

SYLLABUS FOR
B.A. (HONOURS) ECONOMICS
UNDER CHOICE BASED CREDIT SYSTEM

To be Approved by
the Board of Studies of Economics
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SAMBALPUR UNIVERSITY
JYOTI VIHAR, BURLA – 768019
ODISHA, INDIA

Syllabus for B.A. (Hons.) Economics

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

There are a total of fourteen economics **core courses** that students are required to take across six semesters. All the core courses are compulsory. In addition to core courses in economics, a student of B.A. (Hons.) Economics will choose four Discipline Specific Elective (DSE) Courses. The Discipline Specific Elective (**DSE**) Courses are offered in the fifth and sixth semesters and two such courses will be selected by a student from a set of courses specified for each of these semesters (Groups I and II in the attached table). It is recommended that each college should offer at least three Discipline Specific Elective (DSE) Courses in the fifth and sixth semesters to allow the students some minimal element of choice. Further, a student will take two **Skill Enhancement Courses** (SEC-I & SEC-II) in third and fourth semesters. For this she/he can choose one out of the two choices (for example, one out of SEC-Ia & SEC-Ib; similarly he/she can take SEC- Ila or SEC-IIb).

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

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

Besides own subject, students will study subjects of other Departments. **Generic Elective Courses** (GEC) are meant for this. The students of Economics (Hons) will choose Generic Elective Course (GEC) from other Departments. Students of other Department (Hons) may choose Economics as Generic Elective Course. The GECs are offered in first, second, third and fourth semesters.

Students will also study **Ability Enhancement Compulsory Course (AECC)-I & Ability Enhancement Compulsory Course (AECC)-II** in first and second semester respectively.

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

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

Semester-III	Semester-IV
Economics Core Course 5 : Intermediate Microeconomics-I	Economics Core Course 8 : Intermediate Microeconomics-II
Economics Core Course 6 : Intermediate Macroeconomics-I	Economics Core Course 9 : Intermediate Macroeconomics-II
Economics Core Course 7 : Statistical Methods for Economics	Economics Core Course 10 Public Economics
Skill Enhancement Course (SEC)-I: a.Computer Application, /b. Tribal Economy	Skill Enhancement Course (SEC)-II: a. Odisha Economy, /b. Odisha Budget
Generic Elective Course(GEC) -III	Generic Elective Course(GEC) -IV

Semester-V	Semester-VI
Economics Core Course 11 : Indian Economy-I	Economics Core Course 13 : Indian Economy-II
Economics Core Course 12 : Development Economics-I	Economics Core Course 14 : Development Economics-II
Discipline Specific Elective (DSE) Course-I (From List of Group-I)	Discipline Specific Elective (DSE) Course-III (From List of Group-II)
Discipline Specific Elective (DSE) Course-II (From List of Group-I)	Discipline Specific Elective (DSE) Course-IV (From List of Group-II)
Group-I (Discipline Specific Elective (DSE))	Group-II (Discipline Specific Elective

Courses)	(DSE) Courses)
(i) Economics of Health and Education	(v) Political Economy-II
(ii) Political Economy-I	(vi) Financial Economics
(iii) Money and Banking	(vii) Environmental Economics
(iv) New Institutional Economics	(viii) International Economics

Course Structure for Economics as Generic Electives

(N.B. The students of Economics (Hons) shall choose Generic Elective from Other departments)

Semester	Code	Course Title
I	GECI	Introductory Microeconomics
II	GECII	Introductory Macroeconomics
III	GEC-III (Choose A or B)	A. Indian Economy -I
		B. Money and Banking
IV	GEC-IV(Choose A or B)	A. Indian Economy- II
		B. Public Economics

Core Economics Course 1: INTRODUCTORY MICROECONOMICS

Course Description

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

Course Outline

1. Exploring the subject matter of Economics

Why study economics? Scope and method of economics; the economic problem: scarcity and choice; the question of what to produce, how to produce and how to distribute output; science of economics; the basic competitive model; opportunity sets.

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

Markets and competition; determinants of individual demand/supply; demand/supply schedule and demand/supply curve; market versus individual demand/supply; shifts in the demand/supply curve, demand and supply together; Price determination; consumer surplus; producer surplus and the efficiency of the markets.

3. The Households

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

4. The Firm and Market Structure

Behavior of profit maximizing firms and the production process; short run costs and output decisions; costs and output in the long run; Perfect competition and monopoly.

5. Input Market (Labour)

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

Readings

Text Book

1. Karl E. Case and Ray C. Fair, *Principles of Economics*, Pearson Education Inc., 8th Edition, 2007.

Reference Books

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

Core Economics Course 2: MATHEMATICAL METHODS IN ECONOMICS–I

Course Description

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

Course Outline

1. Preliminaries

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

2. 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

3. 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

4. Functions of two or more independent variables

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

5. Integration of functions

Indefinite integrals: Rules of integration; Techniques of integration- substitution rule, integration by parts and partial fraction; Definite integrals.

Readings:

Text Book

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

Reference Book

A.C. Chiang and Kelvin Wainwright, *Fundamental Methods of Mathematical Economics*, McGraw Hill, 2017

Course Description

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

Course Outline

1. Introduction to Macroeconomics and 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.

2. Measurement of Macroeconomic Variables

Rules and approaches of Measurement of GDP (Income, expenditure, product and Value added approaches), Difficulties of Estimating National Income, Circular Flow of Income and expenditure in two, and three, -sector economy.

3. Money

Functions of money; Quantity Theory of Money –Cash Transactions, Cash Balances and Keynesian Approaches; determination of money supply and demand; credit creation; tools of monetary policy.

4. Inflation, Deflation and Stagflation

Inflation- Meaning, Types, causes and effects. Demand-pull and cost-push inflation; the cost of inflation and anti-Inflationary Measures; Deflation- Meaning, Causes, Costs and Anti-Deflationary Measurers, Stagflation.

5. The Closed Economy in the Short Run

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.

Readings:

Text Books

1. Mukharjee, Sampat, *Macroeconomics- a Global Perspective* New Central Book Agency (P)Ltd. London, New Delhi, Guwahati
Reference Book
2. N. Gregory Mankiw. *Macroeconomics*, Worth Publishers, 7th edition, 2010.

Reference Books

3. Edward Shapiro, *Macroeconomic Analysis*, 5th Edition, 2013.
4. Dornbusch, Fischer and Startz, *Macroeconomics*, McGraw Hill, 11th edition, 2010.
5. Olivier Blanchard, *Macroeconomics*, Pearson Education, Inc., 5th edition, 2009.
6. Richard T. Froyen, *Macroeconomics*, Pearson Education Asia, 2nd edition, 2005.
7. Andrew B. Abel and Ben S. Bernanke, *Macroeconomics*, Pearson Education, Inc., 7th edition, 2011.

Core Economics Course 4: MATHEMATICAL METHODS IN ECONOMICS - II

Course Description

This course is the second part of a compulsory two-course sequence. This part is to be taught in Semester II following the first part in Semester I. The objective of this sequence is to transmit the body of basic mathematics that enables the study of economic theory at the undergraduate level, specifically the courses on microeconomic theory, macroeconomic theory, statistics and econometrics set out

in this Syllabus. In this course, particular economic models are not the ends, but the means for illustrating the method of applying mathematical techniques to economic theory in general. The level of sophistication at which the material is to be taught is indicated by the contents of the prescribed textbook.

Course Outline

1. 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.

2. Linear models

Input- Output Model: Basic concepts and structure of Leontief's open and static Input-Output model; The closed model.

3. Dynamic Methods

Linear first order differential equations, linear second order differential equations. Linear first-order difference equations, linear second order difference equations.

