

ECONOMICS HONOURS

COURSE STRUCTURE UNDER CBCS (2016-17 AB)

Semester	Core Course (14)	Ability Enhancement compulsory course (AECC) (2)	Ability Enhancement compulsory course (AECC) (2) (Skill Based)	Discipline Specific Elective (DSE) (4)	Generic Elective (GE) (4)
1ST	CORE-I (20+80)	MIL (O/A.E) (20+80)	X	X	M.E-I (P-I) (20+80)
	CORE-II (20+80)				
2ND	CORE-III (20+80)	E.S (20+80)	X	X	M.E-I (P-II) (20+80)
	CORE-IV (20+80)				
3RD	CORE-V (20+80)	X	SEC-I Communicative English & Writing Skill (20+80)	X	M.E-II (P-I) (20+80)
	CORE-VI (20+80)				
	CORE-VII (20+80)				
4TH	CORE-VIII (20+80)	X	SEC-II (Subject Specific Skill) (20+80)	X	M.E.-II (P-II) (20+80)
	CORE-IX (20+80)				
	CORE-X (20+80)				
5TH	CORE-XI (20+80)	X	X	DSE-I (20+80)	
	CORE-XII (20+80)			DSE-II (20+80)	
6TH	CORE-XIII (20+80)	X	X	DSE-III (20+80)	X
	CORE-XIV (20+80)			DSE-IV (Project-100)	

SEMESTER-I

CC-1: INTRODUCTORY MICROECONOMICS

Course Description

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

Module 1: Exploring the subject matter of Economics

The Ten Principles of Economics: How people make decisions; Working of the economy as a whole; Thinking Like an Economist: The economist as Scientist – The scientific method: Observation, Theory and more observation; Role of assumptions; Economic Models; The economist as a policy advisor; Why economists disagree; Graphs in Economics

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

The market forces of demand and supply – Markets and competition; The demand curve – Market vs individual demand curve; Shifts in demand curve; The supply curve – Market vs individual supply curve; Shifts in supply curve; Equilibrium between supply and demand and changes there in; Price elasticity of demand and its determinants; Computing price elasticity of demand; Income and cross elasticity of demand; The price elasticity of supply and its determinants; Computing price elasticity of supply; Consumer Surplus and Producer Surplus; Market efficiency and market failure.

Module 3: The Households

The Budget Constraint; Preferences – representing preferences with indifference curves; Properties of indifference curves; Two extreme examples of indifference curves; Optimisation – Equilibrium; Change in equilibrium due to changes in income, changes in price; Income and substitution effect; Derivation of demand curve; Three applications – Demand for giffen goods, wages and labour supply, Interest rate and household saving.

Module 4: The Firm and Market Structures

Cost concepts; Production and costs; The various measures of cost – Fixed and variable cost, average and marginal cost; Cost curves and their shapes; Costs in the short run and in the long run; Economies and diseconomies of scale. Firms in competitive markets – What is a competitive market; Profit maximisation and the competitive firm's supply curve; The marginal cost curve and the firm's supply decision; Firm's short-run decision to shut down; Firm's long-run decision to exit or enter a market; The supply curve in a competitive market – short run and long run; Monopoly - Why monopolies arise and public policy towards monopolies

Module 5: The Input Markets

The demand for labour – The production function and the marginal product of labour; Value of the marginal product of labour and demand for labour; Shifts in labour demand curve; The supply of labour – the trade-off between work and leisure; Shifts in the labour supply curve; Equilibrium in the labour market; Other factors of production: Land and capital; Linkages among factors of production.

Readings:

1. Principles of Economics, Gregory N Mankiw, 6e Cengage Learning India Private Limited, New Delhi
2. William A McEachern and Simrit Kaur (2012): *Micro Econ: A South-Asian Perspective*, Cengage Learning India Private Limited, New Delhi.
3. Karl E. Case and Ray C. Fair (2007): *Principles of Economics*, 8th Edition, Pearson Education Inc.

SEMESTER-I

CC- 2 : MATHEMATICAL METHODS FOR 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.

Module I: Preliminaries

Sets and set operations; relations; functions and their properties; Number systems.

Module II: Functions of one real variable

Types of functions- constant, polynomial, rational, exponential, logarithmic; Graphs and graphs of functions; Limit and continuity of functions; Limit theorems.

Module III: Derivative of a function

Rate of change and derivative; Derivative and slope of a curve; Continuity and differentiability of a function; Rules of differentiation for a function of one variable; Application- Relationship between total, average and marginal functions.

Module IV: Functions of two or more independent variables

Partial differentiation techniques; Geometric interpretation of partial derivatives; Partial derivatives in Economics; Elasticity of a function – demand and cost elasticity, cross and partial elasticity.

Module V: Matrices and Determinants

Matrices: concept, types, matrix algebra, transpose, inverse, rank; Determinants: concept, properties, solving problems using properties of determinants, solution to a system of equations - Cramer's rule and matrix inversion method.

Readings:

1. K. Sydsaeter and P. J. Hammond (2002): *Mathematics for Economic Analysis*. Pearson Educational Asia.
2. A. C. Chiang and K. Wainwright (2005): *Fundamental Methods of Mathematical Economics*, McGraw Hill International Edition.
3. T. Yamane (2012): *Mathematics for Economists*, Prentice-Hall of India

SEMESTER-II

CC-3: INTRODUCTORY MACROECONOMICS

Course Description

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

Module I: Basic Concepts

Macro vs. Micro Economics; Why Study Macroeconomics? Limitations of Macroeconomics ; Stock and Flow variables, Equilibrium and Disequilibrium, Partial and General Equilibrium Statics – Comparative Statics and Dynamics ; National Income Concepts – GDP, GNP, NDP and NNP at market price and factor cost; Personal Income and Disposable personal Income; Real and Nominal GDP.

Module II: Measurement of Macroeconomic Variables

Output, Income and Expenditure Approaches ; Difficulties of Estimating National Income; National Income Identities in a simple 2- sector economy and with government and foreign trade sectors; Circular Flows of Income in 2, 3 and 4-sector; economies; National Income and Economic Welfare ; Green Accounting.

Module III: Money

Evolution and Functions of Money, Quantity Theory of Money – Cash Transactions, Cash Balances and Keynesian Approaches, Value of Money and Index Number of Prices.

