Economics

Syllabus

For

B.A Programme

Based on CBCS

(w.e.f. 2015-16)

Department of Economics

H.N.B. Garhwal University

(A Central University)

Srinagar Garhwal
### H.N.B. Garhwal University

**B.A Programme in Economics based on CBCS (w.e.f. from 2015-16)**

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*Note: Student has to select a minimum of two skill enhancement course (SEC) minimum one in each alternative semester i.e either in 3rd and 5th semester or in 4th and 6th semester.

**List of Skill Enhancement course:**

- SEC-1 Computer skills for business communication and Economic Research
- SEC-2 Entrepreneurship and small business development
- SEC-3 Financial Economics
- SEC-4 Data Analysis

DSC: Discipline specific Core
DSE: Discipline specific Elective
SEC: Skill Enhancement Course
Semester-I

Discipline Specific Core Course (DSC)-I

Principles of Micro Economics-I

1. Introduction
   a. Problem of scarcity and choice: scarcity, choice and opportunity cost; production possibility frontier; economic systems.
   b. Demand and supply: law of demand, determinants of demand, shifts of demand versus movements along a demand curve, market demand, law of supply, determinants of supply, shifts of supply versus movements along a supply curve, market supply, market equilibrium.
   c. Applications of demand and supply: price rationing, price floors, consumer surplus, producer surplus.
   d. Elasticity: price elasticity of demand, calculating elasticity, determinants of price elasticity, other elasticities.

2. Consumer Theory
   Budget constraint, concept of utility, diminishing marginal utility, Diamond-water paradox, income and substitution effects; consumer choice: indifference curves, derivation of demand curve from indifference curve and budget constraint.

3. Production and Costs
   a. Production: behaviour of profit maximising firms, production process, production functions, law of variable proportions, choice of technology, isoquant and isocost lines, cost minimizing equilibrium condition.
   b. Costs: costs in the short run, costs in the long run, revenue and profit maximizations, minimizing losses, short run industry supply curve, economies and diseconomies of scale, long run adjustments.

4. Perfect Competition
   a. Assumptions: theory of a firm under perfect competition, demand and revenue; equilibrium of the firm in the short run and long run; long run industry supply curve: increasing, decreasing and constant cost industries.
   b. Welfare: allocative efficiency under perfect competition.

Suggested Readings:
1. Market Structures
   a. Theory of a Monopoly Firm
   Concept of imperfect competition; short run and long run price and output decisions of a monopoly firm; concept of a supply curve under monopoly; comparison of perfect competition and monopoly, social cost of monopoly, price discrimination; remedies for monopoly: Antitrust laws, natural monopoly.
   b. Imperfect Competition
   Monopolistic competition: Assumptions, SR & LR price and output determinations under monopolistic competition, economic efficiency and resource allocation; oligopoly: assumptions, oligopoly models, game theory, contestable markets, role of government.

2. Consumer and Producer Theory
   a. Consumer and Producer Theory in Action
   Externalities, marginal cost pricing, internalising externalities, public goods; imperfect information: adverse selection, moral hazard, social choice, government inefficiency.
   b. Markets and Market Failure
   Market adjustment to changes in demand, efficiency of perfect competition; sources of market failure: imperfect markets, public goods, externalities, imperfect information; evaluating the market mechanism.

3. Income Distribution and Factor pricing
   Input markets: demand for inputs; labour markets, land markets, profit maximization condition in input markets, input demand curves, distribution of Income.

4. International Trade
   Absolute advantage, comparative advantage, terms of trade, sources of comparative advantage, trade barriers, free trade/protectionism.

Suggested Readings:
Semester-III

Discipline Specific Core Course (DSC)-III

Principles of Macro Economics-I

1. **Introduction**
   What is macroeconomics? Macroeconomic issues in an economy.

2. **National Income Accounting**
   Concepts of GDP and National Income; measurement of national income and related aggregates; nominal and real income; limitations of the GDP concept.

3. **Determination of GDP**
   Actual and potential GDP; aggregate expenditure; consumption function; investment function; equilibrium GDP; concepts of MPS, APS, MPC, APC; autonomous expenditure; Concept of multiplier.

4. **National Income Determination in an Open Economy with Government**
   Fiscal Policy: impact of changes in government expenditure and taxes; net exports function; net exports and equilibrium national income.

5. **Money in a Modern Economy**
   Concept of money in a modern economy; monetary aggregates; demand for money; quantity theory of money; liquidity preference and rate of interest; money supply and credit creation; monetary policy.

