

Raiganj University

Syllabus for B.A/B.SC- Economics(Hons.)

UNDER CHOICE BASED CREDIT SYSTEM

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1. Scheme for CBCS Curriculum

1.1 Credit Distribution across Courses

Course Type	Total Papers	Credits	
		Theory + Practical	Theory*
Core Courses	14	14*4 =56 14*2 =28	14*5 =70 14*1=14
Discipline Specific Electives	4	4*4=16 4*4=2	4*5=20 4*1=4
Generic Electives	4	4*4=16 4*4=2	4*5=20 4*1=4
Ability Enhancement Language Courses	2	2*2=4	2*2=4
Skill Enhancement Courses	2	2*2=4	2*2=4
Totals	22	140	140

*Tutorials of 1 Credit will be conducted in case there is no practical component

1.2 Scheme for CBCS Curriculum

Semester	Course Name	Course Detail	Credits
I	Ability Enhancement Compulsory Course-I	English communication / Environmental Science	2
	Core course-I	Introductory Microeconomics	6
	Core course-I Practical	-	-
	Core course-II	Mathematical Methods for Economics-I	6
	Core course-II Practical	-	-
	Generic Elective- 1	TBD	4
	Generic Elective- 1 Practical	TBD	2
II	Ability Enhancement Compulsory Course-II	English communication / Environmental Science	2
	Core course-III	Introductory Macroeconomics	6
	Core course-III Practical	-	-
	Core course-IV	Mathematical Methods for Economics-II	6
	Core course-IV Practical	-	-
	Generic Elective-2	TBD	4
	Generic Elective-2 Practical	TBD	2
III	Core course-V	Intermediate Microeconomics-I	6
	Core course-V Practical	-	-
	Core course-VI	Intermediate Macroeconomics-I	6
	Core course - VI Practical	-	-
	Core course-VII	Statistical Methods for Economics	6
	Core course-VII Practical	-	-
	Skill Enhancement Course- 1	TBD	2
	Generic Elective-3	TBD	4

	GenericElective-3Practical	TBD	2
IV	Corecourse-VIII	Intermediate Microeconomics-II	6
	Corecourse-VIIIPractical	-	-
	Corecourse-IX	Intermediate Macroeconomics-II	6
	Corecourse-IXPractical	-	-
	Corecourse-X	Introductory Econometrics	6
	Corecourse-XPractical	-	-
	SkillEnhancementCourse-2	TBD	2
	GenericElective-4	TBD	4
	GenericElective-4Practical	TBD	2
V	Corecourse-XI	International Economics	6
	Corecourse-XIPractical	-	-
	Corecourse-XII	Public Economics	6
	Corecourse-XIIPractical	-	-
	DisciplineSpecificElective-1	TBD	4
	DisciplineSpecificElective- 1Practical	TBD	2
	DisciplineSpecificElective-2	TBD	4
	DisciplineSpecificElective- 2Practical	TBD	2
VI	Corecourse-XIII	Indian Economy	6
	Corecourse-XIIIPractical	-	-
	Corecourse-XIV	Development Economics	6
	Corecourse-XIVPractical	-	-
	DisciplineSpecificElective-3	TBD	4
	DisciplineSpecificElective- 3Practical	TBD	2
	DisciplineSpecificElective-4	TBD	4

	DisciplineSpecificElective- 4Practical	TBD	2
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1.3 Choices for Discipline Specific Electives

Discipline Specific Elective			
3.1 DSET1-Economics of Health and Education	3.4 DSET4-Topics in Microeconomics-I	3.7DSET7-Issues in Development Economics	3.10 DSET10-Financial Economics
3.2 DSET2 -Applied Econometrics	3.5 DSET5- Political Economy-I	3.8 DSET8- Political Economy-II	3.11 DSET11-Topics in Microeconomics-II
3.3 DSET3- Economic History of India (1857-1947)	3.6 DSET6-Money and Financial Markets	3.9DSET9-Comparative Economic Development (1850-1950)	3.12 DSET12-Environmental Economics
3.13 DSET13-Issues in Indian Economy	3.14 DSET14-Project Work		

