

BACHELOR OF ARTS – ECONOMICS

Curriculum - Non-Semester Pattern

1st Year

| Code | Course Title |
|-------------|---------------------------------|
| BAEC 1911 | Towards Understanding Economics |
| BAEC 1912 | History of Economic Thought |
| BAEC 1913 | Microeconomics |
| BAEC 1914 | Basic Statistics |
| BAEC 1915 | Public Administration |

2nd Year

| Code | Course Title |
|-------------|----------------------------|
| BAEC 1921 | Macroeconomics |
| BAEC 1922 | Public Finance |
| BAEC 1923 | Indian Economy |
| BAEC 1924 | Mathematics for Economists |
| BAEC 1925 | Environmental Economics |

3rd Year

| Code | Course Title |
|-------------|--------------------------|
| BAEC 1931 | Growth and Development |
| BAEC 1932 | Agricultural Economics |
| BAEC 1933 | International Economics |
| BAEC 1934 | Elements of Econometrics |
| BAEC 1935 | Monetary Economics |

B.A. ECONOMICS - SYLLABUS

B.A. Economics– I Year

Paper-I: TOWARDS UNDERSTANDING ECONOMICS

Unit 1: Exploring the Subject Matter of Economics

Why study economics? – scope of economics – the economic problem: scarcity and choice – the question of what to produce, how to produce and how to distribute output – science of economics – the basic competitive model – prices, property rights and profits: incentives and information, rationing – opportunity sets – economic systems.

Unit 2: Role of Markets, their Functioning and Welfare

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

Unit 3: The Households

The consumption decisions – budget constraints, consumption and income/price changes, demand for all other goods and price changes – description of preferences – the investment decision – investment alternatives for a household – desirable attributes of investments – labor supply and savings decision – choice between leisure and consumption – labour force participation – tax policy and labour supply - human capital and education – budget constraints and savings – savings and interest rate, other factors affecting savings.

Unit 4: The Firm and Perfect Market Structure

Financing, controlling and managing firms – the firm's legal form, corporate finance – why corporations care about financial structure – takeover and the market for managers – making decisions – centralization and decentralization – the boundaries of the firm. behaviour of profit maximizing firms and the production process – short run costs and output decisions.

Unit 5: Introduction to Macroeconomics and National Income Accounting

The roots of macroeconomics – concerns over macroeconomic – the role of government in the macro economy – the components of the macro economy – the methodology of macroeconomics – concepts of national income – approaches to calculating national income – nominal and real income – issues on measurement of national income, the concept of black and green income.

Readings:

1. Karl E. Case and Ray C. Fair (2002), Principles of Economics, 6th Edition, Pearson Education Asia Low Price Edition.
2. N. Gregory Mankiw (2002), Principles of Economics, Thomson.
3. J.E. Stiglitz, and C.E. Walsh (2002), Principles of Economics, 3rd Edition, W.W. Norton & Company, New York.
4. R. Stone and G. Stone (1962), National Income and Expenditure, Bowes and Bowes, London.
5. Paul Hayne (1998), Economic Way of Thinking, Prentice Hall.

Paper-II: HISTORY OF ECONOMIC THOUGHT

Unit 1: Early Period

Nature and importance of history of economic thought – ancient economic thought – Aristotle, Plato-Medieval economic thought – contribution of early Muslim scholars to economic thought: Abu Yusuf, Marwadi, Gazali, Ibn Themiah, Ibn Hazm and Ibn Khaldun, Mercantilism: Main characteristics – Physiocracy: main characteristics .

Unit 2: Classical Period

Adam Smith – David Ricardo – Thomas R. Malthus – German romantics and socialists – Sismondi, Karl Marx – economic ideas of J.B. Say – J.S. Mill – Historical School: Senior, List.

Unit 3: Marginalists

The precursors of marginalism – Cournot, Thunen, Gossen – the marginalist revolution – Jevons, Walras and Menger-Bohm-Bawerk, Wicksell and Fisher – the rate of interest – Wicksteed and Weiser – distribution-Marshall as a great synthesizer – Pigou:welfare economics – Schumpeter: role of entrepreneur and innovations.