**Suggested Readings**

Semester-IV

Discipline Specific Core Course (DSC)-IV

Principles of Macro Economics-II

1. IS-LM Analysis
Derivations of the IS and LM functions; IS-LM and aggregate demand; shifts in the AD curve.

2. GDP and Price Level in Short Run and Long Run
Aggregate demand and aggregate supply; multiplier Analysis with AD curve and changes in price levels; aggregate supply in the SR and LR.

3. Inflation and Unemployment
Concept of inflation; determinants of inflation; relationship between inflation and unemployment: Phillips Curve in short run and long run.

4. Balance of Payments and Exchange Rate
Balance of payments: current account and capital account; market for foreign exchange; determination of exchange rate.

Suggested Readings

Semester-V

Discipline Specific Elective Course (DSE)-I

Economic Development and Policy in India–I

1. Issues in Growth, Development and Sustainability

2. Factors in Development
Capital formation (Physical and Human); technology; institutions.

3. Population and Economic Development
Demographic trends; urbanisation.

4. Employment
Occupational structure in the organised and the unorganised sectors; open-, under and disguised unemployment (rural and urban); employment schemes and their impact.

5. Indian Development Experience
Critical evaluation of growth, inequality, poverty and competitiveness, pre and post reforms era; savings and investment; mobilisation of internal and external finance; monetary and fiscal policies; centre-state financial relations.

Suggested Readings:

5. Government of India, Five Year Plan (latest)
Semester-V

Discipline Specific Elective Course (DSE)-II

Money and Banking

1. Money
   Concept, functions, measurement; theories of money supply determination.

2. Financial Institutions, Markets, Instruments and Financial Innovations
   a. Role of financial markets and institutions; problem of asymmetric information – adverse selection and moral hazard; financial crises.
   b. Money and capital markets: organization, structure and reforms in India; role of financial derivatives and other innovations.

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

4. Banking System
   b. Indian banking system: Changing role and structure; banking sector reforms.

5. Central Banking and Monetary Policy
   Functions, balance sheet; goals, targets, indicators and instruments of monetary control; monetary management in an open economy; current monetary policy of India.

Suggested Readings

Semester-V
Discipline Specific Elective Course (DSE)-III

Environmental Economics

1. Introduction
Key environmental issues and problems, economic way of thinking about these problems, basic concepts from economics; Pareto optimality and market failure in the presence of externalities; property rights and other approaches.

2. The Design and Implementation of Environmental Policy
Overview, Pigouvian taxes and effluent fees, tradable permits, implementation of environmental policies in India and international experience; transboundary environmental problems; economics of climate change.

3. Environmental Valuation Methods and Applications
Valuation of non-market goods and services--theory and practice; measurement methods; cost-benefit analysis of environmental policies and regulations.

4. Sustainable Development
Concepts; measurement; perspectives from Indian experience

Suggested Readings
Semester-VI

Discipline Specific Elective Course (DSE)-IV

Economic Development and Policy in India-II

1. Agriculture: Policies and Performance
Production and productivity; credit; labour; markets and pricing; land reforms; regional variations.

2. Industry: Policies and Performance
Production trends; small scale industries; public sector; foreign investment.

3. Foreign Trade: Trends and Policies
Balance of trade and balance of payments; India and the World Trade Organisation.

Suggested Readings:
1. Introduction: Colonial India: Background and Introduction
Overview of colonial economy.

2. Macro Trends
National Income; population; occupational structure.

3. Agriculture
Agrarian structure and land relations; agricultural markets and institutions – credit, commerce and technology; trends in performance and productivity; famines.

4. Railways and Industry
Railways; the de-industrialisation debate; evolution of entrepreneurial and industrial structure; nature of industrialisation in the interwar period; constraints to industrial breakthrough; labor relations.

5. Economy and State in the Imperial Context
The imperial priorities and the Indian economy; drain of wealth; international trade, capital flows and the colonial economy – changes and continuities; government and fiscal policy.

Suggested Readings:
11. MD Morris, Emergence of an Industrial Labour Force in India, OUP 1965, Chapter 11, Summary and Conclusions.
15. Basudev Chatterjee, Trade, Tariffs and Empire, OUP 1992
Semester-VI

Discipline Specific Elective Course (DSE)-VI

Public Finance

Part 1: Theory

Part 2: Issues from Indian Public Finance
5. Current Issues of India’s Tax System.
6. Analysis of Budget and Deficits
7. Fiscal Federalism in India
8. State and Local Finances

Suggested Readings:
8. State Finances: A Study of Budgets, Reserve Bank of India (latest).
Dissertation/Project work will comprise of either field work or research study based on secondary data on topic based on relevant economic problems allocated by internal supervisor. In both cases student will have to submit a report.