Module IV: Inflation, Deflation, Depression and Stagflation

Inflation – Meaning, Causes, Costs and Anti-Inflationary Measures; Classical, Keynesian, Monetarist and Modern Theories of Inflation, Deflation- Meaning, Causes, Costs and Anti-Deflationary Measures, Depression and Stagflation; Inflation vs. Deflation.

Module V: Determination of National Income

The Classical Approach - Say's Law, Theory of Determination of Income and Employment with and without saving and Investment; Basics of Aggregate Demand and Aggregate Supply and Consumption- Saving – Investment Functions, The Keynesian Approach – Basics of Aggregate Demand and Aggregate Supply and Consumption, Saving, Investment Functions; The Principle of Effective Demand; Income Determination in a Simple 2-Sector Model; Changes in Aggregate Demand and Income- The Simple Investment Multiplier; Income Determination in a 3-Sector Model with the Government Sector and Fiscal Multipliers.

Readings:

1. N. Gregory Mankiw (2010): *Macroeconomics*, 7th edition, Cengage Learning India Private Limited, New Delhi
2. Richard T. Froyen (2005): *Macroeconomics*, 2nd Edition, Pearson Education Asia, New Delhi.
3. Errol D'Souza (2009): *Macroeconomics*, Pearson Education Asia, New Delhi.

SEMESTER-II

CC-4 : MATHEMATICAL METHODS FOR 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.

Module I: Linear models:

Input- Output Model: Basic concepts and structure of Leontief's open and static Input-Output model; solution for equilibrium output in a three industry model; The closed model.

Module II: Second and higher order derivatives:

Technique of higher order differentiation; Interpretation of second derivative; Second order derivative and curvature of a function; Concavity and convexity of functions; Points of inflection.

Module III: Differentials and total derivatives:

Differentials and derivatives; Total differentials; Rules of differentials; Total derivatives; Derivatives of implicit functions.

Module IV: Single and multivariable optimisation:

Optimum values and extreme values; Relative maximum and minimum; Necessary versus sufficient conditions - First and Second derivative tests; Economic applications thereof, First and second order condition for extremum of multivariable functions; Convex functions and convex sets

Module V: Optimisation with Equality Constraints:

Effects of a constraint; Finding stationary value – Lagrange-Multiplier method (Two variable single constraint case only); First and second order condition; The Bordered Hessian determinant.

Readings:

1. K. Sydsaeter and P. J. Hammond (2002): *Mathematics for Economic Analysis*. Pearson Educational Asia
2. A. C. Chiang and K. Wainwright (2005): *Fundamental Methods of Mathematical Economics*, McGraw Hill International Edition
3. T. Yamane (2012): *Mathematics for Economists*, Prentice-Hall of India

SEMESTER-III

CC-5: 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.

Module I: Consumer Theory I

Concepts of economic models; Optimisation and equilibrium; The demand curve and the supply curve; Market Equilibrium; The budget constraint and budget set; Changes in budget line; Effect of taxes, subsidy and rationing on budget set; Consumer Preferences – Indifference curves; Case of perfect substitutes, complements, neutrals. The marginal rate of substitution; Utility – Cardinal utility; Constructing a utility function; Marginal utility and MRS; Optimal choice and consumer demand; Estimating Utility Functions; Implications of the MRS condition; Demand – Normal and inferior goods; Income Offer Curve and Engel Curve; Ordinary goods and Giffen goods; The Offer Curve and the demand Curve; The inverse demand function.

Module II: Consumer Theory II

Slutsky Equation – The Substitution and Income Effects; Sign of Substitution Effect; The Total Change in Demand; slope of demand curve, Rates of Change; The Law of Demand; Substitution Effect; Compensated Demand Curves; Consumer's Surplus – Demand for a discrete good; Constructing utility from demand; Other interpretations of consumer's surplus; Approximating continuous demand; Interpreting the change in consumer's surplus; Producer's surplus; Calculating gains and losses

Module III: Production Theory

Marginal Productivity, Isoquant Maps and the Rate of Technical Substitution, Production with One Variable Input (labour) and with Two-Variable Inputs, Returns to Scale, Four Simple Production Function (Linear, Fixed Proportions, Cobb-Duglas, CES), Technical Progress.

Module IV: Cost Functions

Definition of Costs, Cost Functions and its Properties, Shift in Cost Curves, Cost in the Short-Run and Long-Run, Long-Run versus Short-Run Cost Curves, Production with Two Outputs – Economies of Scale.

Module V: Profit Maximisation

The Nature and Behaviour of Firms, Profit Maximization, Marginal Revenue, Short-Run Supply by Price-Taking Firm, Profit Functions and its Properties

Readings:

1. C. Snyder and W. Nicholson (2012): Microeconomic Theory: Basic Principles and Extensions, 11th Edition, Cengage Learning, Delhi, India.
2. R. S. Pindyck, D. N. Rubinfeld and P. L. Meheta (2009): Microeconomics, 7th Edition, Pearson, New Delhi.
3. H. R. Varian (2010): Intermediate Microeconomics: A Modern Approach, 8th Edition, W.W. Norton and Company/Affiliated East-West Press (India). The workbook by Varian and Bergstrom may be used for problems

SEMESTER-III**CC-6 : MACROECONOMICS I****Course Description**

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

Module I: Consumption Function

Consumption – Income Relationship, Propensities to Consume and the Fundamental Psychological Law of Consumption; Implications of Keynesian Consumption Function; Factors Influencing Consumption Function; Measures to Raise Consumption Function; Absolute, Relative, Permanent and Life – Cycle Hypotheses.

Module II: Investment Function

Autonomous and Induced Investment, Residential Investment and Inventory Investment, Determinants of Business Fixed Investment, Decision to Invest and MEC, Accelerator and MEI Theories of Investment.

Module III: Demand for and Supply of Money

Demand for Money – Classical, Neoclassical and Keynesian Approaches, The Keynesian Liquidity Trap and its Implications, Supply of Money – Classical and Keynesian Approaches, The Theory of Money Supply Determination and Money Multiplier, Measures of Money Supply in India.