Unit 4: J M Keynes and his Contributions

A Treatise on Money – The General Theory of Employment, Interest and Money.

Unit 5: Indian Economic Thought

Early economic ideas: Kautilya, Valluvar – Modern economic ideas: Naoroji, Ranade, R.C. Dutt, Gokhale, J.K. Metha and M.N. Roy – Economic ideas of Gandhi: Village, swadesi, place of machine and labor, cottage industries, trusteeship – Early approaches to planning – Cooperation as a strategy – Contributions of Vakil, Gadgil and VKRV Rao – Economic thought of Dr. Ambedkar.

Readings:

1. H.L. Bhatia (1994), History of Economic Thought, Vikas Publishing House, New Delhi.
2. B.N. Ganguli (1977), Indian Economic Thought: A Nineteenth Century Perspective, TMH, Delhi.
3. Eric Roll (1923), A History of Economic Thought, Faber And Faber Ltd., London.
4. G.B. Seshari (1997), Economic Doctrines, B.R. Publishing Corporation, New Delhi.
5. Lewis H. Haney (1913), A History of Economic Thought, MacMillan Company, New York.
6. Charles Gide and Charles Rist (1923), A History of Economic Doctrines, George G. Harrap & Co. Ltd., London.
7. V. Shanmugasundaram (1981), Indian Economic Thought and Policy, S. Chand & Co., New Delhi.
8. B.N. Ghosh and R. Ghosh (1988), Concise History of Economic Thought.
9. Abul Hassan M. Sadeq and Aidit Ghazali (Eds.) (1992), Readings in Islamic Economic Thought, Longman, Malaysia.

Paper-III: MICROECONOMICS

Unit 1: Consumer Behavior

Nature and scope of microeconomics – approaches to studying economics – comparison of cardinal and ordinal analysis - importance and limitations of microeconomics – role and limitations of free market economy – demand and law of demand – utility analysis and derivation of demand – ordinal approach- indifference curve – consumer equilibrium – price, income and substitution effect (Hicks and Slutsky) – derivation of demand curve analysis – Giffin goods – elasticity of demand: price, income and cross – consumer's surplus – Engel curve.

Unit 2: Theory of Supply and Production

Supply and law of supply – elasticity of supply – production decision – factors of production – production function – law of variable proportion – returns to scale – economies of scale – iso-quant approach and producer's equilibrium – factor substitution – elasticity of factor substitution.

Unit 3: Theories of Cost and Revenue

What are costs – production and costs – cost curves and their shapes – the relationship between short run and long run average total cost – elasticity of cost - average and marginal revenue – relation between AR and MR Curves – interactions of cost and revenues – conditions of equilibrium of a firm – conditions of equilibrium of a firm.

Unit 4: Market Structure and Equilibrium

Market concept – types - perfect and imperfect forms – importance of time element in price theory – firm and industry - equilibrium of a firm under perfect competition, monopoly, monopolistic competition, duopoly and oligopoly – price discrimination – control and regulation of monopoly – collusive price leadership – kinked demand curve - comparison of various markets.

Unit 5: General Equilibrium and Welfare Economics

Concept of equilibrium – static, dynamic and neutral equilibrium – partial vs general equilibrium – Walrasian general equilibrium theory – Welfare economics – problems in measuring welfare – classical welfare economics – Pigovian welfare condition – Pareto's criteria – value judgment – concept of a social welfare function-compensation principle –the Kaldor- Hicks criterion.

Readings:

1. A. Koutsoyannis (1979), Modern Micro Economics, MacMillan Press, London
2. H.R. Varian (1993), Intermediate Microeconomics a Modern Approach, Affiliated East West Press.
3. N.G. Mankiw (2009), Economics: Principles and Application, Cengage Learning, Printed in India.

Paper-IV: BASIC STATISTICS

Unit 1: Measures of Central Tendency

Meaning of average – types of average: arithmetic mean, median, mode, geometric mean, harmonic mean quartiles, deciles and percentiles.

Unit 2: Measures of Dispersion

Meaning of dispersion – types of dispersion: range, quartile deviation, mean deviation, standard deviation and variance (along with absolute measure, the relative measure or coefficient of each type of dispersion) – coefficient of variation – combined standard deviation.

Unit 3: Skewness and Kurtosis

Skewness – meaning of skewness and symmetry in a distribution – symmetrical distribution – asymmetrical or skewed distribution – negatively skewed and positively skewed – definition, types and measures of kurtosis.

Unit 4: Correlation and Regression

Concept of correlation – types of correlation – simple correlation – Karl Pearson's product moment coefficient of correlation measure – partial correlation: definition and measure – multiple correlation: definition and measure – Spearman's rank correlation coefficient (when ranks are given, when ranks are not given and when equal ranks are given) – properties and uses of correlation – Introduction to Regression.

Unit 5: Index Numbers

Definition of index number – types of index number – price index-quantity index –value index – simple index number – weighted index number – construction of index number – problems in construction – methods in construction – simple and weighted – Laspeyre's price index (cpi in india) – Paasche's price index – Fisher's ideal index – splicing of index number – deflating (finding real wages).

Readings:

1. A.L. Nagar and R.K. Das (2006), Basic Statistics, Second Edition Oxford University Press, New Delhi.
2. S.P. Gupta (2000), Statistical Methods, Sultan Chand and Sons, New Delhi.

Paper-V: PRINCIPLES OF PUBLIC ADMINISTRATION

Unit 1: Public Administration

Definition, nature and scope of public administration, politics – administration dichotomy - public and private administration - public administration and other social sciences.

Unit 2: Organization

Organization - types, bases and principles of organization - structure of organization - Chief Executive, Line, staff and auxiliary agencies.

Unit 3: Personnel Administration

Personnel administration - civil service, recruitment, training, promotion and retirement – Bureaucracy - meaning and features.

Unit 4: Management and Governance

Management - policy formulation, planning, decision-making, leadership and communication - networking and collaborative governance - business process re- engineering, ICT and Governance – e-Government and e-Governance, e-Readiness and Digital Divide - accountability, openness and transparency - gender and governance.

Unit 5: Financial Administration

Financial administration - principles of budgeting, enactment of budget - Control over public administration - legislative, executive and judicial control - auditing.

1. F.M. Marx (1965), Elements of Public Administration, Prentice Hall of India, New Delhi.
2. Dimock and Dimock (1965), Public Administration, Harper and Row, New York.
3. A. Awasthi and S.R. Maheswari (2001), Principles of Public Administration, Lakshmi Narayan Agarwal, Agra.
4. M.P. Sharma and S.L. Sadana (1992), Public Administration - Theory and Practice, Kitab Mahal, New Delhi.
5. L.D. White (1955), Introduction to the Study of Public Administration, Macmillan Company, Delhi.
6. A. R. Tyagi (1992), Public Administration, Atma Ram and Sons, New Delhi. Rumki Basu (1986), Public Administration: Concepts and Theories, Sterling, New Delh.

B.A. Economics– II Year
Paper-VI: MACROECONOMICS

Unit 1: Nature and Scope

Nature and scope of macroeconomics – meaning and definition of key macroeconomic variables (output, unemployment, inflation etc.) – concepts of national income – methods of measuring national income – circular flow of income – issues in national income accounting.

Unit 2: Employment and Output

The goal of full employment – frictional and structural unemployment – unemployment and inadequate demand – the concept of potential output – factors affecting output – production and employment with economic growth – growth of actual and potential output

Unit 3: Classical System

The Classical revolutions – Say's law – quantity theory of money – wages, prices, employment, and production – rigid wages and monetary policy in the classical model.

Unit 4: Keynesian Model

The problem of unemployment – the components of aggregate demand – equilibrium income – determination of equilibrium income – changes in equilibrium income – the role of fiscal policy and multiplier – the concept of balanced budget multiplier – exports and imports in Keynesian model.

Unit 5: Money, Interest and Income

The money supply, money demand and interest rate – the relationship between bond prices and interest rates – the Keynesian theory of money demand and interest rate – the liquidity trap – the implications of increase in money supply – macroeconomic policies.