Performance of student in field project report/dissertation will be evaluated on the following basis:

(a) Field study report/Dissertation Report/Final presentation 70 Marks
(b) Two periodical Presentation 30 Marks

Note: Two periodical presentations will be assessed by internal examiner but the field study Project report/Dissertation and final presentation will be assessed jointly by internal and external examiner.

Note: Only those students who attains Grade point 9 and letter Grade A+ (Excellent) in Economics subject in each semester (up to 4th semester) will be eligible for opting dissertation/project work as one of the Discipline Specific elective course (DSE).
Skill Enhancement Course (SEC)-1
Computer skills for Business Communication and Economic Research

Course Description
This course introduces students to the use of computer technology for developing effective business communication skills and for assisting in his/her research work.

Course Outline

Unit I: Office applications and Internet: Word Processing: Its main elements, Opening Documents and Closing documents, Text Creation and Manipulation, Formatting the Text, Table Manipulation; Electronics Spread Sheet: Its main elements, Data management on spreadsheet, providing Formulas; Power point: Creation of Presentation, Preparation of Slides; WWW and Web Browsers; Surfing the Internet; Basic of electronic mail, Using Emails, Document handling.

Unit II: Business Correspondence: Letter Writing, presentation, Inviting quotations, Sending quotations, Placing orders, Inviting tenders, Sales letters, claim & adjustment letters and social correspondence, Memorandum, Inter-office Memo, Notices, Agenda, Minutes, Job application letter, preparing the Resume.

Suggested Readings:


2. Bovee, and Thill, Business Communication Today, Pearson Education

3. Shirley Taylor, Communication for Business, Pearson Education


5. Sinha, K.K., Business Communication, Galgotia and Sons, New Delhi.
Skill Enhancement Course (SEC)-2
Entrepreneurship and Small Business Development

Course Description
This course introduces students to the basic knowledge of starting new ventures. It will impart skills for formulation and planning of projects. It will also provide them knowledge of institutions helpful for development of small business.

Course Outline

Unit 1: Establishing a small enterprise: The start up process, project identification, selection of the product, project formulation, Project Report Preparation; Specimen of Project Report, assessment of project feasibility, analysis’s of project, Project Planning and Scheduling using Networking Techniques of PERT / CPM preparation of project report, selection of site/location and legal considerations

Unit 2: Small Enterprises and Enterprise Launching Formalities : Definition of Small Scale; Rationale; Objective; Scope; SSI; Registration; NOC from Pollution Board; Machinery and Equipment Selection

Unit 3: Role of Support Institutions and Management of Small Business : Director of Industries; DIC; SIDO; SIDBI; Small Industries Development Corporation (SIDC); SISI; NSIC; NISBUD; State Financial Corporation SIC

Suggested Readings:
Skill Enhancement Course (SEC)-3
Financial Economics

Course Description
This course introduces students to the economics of finance. The course does not require any prior knowledge of economics. This course should be accessible to anyone with an exposure to elementary mathematics. The course is designed to impart the essential aspects of financial asset valuation. The students will be introduced to numerical techniques in finance using spreadsheet programmes such as Microsoft Excel. The course will impart skills that will be useful in a variety of business settings including investment banks, asset management companies and in the field of financial and business journalism.

Course Outline
Unit 1. Deterministic cash-flow streams
Basic theory of interest; discounting and present value; internal rate of return; evaluation criteria; fixed-income securities; bond prices and yields; interest rate sensitivity and duration; immunisation; the term structure of interest rates; yield curves; spot rates and forward rates.

Unit 2. Single-period random cash flows
Random asset returns; portfolios of assets; portfolio mean and variance; feasible combinations of mean and variance; mean-variance portfolio analysis: the Markowitz model and the two-fund theorem; risk-free assets and the one-fund theorem.

Unit 3. Capital Asset Pricing Model (CAPM)
The capital market line; the capital asset pricing model; the beta of an asset and of a portfolio; security market line; use of the CAPM model in investment analysis and as a pricing formula.

Suggested Readings
Course Description
This course introduces the student to collection and presentation of data. It also discusses how data can be summarized and analysed for drawing statistical inferences. The students will be introduced to important data sources that are available and will also be trained in the use of free statistical software to analyse data.

Course Outline

Unit 1: Sources of data. Population census versus sample surveys. Random sampling.

Unit 2: Univariate frequency distributions. Measures of central tendency: mean, median and mode; arithmetic, geometric and harmonic mean. Measures of dispersion, skewness and kurtosis.

Unit 3: Bivariate frequency distribution. Correlation and regression. Rank correlation.


Unit 5: Estimation of population parameters from sample data. Unbiased estimators for population mean and variance.

Unit 6. Basics of index numbers: price and quantity index numbers.

Suggested Readings: