Disparities and Development in Karnataka.
8. Krishnaiah Gowda H.R. Karnataka Economy, Spandana Publications, Bangalore
9. Nanjundappa D.M. Some Aspects of Karnataka Economy.
10. NITI Ayog Sustainable Development reports

**III SEMESTER**  
**ECA 3122 : MICRO ECONOMICS**

Total Teaching Hours Per Semester: 45  
Number of Credits: 3

Number of Teaching Hours Per Week: 3

**COURSE OUTCOMES:**

- To introduce students to the framework that economists use to analyze choices
- To introduce the concepts and theories of micro economics
- To familiarize students with the application of microeconomics

**MODULE I - INTRODUCTION TO MICRO ECONOMICS- PART II (4 hours)** Microeconomic Analysis- Partial and general equilibrium analysis, Static and Dynamic analysis, Merits and limitations of Micro economics

(Revision: Lionel Robbins scarcity definition Economics- Basic problems of choice of production and consumption- -Production Possibility Curve)

**MODULE II- THEORY OF CONSUMER BEHAVIOUR (16 hours)**

Introduction to utility-Cardinal Utility Analysis-Law of Diminishing marginal utility Marshallian Consumer's surplus. Law of Equi-marginal Utility-Consumer equilibrium  
Hicksian Ordinal Utility Analysis-Indifference Curves- Meaning, Properties, Consumer's Equilibrium-  
Income effect- Price effect -substitution effect

*Revision of elasticity of demand.* Derivation of individual and market demand curve- revision of Law of Demand-Changes in demand

**MODULE III - THEORY OF PRODUCTION (15 Hours)**

Production function and Law of variable proportions, Law of Returns to Scale – internal and external economies of scale. Producer Surplus  
Firm and Industry equilibrium,  
Equilibrium Conditions and Price and output determination under perfect competition, monopoly and monopolistic competition.

Revision: cost and revenue conditions under each market structure, -*Revision of perfect and imperfect competition*

**Module IV Theory of factor Pricing and Welfare- (10 hours)**

Pricing of Factors of Production– Rent– Ricardo and Modern, The Marginal Productivity Theory of wages, Wage differential. Interest-Classical theory.  
Concept of welfare- Pigouvian and Paretian concepts of welfare.

### **III SEMESTER**

#### **ECA 3222 : MATHEMATICAL METHODS FOR ECONOMICS**

Total Teaching Hours Per Semester: 45

Number of Teaching Hours Per Week: 3

Number of Credits: 3

#### **COURSE OBJECTIVES:**

- To enable the use of quantitative methods and its application to economics for quantitative analysis of variables from economics
- To provide valuable insights for using mathematics to further learning of mathematical economics

#### **MODULE I - BASIC MATHEMATICS (10 Hours)**

Concepts of algebra, analytical & application of quadratic curves. Concept of function and types of functions. Simple problems of market equilibrium With taxation and subsidy .

#### **MODULE II - DIFFERENTIATION AND ITS APPLICATIONS IN ECONOMICS (20 Hours)**

Rules of differentiation-and interpretation of partial derivatives; derivation of marginal utility from utility functions, marginal product from total product and marginal revenue from total revenue, profit maximization. Static optimization- maxima , minima ,Constrained and unconstrained optimization utility maximization subject to budget constraint.

#### **MODULE III – INTEGRATION AND ITS APPLICATIONS IN ECONOMICS (05 Hours)**

Concept of integration; simple rules of integration; definite integrations and its applications to economics

#### **MODULE IV - MATRIX (10 Hours)**

Types, simple operations on Matrices, Determinants and Matrices,Solution of simultaneous equations through Cramer's rule.

#### **REFERENCE BOOKS:**

1. Jean Webber , Mathematical Analysis, Harper & row publishers, 1982.
2. Chiang, A. C. Fundamental Methods of Mathematical Economics, McGraw Hill, 1984.
3. Yamane, Taro, Mathematics for Economists, Prentice Hall of India, 1975.
- 4 Allen, R.G.D, Mathematical Analysis for Economists, Macmillan Press and ELBS,1975.

**IV SEMESTER**  
**ECA 4121: MACRO ECONOMICS**

Total Teaching Hours Per Semester: 45 Number of Teaching Hours Per Week: 3  
Number of Credits: 3

**COURSE OUTCOMES:**

- To enable students to understand the nature and behaviour of important macro economic variables in the functioning of an economy.
- To impart knowledge regarding the formulation and implementation of macroeconomic policies.
- Understand the meaning, causes and effects of inflation

**MODULE I - INTRODUCTION TO MACRO ECONOMICS (10 Hours)**

Definition and branches of Macro economics -stocks and flow, functional relationships, statics, comparative statics and dynamics. Interdependence between micro and macroeconomics. Micro-macro paradox. Uses and limitations of Macroeconomics .

**MODULE II - THEORY OF INCOME AND EMPLOYMENT (10 Hours)**

Basic assumptions of the Classicists, Say's Law of Markets, Pigou's concept of wage cut, Wage-price flexibility and Full Employment, saving investment equality, Criticisms of the Classical theory.

**MODULE III- KEYNESIAN THEORY OF INCOME AND EMPLOYMENT (10 HOURS)**

The Keynesian Theory -The concept of under employment equilibrium, Effective Demand-Aggregate Demand and Aggregate Supply, Consumption Function and its determinants, psychological law of consumption. Investment Function and its determinants, Multiplier, Accelerator.

**MODULE IV - INFLATION AND TRADE CYCLES (15 Hours)**

Meaning and types of inflation, Demand-pull -Cost push Inflation, Inflationary gap. Effects of inflation, measures to control inflation, employment-inflation trade off- Philips's curve (SHORT RUN). Measuring inflation- Use of Index numbers. Meaning, types. Consumer Price Index and Wholesale Price Index (only concepts).

*Trade cycle-Phases, Hawtrey's monetary theory, Schumpeter's theory of innovation.*

**REFERENCE BOOKS: (in addition to books mentioned in 1st and 2nd Semesters)**

1. Dornbusch, R and S. Fisher, Macro Economics McGraw Hill, 11th edition, 2010.
2. D.N. Dwivedi, Macro Economics: Theory & Policy, Tata Mcgraw Hill
3. Mankiw Gregory Macro economics Harvard University Worth Publishers, 2010.
4. Olivier Blanchard, Macroeconomics, Pearson Education, Inc., 5th edition, 2009.

## IV SEMESTER

### ECA 4222: STATISTICAL METHODS FOR ECONOMICS

Total Teaching Hours Per Semester: 45 Number of Teaching Hours Per Week: 3  
of Credits: 3Number

#### **COURSE OUTCOMES:**

- To introduce students to the basic concepts of statistics
- To help students identify data and use them effectively in research
- To develop skills of data analysis and interpretations

#### **MODULE I - COLLECTION, CLASSIFICATION AND TABULATION OF DATA (7 Hours)**

Statistics-definition and uses of statistics, primary and secondary data, Sampling methods random-stratified, systematic, cluster; non random- judgment sampling, convenience and quota sampling (CONCEPTS ONLY). Making a frequency table-discrete and continuous. Cumulative frequency distribution- Bivariate distribution. Rules of tabulation- parts of a table, Graphical representation- bar chart, histogram, pie chart –

#### **MODULE II - MEASURES OF CENTRAL TENDENCY (8 Hours)**

Definition-Characteristics of a good average Individual, discrete and continuous series-Arithmetic mean- deviation method, step deviation method, Median, Mode-Grouping method.

#### **MODULE III - MEASURES OF DISPERSION (10 Hours)**

Range, Mean Deviation, Standard Deviation, Quartile Deviation and Skewness. Kurtosis (CONCEPT ONLY)

#### **MODULE IV - CORRELATION AND REGRESSION ANALYSIS (10 Hours)**

Meaning of correlation -Karl Pearson's coefficient of correlation-Rank method. Meaning of regression analysis-regression lines-regression Simple regression equation.

#### **MODULE V - INDEX NUMBERS AND TIME SERIES ANALYSIS (10 Hours)**

Index numbers-definition-uses-problems- unweighted and weighted index numbers-Laspeyers, Paasche, fisher's methods-Time Reversal test and Factor Reversal test.  
Analysis of time series-definition-uses-components- methods of estimating component-free hand method, method of semi averages, method of moving averages.

**Assignments: Problem solving from each Module.**

#### **REFERENCE BOOKS:**

1. Elhance D.N, Veena Elhance and B.M Aggarwal Fundamentals of Statistics, Kitabahal 2014
2. Gupta,S. C. Fundamentals of Statistics, Himalaya Publishing House Pvt. Ltd.2015
3. Gupta S P, Statistical Methods, Sultan Chand & Sons, 2021

**V SEMESTER  
DISCIPLINE SPECIFIC CORE  
ECA 5123: PUBLIC ECONOMICS**

Total Teaching Hours Per Semester: 60  
Week: 4  
Number of Credits: 4

Number of Teaching Hours Per

**COURSE OBJECTIVES:**

- to enable students to learn about the working of the public finance system
- to gain knowledge about the working of Indian public finance

**MODULE I - THEORY OF PUBLIC ECONOMICS (15 Hours)**

Meaning and subject matter of Public Finance. Distinction between private finance and public finance. Musgrave's view on Economic activities of the state. Principle of maximum social advantage. Public goods vs. private goods, Pure public goods, Merit goods. Market failure. Externalities. Tiebout model, Theory of Club goods- correction of distributional and regional inequalities.

**MODULE II - PUBLIC REVENUE (15 Hours)**

Sources of public revenue- tax and non-tax, Canons of taxation- Adam Smith and Bastable. Merits and demerits of direct and indirect taxes- Impact and Incidence. Effects of taxation on production, consumption and distribution.

**SELF STUDY:** *Sources of Public revenue for Union and State Governments in India. Value added tax and Goods and Services tax.*

**MODULE III - PUBLIC EXPENDITURE AND PUBLIC DEBT (10 Hours)**

Public Expenditure –Wagner's Law of Increasing State Activities, Peacock-Wiseman Hypothesis. Canons of Public Expenditure, Growth and effects of Public Expenditure. Public Debt, Effects, Repayment of Public Debt. Principles of debt management.

**MODULE IV - BUDGETING AND FISCAL POLICY (10 Hours)**

Concepts –Revenue account, Capital Account, Fiscal Deficit, Revenue Deficit, Primary Deficit– Budget Estimate, Revised Estimate, actual and audited expenditure. Preparation, legislation of the budget appropriations, Programme Budgeting and Zero-Base Budgeting. Balanced Vs unbalanced budget. Finance Act. Fiscal policy – Objectives.

**MODULE V - FEDERAL FINANCE (10 Hours)**

Concept of fiscal federalism. Vertical and Horizontal imbalances. Principles for division of functions and financial resources between different levels of government. Need for federal financial adjustments, need and mechanism for federal transfers

**SELF STUDY:** *Indian federal finance- distribution of functions, Role of the Finance Commission. Objectives and features of the present Finance Commission.*

**REFERENCE BOOKS:**

1. Lekhi R.K, Public Finance, Kalyani Publishers, 2016.
2. Musgrave.A. Richard The Theory of Public Finance, McGraw Hill Book Company Tokyo,1961.
3. Musgrave R.A. and Musgrave, P.A. Public Finance in Theory and Practice, McGraw Hill, 1976.
4. Singh.S. K, Public Finance in Theory and Practice, S Chand Publications,2016
5. Tyagi B.P, Public Finance, Jai Prakash Nath and Co, 2016.

**V SEMESTER**  
**DISCIPLINE SPECIFIC CORE**  
**ECA 5223 : DEVELOPMENT ECONOMICS**

Total Teaching Hours per Semester: 60      Number of Teaching Hours per Week: 4  
Number of Credits: 4

**COURSE OBJECTIVES:**

- To examine the core issues and theories in economic development
- To enable students to gain knowledge about the dynamics of development

**MODULE I - CONCEPTION OF DEVELOPMENT (15 Hours)**

Meaning of economic development and economic growth, Characteristics of developing world- diversity within commonality-values in development, Measurement of development--PCI, HDI, PQLI, GDI, Green GDP, Happiness Index. Poverty - Absolute and relative, poverty line, vicious circle of poverty. Inequality of income and wealth distribution-Kuznets curve, Lorenz Curve, Gini coefficient -Sen's capability approach. Factors facilitating development –Economic and non-economic factors, obstacles to development-scarcity of capital –market imperfections

***SELF STUDY:** Factors facilitating development –Economic and non-economic factors, obstacles to development-scarcity of capital –market imperfections. Women in development. Education and development, Health and development.*

**MODULE II - RESOURCES FOR DEVELOPMENT (15 Hours)**

Natural Resources and economic development, Human Resources- Population growth and economic development, causes and consequences -Malthusian theory, theory of demographic transition. Human capital formation- Schultz. Lewis model. Rural- Urban Migration- Harris Todaro Model-push and pull model. Urbanization, Urban informal sector, internal migration and the brain drain.

**MODULE III - CAPITAL FORMATION AND DEVELOPMENT (15 Hours)**

Resources for Capital Formation-domestic resources- domestic savings, taxation, deficit financing, profits from public sector enterprises. Role of technology in economic development. Choice of techniques-Labour intensive techniques versus capital intensive techniques. Capital –output ratio incremental, Capital -output ratio, Factors determining capital –output ratio . Investment criteria in economic development-objectives

***SELF STUDY:** Foreign Capital, types and role. Entrepreneurs in economic development- Social Marginal Productivity criterion-Capital Turn over Criterion-Balance of payments Criterion*

**MODULE IV - THEORIES OF ECONOMIC DEVELOPMENT AND GROWTH (15 Hours)**

Adam Smith's contribution to the economic growth, Karl Marx's theory of development, Rostow's stages of growth, Rosenstein Rodan –Big push theory ,Ragnar Nurkse –Balanced growth, Hirschman-Doctrine of planned unbalanced growth, Leibenstein-Critical Minimum Theory, Harrod- Domar theory.

***SELF STUDY: Gandhian model and Myrdal thesis***

**REFERENCE BOOKS:**

1. Gerald M. Meier and James E. Rauch, Leading Issues in Economic Development, 8th Edition, Oxford University Press 2005
2. Taneja M.L and R.M. Myer Economics of Development and Planning 13th Edition, Vishal publications, 2014.
3. Todaro, Micheal and Smith Stephen Economic Development Addison-Wesley, 2008
4. Debraj Ray, Development Economics, Oxford University Press, 2014



**VI SEMESTER  
DISCIPLINE SPECIFIC CORE  
ECA 6123 : INTERNATIONAL ECONOMICS**

Total Teaching Hours per Semester: 60  
Number of Credits: 4

Number of Teaching Hours per Week: 4

**COURSE OBJECTIVES**

- To provide knowledge on the basic concepts, tools and theories of international trade.
- To examine important issues in commercial policy and international economic integration.

**MODULE I - INTRODUCTION TO INTERNATIONAL ECONOMICS (15 Hours)**

Differences between internal and International trade, Classical theory -Theory of absolute cost advantage, Theory of Comparative cost advantage. Factor- Price equalization theorem-Rybczynski theorem-Gains from Trade- Terms of trade – Importance and types, offer curves, factors affecting terms of trade. Heckscher-Ohlin theory, Leontief's paradox.

**MODULE II - TRADE POLICY AND ECONOMIC DEVELOPMENT (15 Hours)**

Free trade policy - case for and against, Protection – case for and against. Types of tariffs, Effects of tariffs-partial equilibrium analysis, Non-tariff barriers- commodity arrangements, Cartels, Dumping. Type and role of foreign capital in development. MNCs and their role-Singer- Prebisch thesis. Balance of trade and payments - methods of correcting imbalances in BOP.

**MODULE III - FOREIGN EXCHANGE MARKETS (10 Hours)**

Functions of foreign exchange markets .Theories of exchange rate determination- The Mint Par Parity theory, purchasing power parity theory, balance of payment theory. Determination of equilibrium exchange rates- Fixed and floating exchange rate, arbitrage, spot and forward rates, futures and options (only concepts).

**MODULE IV- INTERNATIONAL ECONOMIC INTEGRATION (10 hours)**

Forms of economic integration-Free trade arrangements Theory of customs union, -Trade creation vs Trade diversion – Major trade agreements of world- Trade in ASEAN and SAARC regions. Problems and prospects of forming a customs union in the Asian region.