Readings

1. R T Froyen (2008), Macroeconomics, Theory and policies, Prentice Hall, Delhi.
2. N. Gregory Mankiw, (2002), Principles of Economics, Thomson, Delhi.
3. Gardner Ackley (1978), Macroeconomics, Theory and Policy, Macmillan Library

Paper-VII: PUBLIC FINANCE

Unit 1: Role of Government

Nature and scope of public finance - Rationale for government intervention – Musgrave’s three function of government – types of government intervention – production versus provision – regulation of markets – sources of public revenue – deficit financing.

Unit 2: Taxation

Theories of taxation– ability and benefit principles of taxation (Lindhal) – Principle of maximum social advantage – taxable capacity – shifting, incidence and impact of taxes – types of taxes – characteristics of good tax system.

Unit 3: Public Expenditure

Theories of public expenditure – Wagner’s law – Peacock hypothesis – Samuelson theory of public goods– basics of cost benefit analysis.

Unit 4: Deficit Financing

Deficit financing – monetarist versus Keynesian views – pattern of deficit financing – public debt management and implication for growth, inflation and interest rate.

Unit 5: Indian Fiscal System and Policies

Centre-state relationship - Finance Commissions – Its role in filling vertical and horizontal fiscal imbalance – plan transfers and discretionary transfers – latest finance commission report of the union and state governments - India’s fiscal policy – tax reforms, expenditure pruning, fiscal deficit - fiscal and monetary policy nexus.

Readings:

- 1.Goode, R. (1986), Government Finance in Developing Countries, TMH, New Delhi
- 2.Jha. R. (1998), Modern Public Economics, Routledge, London.
- 3.Musgrave, R.A. and P.B. Musgrave (1976), Public Finance in Theory and Practice, McGraw Hill, Kogakusha, Tokyo
- 4.Atkinson, A.B. and J.E. Stiglitz (1980), Lectures on Public Economics, TMH, New York.
- 5.Herber, B.P. (1967), Modern Public Finance, Richard D. Irwin, Homewood.

VIII: INDIAN ECONOMY

Unit I: Indian Economy during the colonial period

Unit II: Indian economy at the time of independence

Unit III: Planning in India

Unit IV: Planning and Indian Agriculture

Land and agriculture in India – land, climate and irrigational infrastructure; land reforms and its implementation across states, green revolution and the advent of HYV seeds, green revolution in retrospect – pros and cons; Nationalization of banks and farmers' access to formal credit and its social implications.

Unit V: Current Economic Issues in India

Adverse impact of Economic Reforms - impact of global financial crisis on the Indian economy - response of India to global crisis - Decelerating agricultural growth and growing service sector - Causes of environmental degradation - jobless growth and unemployment – inequality and economic power - poverty and deprivation - parallel economy - Growing regional inequalities - Rural urban disparities - problems of urbanization and migration- Make in India - inclusive growth – sustainable growth and development.

Readings

1. Ahluwalia. I.J. and I.M.D Little (Eds) (1999), India's Economic Reforms and Development, Oxford University Press, New Delhi.
2. Bardhan, P.K. (1999), The Political Economy of Development in India, Oxford University press, New Delhi.
3. Bawa,R.S. and P.S. Raikhy,(1997), Structural Changes in Indian Economy, Gurunanak Dev Universitypress, Amritsar.
4. Chakravarty, S.(1987), Development planning: The Indian Experience, Oxford University press,
5. Datt.R. (2001), Second Generation Economic Reforms in India, Deep and Deep publications,.
6. Ruddar Datt and K.P.M. Sundaram (2019), Indian Economy, Sultan Chand and Co., New Delhi.

Paper-IX: MATHEMATICS FOR ECONOMISTS

Unit 1: Preliminaries

Elements of logic and proof – converse and contra-positive, necessary and sufficient conditions – mathematical induction – sets and set operations – Introduction to functions -composite functions, inverse function – Introduction to numbers

Unit 2: Matrices and Determinants

Addition, scalar multiplication, matrix multiplication – the transpose – singularity and invertibility -Determinants – definition, properties, minors and cofactors

Unit 3: Introduction to Vectors

Two, three and n – dimensional row and column vectors – vector addition and scalar multiplication – length of a vector, scalar products, orthogonality –linear and convex combinations of vectors..