2. Core Subjects Syllabus

2.1 Core T1 –Introductory Microeconomics

Introductory Microeconomics	
	6 Credits
Exploring the subject matter of Economics	
<p>Why study economics? Scope and method of economics; the economic themes: scarcity and efficiency; thinking like an economist: the question of what to produce, how to produce and how to distribute output; marginal benefits and marginal costs; opportunity cost (private and social); the basic competitive model; prices, property rights, the role of property rights in markets and profits; incentives and information; rationing; opportunity sets; economic systems; reading and working with graphs.</p>	
Supply and Demand: How Markets Work, Markets and Welfare	
<p>Elementary theory of demand: determinants of household demand, market demand, and shifts in the market demand curve</p> <p>Elementary theory of supply: factors influencing supply, derivation of the supply curve, and shifts in the supply curve</p> <p>The elementary theory of market price: determination of equilibrium price in a competitive market; the effect of shifts in demand and supply; the excess demand function: Existence, uniqueness, and stability of equilibrium; consumer surplus, producer surplus and efficiency of competitive markets (graphical approach); the idea of market failure; Elasticities and their applications.</p> <p>Government intervention and their impact on market equilibrium and efficiency:- controls on prices (Price ceilings and price floors); indirect taxation.</p>	
The Households	
<p>The consumption decision - budget constraint, consumption and income and price changes, demand for all other goods and price changes; description of preferences- most preferred bundle and its properties; consumer's optimum choice; income and substitution effects; Marshallian and compensated demand curves; Price consumption curve, income consumption curve, and Engel curve; Homothetic tastes; labour supply and savings decision - choice between leisure and consumption.</p>	
The Firm and Perfect Market Structure	

Defining a firm- firm's legal forms; profit maximization hypothesis; Contractual theories and organizational theories of firms (concepts only); Behaviour of profit maximizing firms and the production process; short run costs and output decisions; costs and output in the long run.

Imperfect Market Structure

Monopoly and anti-trust policy; measuring monopoly power; government policies towards competition; various types of imperfect competition.

Input Markets

Theory of rent-Ricardo, Marshall, and Modern theory of rent; Labour and land markets - 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; labour market and public policy.

Reference Books

- ▶ **Karl E. Case and Ray C. Fair, Principles of Economics, Pearson Education Inc., 8th Edition, 2007.**
- ▶ **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.**
- ▶ **Joseph E. Stiglitz and Carl E. Walsh, Economics, W.W. Norton & Company, Inc., New York, International Student Edition, 4th Edition, 2007.**
- ▶ **Samuelson and Nordhaus, Economics, Mc GrawHill**

2.2 Core T2 –Mathematical Methods in Economics-I

Mathematical Methods in Economics - I	
	6 Credits
Preliminaries	
Logic and proof techniques; sets and set operations; relations; functions and their properties; number systems.Convex sets; geometric properties of functions: convex functions, their characterizations, properties and applications; further geometric properties of functions: quasi-convex functions, their characterizations, properties and applications; limit and continuity.	
Functions of one real variable	
Continuous functions of different types and their graphs- quadratic, polynomial, power, exponential, and logarithmic; Derivatives of first and second order and their properties; convex, concave and linear function. Application in economics- concept of marginal.	
Single variable optimization	
Local and global optima; Geometric characterizations;characterizations using calculus; Applications in Economics- profit maximization and cost minimization.	
Integration of functions	
Integration of different types of functions; Methods of Substitution and by parts; Applications in economics- obtaining total from the marginal.	
Difference Equations	
Finite difference; Equations of first and 2 nd orders and their solutions; Application in Economics- Cobweb model.	
Elementary Probability Theory	
Sample space and events; Probability axioms and properties; counting techniques; conditional probability; Bayes' rule and independence of events; Random variable and probability distributions- Discrete and continuous. Expectation of a random variable .	
Reference Books	

- ▶ **K. Sydsaeter and P. Hammond, Mathematics for Economic Analysis, Pearson Educational Asia: Delhi, 2002.**
- ▶ **A. Mukherji and S. Guha: Mathematical Methods and Economic Theory, Oxford University Press, 2011**
- ▶ **Apostol T.M. Calculus, Volume 1, One-variable calculus, with an introduction to linear algebra, (1967) Wiley, ISBN 0-536-00005-0, ISBN 978-0-471-00005-1**
- ▶ **K. G. Binmore, Mathematical analysis, Cambridge University Press, 1991.**
- ▶ **R.V. Hogg and A.T. Craig , An Introduction to Mathematical Statistics, Third Edition, Amerind, New York, London**
- ▶ **Kenny and Keeping, Mathematics of Statistics, Van Nostrand.**

2.3 Core T₃ –Introductory Macroeconomics

Introductory Macroeconomics	
	6 Credits
National Income Accounting, unemployment, and open economy issues	
<p>Macroeconomic data- National Income accounting and cost of living; Concept of Growth- role of savings, investment, and financial intermediation; Open Economy- Balance of Payments, exchange rates, and capital flow; Concept of unemployment- Types and their characteristics; Growth accounting and Solow residual.</p>	
Money and Inflation	
<p>Monetary system- definitions of money and determinants of money supply – money multiplier and central bank’s role in controlling money supply; quantity theory of money; inflation and its costs.</p>	
The Closed Economy in the Short Run	
<p>Theory of aggregate demand- components and their interrelations - crowding out- Factors causing shift in the function; Theory of aggregate supply- determinants of supply and shift factors; Interaction of aggregate demand and supply.</p>	
Reference Books	
<ul style="list-style-type: none"> ▶ Dornbusch, Fischer and Startz, Macroeconomics, McGraw Hill, 11th edition, 2010. ▶ N. Gregory Mankiw. Principles of Macroeconomics, Indian Imprint of South Western by Cengage India, 6th edition, 2015. ▶ Richard T. Froyen, Macroeconomics, Pearson Education Asia, 2nd edition, 2005. ▶ Andrew B. Abel and Ben S. Bemanke, Macroeconomics, Pearson Education, Inc., 7th edition, 2011. ▶ J.R.Hicks. The Social Framework: An Introduction to Economics, Clarendon Press, 3rd edition, 1960 ▶ Sikdar Soumyen, Principles of Macroeconomics, Oxford University Press 	

2.4 Core T4–Mathematical Methods in Economics-II

Mathematical Methods in Economics - II	
	6 Credits
Matrix Algebra	
<p>Matrix: its elementary operations; different types of matrix; Rank of a matrix; Determinants and inverse of a square matrix; solution of system of linear equations; Eigen values and Eigen vectors. System of nonlinear equations- Jacobian determinant and existence of solution.</p>	
Function of several variables	
<p>Continuous and differentiable functions: partial derivatives and Hessian matrix. Homogeneous and homothetic functions. Euler's theorem, implicit function theorem and its application to comparative statics problems. Economic applications- theories of consumer behaviour and theory of production.</p>	
Multi-variable optimization	
<p>Optimization of nonlinear functions: Convex, concave, and quasi-concave functions; Unconstrained optimization; Constrained optimization with equality constraints- Lagrangian multiplier method; role of Hessian determinant; Inequality constraints and Kuhn-Tucker Conditions; Value function and Envelope theorem; Economic applications – consumer behaviour and theory of production.</p> <p>Optimization of linear function: Linear programming; concept of slack and surplus variables (graphical solution only) concept of convex set.</p>	
Differential Equations	
<p>Solution of Differential equations of first order and second order; Economic application-price dynamics in a single market- multimarket supply demand model with two independent markets. Qualitative graphic solution to 2x2 linear simultaneous differential equation system- phase diagram, fixed point and stability.</p>	
Reference Books	
<p>K. Sydsaeter and P. Hammond, Mathematics for Economic Analysis, Pearson Educational Asia: Delhi, 2002.</p> <p>▶ Lawrence Blume and Carl Simon. Mathematics for Economists, W. W. Norton and Company, 1994.</p> <p>▶ Alpha Chiang and Kevin Wainwright, Fundamental Methods of Mathematical Economics, Fourth Edition, McGraw-Hill, 2005.</p>	

2.5 Core T5 –Intermediate Microeconomics - I

Intermediate Microeconomics - I	
	6 Credits
Consumer Theory	
Cardinal utility; Preference: ordering and properties of ordinal utility; existence of utility functions, different utility functions and their properties, compensating and equivalent variation, Slutsky equation; consumption-leisure choice and labour supply; choice under uncertainty (expected utility and risk aversion), inter- temporal choice and savings decision; revealed preference approach.	
Production and Costs	
Technology- general concept of production function; returns to factor and returns to scale, isoquants and diminishing rate of factor substitution – elasticity of substitution –some examples of technology (fixed proportion, perfect substitute, Cobb– Douglas Production Function, CES Production Function), General concept of homogenous and homothetic production function and their properties; production with one and more variable inputs; isocost line and firms equilibrium and expansion paths; short run and long run costs; cost curves in the short run and long run; relation between short run and long run costs.	
Competitive Equilibrium	
Short run and long run equilibrium; determination of the supply curve of the firm and the industry: with reference to external economies and diseconomies of scale.	
Input market in perfect competition	
Derived demand for input, marginal product and marginal revenue product, input demand for competitive firm and competitive industry, returns to scale and product exhaustion.	
Reference Books	
<ul style="list-style-type: none"> ▶ 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. ▶ C. Snyder and W. Nicholson, Fundamentals of Microeconomics, Cengage Learning (India), 2010. ▶ B. Douglas Bernheim and Michael D. Whinston, Microeconomics, Tata McGraw- Hill (India), 2009. ▶ Hugh Gravelle and Ray Rees. Microeconomics, Prentice Hall (UK); 3rd edition, 2004. ▶ Anindya Sen , Microeconomics: Theory and Applications, Oxford University Press ▶ Pindyck, Rubinfeld and Mehta, Microeconomics, Pearson 	