N.B. Trigonometric functions are excluded

4. 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.

5. 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:

Text Book

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

Reference Book

A.C. Chiang and Kelvin Wainwright, *Fundamental Methods of Mathematical Economics*, McGraw Hill, 2017

Core Economics Course 5: INTERMEDIATE MICROECONOMICS – I

Course Description

The course is designed to provide a sound training in microeconomic theory to formally analyze the behavior 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 behavior of the consumer and the producer and also covers the behavior of a competitive firm.

Course Outline

1. Consumer Theory I

Income and Substitution Effects: Demand Functions, Changes in Income, Changes in a Good's Price, The Individual's Demand Curve, Compensated (Hicksian) Demand Curves and Functions, Demand Elasticities, Consumer Surplus; Demand Relationships among Goods: The Two-Good Case, Substitutes and Complements, Net (Hicksian) Substitutes and Complements, Composite Commodities, Application of Indifference Curve (Tax, Work efforts vs Leisure).

2. Consumer Theory II

Axioms of Rational Choice, Utility Functions for Specific Preferences, Utility Maximization and Choice: The Two-Good Case (Graphical Analysis), Indirect Utility Function, The Lump Sum Principle, Expenditure Minimization, Properties of Expenditure Function.

3. Cost Functions

Definition of Costs, Cost Functions and its Properties, Shift in Cost Curves, the elasticity of substitution, Cost in the Short-Run and Long-Run, Long-Run vs Short-Run Cost Curves, Iso-cost line.

4. Production Theory

Isoquant Maps and the Rate of Technical Substitution, Production with One Variable Input (labour) and with Two-Variable Inputs, Producer's equilibrium (cost minimization and output maximization), Expansion path, Returns to Scale, Four Simple Production Functions (Linear, Fixed Proportions, Cobb-Douglas, CES).

5. Basic Concepts relating to Profit Maximization

Derivation of average revenue and marginal revenue curves under different market conditions and their relationships; General conditions for profit maximization, Relationship of average revenue, marginal revenue with elasticity of demand.

Readings:

Text Books

1. R. S. Pindyck, D. N. Rubinfeld and P. L. Meheta (2009): *Microeconomics*, 7th Edition, Pearson, New Delhi.
2. Hal R. Varian, *Intermediate Microeconomics, a Modern Approach*, W.W. Norton and Company/Affiliated East-West Press (India), 8th edition, 2010. The workbook by Varian and Bergstrom may be used for problems.

Reference Books

3. C. Snyder and W. Nicholson, *Fundamentals of Microeconomics*, Cengage Learning (India), 2010.
4. B. Douglas Bernheim and Michael D. Whinston, *Microeconomics*, Tata McGraw-Hill (India), 2009.

Core Economics Course 6: INTERMEDIATE MACRO ECONOMICS – I

Course Description

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

Course Outline

1. 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.

2. 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.

3. 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.

4. Inflation, Unemployment and Expectations, and Trade Cycles

Inflation – Unemployment Trade off and the Phillips Curve – Short run and Long run Analysis; Adaptive and Rational Expectations; 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

5. 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.

Readings:

Text Books

1. Edward Shapiro, *Macroeconomic Analysis*, 5th Edition, 2013.
2. Andrew B. Abel and Ben S. Bernanke, *Macroeconomics*, Pearson Education, Inc., 7th edition, 2011, Delhi.

Reference Books

3. Dornbusch, Fischer and Startz, *Macroeconomics*, McGraw Hill, 11th edition, 2010.
4. N. Gregory Mankiw. *Macroeconomics*, Worth Publishers, 7th edition, 2010.
5. Olivier Blanchard, *Macroeconomics*, Pearson Education, Inc., 5th edition, 2009.

Core Economics Course 7: STATISTICAL METHODS FOR ECONOMICS

Course Description

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

Course Outline

1. 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.

2. Correlation and Regression Analysis

Elementary Analysis of Linear Correlation: Covariance, Scatter Diagram, Karl Pearson's Coefficient of Correlation–Properties and the Method of Calculation, Concept of Spearman's Rank Correlation. The Concept of Regression, Regression

Lines and their Estimation in a Bivariate series, Least Squares Method, The coefficient of determination (r^2) and Standard Error of Estimate.

3. 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.

4. 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.

5. Sampling

Principal steps in a sample survey; Errors in statistics: sampling vs. non-sampling errors, methods of sampling: simple and stratified random sampling, Selection of a simple random sample, Systematic sampling, Cluster and Multistage sampling, Quota sampling.

Readings:

Text Book

1. S. C. Gupta, *Fundamentals of Statistics*, Himalaya Publishing House, Delhi.

Reference Books

2. Jay L. Devore, *Probability and Statistics for Engineers*, Cengage Learning, 2010.
3. Murray R. Spiegel, *Theory & Problems of Statistics*, Schaum's publishing Series
4. P. Mukyopadhyay, *Mathematical Statistics*. Kolkata Publishing House.
5. A. M. Mood, F A. Graybill, and D. C. Boes, *Introduction to the Theory of Statistics*, McGraw Hill.
6. William G. Cochran, *Sampling Techniques*, John Wiley, 2007

Core Economics Course 8: INTERMEDIATE MICROECONOMICS – II

Course Description

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

Course Outline

1. The Partial Equilibrium Competitive Model

Market Demand, Timing of the Supply Response, Pricing in the Very Short-Run, Short-Run Price Determination, Shifts in Supply and Demand Curves – a Graphical Analysis, Mathematical Model of Market Equilibrium, Long-Run Analysis: Long-Run Equilibrium-Constant Cost Case, Shape of the Long-Run Supply Curve, Long-Run Elasticity of Supply, Comparative Statics An analysis of Long-Run Equilibrium, Price Controls and Shortages.

2. General Equilibrium and Welfare

Concept of Pareto Optimality, Edgeworth's box diagram, Static properties of a General Equilibrium state (2X2X2 models), optimal input output mix, Social indifference curve, Utility possibility frontier and the concept of constraint Bliss, First and Second theorems of Welfare Economics.

3. Monopoly

Barriers to Entry, Profit Maximization and Output Choice, Monopoly and resource Allocation, Price Discrimination, conditions for Price Discrimination, Second Degree Price Discrimination through Price Schedules, Equilibrium under Price Discrimination, Dumping, Regulation of Monopoly.

4. Oligopoly

Oligopoly: Types; Collusive and non-collusive; Bertrand model, Cournot model, Kinked demand curve; Cartel, Price leadership and dominant firm concept.

5. Market Failure

Asymmetric information: adverse selection (the Theory of Lemons); principal-agent problem-Moral hazard- signaling, externalities and allocative inefficiency, Pigovian Tax-subsidy measures.

Readings:

Text Books

1. R. S. Pindyck, D. N. Rubinfeld and P. L. Meheta (2009): *Microeconomics*, 7th Edition, Pearson, New Delhi.
2. Hal R. Varian, *Intermediate Microeconomics, a Modern Approach*, 8th edition, W.W. Norton and Company/Affiliated East-West Press (India), 2010.

Reference Books

3. Hal R. Varian, *Answers to Exercises, Micro Economics analysis* , W.W. Norton & Company, 1992 (for solving problems).
4. C. Snyder and W. Nicholson, *Fundamentals of Microeconomics*, Cengage Learning (India), 2010.

Core Economics Course 9: INTERMEDIATE MACROECONOMICS- II

Course Description

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

Course Outline

1. 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.

2. 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.

3. Macroeconomic Policy

The Goals of Macroeconomic Policy; 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, Implications of Targeting the Interest Rate, Limits to Monetary Policy.