Module IV: Aggregate Demand and Aggregate Supply

Derivation of Aggregate Demand and Aggregate Supply Curves in the IS-LM Framework; Nature and Shape of IS and LM curves; Interaction of IS and LM curves and Determination of Employment, Output, Prices and Investment; Changes in IS and LM curves and their Implications for Equilibrium.

Module V: Inflation, Unemployment and Expectations, and Trade Cycles

Inflation – Unemployment Trade off and the Phillips Curve – Short run and Long run Analysis; The Policy Ineffectiveness Debate; Meaning and Characteristics of Trade Cycles; Hawtrey's Monetary Theory, Hayek's Over-investment Theory and Keynes' views on Trade Cycles.

Readings:

1. N. Gregory Mankiw (2010): *Macroeconomics*, 7th edition, Cengage Learning India Private Limited, New Delhi
2. Richard T. Froyen (2005): *Macroeconomics*, 2nd Edition, Pearson Education Asia, New Delhi.
3. Errol D'Souza (2009): *Macroeconomics*, Pearson Education Asia, New Delhi.

SEMESTER-III

CC- 7: STATISTICAL METHODS FOR ECONOMICS

Course Description

This is a course on statistical methods for economics. It begins with some basic concepts and terminology that are fundamental to statistical analysis and inference. It is followed by a study and measure of relationship between variables, which are the core of economic analysis. This is followed by a basic discussion on index numbers and time series. The paper finally develops the notion of probability, followed by probability distributions of discrete and continuous random variables and introduces the most frequently used theoretical distribution, the Normal distribution.

Module I: Data Collection and measures of central tendency and dispersion

Basic concepts: population and sample, parameter and statistic; Data Collection: primary and secondary data, methods of collection of primary data; Presentation of Data: frequency distribution; cumulative frequency; graphic and diagrammatic representation of data; Measures of Central Tendency: mean, median, mode, geometric mean, harmonic mean, their relative merits and demerits; Measures of Dispersion: absolute and relative - range, mean deviation, standard deviation, coefficient of variation, quartile deviation, their merits and demerits; Measures of skewness and kurtosis.

Module II: Correlation Analysis

Correlation: scatter diagram, sample correlation coefficient - Karl Pearson's correlation coefficient and its properties, probable error of correlation coefficient, Spearman's rank correlation coefficient, partial and multiple correlation.

Module III: Regression Analysis

Two variable linear regression analysis - estimation of regression lines (Least square method) and regression coefficients - their interpretation and properties, standard error of estimate

Module IV: Time Series and Index Number

Time Series: definition and components, measurement of trend- free hand method, methods of semi-average, moving average and method of least squares (equations of first and second degree only), measurement of seasonal component; Index Numbers: Concept, price relative, quantity relative and value relative; Laspeyer's and Fisher's index, family budget method, problems in construction and limitations of index numbers, test for ideal index number.

Module V: Probability theory

Probability: Basic concepts, addition and multiplication rules, conditional probability; Random variables and their probability distribution; Mathematical expectations; Theoretical Distribution: normal distribution - Properties and uses, problems using area under standard normal curve

Recommended books:

1. Jay L. Devore (2010): *Probability and Statistics for Engineering and the Sciences*, Cengage learning, 2010.
2. S. C. Gupta (): *Fundamentals of Statistics*, Himalaya Publishing House, Delhi.
3. Murray R. Spiegel (): *Theory & Problems of Statistics*, Schaum's publishing Series.

SEMESTER-IV

CC-8 : MICROECONOMICS II

Course Description

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

Module I: Firm Supply and Equilibrium

Market Environments; Pure competition ; Supply decision of a competitive firm and Exceptions; Inverse Supply Function; Profits and Producer's Surplus; Long Run Supply Curve of a Firm; Long Run Average Costs; Short Run and Long Run Industry Supply; Industry Equilibrium in Short and Long Run; Meaning of Zero Profits; Economic Rent.

Module II: General equilibrium, efficiency and welfare

The Edgeworth Box; Trade off Pareto Efficient Allocations; Existence of equilibrium and efficiency; The Welfare Theorems and their implications; The Firm; Production and the Welfare Theorems ; Production possibilities, comparative advantage and Pareto efficiency

Module III: Monopoly

Barriers to Entry, Profit Maximization and Output Choice, Monopoly and resource Allocation, Monopoly, Product Quality and Durability, Price Discrimination, Second Degree Price Discrimination through Price Schedules, Regulation of Monopoly, Dynamic Views of Monopoly

Module IV: Oligopoly

Oligopoly – Choosing a strategy; Quantity leadership – Problems of the follower and the leader; Price leadership; Comparing quantity leadership and price leadership; Simultaneous Quantity Setting; Example of Cournot Equilibrium; Simultaneous Price Setting; Collusion

Module V: Game Theory

The Payoff Matrix of a Game; Nash Equilibrium; Mixed Strategies ;The Prisoner's Dilemma; Repeated Games; Enforcing a cartel; Sequential Games; A Game of entry deterrence.

Readings:

1. C. Snyder and W. Nicholson (2012): Microeconomic Theory: Basic Principles and Extensions, 11th Edition, Cengage Learning, Delhi, India.
2. R. S. Pindyck, D. N. Rubinfeld and P. L. Meheta (2009): Microeconomics, 7th Edition, Pearson, New Delhi.
3. H. R. Varian (2010): Intermediate Microeconomics: A Modern Approach, 8th Edition, W.W. Norton and Company/Affiliated East-West Press (India). The workbook by Varian and Bergstrom may be used for problems.

SEMESTER-IV

CC-9: MACROECONOMICS II

Course Description

This course is a sequel to 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.