2.6 Core T6 –Intermediate Macroeconomics - I

Intermediate Macroeconomics - I	
	6 Credits
Income Determination in the short-run	
<p>Simple Keynesian System: Multipliers; equilibrium in both closed and open economy and stability; autonomous expenditure, balanced budget, and net exports; paradox of thrift.</p> <p>IS-LM Model - equilibrium, stability and comparative statics; effects of fiscal and monetary policies, real balance effects; IS-LM in the open economy under fixed and flexible exchange rate with perfect and imperfect capital mobility (Mundell-Fleming model).</p>	
Aggregate Demand and Aggregate Supply	
<p>Derivation of aggregate demand assuming price flexibility; Derivation of aggregate supply curves both in the presence and absence of wage rigidity; equilibrium, stability, and comparative statics-effects of monetary and fiscal policies; Unemployment and its causes- possible solutions, including real balance effect and wage cut policy.</p>	
Inflation, Unemployment and Expectations	
<p>Inflation and unemployment trade-off- Short run and long- run Phillips curve under adaptive expectations-outcome under rational expectations (non-rigorous).</p>	
Reference Books	
<ul style="list-style-type: none"> ▶ Dornbusch, Fischer and Startz, Macroeconomics, McGraw Hill, 11th edition, 2010. ▶ N. Gregory Mankiw. Macroeconomics, Worth Publishers, 7th edition, 2010. ▶ Steven M. Sheffrin, Rational Expectations, Cambridge University Press, 2nd edition, 1996. ▶ Andrew B. Abel and Ben S. Bernanke, Macroeconomics, Pearson Education, Inc., 7th edition, 2011. ▶ Richard T. Froyen, Macroeconomics, Pearson Education Asia, 10th edition, 2016. ▶ William Branson. Macroeconomic Theory and Policy, Indian reprint, East West Press, 3rd edition, 2014. ▶ Sikdar Soumyen, Principles of Macroeconomics, Oxford University Press ▶ Acharyya Rajat, International Economics, OUP ▶ Krugman and Obstfeld, International Economics, Pearson 	

2.7 Core T7 –Statistical Methods for Economics

Statistical Methods for Economics	
	6 Credits
Descriptive Statistics	
Presentation of Data; Frequency Distribution; Measures of central tendency, Dispersion, Moments, Skewness and Kurtosis; Bivariate Frequency Distribution- correlation and regression.	
Univariate Probability Distribution	
Discrete distribution-Binomial, Poisson; Continuous Distributions-Uniform, Normal, Exponential (Properties of each distribution; mean and variance).	
Jointly Distributed Random Variables	
Density function of Bivariate normal distribution and obtaining means, variances, and correlation coefficients.	
Sampling	
Concept of sampling and random sampling. Principal steps in a sample survey; methods of sampling;-SRSWR, SRSWOR, Stratified sampling. Sampling vs non-sampling error	
Index Number	
Price and quantity index number; Different formula; Tests for an ideal index application- Cost of living index; Real GDP	
Estimation	
Parameters and statistics; Point estimation-Properties of a good estimator; Maximum Likelihood Method and the method of moments; Estimation of population parameters using SRSWR and SRSWOR; Interval estimation.	
Reference Books	
<ul style="list-style-type: none"> ▶ Jay L. Devore, Probability and Statistics for Engineers, Cengage Learning, 2010. ▶ John E. Freund, Mathematical Statistics, Prentice Hall, 1992. ▶ Richard J. Larsen and Morris L. Marx, an Introduction to Mathematical Statistics and its Applications, Prentice Hall, 2011. ▶ William G. Cochran, Sampling Techniques, John Wiley, 2007. ▶ R.V. Hogg . and A.T. Craig , An Introduction to Mathematical Statistics, Third Edition, Amerind, New York, London ▶ Mood, A.M., F.A.Greybill and D.C. Boes: Introduction to the theory of statistics, McGraw Hill, 1974 	

2.8 Core T8–Intermediate Microeconomics - II

Intermediate Microeconomics - II	
	6 Credits
General Equilibrium, Efficiency, and Welfare	
<ul style="list-style-type: none"> a) Exchange Economy, Consumption Allocation and Pareto Optimality; Edgeworth box and contract curve; Equilibrium and efficiency under pure exchange. b) Pareto efficiency with production: concepts of PPF, SIC, and resource allocation; c) Perfect competition, Pareto efficiency and market failure (externalities and public good); property right and Coase Theorem. 	
Market Structure and Game Theory	
<ul style="list-style-type: none"> a) Monopoly; pricing with market power; degree of monopoly; price discrimination-different degrees; multiplant monopoly; peak-load pricing; two-part tariff; monopolistic competition. b) Oligopoly and game theory (Cooperative and Non-cooperative static games; simultaneous move and sequential move games; non-cooperative games of perfect information; the Prisoner's dilemma, Nash equilibrium in pure and mixed strategies; Backward induction solutions and SPNE); Applications of game theory in oligopolistic markets (Cournot Equilibrium, Bertrand Equilibrium, StacklebergEquilibrium) ; concept of collusion and cartels; Solution by backward induction. 	
Input Market under Imperfect Competition	
Monopsony, bilateral monopoly in labour market; Externalities; public goods and markets with asymmetric information.	
Reference Books	
<ul style="list-style-type: none"> ▶ Hal Varian. Microeconomic Analysis, Third Edition, Selected chapters, W. W. Norton and Company, 2013. ▶ W.W. Norton and Company/Affiliated East-West Press (India), 2010.The workbook by Varian and Bergstrom could be used for problems. ▶ C. Snyder and W. Nicholson, Fundamentals of Microeconomics, Cengage Learning (India), 2010 ▶ Jean Tirole. Theory of Industrial Organization, MIT Press, 1988 ▶ Robert Gibbons. A Primer in Game Theory, Princeton University Press, 1992. ▶ Erik Rasmusen. Games and Information: An Introduction to Game Theory, Basil Blackwell, 1999. ▶ K. Binmore. Fun and Games: A Text on Game Theory, OUP, 1991 ▶ AnindyaSen, Microeconomics: Theory and Applications, OUP, 1999 ▶ Pindyck and Rubinfeld, Microeconomics, Prentice Hall 	

▶ Mascollel and Green, Microeconomic Theory,OUP

2.9 Core T₉–Intermediate Macroeconomics - II

Intermediate Macroeconomics - II	
	6 Credits
Schools of Macroeconomic Thoughts	
<p>Classical System: Say's law and quantity theory; Friedman's restatement; classical dichotomy and neutrality of money; Keynesian vs classical system; basic tenets of New Classical and New Keynesian System.</p>	
Macroeconomic Foundations	
<p>Consumption: Keynesian consumption function; Fisher's theory of optimal intertemporal choice; life-cycle and permanent income hypotheses; Dusenberry's relative income hypothesis; rational expectations and random-walk of consumption expenditure.</p> <p>Investment: MEC and MEI- Jorgenson's neo-classical theory- Acceleration principle- fixed and variable.</p> <p>Demand for money: Regressive expectations and Tobin's portfolio choice models; Baumol's inventory theoretic money demand.</p>	
Monetary Policy	
<p>Government debt and Ricardian equivalence; high-powered money; money multiplier analysis; monetary policy – OMO, Bank rate, variable reserve ratio, repo and reverse repo.</p>	
Economic Growth	
<p>Harrod- Domar model and Solow one sector growth models; golden rule; dynamic efficiency, technological progress and elements of endogenous growth theory.</p>	
Reference Books	
<p>Snowdon and Vane (ed), A Macroeconomics Reader, Routledge, Taylor and Francis Group.</p> <p>R. Barro. Macroeconomics, 5th edition, The MIT Press, 1989</p> <p>W.H.Branson. Macroeconomics, Haper and Row, 3rd edition, 1989</p> <p>A.K.Sen (ed). Growth Economics, Penguin, 1970</p> <p>Andrew B. Abel and Ben S. Bemanke, Macroeconomics, Pearson Education, Inc., 7th edition, 2011</p> <p>J.B Hall and R.E.Taylor. Macroeconomics, W.W.Nortan and Company, 5th revised edition, 1997</p>	

Errol D'Souza. Macroeconomics, Pearson Education (New Delhi), 2009

Dornbusch, Fischer and Startz, Macroeconomics, McGraw Hill, 11th edition, 2010

2.10 Core T10–Introductory Econometrics

Introductory Econometrics	
	6 Credits
Nature and Scope of Econometrics	
Definition and Scope of Econometrics; Importance of Error Term.	
Statistical Concepts	
Sampling Distributions- χ^2 , t- and F-distributions and their application in testing of hypothesis; Defining hypothesis; Distribution of test-statistics; testing hypotheses related to population parameters; Type I and Type II errors; power of a test.	
Classical Linear Regression Model: Two Variable Case	
The model and the role of disturbance term ; Estimation of model by method of ordinary least squares (OLS); Gauss-Markov theorem, Reverse Regression, properties of estimators; goodness of fit; testing of hypotheses and confidence intervals; scaling and units of measurement; prediction and forecasting, Problems in OLS Method	
Multiple Classical Linear Regression Model	
Motivation for multiple regression, Estimation by OLS method; properties of OLS estimators; testing hypotheses – individual and joint; partial correlation and regression coefficients; goodness of fit – role of R^2 and adjusted R^2 ; Use of qualitative (dummy) independent variables.	
Violations of Classical Assumptions :Consequences, Detection and Remedies	
Problems of Multi-collinearity, Heteroscedasticity, and Auto correlation; Consequences of applying OLS under Heteroscedasticity and Autocorrelation and their detection– Durbin-Watson Test, Glesjer Test, Goldfeld-Quandt Test.	
Specification Problem	
Omission of a relevant variable; inclusion of an irrelevant variable; tests of specification errors	
Reference Books	
<ul style="list-style-type: none"> ▶ Jay L. Devore, Probability and Statistics for Engineers, Cengage Learning, 2010. ▶ John E. Freund, Mathematical Statistics, Prentice Hall, 1992. 	

- ▶ **Richard J. Larsen and Morris L. Marx, An Introduction to Mathematical Statistics and its Applications, Prentice Hall, 2011.**
- ▶ **D. N. Gujarati and D.C. Porter, Essentials of Econometrics, McGraw Hill, 4th edition, International Edition, 2009.**
- ▶ **Christopher Dougherty, Introduction to Econometrics, Oxford University Press, 3rd edition, Indian edition, 2007**
- ▶ **Jan Kmenta, Elements of Econometrics, Indian Reprint, Khosla Publishing House, 2nd edition, 2008**
- ▶ **Stock and Watson**
- ▶ **Maddala- Introduction to Econometrics, Wiley**

2.11 Core T11–International Economics

International Economics	
	6 Credits
Basics of trade theory	
<p>Arbitrage as basis and direction of trade; fundamental sources of cross-country price differences and arbitrage; concept of comparative advantage; externalities, regulation and perverse comparative advantage; International equilibrium; offer curves, ToT and stability; Gains from Trade (GFT) Theorem; Concepts of Production possibility Frontier and Community Indifference curves; Illustration of GFT; Decomposition of GFT; Substitution possibilities and magnitude of GFT.</p>	
Technology and Trade (Ricardian Model):	
<p>Comparative versus Absolute Advantage, One-factor economy, production possibility frontier, relative demand and relative supply, terms of trade; Trade in Ricardian world, Determination of intermediate ToT, Complete specialization & GFT</p>	
Factor Endowment & Trade (Heckscher-Ohlin-Samuelson Model):	
<p>H-O theorem and physical vs. price definitions of factor abundance; Properties of the HO model: Factor intensity ranking, one-to-one correspondence between commodity price ratio & factor price ratio (Stolper-Samuelson theorem), One to one correspondence between endowment ratio and production proportion (Rybczysky's theorem); Proof of HO theorem; Taste bias and invalidation of HO theorem; Empirical studies- Leontief Paradox; Effects of trade on factor price and income distribution, factor price equalization, factor intensity reversal & factor price equalization.</p>	
Trade Policy:	
<p>Partial Equilibrium Analysis: Tariff - cost-benefit, Quota, Quota- Tariff equivalence & non-equivalence, effects of tariff, quota, subsidy and voluntary export restraint; General Equilibrium Analysis- distinction between large and small economy, welfare effects of a tariff on small country and large country, Offer curve and ToT, Tariff ridden offer curve, Tariff war, Optimum tariff for large economy, Metzler's Paradox.</p>	
Balance of Payments & Exchange Rate:	
<p>Balance of Payment accounts in an open economy; Determination of National Income, Transfer problem, Introduction of foreign Country & repercussion effect - open economy multiplier with & without repercussion effect; Fixed</p>	

&Flexible Exchange Rate: adjustment of demand and supply of Foreign Exchange, Effect of devaluation, Effects of exchange rate on domestic prices and ToT, Marshall-Lerner Condition, J-Curve effect.

Reference Books

- ▶ **P. Krugman and M. Obstfeld- International Economics (8th Edition) ; Pearson Education**
- ▶ **R. Caves, J. Frankel and R.W. Jones – World Trades & Payments (9th Ed); Pearson Education..**
- ▶ **RajatAcharyya- International Economics; Oxford University Press**
- ▶ **Giancarlo Gandolfo, International Trade Theory and Policy, Springer, 2014**