Unit 4: Elementary Calculus - Differentiation

The derivative of a function – differentiability and continuity – techniques of differentiation – sums, products and quotients of functions – composite functions and the chain rule – inverse functions – implicit differentiation, second and higher order derivatives – concavity and convexity of functions.

Unit 5: Elementary Calculus - Integration

Introduction to integration– integration by substitution – integration by parts – area under a curve – properties of definite integrals

Readings

1. Knut Sydsaeter and Peter J. Hammond (2002), Mathematics for Economic Analysis. Pearson Educational Asia: Delhi (reprint of 1st 1995 edition).
2. Alpha C. Chiang (1984), Fundamental Methods of Mathematical Economics. McGraw Hill (3rd edition).
3. Hadley, G. (1987), Linear Algebra, Addison-Wesley.
4. Metha B.C. and GMK Madnani (2004), Mathematics for Economists, Sultan Chand & Sons, New Delh

Paper-X: ENVIRONMENTAL ECONOMICS

Unit 1: Theory and Concept

Nature and significance of environmental economics – definition and scope of environmental economics – basic theory – market system and the environment – welfare and environment – the economics of externalities.

Unit 2: Environment and Economics

Environment – economy linkage – environment as a necessity and luxury – population and environment linkage – environmental use as an allocative problem – environment as a public good – valuation of environmental damages: land, water, air and forest.

Unit 3: Environmental Problems

Economic development and environmental problems – air pollution – water pollution – sound pollution – energy use and environment problem – pollution and urbanization – global warming and green house effect – health, urbanization, transport and technology – environmental degradation.

Unit 4: Pollution Control

Prevention, control and abatement of pollution – choice of policy instruments in developing countries – environmental law – sustainable development – indicators of sustainable development – environmental planning – environmental accounting.

Unit 5: Policy measures

Basic approach – design of environmental policy – Indian environment policies and performance – pollution control boards and their function.

Readings

1. M. Karpagam (1993), Environmental Economics, Sterling Publishers, New Delhi.
2. S. Sankaran(1994) Environmental Economics, Margham , Madras
3. N.Rajalakshmi and Dhulasi Birundha (1994), Environomics, Economic analysis of Enviroment, Allied publishers, Ahmedabad.
4. S.Varadarajan and S. Elangovan(1992), Environmental economics, Speed, Chennai.
5. Singh G.N (Ed.) (1991) Environmental Economics, Mittal Publications, New Delhi.
6. Garge, M.R. (Ed.) (1996), Environmental Pollution and Protection, Deep and Deep Publications, New Delhi.
7. Lodha, S.L (Ed.) (1991), Economics of Environment, Publishers, New Delhi.
8. The Hindu survey of Environment: Annual Reports

Paper-XI: ECONOMICS OF GROWTH AND DEVELOPMENT

Unit I: Basics in Economic Growth

Modern economic growth - basic features, trends and patterns - relevance of historical experience to contemporary Under Developed Countries - limited relevance - factors for differing initial conditions - role of international migration and international trade.

Unit II: Growth and Development

Growth and development- conceptual issues - issues in measurement- national income and per capita income – international comparison of per capita incomes – measurement of purchasing power parity. GNP - a biased index of development and welfare - construction of poverty weighted index of social welfare - alternative measures of development – human development index - gender based development index, gender empowerment measure- international poverty index, global hunger index – happiness index - social sector and development- education and health.

Unit III: Growth Theories - I

Approach to the study of economic development – linear stage theory, structural change models, Neo-Marxian dependency approach, false paradigm model, dualistic approach, neo-liberal free market approach, endogenous growth theory.

Unit IV: Growth Theories - II

Growth models - Harrod-Domar knife edge equilibrium problem - Cambridge models- Joan Robinson, Kaldor, Neoclassical growth models - Solow swan Meade – criticism of neoclassical theory - emergence of endogenous growth models - technological progress - embodied and disembodied – Hicks and Harrod version, production function approach to growth, total factor productivity and growth accounting.