4. Classical and Keynesian Macroeconomic Thoughts

Keynes vs. the Classics – Aggregate Demand and Aggregate Supply, Wage Price Flexibility, money wage rate rigidity and Underemployment Equilibrium. Monetarists and Friedman’s Reformulation of Quantity Theory.

5. New Classical and New Keynesian Macroeconomic Thoughts

New Classical Economics: Natural rate of unemployment, long run Philip’s curve, adaptive and rational expectations, policy ineffectiveness.

New Keynesian counter critiques: Imperfect competition in the product and factor markets, Shirking model, Efficiency wage hypothesis, manu cost model.

Readings:

Text Books

1. Andrew B. Abel and Ben S. Bernanke, *Macroeconomics*, Pearson Education, Inc., 7th edition, 2011
2. N. Gregory Mankiw. *Macroeconomics*, Worth Publishers, 7th edition, 2010.

Reference Books

3. Dornbusch, Fischer and Startz, *Macroeconomics*, McGraw Hill, 11th edition, 2010.
4. Olivier Blanchard, *Macroeconomics*, Pearson Education, Inc., 5th edition, 2009.

Core Economics Course 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.

Course outline

1. 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;

2. Public Expenditure

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

3. 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

4. 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.

5. Public Debt

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

Readings:

Text Books

1. R. A. Musgrave and P. B. Musgrave (1989): Public Finance in Theory and Practices. McGraw Hill
2. J. Hindriks and G. Myles (2006): Intermediate Public Economics, MIT Press

Reference Books

3. B. P. Herber (1975): Modern Public Finance. Irwin Series in Economics.
4. B. Mishra (1978): Public Finance, Macmillan India limited.

Core Economics Course 11: INDIAN ECONOMY-I

Course Description

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

Course Outline

1. Introduction to Indian Economy

Major features of Indian Economy; Trend in National Income and Per capita income; Growth and development under different plans.

2. Population and Human Development

Broad demographic features — Population size and growth rates; Sex and age composition, Occupational distribution; Density of population, Urbanisation and economic growth in India. Population growth as a factor of economic development, National Population Policy.

3. Growth and Distribution

Growth and its sectoral decomposition; Trends, measurement and policies in poverty, Inequality, and Unemployment.

4. Economic Planning in India

Economic planning: Planning Commission and its functions; Role of NITI in economic transformation.

5. Rationale for Economic Reforms in nineties

Indian economic failure: Extensive bureaucratic control over production, investment and trade, inward looking trade policies, a dominant public sector.

Readings:

Text Books

1. Uma Kapila (ed) (2018) *Indian Economy since Independence: A comprehensive and critical analysis of India's economy, 1947-2017*, Academic Foundation, New Delhi.
2. R. Datta and K.P.M. Sundaram (2004) *Indian Economy*, S. Chand, New Delhi.

Reference Books

3. Jean Dreze and Amartya Sen, Jean Dreze and Amartya Sen, 2013. *An Uncertain Glory: India and its Contradictions*, Princeton University Press.
4. Pulapre Balakrishnan, 2007, The Recovery of India: Economic Growth in the Nehru Era, *Economic and Political Weekly*, November.
5. Rakesh Mohan, 2008, —Growth Record of Indian Economy: 1950-2008. A Story of Sustained Savings and Investment, *Economic and Political Weekly*, May.
6. S.L. Shetty, 2007, —India's Savings Performance since the Advent of Planning, in K.L. Krishna and A. Vaidyanathan, editors, *Institutions and Markets in India's Development*.
7. Himanshu, 2010, Towards New Poverty Lines for India, *Economic and Political Weekly*, January.
8. Jean Dreze and Angus Deaton, 2009, Food and Nutrition in India: Facts and Interpretations, *Economic and Political Weekly*, February.
9. Himanshu. 2011, —Employment Trends in India: A Re-examination, *Economic and Political Weekly*, September.
10. Rama Baru et al, 2010, —Inequities in Access to Health Services in India: Caste, Class and Region, *Economic and Political Weekly*, September.
11. Geeta G. Kingdon, 2007, —The Progress of School Education in India, *Oxford Review of Economic Policy*.
12. J.B.G. Tilak, 2007, —Post Elementary Education, Poverty and Development in India, *International Journal of Educational Development*.
13. T. Dyson, 2008, —India's Demographic Transition and its Consequences for Development in Uma Kapila, editor, *Indian Economy Since Independence*, 19th edition, Academic Foundation.
14. Kaushik Basu, 2009, —China and India: Idiosyncratic Paths to High Growth, *EPW*, September.
15. K. James, 2008, —Glorifying Malthus: Current Debate on Demographic Dividend in India, *Economic and Political Weekly*, June.
16. Reetika Khera, 2011, —India's Public Distribution System: Utilisation and Impact *Journal of Development Studies*.
17. Aniruddha Krishna and Devendra Bajpai, 2011, —Lineal Spread and Radial Dissipation: Experiencing Growth in Rural India, 1992-2005, *EPW*, September.

Core Economics Course 12: DEVELOPMENT ECONOMICS-I

Course Description

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

Course Outline

1. Conceptions of Development

Economic growth and development, Factors affecting economic development, Obstacles to economic development, Indicators of economic development – National income, Per capita income; Basic needs approach, PQLI, HDI, GDI, Capital formation and economic development.

2. Theories of Economic Development & Growth

Classical, Marxian, and Schumpeterian theory of economic development, Rostow's stages of economic growth.

3. Poverty and Inequality: Definitions, Measures and Mechanisms

Understanding Poverty: Measuring Poverty, HCR, Poverty gap ratio, Squared poverty gap ratio, F-G-T ratio, MPI; Inequality axioms; a comparison of commonly used inequality measures, Lorenge curve and Gini coefficient; Institutional aspects of poverty and path dependence.

4. Approaches to Economic Development

Vicious circle of Poverty, Big push, Circular causation, Lewis Theory of unlimited supply of labour, balanced growth and unbalanced growth, critical minimum effort.

5. Land, Labor and Credit Markets

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

Readings

Text Books

1. M.P. Todaro & S.C. Smith (2015) *Economic Development* 12th edition, Pearson
2. AP Thirlwall (2011) *Economics of Development: Theory and Evidence*, Oxford University Press.

Reference Books

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

Core Economics Course 13: INDIAN ECONOMY-II

Course Description

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

Course Outline

1. 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.

2. Industrial Development in India

Trends in industrial output and productivities; Industrial Policies of 1948, 1956, 1977 and 1991; Industrial Licensing Policies – MRTP Act, Competition Act, 2002. Performance of public sector undertakings and their privatization.

3. 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.

4. Indian Public finance

Indian Public Finance: Indian tax system with special reference to VAT & GST; Centre-state financial relation, Role of Finance Commission.

5. External Sector

Balance of Payments of India; India's Trade Policies- export promotion versus import substitution; Foreign Capital – FDI, and MNCs.

Readings:

Text Books

1. Uma Kapila (ed) (2018) *Indian Economy since Independence: A comprehensive and critical analysis of India's economy, 1947-2017*, Academic Foundation, New Delhi.
2. R. Datta and K.P.M. Sundaram (2004) *Indian Economy*, S. Chand, New Delhi.

Reference Books

3. Shankar Acharya, 2010, —Macroeconomic Performance and Policies 2000-8,|| in Shankar Acharya and Rakesh Mohan, editors, *India's Economy: Performances and Challenges: Development and Participation*, Oxford University Press.
4. Rakesh Mohan, 2010, —India's Financial Sector and Monetary Policy Reforms,|| in Shankar Acharya and Rakesh Mohan, editors, *India's Economy: Performances and Challenges: Development and Participation*, Oxford University Press.
5. Pulapre Balakrishnan, Ramesh Golait and Pankaj Kumar, 2008, —Agricultural growth in India Since 1991, *RBI DEAP Study no. 27*.
6. B.N. Goldar and S.C. Aggarwal, 2005, —Trade Liberalisation and Price-Cost Margin in Indian Industries, *The Developing Economics*, September.
7. P. Goldberg, A. Khandelwal, N. Pavcnik and P. Topalova, 2009, —Trade Liberalisation and New Imported Inputs, *American Economic Review, Papers and Proceedings*, May.
8. Kunal Sen, 2010, —Trade, Foreign Direct Investment and Industrial Transformation in India, in Premachandra Athukorala, editor, *The Rise of Asia*, Routledge.
9. A. Ahsan, C. Pages and T. Roy, 2008, —Legislation, Enforcement and Adjudication in Indian Labour Markets: Origins, Consequences and the Way Forward, in D. Mazumdar and S. Sarkar, editors, *Globalization, Labour Markets and Inequality in India*, Routledge.
10. Dipak Mazumdar and Sandeep Sarkar, 2009, —The Employment Problem in India and the Phenomenon of the Missing Middle, *Indian Journal of Labour Economics*.
11. J. Dennis Rajakumar, 2011, —Size and Growth of Private Corporate Sector in Indian Manufacturing, *Economic and Political Weekly*, April.
12. Bishwanath Goldar, 2011, —Organised Manufacturing Employment: Continuing the Debate, *Economic and Political Weekly*, April.
13. Kaushik Basu and A. Maertens, eds, 2013, *The New Oxford Companion to Economics in India*, Oxford University Press.
14. Ramesh Chand, 2010, —Understanding the Nature and Causes of Food Inflation, *EPW*, February.

Core Economics Course 14: DEVELOPMENT ECONOMICS-II

Course Description

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

Course Outline

1. Population and Development

Demographic concepts: birth and death rates, age structure, fertility and mortality; demographic transitions during the process of development; Malthusian population trap and the microeconomic household theory of fertility; rural-urban migration and Harris-Todaro model.

2. Dualism and economic development

Dualism – geographic, social and technological; Myrdal's theory of cumulative causation; the regional inequalities in the context of economic development; the inverted U relationship between spatial inequality and economic development; the centre periphery thesis;

3. Environment and Development

Development and Environment inter-linkage; Environment-Development Kuznet's U shape relationship; economic activity and climate change; Concept of Green G.D.P.; Sustainable development.

4. Financing Economic Development

Saving, capital formation and economic development; Financial sector and economic development; micro credit and economic development; taxation, public borrowing and economic development.

5. International aspects of Economic Development

International trade as an engine of growth; Prebisch, Singer and Myrdal Hypothesis; import substitution vs export promotion for economic development; FDI, MNCs and economic development; Political Economy of Foreign Aid & Development; WTO and developing countries

Readings

Text Book

1. Debraj Ray, *Development Economics*, Oxford University Press, 2009.

Reference Books

2. Partha Dasgupta, *Economics, A Very Short Introduction*, Oxford University Press, 2007.
3. Abhijit Banerjee, Roland Benabou and Dilip Mookerjee, *Understanding Poverty*, Oxford University Press, 2006.
4. Thomas Schelling, *Micromotives and Macrobehavior*, W. W. Norton, 1978.
5. Albert O. Hirschman, *Exit, Voice and Loyalty: Responses to Decline in Firms, Organizations and States*, Harvard University Press, 1970.
6. Raghuram Rajan, *Fault Lines: How Hidden Fractures Still Threaten the World Economy*, 2010.
7. Elinor Ostrom, *Governing the Commons: The Evolution of Institutions for Collective Action*, Cambridge University Press, 1990.
8. Dani Rodrik, *The Globalization Paradox: Why Global Markets, States and Democracy Can't Coexist*, Oxford University Press, 2011.
9. Michael D. Bordo, Alan M. Taylor and Jeffrey G. Williamson (ed.), *Globalization in Historical Perspective*, University of Chicago Press, 2003.

DISCIPLINE SPECIFIC ELECTIVE (DSE) PAPERS: ECONOMICS

GROUP-I

(i) ECONOMICS OF HEALTH AND EDUCATION

Course Description

The importance of education and health in improving well-being is reflected in their inclusion among the Millennium Development Goals adopted by the United Nations member states, which include among other goals, achieving universal

primary education, reducing child mortality, improving maternal health and combating diseases. This course provides a microeconomic framework to analyze, among other things, individual choice in the demand for health and education, government intervention and aspects of inequity and discrimination in both sectors. It also gives an overview of health and education in India.

Course Outline

11. Role of Health and Education in Human Development

Health and education outcomes and their relationship with economic development; their importance in poverty alleviation, social development and human development; Human Development: evolution and conceptual foundation – methodology for building the Human Development Index (HDI)-other related measures like Human Poverty Index (HPI), Gender Related Development Index (GDI), Gender Empowerment Measure (GEM).

2. Economics of Health

Microeconomic Foundations of Health Economics: demand for health and its determinants; uncertainty and health insurance market; market failure and rationale for public intervention; equity in the access to health care.

3. An Overview of Health Sector in India

Burden of disease; access to health care; Health care financing, and Social security measures for health and nutrition in India.

4. Education: Investment in Human Capital

Investment in Human Capital, Rate of return to education: private and social;; Determinants of demand for education, Costs and benefits of education.

5. Education Sector in India: An Overview

Literacy rates, enrolment and dropout rates, school participation, school quality measures; equity in the access to education access to education in India – across gender and caste; Education policies and Government's spending on education.

Readings:

1. Jack William, *Principles of Health Economics for Developing Countries*, World Bank Institute (WBI) development studies*World Bank Institute (WBI) development study. Washington, D.C. : The World Bank. Also available at <http://documents.worldbank.org/curated/en/569351468765045048/Principles-of-health-economics-for-developing-countries>
2. World Development Report, *Investing in Health*, The World Bank, 1993.
3. Human Development Reports, Technical Notes: UNDP-various issues
4. M. Blaug (ed), *Economics of Education*. Vol.I&II English Language Book Society, Penguin books,1972.

(ii) POLITICAL ECONOMY-I

Course Description

This course explores changes in the liberalization of production, labour market institutions and corporate structure. It goes on to study the consequences of globalization, especially of financial flows, for the role of the state, economic performance, human welfare and development with a special reference to India.

Course Outline

1. 1. Introduction and Historical Overview

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

2. The Changing Role of Finance

The changing role of finance in capital accumulation and corporate structure; finance and globalization; financial liberalization and financial crisis.

3. The Social Dimension

Globalisation and the limits of the welfare state, Globalisation and uneven development – growth, inequality and exclusion.

4. Colonial India: Background and Introduction

Overview of colonial economy of India: drain of wealth; international trade, capital flows and the colonial economy.

5. Indian Agriculture

Agrarian structure and land relations; agricultural credit; Green revolution and the New agricultural policy.

Readings:

Text Books

1. Uma Kapila (ed) (2018) *Indian Economy since Independence: A comprehensive and critical analysis of India's economy, 1947-2017*, Academic Foundation, New Delhi.
2. R. Dutt and K.P.M. Sundaram (2004) *Indian Economy*, S. Chand, New Delhi.