2.12 Core T12–PUBLIC ECONOMICS

PUBLIC ECONOMICS	
	6 Credits
Nature and Scope of Public Economics	
Definition and Scope of Public Economics; Externalities, Market Failure and Government Intervention; Coase Theorem; Public Expenditure to finance Development.	
Theory of Public Good	
Overview of Public Good; Characteristics of Pure Public Good; Distinction between Pure Public Good and Private Good; Market Failure in case of Pure Public Good; Optimal provision of Public Goods; Private Provision and Public Provision of Public Goods; Lindahl Equilibrium, Voting Equilibrium.	
Taxation:	
Classification of Taxes; Canons of Taxation; Benefit Principle; Equal Sacrifice Principle; Ability to Pay Principle; Incidence and Burden of Taxes; Effects of taxation on income distribution, work efforts, and on savings; the Laffer curve; Optimal Taxation	
Public Expenditure and Public Debt:	
Meaning and Classification of Public Expenditure; government budget and its types; government expenditure and tax multipliers, balanced budget multiplier; Fiscal Federalism in India; Meaning of Public Debt; Sources of Public Borrowings: Internal and external borrowing; Effects of Public Debt.	
Reference Books	
▶	1. A. B. Atkinson and J. E. Stiglitz, Lectures on Public Economics, McGraw-Hill Inc.,US, 1980.
▶	2. C. V. Brown and P. M. Jackson. Public Sector Economics, Wiley-Blackwell; 4th Edition, 1991.
▶	3. J. F. Due and A. F. Friedlander. Government Finance-Economics of Public Sector, AITBS Publishers and Distributors, 1994
▶	4. J. Hindriks and G. D. Myles. Intermediate Public Economics, The MIT Press; Annotated Edition, 2006.

- ▶ **R.A. Musgrave and P.B. Musgrave, Public Finance in Theory & Practice, McGraw Hill Publications, 5th edition, 1989.**
- ▶ **AmareshBagchi (ed), Readings in Public Finance, OUP**
- ▶ **5. J. E. Stiglitz. Economics of Public Sector, W. W Norton and Company, 3rd Edition, 2000.**
- ▶ **R.J.Chelliah (ed), Towards Sustainable Growth, OUP, 2009**
- ▶ **A Ghosh and C. Ghosh, Public Finance, Prentice Hall India Learning Private Limited; 2nd Revised edition (2014)**

2.13 Core T13—Indian Economy

Indian Economy	
	6 Credits
Economic Development since Independence	
<p>Major features of the economy at independence; Planning: Evolution of India's development goals and strategies - Structural constraints and Indian development strategy; Debates between Growth and distribution, Public sector vs. Private sector, Consumer goods vs. Capital goods, Import substitution vs. Export promotion ; growth and development under different policy regimes—goals, constraints, institutions and policy framework; an assessment of performance—sustainability and regional contrasts; structural changes, savings and investment including the saving-investment paradox.</p>	
Population and Human Development	
Demographic trends and issues; education; health and malnutrition.	
Growth and Distribution	
Trends and policies in poverty including Sen's Entitlement Analysis; inequality and unemployment.	
Economic Reforms in India	
Monetary, Fiscal, and Trade Policy Reforms.	
Reference Books	
<ul style="list-style-type: none"> ▶ Jean Dreze and Amartya Sen, 2013. <i>An Uncertain Glory: India and its Contradictions</i>, Princeton University Press. ▶ Jean Dreze and Amartya Sen: <i>Economic Development and social opportunity</i>, OUP ▶ Sukhomoy Chakraborty: <i>Development Planning: The Indian Experience</i>, OUP ▶ Uma Kapila: <i>Indian Economy since independence</i>, Academic Foundation ▶ Ahluwalia and Little (ed): <i>India's Economic Reforms and Development</i>, OUP ▶ Joshi and Little: <i>India's Economic Reforms</i>, OUP ▶ Pulapre Balakrishnan, 2007, <i>the Recovery of India: Economic Growth in the Nehru Era</i>, Economic and Political Weekly, November. ▶ Rakesh Mohan, 2008, —<i>Growth Record of Indian Economy: 1950-2008. A Story of Sustained Savings and Investment</i>, Economic and Political Weekly, May. ▶ S.L. Shetty, 2007, —<i>India's Savings Performance since the Advent of Planning</i>, in ▶ K.L. Krishna and A. Vaidyanathan, editors, <i>Institutions and Markets in India's Development</i>. ▶ Himanshu, 2010, <i>Towards New Poverty Lines for India</i>, Economic and Political Weekly, January. 	

- ▶ **Jean Dreze and Angus Deaton, 2009, Food and Nutrition in India: Facts and Interpretations, Economic and Political Weekly, February.**
- ▶ **Himanshu. 2011, —Employment Trends in India: A Re-examination, Economic and Political Weekly, September.**
- ▶ **Rama Baru et al, 2010, —Inequities in Access to Health Services in India: Caste, Class and Region, Economic and Political Weekly, September.**
- ▶ **Geeta G. Kingdon, 2007, —The Progress of School Education in India, Oxford Review of Economic Policy**
- ▶ **J.B.G. Tilak, 2007, —Post Elementary Education, Poverty and Development in India, International Journal of Educational Development.**
- ▶ **T. Dyson, 2008, —India's Demographic Transition and its Consequences for DevelopmentII in Uma Kapila, editor, Indian Economy Since Independence, 19th edition, Academic Foundation.**
- ▶ **KaushikBasu, 2009, —China and India: Idiosyncratic Paths to High Growth,**
- ▶ **Economic and Political Weekly, September.**
- ▶ **K. James, 2008, —Glorifying Malthus: Current Debate on Demographic Dividend in IndiaII Economic and Political Weekly, June.**
- ▶ **ReetikaKhera, 2011, —India's Public Distribution System: Utilisation and Impact**
- ▶ **Journal of Development Studies.**
- ▶ **Aniruddha Krishna and DevendraBajpai, 2011, —Lineal Spread and Radial Dissipation: Experiencing Growth in Rural India, 1992-2005, Economic and Political Weekly, September.**
- ▶ **KaushikBasu and A. Maertens, Eds, 2013, The New Oxford Companion to Economics, Oxford University Press.**