**MODULE V - INTERNATIONAL MONETARY AND TRADE SYSTEM (10 Hours)**

The Bretton Woods System,International Monetary Fund-objectives and role.World Bank- objectives and role in economic development. GATT Uruguay round, WTO core agreements-MFA, TRIPS ,TRIMS,GATS.

**SELF STUDY:** *MFA, TRIPS, TRIMS, GATS.*

**REFERENCE BOOKS:**

1. Chacholiades, M. (1973), The Pure Theory of International Trade, McMillian press
2. Salvatore Dominick (2011), International Economics: Trade and Finance, John Wiley and Sons, Ltd.
3. Sodersten Bō and Reed. G. (2005), International Economics, 3rd edition, McMillian Press Ltd.
4. Cherunilam, F.(2008), International Economics, 5<sup>th</sup>edition,Tata McGraw Hill Education Private Ltd.
5. Dennis Appleyard, Alfred Field Jr(2001) International Economics: Trade Theory and Policy, McGraw-Hill UK.

6. Ephraim Clark, Michel Levasseur, Patrick Rousseau(1993) International Finance, Thomson Learning.
7. Jagdish Bhagwati, V. N. Balasubramanyam(1998) Writings on International Economics,Oxford University Press.

**VI SEMESTER  
DISCIPLINE SPECIFIC CORE  
ECA 6223: FINANCIAL INSTITUTIONS & MARKETS**

Total Teaching Hours per Semester: 60  
Number of Credits: 4

Number of Teaching Hours Per Week: 4

**COURSE OBJECTIVES:**

- to provide an over view of the structure and features of the financial system
- to provide knowledge about the working of the financial system

**MODULE I - FINANCIAL SYSTEM (5 Hours)**

Introduction, functions of Financial System, Components of Indian Financial System- financial institutions, financial markets, financial instruments and financial services.

**SELF STUDY:** *Financial System and Economic Development.*

**MODULE II - FINANCIAL INSTITUTIONS (15 Hours)**

Financial institutions- Banking Institutions-Organized Sector-features, functions, types- Commercial Banks, Co-operative Banks, Regional Rural Banks, Foreign Banks.. Non Banking Institutions-features, functions, classification-Development Finance Institutions, Investment Institutions, non banking financial companies, Hire Purchase Companies, Equipment Leasing Finance Companies, Nidhis, Chit Funds. Mutual Fund-Meaning, Concept, Types Advantages and Problems of Mutual Fund in India.

**SELF STUDY:** *Unorganized Sector-features, functions, types- Indigenous Bankers, Money Lenders*

**MODULE III - MONEY MARKET (15 Hours)**

Introduction and functions of money market, structure of money market, components of money market- call money market, collateral loan market, acceptance market, bill market. Institutions of money market, characteristics of a developed money market. Instruments – commercial bills treasury bills, call and short notice money market, certificate of deposits, commercial paper, Repos, ADR and GDR(concepts only).

**MODULE IV - PRIMARY CAPITAL MARKET (15 Hours)**

Introduction, functions, importance and structure of the Indian capital market. Components of capital market, new issue market, capital market instruments, ownership securities- equity shares preference shares, deferred shares, no par stock/shares, shares with differential rights, sweat equity .Creditorship securities, debentures or bonds. Derivatives securities-meaning and types. Types of security buyers and methods of marketing securities- public issue, offer for sale, placement method, tender method, over the counter, placement right issue, bonus issue and book building (concepts only)

**SELF STUDY:** *importance and structure of the Indian capital market.*

**MODULE V - SECONDARY CAPITAL MARKET (10 Hours)**

Introduction, characteristics of Stock Exchanges, Functions of Stock Exchanges. Stock Exchanges in India. Venture Capital and Buy Back of Shares (Concepts Only). Depository System and Dematerialisation (Concepts Only)

**SELF STUDY:** *SEBI-Objectives and Functions.*

**REFERENCE BOOKS:**

1. Gordan and Natarajan ,Indian Financial System,Himalaya Publishing House,2016.
2. Shashi K Gupta, NishaAggarwal, Neeti Gupta ,Financial Institutions and Markets'

- Kalyani Publishers, New Delhi 2016..
3. Vasant Desai, Indian Financial System and Development Himalaya Publishing House 2016