Module I: Financial Markets and Reforms

Features of Financial Markets, Functions of Financial Markets, Banks and Financial Markets, Adverse Selection and Moral Hazard, Risk and Supply of Credit, The Determination of Banks Asset Portfolio, Financial Repression and Major Financial Sector Reforms in India, Lessons from the Global Financial Crisis and the Policy Response in India

Module II: Open Economy Macroeconomics

Balance of payments- Concept, Equilibrium and Disequilibrium, Measures to Correct Disequilibrium, Determination of Foreign Exchange Rate- the PPP Theory and its Implications, Fixed vs. Flexible Exchange Rates, The Short-run open economy Model, the basic Mundell-Fleming Model. International Financial Markets

Module III: Modelling Economic Growth

The Basic Harrod- Domar Model, Joan Robinson and the Golden Rule of Capital Accumulation, The Basic Solow Model, Theory of Endogenous Growth – the Rudimentary A-K Model

Module IV: Macroeconomic Policy

The Goals of Macroeconomic Policy, The Budget and Automatic Fiscal Stabilisers, The Doctrine of Balanced Budget and Keynesian Objections; Concepts of Budget, Revenue and Fiscal Deficits, Fiscal Policy: Objectives and Limits to Discretionary Policy, The Crowding – Out Hypothesis and the Crowding – in Controversy Meaning, Scope and Objectives of Monetary Policy, Instruments of Monetary Policy, the Transmission Mechanism of Monetary Policy, Rules vs. Discretion in Monetary Policy, Implications of Targeting the Interest Rate, Limits to Monetary Policy

Module V: Schools of Macroeconomic Thought and the Fundamentals of Macroeconomic Theory and Policy

Classics, Keynes, Monetarists, New Classical and New Keynesians: (i) Keynes vs. the Classics – Aggregate Demand and Aggregate Supply, Underemployment Equilibrium and Wage Price Flexibility, (ii) Monetarists and Friedman's Reformulation of Quantity Theory, Fiscal and Monetary Policy: Monetarists vs. Keynesians, (iii) The New Classical View of Macroeconomics and the Keynesian Counter critique, (iv) The New Keynesian Economics with reference to the Basic Features of Real Business Cycle Models, the Sticky Price Model.

Readings:

1. N. Gregory Mankiw (2010): *Macroeconomics*, 7th edition, Cengage Learning India Private Limited, New Delhi
2. Richard T. Froyen (2005): *Macroeconomics*, 2nd Edition, Pearson Education Asia, New Delhi.
3. Errol D'Souza (2009): *Macroeconomics*, Pearson Education Asia, New Delhi.

SEMESTER-IV

CC-10: PUBLIC ECONOMICS

Course Description

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

Module I: Introduction to public finance

Public Finance: meaning and scope, distinction between public and private finance; public good versus private good; Principle of maximum social advantage; Market failure and role of government;

Module II: Public Expenditure

Meaning, classification, principles, cannons and effects, causes of growth of public expenditure, Wagner's law of increasing state activities, Peacock-Wiseman hypotheses

Module III: Public Revenue

Sources of Public Revenue; Taxation - meaning, cannons and classification of taxes, impact and incidence of taxes, division of tax burden, the benefit and ability to pay approaches, taxable capacity, effects of taxation, characteristics of a good tax system, major trends in tax revenue of central and state governments in India

Module III: Public Budget

Public Budget: kinds of budget, economic and functional classification of the budget; Balanced and unbalanced budget; Balanced budget multiplier; Budget as an instrument of economic policy.

Module V: Public Debt

Sources, effects, debt burden – Classical, Ricardian and other views, shifting - intergenerational equity, methods of debt redemption, debt management, tax versus debt;

Readings:

1. J. Hindriks and G. Myles (2006): *Intermediate Public Economics*, MIT Press.
2. R. A. Musgrave and P. B. Musgrave (1989): *Public Finance in Theory and Practices*. McGraw Hill
3. B. P. Herber (1975): *Modern Public Finance*.
4. B. Mishra (1978): *Public Finance*, Macmillan India limited.

SEMESTER-V

CC-11: INDIAN ECONOMY I

Course Description

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

Module I: Basic Characteristics of Indian Economy as a Developing Economy

Indian Economy in the Pre-British Period; The Structure and Organisation of Villages and Towns; Industries and Handicrafts in Pre-British India; Colonialism; Economic Consequences of British Rule; Decline of Handicrafts and Progressive Ruralisation; The Land System and Commercialisation of Agriculture; Industrial Transition; Colonial Exploitation and Impacts – Underdevelopment; Colonisation and Modernisation; State Policies and Economic Underdevelopment; The Current State of Indian Economy

Module II: Population and Human Development

Population Growth and Economic Development – size, growth and future of population; Causes of rapid population growth; Population and economic development; Population policy; Demographic issues – Sex and Age Composition of population; Demographic Dividend; Urbanisation and Migration; Human Resource Development – Indicators and importance of Human Resource Development; Education policy; Health and nutrition.

Module III: National Income in India – The Growth Story and Regional Disparities

Trends in national and per capita income; Changes in sectoral composition of national income; Regional disparities in Growth and Income; Savings and Investment and Economic Growth – The Linkage

Module IV: Economic Planning in India

Rationale, Features, Objectives, Strategies, Achievements and Assessment of Planning in India; Eleventh Five Year Plan – Objectives, Targets and Achievements; Twelfth Five Year Plan – Vision and Strategy; From Planning to NITI – Transforming India's Development Agenda.

Module V: Current Challenges

Poverty – Estimation and Trends, Poverty Alleviation Programs – MGNREGA, NRLM, SJSRY; Inequality – Measures and trends in India; Unemployment – Nature, Estimates, Trends, Causes and Employment Policy

Readings:

1. Indian Economy, VK Puri and SK Misra, Himalaya Publishing House, 31st Revised Editio
2. Indian Economy Datt and Sundharam, Gaurav Datt and Ashwani Mahajan, S Chand Publications, 7th Revised Edition
3. Indian Economy Since Independence, ed by Uma Kapila, Academic Foundation, Revised Nineteenth Edition 2008-09
4. The New Oxford Economics Companion to India, ed by K Basu and A Maertens, Oxford University Press, 201
5. Economic Survey of India 2015-16, Ministry of Finance, Go
6. NITI Ayog document- (Feb 8, 2015)

SEMESTER-V

CC-12: DEVELOPMENT ECONOMICS I

Course Description

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

Module 1: Study of economic development:

Development Economics as a subject; economic growth and economic development; characteristics of underdeveloped countries – vicious cycle of poverty and cumulative causation; obstacles to economic development; measures of economic development – national and per capita income, basic needs approach, capabilities approach, three core values of development, PQLI, HDI, HPI, MDPI, GDI; capital formation and economic development

Module 2: Theories of Economic Growth and Development

Classical theory, Marxian theory; Schumpeterian theory; Rostow's stages of economic growth; Solow model and convergence with population growth and technical progress

Module 3: Poverty, Inequality and Development:

Concepts of poverty and inequality; Measuring poverty; Measuring Inequality – Lorenz curve and Kuznets' inverted U hypothesis; Growth, poverty and inequality; Economic characteristics of poverty groups (rural poverty, women and poverty, indigenous population and poverty); Policy options – some basic considerations

Module 4: Institutions and economic development:

Role of institutions in economic development; Characteristics of good institutions and quality of institutions; The pre-requisites of a sound institutional structure; Different measures of institutions – aggregate governance index, property rights and risk of expropriation; The role of democracy in economic development; Role of state; Role of markets and market failure; Institutional and cultural requirements for operation of effective private markets; Market facilitating conditions; Limitations of markets in LDCs; Corruption and economic development – tackling the problem of corruption

Module 5: Agriculture, Industry and Economic Development:

Role of agriculture; Transforming traditional agriculture; Barriers to agricultural development; Role of industrialization; Interdependence between agriculture and industries – A model of complementarities between agriculture and industry; terms of trade between agriculture and industry; functioning of markets in agrarian societies; interlinked agrarian markets

Readings:

1. Debraj Ray (2009): *Development Economics*, Oxford University Press.
2. Partha Dasgupta (2007): *Economics, A Very Short Introduction*, Oxford University Press.
3. Abhijit Banerjee, Roland Benabou and Dilip Mookerjee (2006): *Understanding Poverty*, Oxford University Press.
4. Amartya Sen (2000): *Development as Freedom*, OUP.
5. Daron Acemoglu and James Robinson (2006): *Economic Origins of Dictatorship and Democracy*, Cambridge University Press.
6. Robert Putnam (1994): *Making Democracy Work: Civic Traditions in Modern Italy*, Princeton University Press.
7. Todaro, Michael P and Stephen C Smith (2006): *Economic Development*, 8th Edition, Pearson
8. Thirlwall, A P (2011): *Economics of Development*, 9th Edition, Palgrave Macmillan

SEMESTER-VI**CC-13: INDIAN ECONOMY II****Course Description**

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

Model I: Agricultural Development in India

Indian Agriculture: nature, importance, trends in agricultural production and productivity, factors determining production, land reforms, new agricultural strategies and green revolution, rural credit; Agricultural marketing and warehousing.

Module II: Industrial Development in India

Trends in industrial output and productivities; Industrial Policies of 1948, 1956, 1977 and 1991; Industrial Licensing Policies – MRTP Act, FERA and FEMA; Growth and problems of SSIs, Industrial sickness; Industrial finance; Industrial labour

Module III: Tertiary Sector and HRD

Tertiary Sector: growth and contribution of service sector to GDP of India, share of services in employment; Human development – concept, evolution, measurement; HRD: indication, importance, education in India, Indian educational policy; Health and Nutrition.

Module IV: External Sector

Foreign Trade: role, composition and direction of India's foreign trade, trends of export and import in India, export promotion versus import substitution; Balance of Payments of India; India's Trade Policies; Foreign Capital – FDI, Aid and MNCs.

Module IV: Indian Economy and Environment

Environmental Policies in India: The Environment (Protection) Act 1986, The Environment (Protection) Rules 1986, The National Forest Policy 1988, Policy statement for Abatement of Pollution 1992, National Conservation Strategy and Policy Statement on Environment and Development 1992, The National Environment Appellate Authority Act 1997, National Environmental Policy 2006; Global deal with Climate Change: Introduction, Intergovernmental Panel for Climate Change (IPCC), Impact of Climate Change on India, Global Response on Climate Change, Possible Role of India

Readings:

1. U. Kapila (2010): *Indian economy since Independence*. Academic Foundation, New Delhi
2. S. K. Misra and V. K. Puri (Latest Year): *Indian Economy — Its Development Experience*, Himalaya Publishing House, Mumbai
3. S. Chakraborty (): *Development Planning: The Indian Experience*. Clarendon Press.
4. R. Dutt and K. P. M, Sundharam (Latest Year): *Indian Economy*, S. Chand & Company Ltd., New Delhi.
5. A. Panagariya (2008): *India: the Emerging Giant*, Oxford University Press, New York
6. S. Acharya and R. Mohan (Eds.) (2010): *India's Economy: Performance and Challenges*, Oxford University Press, New Delhi.
7. I. J. Ahluwalia and I. M. D. Little (Eds.) (1998): *India's Economic Reforms and Development: Essays for Manmohan Singh*, Oxford University Press, New Delhi.

SEMESTER-VI

CC-14: DEVELOPMENT ECONOMICS II

Course Description

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

Module 1: Population and Development

Demographic concepts : birth and death rates, age structure, fertility and its determinants, the Malthusian population trap and the microeconomic household theory of fertility; costs and benefits of population growth and the model of low level equilibrium trap; the seven negative consequences of population growth; the concept of optimum population; rural-urban migration – the Harris Todaro migration model and policy implications

Module 2: Dualism and economic development

Dualism – geographic, social and technological; the theory of cumulative causation; the regional inequalities in the context of economic development; the inverted U relationship; international inequality and the centre periphery thesis; dependency, exploitation and unequal exchange; the dualistic development thesis and its implications

Module 3: Environment and Development

Basic issues of environment and development – population, resources and the environment; poverty, economic growth, rural development, urban development and the environment; simple model of environment and economic activity; environmental degradation and externalities; common property resources, public goods and the free-rider problem; renewable and non-renewable resources; environmental values and their measurement; concept of sustainable development; basics of climate change

Module 4: Financing Economic Development

Saving, capital formation and economic development; rural financial intermediaries, micro credit and economic development; financial liberalisation, financial inclusion and economic development; taxation, public borrowing and economic development; inflation, saving and growth – the Keynesian approach; foreign finance, investment and aid – controversies and opportunities; private foreign investment and private portfolio investment; growing role of non-governmental organisations

Module 5: Globalisation, international trade and economic development:

Trade and economic development; export led growth; trade liberalisation and growth of exports; terms of trade and economic growth – the Prebisch Singer Hypothesis; trade strategies for development – import substitution vs export promotion; international commodity agreements; trade vs aid.