Unit V: Development Policies

Development and environment: market based approach to environmental analysis, harvesting of renewable and non-renewable resources, measuring environmental values, economic growth and environment – sustainable development - policy measures - ill effects - rain forest destruction, green house gases, global warming, climate change - policy options in developing and underdeveloped countries.

Readings

1. Debraj Ray (1998), Development Economics Oxford University Press, Oxford.
2. Simon Kuznets (1966), Economic Growth, Rate structure and Spread, Yale University Press, London.
3. Michael P. Tadaro (1998), Economic Development Longman,
4. Adam Szirmai (2005), Dynamics of Socio-Economic Development-An introduction, Cambridge University Press, London.
5. Amartya Sen (1960), Growth Economics, Penguin Books, Harmondsworth.
6. Gerald Meir, (2003), Leading Issues in Economic Development, Oxford University Press.
7. A.P. Thirwall (1994), Growth and Development ELBS.
- 8 . Benjamin Higgins (1966), Economic Development, Principles, Problems, and Policies, Central Book Depot, Allahabad.

Paper-XII: AGRICULTURAL ECONOMICS

UNIT - 1: Agriculture and Economic Development

Definition and Scope of Agriculture Economics - Agriculture in a Growing Economy - Interdependence between Agriculture and Industry - Farming System: Traditional, Subsistence, Commercial, Cooperative, Collective and State Farming - Role of Agriculture in Economic Development.

UNIT - 2: The Economics of Agriculture Production in India

Features of Indian Agriculture: Farm Size, and Productivity – Cropping Pattern - Extent of Employment and Unemployment in Agriculture - Technical Change and Labour Absorption - Women in Agriculture - Wage Discrimination.

UNIT - 3: Factors Affecting Agriculture Growth and Productivity

Size of Land Holdings - Land Reforms – Production and Productivity - Supply of Inputs: Major and Minor Irrigation Facilities, Power, Seed and Fertilizer – Marketed and Marketable Surplus - Horticultural Farms, Organic Farming Determination of the Prices of Agricultural Commodities - Agricultural Prices Policy in India - Crop Insurance.

UNIT- 4: Agricultural Credit in India and Agricultural Markets

Demand and Supply of Agricultural Credit - Non-institutional and Institutional Agricultural Credit: National Bank for Agriculture and Rural Development (NABARD), Cooperatives, Commercial Banks, and Regional Rural Banks - Agricultural Markets and Marketing Channels - Types of Agricultural Markets: Cooperative Marketing and Regulated Markets - Vegetable and Fruit Markets - Whole-Sale and Retail Units - Structure and Functioning of Agricultural Market, Merits and Limitations - e-Marketing – Storage and Warehousing – Related Problems.

UNIT- 5: Challenges to Indian Agriculture

Trends in Agricultural Development under the Five Year Plans - Policies and Programmes for Agricultural Development - Green Revolution and its Impact - Sustainable Agriculture - Agricultural Trade - New Agricultural Policy - World Trade Organization and Indian Agriculture.

References:

1. V.M. Dandekar (1996), The Indian Economy 1947-1992, Vol-I Agriculture, Sage Publications India Pvt., Ltd, New Delhi.
2. R.G. Desai (2018), Agricultural Economics, Himalaya Publishing House, Mumbai.
3. B.P. Tyagi (1990), Agricultural Economics and Rural Development, Jaiprakash Nath and Co. Meerut.
4. R. Dutt and KPM Sundaram (2019), Indian Economy, Chand & Co. New Delhi

Paper-XIII: INTERNATIONAL ECONOMICS

Unit 1: Introduction to International Economics

Importance of international economics – international trade & economic growth – subject matter of international economics – purpose of international economic theories and policies – current international economic problems.

Unit 2: Theories of International Trade

Distinguishing features of internal and international trade – free trade vs no trade – restricted trade vs no trade – the pure theory of international trade - theories of absolute advantage, comparative advantage and opportunity cost – Heckscher-Ohlin theory of trade – factor price equalization theory.

Unit 3: Economic Growth and International Trade

Introduction – effect of growth on trade – trade as a engine of growth – production and consumption effects of growth, combined effect – effects of growth on terms of trade, immiserizing growth – technical progress and international growth – import substitution and export promotion strategy - gains from trade – factors determining the gains from trade – measurement of gains from trade– Customs union.