Reference Books

3. Michel Beaud, *A History of Capitalism, 1500-2000*, trans. By Tom Dickman and Anny Lefebvre, New York: Monthly Review Press, 2001.
4. Ash Amin (ed.), *Post-Fordism: A Reader*, Blackwell, 1994.
5. Fran Tonkiss, *Contemporary Economic Sociology: Globalisation, Production, Inequality*, Chapter 4 (Fordism and After), Routledge India 2008 reprint, 2006.
6. Tirthankar Roy, *The Economic History of India 1857-1947*, Oxford University Press, 3rd edition, 2011
5. Jean Dreze, *Famine Prevention in India in Dreze and Sen (eds.) Political Economy of Hunger*, WIDER Studies in Development Economics, 1990, pp.13-35.
7. Daniel Thorner, *Agrarian Prospect in India*, 1977
8. S. Hymer, "The Multinational Corporation and the Law of Uneven Development", in H. Radice (ed.) *International Firms and Modern Imperialism*, Penguin Books, 1975.
9. G. Gereffi, J. Humphrey and T. Sturgeon, 2005, —The Governance of Global Value Chains, *Review of International Political Economy*, Volume 12: 78–104.
10. Narasimha Reddy, —Economic Globalisation, Past and Present – The Challenges to Labour, in Jomo K.S. & Khoo Khay Jin (ed.) *Globalization and Its Discontents, Revisited*, Sphix –Tulika Books, 2003.

11. David Harvey, *A Brief History of Neoliberalism*, OUP, 2005.
12. Andrew Glyn, —Challenges to Capitalism, in *Capitalism Unleashed: Finance, Globalization and Welfare*, Oxford: Oxford University Press, (Ch. One, pp. 1-24), 2006.
13. G Dumenil and D Levy, *The Crisis of Neoliberalism*, Harvard University Press, 2011.
14. K.S. Jomo (ed.), *The Long Twentieth Century: The Great Divergence: Hegemony, Uneven Development and Global Inequality*, OUP, 2006.
15. Gary Dymsey, 2005, —Financial Globalization, Social Exclusion and Financial Crisis, *International Review of Applied Economics*, Vol. 19: 439–457.
16. E. Stockhammer, —Financialization and the Global Economy, in G. Epstein and M.H. Wolfson (ed.) *The Political Economy of Financial Crises*, Oxford University Press, 2010. [Also in Working Paper Series, No. 240, Political Economy Research Institute, University of Massachusetts Amherst]
17. J.P. Smith and M.P. Ward, 1989, —Women in the Labour Market and in the Family, *Journal of Economic Perspectives*, Volume 3: 9-23.

(iii)MONEY AND BANKING

Course Description

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

Course Outline

1. Money

Definition and functions of money; Types of money: legal tender money and bank money, near money; Value of money and index number; construction of index number; WPI, CPI, PPI, GDP deflator, Cost of living index

2. Quantity theory of Money

Fisher's approach; Cash Balance Approach; Patinkin and the Real Balance Effect; Friedman's Quantity theory of money.

3. Money Supply

Measures of money supply: M_1, M_2, M_3 and M_4 ; High powered money and money multiplier; H theory of money supply; determinants of money supply.

4. Commercial Banking

Meaning and types; Functions of commercial banks; the process of credit creation and its limitations; Balance sheet and portfolio management, Banking sector reforms in India.

5. Central Banking

Functions of a central bank; Quantitative and qualitative methods of credit control; Central Bank's Supervision and prudential measures for Financial stability; current monetary policy of India, liquidity adjustment facility (LAF) through Repo and reverse repo operation, MSF.

Readings

Text Book

1. L. M. Bhole and J. Mahukud, *Financial Institutions and Markets*, Tata McGraw Hill, 5th edition, 2011.
2. F. S. Mishkin and S. G. Eakins, *Financial Markets and Institutions*, Pearson Education, 6th edition, 2009.
3. F. J. Fabozzi, F. Modigliani, F. J. Jones, M. G. Ferri, *Foundations of Financial Markets and Institutions*, Pearson Education, 3rd edition, 2009.
4. M. R. Baye and D. W. Jansen, *Money, Banking and Financial Markets*, AITBS, 1996.
5. Rakesh Mohan, *Growth with Financial Stability- Central Banking in an Emerging Market*, Oxford University Press, 2011.
6. M. Y. Khan, *Indian Financial System*, Tata McGraw Hill, 7th edition, 2011.
7. N. Jadhav, *Monetary Policy, Financial Stability and Central Banking in India*, Macmillan, 2006.
8. R.B.I. – *Report of the Working Group: Money Supply Analytics and Methodology of Compilation*, 1998.
9. R.B.I. Bulletin, Annual Report and Report on Currency and Finance (latest).

(iv) NEW INSTITUTIONAL ECONOMICS

Course Description

This course aims at highlighting the importance of institutions for resource allocation and economic development. Starting with the failure of the neo-classical economics approach to ensure optimality, it explains how different institutions, formal and informal, play important role influencing the behaviour of the individual and the firm.

Course Outline

1. Neo-Classical Economics and Institutions

Institutions as response to market failure; Formal institution- Rule, law, constitutions; Informal institutions- Customs, norms, community beliefs.

2. Institutions and Property rights

Property rights theory; Definitions, specifications and Enforcement of Property rights; Property rights and transaction costs, Bargaining and Coase theorem (1960).

3. CPR and Institutions

Tragedy of Commons; Evolution of social norms in CPR; Governing Commons; Ostrom's contribution for CPR management.

4. Firms & Institutions

Organizations and market, nature of the firm (Coase, 1937), Incomplete contract and Opportunism; Transaction cost theory of the firm and Williamson's contribution.

5. Political Institutions

Anarchy vs State; Median voter model, Down's theory of democracy, Special interest group, Bureaucracy and the size of the Government.

Readings:

Text Books

1. Thrainn Eggertsson, *Economic Behaviour and Institutions: Principles of Neoinstitutional Economics*, Cambridge University Press, 2009.
2. Claude Menard & Merry M. Shirley (ed) *Hand book of New Institutional Economics*, Springer Publication, 2005.

DISCIPLINE SPECIFIC ELECTIVE (DSE) PAPERS: ECONOMICS

GROUP-II

(v) POLITICAL ECONOMY-II

Course Description

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

Course Outline

1. Analysing Social Change in Historical Perspective

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

2. Capitalism as an Evolving Economic System

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

3. The State in Capitalism

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

4. Political Economy of India-I

Industrial policy and controls, financial sector reforms.

5. Political Economy of India-II

Growth of fiscal deficit; FRBM Act; Growth of Public Debt in India; Growth of public debt in India; Debt solvency and sustainability.

Readings:

Text Books

1. Bimal Jalan (ed) (2004)The Indian economy, problems and prospects. Penguin
2. Bimal Jalan, (2002) India's Economy in the New Millennium: Selected Essays, USB publishers
3. C. Rangarajan (2000) Perspectives on Indian economy: a collection of essays- UBS publishers

Reference Books

4. J. Gurley, "The Materialist Conception of History", Ch.2.1 in R. Edwards, M. Reich and T. Weisskopf (ed.), *The Capitalist System*, 2nd edition, 1978.
5. O. Lange, *Political Economy*, vol. 1, 1963, Chapters 1 and 2.
6. E.K. Hunt, *History of Economic Thought*, M.E. Sharpe, Indian edn, Shilpi Publications, 2004.
7. Irfan Habib, 1995, "Capitalism in History", *Social Scientist*, Vol. 23: 15-31.
8. R.L. Heilbroner, "Capitalism", in *The New Palgrave Dictionary of Modern Economics*, Macmillan, 1987. Also reprinted as Chapter 2 in *Behind the Veil of Economics* by R.L. Heilbroner, W.W. Norton, 1988.
9. P. Sweezy, *The Theory of Capitalist Development*, Monthly Review Press, 1942.
10. A. Kohli – Politics of economic growth in India .1980- 2005 EPW Vol. 41. Issue No. 14, 2006

(vi) FINANCIAL INSTITUTIONS AND MARKET

Course Description

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

Course Outline

1. Financial System

Structure of the Financial system; intermediary, non-intermediary, regulatory institutions .; their role in promoting economic development.

2.Non-Banking Financial Companies (NBFCs)

Difference between Banking and NBFCs; Important NBFCs: Asset Finance Companies (AFCs), Investment Companies (ICs), Loan Companies (LCs), Hire Purchase Companies(HPCs), Micro Finance Institutions (MFIs) Venture Capital (VC)Fund Companies, Insurance Companies; Regulation of NBFCs: need and system.

3.Financial Markets

Money market vs Capital market; Primary vs Secondary market; Call money market; Treasury bill market; Commercial bills market; Stock exchanges; SEBI

4.Risk and return

Concepts of Return: Expected rate of return, required rate of return, current return and yield to maturity; Risk: meaning and types; measures of risk: standard deviation and Beta; Risk-Return trade off; Risk and Return of an asset and a Portfolio.

5. Financial Securities and their valuation

Time Value of Money: Future Value, Present Value, Securities: Annuity and Perpetuity; Bond (Discount and premium), Equity (Common Stock and Preference shares); Valuation of Bonds, relationship of bond price with rate of interest; and Valuation of common stock (dividend discount model).

Readings:

Text Books

1. L. M. Bhole and J. Mahukud, *Financial Institutions and Markets*, Tata McGraw Hill, 5th edition, 2011.
2. Prasanna Chandra, *Financial Management, Theory and Practice*, Tata McGraw Hill, 6th edition, 2006.

Reference Books

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

(vii) ENVIRONMENTAL ECONOMICS

Course Description

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

Course Outline

1. Introduction

What is environmental economics; Inter-linkage between economy and environment; Environmental quality as a public good; Serious environmental problems of developing countries: Air pollution, Water pollution, Deforestation.

2. Externalities and their solutions

Market failures and externality; Property rights and Coase Theorem; Pigouvian tax-subsidy measures; Command and Control method.

3. Valuation of Environment

Concepts: Use value, Option value and bequest value; Willingness to pay and Willingness to accept compensation; Travel cost method, Hedonic Price method and Contingent Valuation method.

4. Sustainable Development

Concepts; Sustainability rules; Indicators of sustainability: Solow/Hartwick approach, Natural Capital Stock approach, Safe Minimum Standard (SMS) approach.

5. International Environmental Problems

Trans-boundary environmental problems; Trade and Environment. Global environmental Problems (ozone layer depletion – global warming and climate change); International Cooperation for Environment Protections: Montreal and other Protocols.

Readings:

Text Book

1. R.N. Bhattacharya (ed), *Environmental Economics, An Indian Perspective*, Oxford University Press, New Delhi.

Reference Books

2. Nick Hanley, J.F. Shogren and Ben White, *Environmental Economics, In Theory and Practice*, Macmillan India, Delhi, 1999.

3. Charles Kolstad, *Intermediate Environmental Economics*, Oxford University Press, 2nd edition, 2010.

4. Robert N. Stavins (ed.), *Economics of the Environment: Selected Readings*, W.W. Norton, 5th edition, 2005.

5. Roger Perman, Yue Ma, James McGilvray and Michael Common, *Natural Resource and Environmental Economics*, Pearson Education/Addison Wesley, 3rd edition, 2003.

6. Maureen L. Cropper and Wallace E. Oates, 1992, —Environmental Economics: A Survey,|| *Journal of Economic Literature*, Volume 30:675-740.

(viii) INTERNATIONAL ECONOMICS

Course Description

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

Course Outline

1. Introduction and Classical theories of International Trade

Importance of the study of International Economics; Theories of absolute advantage, comparative advantage; Haberler's modification of comparative advantage using opportunity cost; Theory of reciprocal demand and offer curve analysis.

2. Modern theory of International Trade

Factor Endowments and Heckscher-Ohlin theory of trade; Leontief Paradox, Factor price equalization Theorem. Gains from trade.

3. International Trade Policy

Tariff: Partial Equilibrium analysis of Tariff, General equilibrium analysis of tariff, optimum tariff; Free trade versus Protection; WTO and India.

4. Exchange Rate

Concept; Demand for and Supply of foreign exchange, Exchange Rate Determination; Fixed versus Flexible exchange rate; Exchange rate under gold standard; Purchasing-Power Parity Theory.

5. Balance of Payments

Concepts and components of balance of trade and balance of payments; Equilibrium and disequilibrium in balance of payments; Various measures to correct deficit in the balance of payments; Depreciation vs Devaluation; Elasticity Approach Devaluation.

Readings:

Text Book

1. Dominick Salvatore, *International Economics: Trade and Finance*, John Wiley International Student Edition, 10th edition, 2011

Reference Books

1. Paul Krugman, Maurice Obstfeld, and Marc Melitz, *International Economics: Theory and Policy*, Addison-Wesley (Pearson Education Indian Edition), 9th edition, 2012.
2. Bo Sodersten and Geoffery Reed, *International Economics*, Mcmillan Press Ltd, 2011.

SKILL ENHANCEMENT COURSE

(SEC-Ia): Computer Application (2 Credits)

1. Introduction

Introduction to computer system, uses, types. Data Representation: Number systems and character representation, binary arithmetic. Human Computer Interface: Types of software, Operating system as user interface, utility programs.

2. Devices

Input and output devices (with connections and practical demo), keyboard, mouse, joystick, scanner, OCR, OMR, bar code reader, web camera, monitor, printer, plotter. Memory: Primary, secondary, auxiliary memory, RAM, ROM, cache memory, hard disks, optical disks

3. Computer Organisation and Architecture

C.P.U., registers, system bus, main memory unit, cache memory, Inside a computer, SMPS, Motherboard, Ports and Interfaces, expansion cards, ribbon cables, memory chips, processors.

Reading List:

1. Goel, *Computer Fundamentals*, Pearson Education, 2010.
2. P. Aksoy, L. DeNardis, *Introduction to Information Technology*, Cengage Learning, 2006

3. P. K. Sinha, P. Sinha, Fundamentals of Computers, BPB Publishers, 2007.

(SEC-Ib) TRIBAL ECONOMY OF ODISHA (2 Credits)

1. Understanding Tribes and Tribal Economy

Concept and definition of tribes in Indian Context , Geographical distribution of Tribes in India and Odisha; Scheduled Areas: constitutional provisions; Tribal Economy: Characteristics of Tribal Economies, Hunting-gathering economy, Shifting Cultivation, Plain land cultivations, mining and wage labour, Animal Husbandry and other avenues of Livelihood. Land Alienation and Agrarian Issues, Illiteracy and Exploitation

Forests and Tribal Economy – Forest Right Act, 2006; Animal Husbandry and other avenues of livelihood; Tribal Markets – Traditional and Modern; Poverty and Indebtedness, Bonded Labour and Land alienation; Trends of Economic Exploitation; Development induced Displacement and Rehabilitation: Policy and issues; Changing Nature of Tribal Economy, Economic Transformation and its impact on tribal Society.

2. Socio-cultural Development

Relevance of Socio-cultural dimension in development; Education and Literacy – Trends, Issues and Initiatives; Health, Sanitation and food security – Indigenous and emerging practices, hunger and malnutrition of tribals; Relevance of Dynamics of Tribal Culture Problems in Development Folklore, Dormitory, System, Religious Practices and Festivals; Important socio-cultural Institutions and development birth rites, death rites and marriage practices; Promotion of Dance, music, arts and crafts of tribals.

3. Planning and Development Interventions

Tribal Development during Five Year Plans – SMPT Block, TD Block, Tribal Development Agency, Sub-Plan Approach, MADA, and Cluster Approach – PTGs

and Micro Projects. Relevance of different Approaches to Tribal Development – Nehru, Elwin. Three tier Panchayatiraj System – 73rd Amendment and PESA Act; Emerging Development Initiatives – Role of NGOs, Women Empowerment through Micro Finance and SHGs – Liquor Free Movement; Obstacles to the Tribal Development.

Reading List

Text Books

1. Padhy S.C. (1997) : Tribals of South Orissa Problems and Prospects, B.U.
2. Mohapatro, P.C. (1987) : Economic Development of Tribal India. Ashish Publishing House, New Delhi.

Reference Books

3. Behera, K.K. (2003) : Organization and Management of Tribal Markets, Independent Publishing Company, New-Delhi.
4. Gomango, Giridhar (1992) : Constitutional provisions for Scheduled Castes and Scheduled Tribes, Himalaya Publishing House, Bombay.
5. Govt. of Orissa (1975): Sub-Plans for Tribal Regions of Orissa, 1974-75 (Draft), Bhubaneswar.
6. Govt. of Orissa (1994): Tribal Education in Orissa in the context of Education for all by 2000 AD, Bhubaneswar.
7. Govt. of Orissa (1997): Report on the Annual Administration of Scheduled Areas in Orissa for 1995-96. Welfare Department, Govt. of Orissa.
8. Patel, M.L. (Ed) (1972) : Agro-Economic problems of Tribal India. Progress Publishers, Bhopal.
9. Sahu, N.C. (1986) : Economics of Forest Resources: Problems and Policies in a regional economy. B.R. Publishing corporation, New Delhi.
10. Sharma, B.D. (1984) : Planning for Tribal Development. Prachi Prakashan, New Delhi.

Skill Enhancement Course

(SEC-IIa) ODISHA ECONOMY (2 Credits)

1. Agriculture and Industrial Sector

Odisha economy-A macro glance, Agriculture Sector: Land use pattern, production and productivity of major crops, cropping intensity, input use, irrigation,

production and availability of livestock, fisheries resources, forest and environment, Issues in Agriculture, Recent State agricultural policy.

Industrial sector- Manufacturing: Large Scale Industries, MSME, Handicrafts and Cottage Industries, export of industrial products, state industrial policy resolution. Major state level institutions; Mining and Quarrying: Deposits, Production and Exports of Minerals.

2. Service Sector and Infrastructure

Service Sector: Institutional Finance, Construction, Tourism, Trade, Hotel and Restaurant Industry, Policies for Promotion of Tourism and Hospitality Industry; Infrastructure: Power, Transport, Mail and Telecommunication, Science and Technology.

3. Human development and Social Sector

Human development and poverty: Poverty: Dimensions, trends and incidence, Literacy Levels, Health Conditions, Regional Disparity and Development Approach for Odisha; Social Sector: Education, Health and Family Welfare, Water Supply and Sanitation, Welfare Programmes, Women's Development and Welfare, Welfare of Scheduled Castes and Scheduled Tribes.

Reading List

Text Books

1. S C. Panda, P. B. Nayak and P. Pattnaik, (eds), *The Economy of Odisha*, Oxford University Press, New Delhi.

Reference Books

2. Economic Survey (Annual), Planning and Coordination Department, Directorate of Economics and Statistics, Government of Odisha.
3. Orissa Development Report, Planning Commission
4. Orissa Human Development Report, UNDP

(SEC-IIb) Odisha Budget (2 Credits)

1. Basic Concepts

Basic concepts of budget, components of budget, classification of expenditures- revenue and capital expenditures, plan and non-plan; sources of receipts- revenue and capital receipts, tax and non-tax revenues, direct and indirect taxes. Types of deficits: budgetary deficit, fiscal deficit, revenue deficit and primary deficit.

2. The Budget-making Exercise in Odisha

Pre-budget consultation, Role of legislatures in Budget Preparation, Budget cycle, Budget institutions, Critical issues in Budget Making in Odisha, Technicalities of Budget, Glimpse of some important Budget Documents, Advocating for a Participatory Budgeting, Role of media and civil society organisations in Participatory Budgeting, factors impeding the participatory budgeting.

3. Analysis of the Recent Odisha Budget

Annual Financial Statement, Demand for grants, Agricultural Budget, Statement of Odisha budget as per FRBM Act, trends and patterns of expenditure management, Public debt management, Developmental implications of the recent budget.

Reading List

1. Budget Watch: Budget Training Module for the Civil Society Organizations, CYSD,

<http://www.obac.in/Training%20module%20on%20State%20Budget%20and%20Its%20Process.pdf>

2. The recent Odisha Budget, available at <http://www.odisha.gov.in/finance/Budget.asp?GL=Budget&PL=1&T>
3. Different issues of Yojana (magazine)

GENERIC ELECTIVE COURSE - ECONOMICS

GEC I: INTRODUCTORY MICROECONOMICS

Course Description

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

Course Outline

1. Exploring the subject matter of Economics

Why study economics? Scope and method of economics; the economic problem: scarcity and choice; the question of what to produce, how to produce and how to distribute output; science of economics; the basic competitive model; opportunity sets.

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

Markets and competition; determinants of individual demand/supply; demand/supply schedule and demand/supply curve; market versus individual demand/supply; shifts in the demand/supply curve, demand and supply together;

Price determination; consumer surplus; producer surplus and the efficiency of the markets.

3. The Households

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

4. The Firm and Market Structure

Behavior of profit maximizing firms and the production process; short run costs and output decisions; costs and output in the long run; Perfect competition and monopoly.

5. Input Market (Labour)

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

Readings

Text Books

1. Karl E. Case and Ray C. Fair, *Principles of Economics*, Pearson Education Inc., 8th Edition, 2007.

Reference Book

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

GEC-II: INTRODUCTORY MACROECONOMICS

Course Description

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

Course Outline

1. Introduction to Macroeconomics and 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.

2. Measurement of Macroeconomic Variables

Rules and approaches of Measurement of GDP (Income, expenditure, product and Value added approaches), Difficulties of Estimating National Income, Circular Flow of Income and expenditure in two, and three, -sector economy.

3. Money

Functions of money; Quantity Theory of Money –Cash Transactions, Cash Balances and Keynesian Approaches; determination of money supply and demand; credit creation; tools of monetary policy.

4. Inflation, Deflation and Stagflation

Inflation- Meaning, Types, causes and effects. Demand-pull and cost-push inflation; the cost of inflation and anti-Inflationary Measures; Deflation- Meaning, Causes, Costs and Anti-Deflationary Measurers, Stagflation.

5. The Closed Economy in the Short Run

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.

Readings:

Text Books

1. Mukharjee, Sampat, *Macroeconomics- a Global Perspective* New Central Book Agency (P)Ltd. London, New Delhi, Guwahati

Reference Books

2. N. Gregory Mankiw. *Macroeconomics*, Worth Publishers, 7th edition, 2010.
3. Edward Shapiro, *Macroeconomic Analysis*, 5th Edition, 2013.
4. Dornbusch, Fischer and Startz, *Macroeconomics*, McGraw Hill, 11th edition, 2010.

GEC-III A: INDIAN ECONOMY-I

Course Description

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

Course Outline

1. Introduction to Indian Economy

Major features of Indian Economy; Trend in National Income and Per capita income; Growth and development under different plans.

2. Population and Human Development

Broad demographic features — Population size and growth rates; Sex and age composition, Occupational distribution; Density of population, Urbanisation and economic growth in India. Population growth as a factor of economic development, National Population Policy.