Readings

1. Debraj Ray (2009): *Development Economics*, Oxford University Press
2. Partha Dasgupta (2007): *Economics, A Very Short Introduction*, Oxford University Press.
3. Abhijit Banerjee, Roland Benabou and Dilip Mookerjee (2006): *Understanding Poverty*, Oxford University Press.
4. Thomas Schelling (1978): *Micromotives and Macrobehavior*, W. W. Norton.
5. Albert O. Hirschman (1970): *Exit, Voice and Loyalty: Responses to Decline in Firms, Organizations and States*, Harvard University Press.
6. Elinor Ostrom (1990): *Governing the Commons: The Evolution of Institutions for Collective Action*, Cambridge University Press.
7. Dani Rodrik (2011): *The Globalization Paradox: Why Global Markets, States and Democracy Can't Coexist*, Oxford University Press.

SKILL ENHANCEMENT COURSES (SEC)

SEMESTER-IV

SEC-II: FINANCIAL ECONOMICS

Course Description

This course intends to explain the ideas on financial system in India. It will help the students to enhance their knowledge on concepts like financial institutions, instruments and markets, their functioning and usage in real world.

Module I: Financial system

The structure of the financial system- Functions of the financial sector-Indicators of financial development; Financial System and Economic Development; financial inclusion: concept and its evolution; policy initiatives on financial inclusion.

Module II: Interest rate policy

Theories of interest rate determination-Level of interest rates-Long period and short period rates-Administered interest rates; Deregulation of interest rates; financial sector reforms in India.

Module III: Money market

Money Market: features; objectives; features of a developed and under developed money market; importance of money market; composition of money market: organized and unorganized; money market institutions and instruments; features and problems of Indian money market.

Module IV: Capital Market

Capital market: composition; Primary and secondary market for securities. Functions of new issue and secondary market; organizations of stock exchanges in India; defects in Indian stock exchange; SEBI; its objectives and functions

Module V: Non-Banking Financial Companies

Non-Banking Financial Companies: Hire purchase Companies-Venture Capital Companies. Insurance Sector: objectives, functions, life insurance and general insurance; IRDA and its role and functions in financial markets.

Basic Reading List

1. M.Y.Khan-Indian Financial System, Tata McGraw Hill, New Delhi.
2. L.M.Bhole: Financial institutions and Market, Tata McGraw hill, New Delhi. Gordon & Natrajan: Financial Market and institutions, Himalaya Publishing house.

DISCIPLINE SPECIFIC ELECTIVE (DSE)

SEMESTER-V

DSE-1 : ODISHA ECONOMY

Course Description

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

Module I: Odisha Economy before 1947

Orissa's Economy in the Nineteenth Century: Benevolence or Exploitation, Forces of Nature, Animal Power, The Company Steps in, Public Works and Public Health, Education, Disintegration of Village Economy, New Social Environment, Changing Position of Social Classes, The Moneylenders, The Borrowers, Money-flows from Village to Metropolis, Pauperization of Peasantry, The Wage Earners, Demographic Changes, Profiting from Rural Adversity; Diarchy in 1919 and Separation of Provincial Finances from Central Government in 1937; Emergence of Federal Finance (Ref.: Das 1976a and 1976b, GoO 2016).

Module II: Macro Economy of Odisha

A macro glance of Odisha economy: aggregate income, broad sectoral decomposition, performance of districts, employment, child labour and bonded labour, employment programmes, consumption expenditure, cost of living; Odisha State public finances (Chapter 14 and 15 of Ref 1; & Chapter 2 and 9 of Ref 2)

Module III: Agriculture Sector Development in Odisha

Agriculture: land ownership and land tenure, agricultural wages and rural unemployment, production and productivity of major crops, agricultural inputs, agricultural policy; Animal Husbandry; Fisheries (Chapter 1 to 3 of Ref 1; & Chapter 3 of Ref 2)

Module IV: Industry, Infrastructure and Environment

Industry: Investment, industrial policy, and the growth of large industries, mining and quarrying; Construction; tertiary sector: tourism, transport and power; Water Resources, Forest Resources (Chapter 4 to 8 of Ref 1; & Chapter 4 & 5 of Ref 2)

Module V: Social Sector in Odisha

Poverty: income poverty and inequality; health sector: outcomes, infrastructure, finance, public health, NRHM; education: Literacy, Primary education, secondary education, higher education, SSA; human development (Chapter 9 to 13 of Ref 1; & Chapter 7 & 8 of Ref 2)

Reading List:

1. Nayak, P., Panda, S. C., Pattanaik, P. K. (2016): **The Economy of Odisha: A Profile**, Oxford University Press, New Delhi
2. GoO (2012): **Odisha Economic Survey 2015-16**, Planning and Convergence Department, Directorate of Economics and Statistics, Government of Odisha, Bhubaneswar

3. GoO (2004): *Human Development Report 2004 Orissa*, Planning and Coordination Department, Government of Odisha, Bhubaneswa
4. Mahapatro, S. B. (1980): Inter-Industry Wage Differentials in Orissa: An Empirical Analysis, *Indian Journal of Industrial Relations*, 15(4): 525-536.
5. Vyasulu, V. and Arun, A. V. (1997): Industrialisation in Orissa: Trends and Structure, *Economic and Political Weekly*, 32(22): M46-M53.
6. Das, Binod S. (1976a): Orissa's Economy in the Nineteenth Century, *Social Scientist*, 4(11): 32-46.
7. Das, Binod S. (1976b): Orissa's Economy in the Nineteenth Century: Part Two, *Social Scientist*, 4(12): 38-50.
8. GoO (2016): Commemorative Volume on 80 Years Odisha Budget: Since 1936-37, CEFT-XIMB and Department of Finance, Government of Odish
9. Mohanti, K. K. and Padhi, S. (1995): Employment Situation of Tribal Population in Orissa: 1981 Census Data, *Economic and Political Weekly*, 30(29): 1879-1882
10. Nair, K. R. G. (1993): New Economic Policy and Development of Backward Regions: A Note on Orissa, *Economic and Political Weekly*, 28(19): 939-941.
11. Mohanty, B. (1993): Orissa Famine of 1866: Demographic and Economic Consequences, *Economic and Political Weekly*, 28(1/2): 55-66.
12. Haan, A. de and Dubey, A. (2005): Poverty, Disparities, or the Development of Underdevelopment in Orissa, *Economic and Political Weekly*, 40(22/23): 2321-2329.
13. Samal, K. C. (1998): Poverty Alleviation after Post-Liberalisation: Study of a Tribal Block in Orissa, *Economic and Political Weekly*, 33(28): 1846-185
14. Nayak, P. and Chatterjee, B. (1986): Disguised Unemployment in Agriculture: A Case Study of Rural Orissa, *Indian Journal of Industrial Relations*, 21(3): 310-334.

SEMESTER-V

DSE-2 : RESEARCH METHODOLOGY

Course Description

The course is to develop a research orientation among the students and to acquaint them with fundamentals of research methods. Specifically, the course aims at introducing them to the basic concepts used in research and to scientific social research methods and their approach. It includes discussions on sampling techniques, research designs and techniques of analysis.

Module I: Basics of Research

Introduction to Research: Meaning, Objectives, Motivation, Types, Approaches, Significance, Research Process, Criteria of Good Research; Qualities of a Good Researcher, Research as a Career

Module II: Research Problem

Defining the Research Problem: What is a Research Problem? Selecting the Problem, Necessity of Defining the Problem, Technique Involved in Defining a Problem; Research Design: Meaning, Need, Features of a Good Design, Important Concepts Relating to Research Design, Different Research Designs, Basic Principles of Experimental Designs

Module III: Measurement and Scaling Technique

Measurement in Research, Measurement Scales, Sources of Error in Measurement, Tests of Sound Measurement, Techniques of Measurement Tools, Scaling and Important Scaling Technique

Module IV: Problems in Research

Research Ethics: codes and ethics, permissions to research, responsibilities, confidentiality, feedback, participatory research; Research Proposal and literature review: research proposal, review of literature, levels of analysis, using the library and internet, abstracting, word processing, plagiarism

Module V: Actions in Research

English in report writing: words, sentences, paragraph, writing style; The Report: improving quality, sections, drawing conclusions, evaluation checklists, persistence; Common Citation Styles

Basic Readings

1. Kothari, C. R. (2004): **Research Methodology: Methods and Techniques**, New Age International Private Limited Publishers, New Delhi.
2. Guthrie, G. (2010): **Basic Research Methods**, Sage Publications India Private Limited, New Delhi.
3. Monippally, M. M. (2010): **Academic Writing: A Guide for Management Students and Researchers**, Response Books (Sage), New Delhi, Pp. 196-217

Additional Readings

1. Young, P. V. (1996): **Scientific Social Survey and Research**, PHI Learning Private Limited, New Delhi
2. Dooley, D. (2008): **Social Research Methods**, Prentice-Hall of India Private Limited, New Delhi

SEMESTER-VI

DSE-3 : INTERNATIONAL ECONOMICS

Course Description

This course introduces the students to international trade and finance to understand the theories of international trade and develop insights into trade policy and balance of payments. The course also develops insight into international financial system and the trade policy of India.

Module I: Importance of Trade and Trade Theories

Importance of the study of International Economics; Inter-regional and international trade; Need for a separate theory of international trade; Theories of Trade- absolute advantage, comparative advantage and opportunity cost; Heckscher-Ohlin theory of trade — its main features, assumptions and limitations

Module II: Trade and Economic Growth

Concepts of terms of trade and their importance; Doctrine reciprocal demand – Offer curve techniques; Gains from trade— their measurement and distribution; International Trade and Growth: Small and Open country cases; Tariffs and quotas – their impact in partial equilibrium analysis; Free trade and policy of tariffs in relation to economic growth with special reference to India

Module III: Exchange Rate

Concept and Types of Exchange Rate (bilateral vs trade-weighted exchange rate, cross exchange rate, spot, forward, futures), Demand for and Supply of foreign exchange, Exchange Rate Determination: Purchasing-Power Parity Theory, The Monetary Model of Exchange Rates, Asset or Portfolio Model of Exchange Rates. Fixed versus Flexible exchange rate

Module IV: Balance of Trade and Payments

Concepts and components of balance of trade and balance of payments; Equilibrium and disequilibrium in balance of payments; Consequences of disequilibrium in balance of payments; Various measures to correct deficit in BoPs; Foreign trade multiplier- Concept and implications; Present balance of payment position of India – Need for and rationale of trade reforms in India including partial and full convertibility of rupee; recent export and import policies in India

Module V: International Economic Institutions

Functions of IMF, World Bank, WTO and Asian Development Bank — Their achievements and failures; Their Role from the point of view of India; Forms of economic cooperation; Reforms for the emergence of international monetary system and trading blocs at the global level

Reading List:

1. Krugman Paul R. and Obstfeld Maurice. *International Economics*, Pearson Education
2. Salvatore Dominick. *International Economics*, Wile India
3. Sodersten Bo and Reed J. *International Economics*, McMillan Publishe
4. Carbaugh Robert. *International Economics*, South-Western College Publication.
5. Gandolfo Giancarlo. *International Trade Theory and Policy*, Springer Publication
6. Gandolfo Giancarlo. *International Finance and Open-Economy Macro Economics*, Springer Publication
7. Copeland Laurence. *Exchange Rates and International Finance*, Addison Wesley, Publication
8. Kanan, P. B. (1994): *The International Economy*, Cambaridge University Press, London.
9. Kindleberger, C. P. (1973): *International Economics*, R.D. Irwin, Homewood.

SEMESTER-VI

DSEG-4 : ECONOMICS OF AGRICULTURE (PROJECT)

Course description

This course introduces the students to significance of agriculture in the Indian economy and helps to understand the role agriculture in economic development. It is designed to develop insights into changing agricultural practices in India and assess the significance of agriculture in the era of liberalisation.

Module I

Role of Agriculture in Economic Development, Economic growth – sectoral changes and agriculture, agriculture in rural development, farm and non-farm employment issues, inter-linkages between agriculture and industry; empirical evidence of inter-dependence between agriculture and industry

Module II

Traditional Agriculture: characteristics; Schultz's hypothesis – its criticisms; Mechanization of Indian Agriculture; Case for and against farm mechanization; Green revolution and trends of mechanization in India

Module III

Agricultural price policy for a developing economy – objectives and effectiveness of agricultural price policy, elements of agricultural price policy, features of an ideal agricultural price policy, agricultural price policy in India and public distribution system

Agricultural marketing – need and criteria for assessing efficiency, agricultural marketing system in India, development of a national agricultural marketing platform

Module IV

Risk and uncertainty in agriculture – difference between risk and uncertainty, types of uncertainty in agriculture, measures for mitigating risk and uncertainty in agriculture, new agricultural insurance scheme of India

Rural credit in India, importance and estimates, agencies for rural credit, review of progress of institutional finance in rural India since independence

Module V

Agriculture in Indian Planning, Globalization and Indian agriculture, Case for and against privatization of agriculture, WTO and India's trade in agricultural commodities

Reading List:

1. Ghatak, S and K. Ingerscent (1984), Agricultural and Economic Development, Select Books, New Delhi.
2. Rudra, A (1982), Indian Agricultural Economics: Myths and Realities, Allied Publishers, New Delhi
3. Sony, R. N. (2006), Leading Issues in Agricultural Economics, Vishal Publishing, Jalandhar
4. Tyagi, B. P. (1998), Agricultural Economics and Rural Development, J. P. Nath Publishing, Meerut.
5. Sadhu, A N and A Singh (2008), Fundamentals of Agricultural Economics, Himalaya Publishing House, Mumbai.
6. Lekhi, R K and Joginder Singh (2008), Agricultural Economics, Kalyani Publishers, Ludhiana.

GENERIC ELECTIVE

SEMESTER-I & III

GE-I: INDIAN ECONOMY

Course Description:

This paper introduces the students to the essentials of Indian economy with an intention of understanding the basic feature of the Indian economy and its planning process. It also aids in developing an insight into the agricultural and industrial development of India. The students will understand the problems and policies relating to the agricultural and industrial sectors of India and current challenges of Indian economy.

Module I: Introduction to Indian Economy

Colonialism & British Rule: Exploitation and under-development in India; Basic features of India Economy; Indian Economy as a developing economy; Demographic trends in India - Size and growth of population, Occupational structure, Sex composition, Age structure and demographic dividend; Causes of population growth and population policy

Module II: Indian Agriculture

Role of agriculture in Indian Economy; Cause of low productivity, Green Revolution and Land Reforms, Agricultural Finance-Sources and Problems; Agricultural Marketing in India

Module III: Industrial Development in India

Role of Industrialisation in Indian Economy; Small Scale & Cottage Industries: Meaning, Role, Problems and Remedies; Industrial Policies of 1948, 1956, 1977 and 1991; Problems of Industrial Development in India; Industrial Sickness

Module IV: Service Sector in India

Growth & Contribution to GDP; Composition and relative importance of service sector; Factors determining growth of the sector; ICT and IT – Spread and Policy; Sustainability of services led growth

Module V: Current Challenges facing Indian Economy

Unemployment – Meaning; important employment Generation programmes, MGNREGS; Inequality in income distribution-Causes thereof; Government policy to check its growth

Basic Readings:

1. Kapila U. *Indian economy since Independence*. Academic Foundation, New Delhi
2. Misra, S. K. and Puri V. K. *Indian Economy — Its Development Experience*. Himalaya Publishing House, Mumbai
3. Dutt R. and Sundharam K. P. M. *Indian Economy*. S. Chand & Company Ltd., New Delhi.
4. Agarawala, A. N. *Indian Economy*, New Age Publications, New Delhi
5. Panagariya, Arvind (2008): *India: the Emerging Giant*, Oxford University Press, New York
6. Acharya, S. and Mohan, R. (Eds.) (2010): *India's Economy: Performance and Challenges*, Oxford University Press, New Delhi.
7. Ahluwalia, I. J. and Little, I. M. D. (Eds.) (1998): *India's Economic Reforms and Development: Essays for Manmohan Singh*, Oxford University Press, New Delhi.

SEMESTER-II & IV

GE : INDIAN ECONOMY II

Course Description:

This paper is the part II of Indian economy deals with the external sector, financial markets in India, Indian Public Finances and Economic Reforms. This paper also throws some light on current challenges of Indian Economy.

Module I: External Sector in India

Trends, Composition & Direction in exports from and imports of India; Problems of Balance of Payment: Causes of deficit in BoP & measures to correct it; Trade Policy- Export Promotion Vs Import Substitution; Foreign Trade Policy of India; WTO and India.

Module II: Financial Markets in India

Commercial Banking in India- Nationalisation of Banks; Lead bank scheme and branch expansion; RBI - Functions, Monetary Policy; Development Banking- IFCI, IDBI, SIDBI and NABARD.

Module III: Indian Public Finance

Public Expenditure-Growth and Composition, Causes of Growth of Public Expenditure in India: Tax Revenue of Central and State Governments; Concept of VAT; Deficit Financing in India- Revenue, Budget, Fiscal and Primary Deficits; Purpose and Effects of Deficit Financing; India's Fiscal Policy-Objectives.

Module IV: Economic Reforms, Globalisation in India, Foreign Capital and MNCs

Genesis of Reforms, Macroeconomic Stabilisation, Structural Reforms, Appraisal Globalisation and its impact on the Indian Economy; Foreign Capital-Need, Components; MNCs - Reasons for Growth and Appraisal.

Module V: Current Challenges Facing Indian Economy

Inflation – Causes, Consequences and Anti-inflationary Policy; Poverty – Poverty line and Estimates, Major Poverty Alleviation Programmes; Environmental Degradation – Growth and Environment; Population Growth and Environment; Environment Policy.

Basic Readings:

1. Kapila U. *Indian economy since Independence*. Academic Foundation, New Delhi
2. Misra, S. K. and Puri V. K. *Indian Economy — Its Development Experience*. Himalaya Publishing House, Mumbai
3. Dutt R. and Sundharam K. P. M. *Indian Economy*. S. Chand & Company Ltd., New Delhi.
4. Agarawala, A. N. *Indian Economy*, New Age Publications, New Delhi
5. Panagariya, Arvind (2008): *India: the Emerging Giant*, Oxford University Press, New York
6. Acharya, S. and Mohan, R. (Eds.) (2010): *India's Economy: Performance and Challenges*, Oxford University Press, New Delhi.
7. Ahluwalia, I. J. and Little, I. M. D. (Eds.) (1998): *India's Economic Reforms and Development: Essays for Manmohan Singh*, Oxford University Press, New Delhi.