Unit 4: Terms of Trade, Tariff and Protection

Concept of terms of trade – their uses and limitations –its empirical relevance and policy implications for less developed countries– theories of terms of trade – views of British school, Rawl, and Singer and Prebisch– theory of intervention – economic effects of tariff on national income, terms of trade and income distribution – effects of quotas – effective rate of protection.

Unit 5: Balance of Payment and Trade Policies

Balance of Payments accounts: balance of trade, BoP on capital and current account - Gold Standard – Automatic adjustment mechanism under Balance of Payment – expenditure reducing and expenditure switching policies – direct control for adjustment – Trade policies for achieving internal and external balance – Changing trade policies of India.

Readings:

1. Paul Krugman and Maurice Obstfeld (2002), International Economics: Theory and Policy, Latest Edition.
2. D. Salvatore (1997), International Economics, PHI, New York.
3. M.S. Dana (2000), International Economics , Routledge Publications, London.
4. R.J. Carbough (1999), International Economics.
5. J . Bhagwati (1981), International Trade, Cambridge University Press, London

Paper-XIV: ELEMENTS OF ECONOMETRICS

Unit 1: Nature and Scope of Econometrics

Meaning of econometrics – relationship between statistics, mathematics and economics – economic and econometric models – the aims and methodology of econometrics – historical origin of the term regression and its modern interpretation – statistical vs deterministic relationship – regression vs causation – regression vs correlation – terminology and notation – the nature and sources of data for econometric analysis.

Unit 2: Two Variable and Multiple Regression Analysis

Unit 3: The Problem of Inference

The normality assumption – hypothesis testing about individual partial regression coefficients – testing the overall significance of the sample regression – testing the equality of two regression coefficients

Unit 4: Assumptions of the Classical Regression Model

Assumptions of Classical Linear Regression Model- Introduction to the problems associated with the relaxation of the assumptions.

Unit 5: Regression on Dummy Independent Variables

The nature of dummy variables – regression on one quantitative variable and one qualitative variable – regression on one quantitative variable and one qualitative variable with more than two classes – regression on one quantitative variable and two qualitative variables –interaction effects

Readings

1. Gujarathi, D (2003) Basic Econometrics, 4th Edition, New York: McGraw Hill
2. Maddala, G (1992) Introduction to Econometrics, 2nd ed., New York: MacMillan

Paper-XV: MONETARY ECONOMICS

Unit 1: Definition, Functions and Theories of Money

Money and its function – the concepts and definitions of money – measurement of money – advantages of money – theories of demand for money: Classical approach, the transactions and cash balance approach, the Keynesian analysis, Post Keynesian developments, Monetarist approach.

Unit 2: Money Supply

Financial intermediaries – nature and functions – theories of money supply – mechanistic model of money supply determination – high powered money and behavioral model of money supply determination – methods of monetary control – Interest rates in closed and open economies – theories of term structure.

Unit 3: Monetary Transmission Mechanism:

Meaning – interest rate channel, credit channel, bank lending channel, balance sheet channel, exchange rate channel, other asset price channels.

Unit 4: Monetary Policy:

Instruments, targets, indicators, lags in monetary policy and rules versus discretion debate.

Unit 5: Central Banking:

Functions of a central bank – quantitative and qualitative methods of credit control – bank rate policy, open market operations, cash reserve ratio, selective methods, role and functions of Reserve Bank of India – objectives and limitations of monetary policy with special reference to India.

Readings

1. Pierce, D G and P J Tysome (1985) Monetary economics: theories, evidence and policy, Butterworths, London.
2. Saving, R T (1967), “Monetary policy targets and indicators”, Journal of Political economy, 75: 446-465
3. Carl E Walsh (1998), Monetary Theory and Policy, MIT Press, Cambridge.
4. Bennett McCallum (1989), Monetary Economics: Theory and Policy, Macmillan.
5. C Rangarajan (1999), Indian Economy: Essays in Money and Finance, UBSPD.
6. Narendra Jadhav (1994), Monetary Economics for India, Macmillan.