3. Growth and Distribution

Growth and its sectoral decomposition; Trends, measurement and policies in poverty, Inequality, and Unemployment.

4. Economic Planning in India

Economic planning: Planning Commission and its functions; Role of NITI in economic transformation.

5. Rationale for Economic Reforms in nineties

Indian economic failure: Extensive bureaucratic control over production, investment and trade, inward looking trade policies, a dominant public sector.

Readings:

Text Books

1. Uma Kapila (ed) (2018) *Indian Economy since Independence: A comprehensive and critical analysis of India's economy, 1947-2017*, Academic Foundation, New Delhi.
2. R. Datta and K.P.M. Sundaram (2004) *Indian Economy*, S. Chand, New Delhi.
3. Pulapre Balakrishnan, 2007, *The Recovery of India: Economic Growth in the Nehru Era*, *Economic and Political Weekly*, November.
4. Rakesh Mohan, 2008, —Growth Record of Indian Economy: 1950-2008. A Story of Sustained Savings and Investment, *Economic and Political Weekly*, May.
5. S.L. Shetty, 2007, —India's Savings Performance since the Advent of Planning, in K.L. Krishna and A. Vaidyanathan, editors, *Institutions and Markets in India's Development*.
6. Himanshu, 2010, *Towards New Poverty Lines for India*, *EPW*, January.
7. Jean Dreze and Angus Deaton, 2009, *Food and Nutrition in India: Facts and Interpretations*, *EPW*, February.
8. Himanshu. 2011, —Employment Trends in India: A Re-examination, *Economic and Political Weekly*, September.
9. Rama Baru et al, 2010, —Inequities in Access to Health Services in India: Caste, Class and Region, *Economic and Political Weekly*, September.
10. Geeta G. Kingdon, 2007, —The Progress of School Education in India, *Oxford Review of Economic Policy*.
11. J.B.G. Tilak, 2007, —Post Elementary Education, Poverty and Development in India, *International Journal of Educational Development*.
12. T. Dyson, 2008, —India's Demographic Transition and its Consequences for Development in Uma Kapila, editor, *Indian Economy Since Independence*, 19th edition, Academic Foundation.
13. Kaushik Basu, 2009, —China and India: Idiosyncratic Paths to High Growth, *EPW*, September.

14. K. James, 2008, —Glorifying Malthus: Current Debate on Demographic Dividend in *Indian Economic and Political Weekly*, June.
15. Reetika Khera, 2011, —India's Public Distribution System: Utilisation and Impact *Journal of Development Studies*.
16. Aniruddha Krishna and Devendra Bajpai, 2011, —Lineal Spread and Radial Dissipation: Experiencing Growth in Rural India, 1992-2005, *EPW*, September.
17. Kaushik Basu and A. Maertens, (eds), *The New Oxford Companion to Economics*, Oxford University Press, 2013.

GEC-III B: MONEY AND BANKING

Course Description

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

Course Outline

1. Money

Definition and functions of money; Types of money: legal tender money and bank money, near money; Value of money and index number; construction of index number; WPI, CPI, PPI, GDP deflator, Cost of living index

2. Quantity theory of Money

Fisher's approach; Cash Balance Approach; Patinkin and the Real Balance Effect; Friedman's Quantity theory of money.

3. Money Supply

Measures of money supply: M_1, M_2, M_3 and M_4 ; High powered money and money multiplier; H theory of money supply; determinants of money supply.

4. Commercial Banking

Meaning and types; Functions of commercial banks; the process of credit creation and its limitations; Balance sheet and portfolio management, Banking sector reforms in India.

5. Central Banking

Functions of the Central Bank; Quantitative and qualitative methods of credit control; Central Bank's Supervision and prudential measures for Financial stability; current monetary policy of India, liquidity adjustment facility (LAF) through Repo and reverse repo operation, MSF.

Readings

Text Book

1. L. M. Bhole and J. Mahukud, *Financial Institutions and Markets*, Tata McGraw Hill, 5th edition, 2011.

Reference Books

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

GCE-IVA: INDIAN ECONOMY-II

Course Description

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

Course Outline

1. 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.

2. Industrial Development in India

Trends in industrial output and productivities; Industrial Policies of 1948, 1956, 1977 and 1991; Industrial Licensing Policies – MRTP Act, Competition Act, 2002. Performance of public sector undertakings and their privatization.

3. 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.

4. Indian Public finance

Indian Public Finance: Indian tax system with special reference to VAT & GST; Centre-state financial relation, Role of Finance Commission.

5. External Sector

Balance of Payments of India; India's Trade Policies- export promotion verses import substitution; Foreign Capital – FDI, and MNCs.

Readings:

Text books

1. Uma Kapila (ed) (2018) Indian Economy since Independence: A comprehensive and critical analysis of India's economy, 1947-2017, Academic Foundation, New Delhi.
2. R. Datta and K.P.M. Sundaram (2004) Indian Economy, S. Chand, New Delhi.

Reference Books

3. Shankar Acharya, 2010, —Macroeconomic Performance and Policies 2000-8,|| in Shankar Acharya and Rakesh Mohan, editors, *India's Economy: Performances and Challenges: Development and Participation*, Oxford University Press.
4. Rakesh Mohan, 2010, —India's Financial Sector and Monetary Policy Reforms,|| in Shankar Acharya and Rakesh Mohan, editors, *India's Economy: Performances and Challenges: Development and Participation*, Oxford University Press.
3. Pulapre Balakrishnan, Ramesh Golait and Pankaj Kumar, 2008, —Agricultural Growth in India Since 1991, *RBI DEAP Study no. 27*.
4. B.N. Goldar and S.C. Aggarwal, 2005, —Trade Liberalisation and Price-Cost Margin in Indian Industries, *The Developing Economics*, September.

5. P. Goldberg, A. Khandelwal, N. Pavcnik and P. Topalova, 2009, —Trade Liberalisation and New Imported Inputs, *American Economic Review, Papers and Proceedings*, May.
6. Kunal Sen, 2010, —Trade, Foreign Direct Investment and Industrial Transformation in India, in Premachandra Athukorala, editor, *The Rise of Asia*, Routledge.
7. A. Ahsan, C. Pages and T. Roy, 2008, —Legislation, Enforcement and Adjudication in Indian Labour Markets: Origins, Consequences and the Way Forward, in D. Mazumdar and S. Sarkar, editors, *Globalization, Labour Markets and Inequality in India*, Routledge.
8. Dipak Mazumdar and Sandeep Sarkar, 2009, —The Employment Problem in India and the Phenomenon of the _Missing Middlel, *Indian Journal of Labour Economics*.
9. J. Dennis Rajakumar, 2011, —Size and Growth of Private Corporate Sector in Indian Manufacturing, *Economic and Political Weekly*, April.
10. Ramesh Chand, 2010, —Understanding the Nature and Causes of Food Inflation, EPW, February
11. Bishwanath Goldar, 2011, —Organised Manufacturing Employment: Continuing the Debatel, *Economic and Political Weekly*, April.
12. Kaushik Basu and A. Maertens, eds, 2013, *The New Oxford Companion to Economics in India*, Oxford University Press.

GEC-IVB: 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.

Course outline

1. Introduction to public finance

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

2. Public Expenditure

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

3. 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

4. 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.

5. Public Debt

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

Readings:

Text Books

1. R. A. Musgrave and P. B. Musgrave (1989): Public Finance in Theory and Practices. McGraw Hill
2. J. Hindriks and G. Myles (2006): Intermediate Public Economics, MIT Press

Reference Books

3. B. P. Herber (1975): Modern Public Finance. Irwin Series in Economics.
4. B. Mishra (1978): Public Finance, Macmillan India limited.