2.14 Core T14–Development Economics

Development Economic	
	6 Credits
Meaning of Economic Development	
Income Approach and Capability Approach, construction and interpretation of HDI; international variations in development measures; comparing development trajectories across nations and within them. Dependency school of development.	
Economic Growth	
An overview and policy implications of one sector growth models- Harrod- Domar, and Solow; Sources of economic growth, international comparisons.	
Poverty and Inequality	
Inequality axioms; a comparison of commonly used inequality measures; Gender Inequality, connections between inequality and development; poverty measurement, HPI; poverty traps and path dependence of growth processes.	
Political Institutions and the State	
Definition of institutions, Evolution of Political and Economic Institutions; The determinants of democracy; alternative institutional trajectories and their relationship with economic performance; within-country differences in the functioning of state institutions; state ownership and regulation; government failures and corruption.	
Reference Books	
<ul style="list-style-type: none"> ▶ Debraj Ray, Development Economics, Oxford University Press, 2009. ▶ Partha Dasgupta, Economics, a Very Short Introduction, Oxford University Press, 2007. ▶ Abhijit Banerjee, Roland Benabou and Dilip Mookerjee, Understanding Poverty, Oxford University Press, 2006. ▶ Kaushik Basu, The Oxford Companion to Economics in India, OUP, 2007. ▶ Kaushik Basu, Analytical Development Economics, OUP ▶ Amartya Sen, Development as Freedom, OUP, 2000. ▶ Daron Acemoglu and James Robinson, Economic Origins of Dictatorship and Democracy, Cambridge University Press, 2006. ▶ Robert Putnam, Making Democracy Work: Civic Traditions in Modern Italy, Princeton University Press, 1994 ▶ Meier and Rauch (ed)- Leading Issues in Development Economics, OUP ▶ Todaro and Smith: Economic Development, Pearson Education, 2009 	

- ▶ Hayami and Godo, Development Economics, OUP
- ▶ Bardhan and Udry, Development Microeconomics, OUP

3. Department Specific Electives Subjects Syllabus

3.1 DSE T1 –Economics of Health and Education

Economics of Health and Education	
	6 Credits
Role of Health and Education in Human Development	
Importance in poverty alleviation; health and education outcomes and their relationship with macroeconomic performance.	
Microeconomic Foundations of Health Economics	
Demand for health; uncertainty and health insurance market; alternative insurance mechanisms; market failure and rationale for public intervention; equity and inequality.	
Evaluation of Health Programs	
Costing, cost effectiveness and cost-benefit analysis; burden of disease.	
Health Sector in India: An Overview	
Health outcomes; health systems; health financing.	
Education: Investment in Human Capital	
Rate of return to education: private and social; quality of education; signaling or human capital; theories of discrimination; gender and caste discrimination in India.	
Education Sector in India: An Overview	
Literacy rates, school participation, school quality measures.	
Reference Books	
<ul style="list-style-type: none"> ▶ William, Jack, Principles of Health Economics for Developing Countries, World Bank Institute Development Studies, 1999. ▶ World Development Report, Investing in Health, The World Bank, 1993. ▶ Ronald G., Ehrenberg and Robert S., Smith, Modern Labor Economics: Theory and Public Policy, Addison 	

Wesley, 2005.

3.2 DSE T2–Applied Econometrics

Applied Econometrics	
	6 Credits
Stages in Empirical Econometric Research	
Linear Diophantine equation, prime counting function, statement of prime number theorem, Goldbach conjecture, linear congruences, complete set of residues, Chinese Remainder theorem, Fermat's Little theorem, Wilson's theorem.	
Regression Diagnostics and Specification	
Misspecification; functional forms; model selection.	
Advanced Topics in Regression Analysis	
Selected Topics: Dynamic Econometric Models: distributed lag models; autoregressive models; instrumental variable estimation; simultaneous equation models.	
Panel Data Models	
Methods of estimation; fixed effects model; random effects model.	
Introduction to Econometric Software Package	
GRET; E-VIEWS; STATA (any one).	
Reference Books	
<ul style="list-style-type: none"> ▶ Jeffrey M. Wooldridge, <i>Econometrics</i>, CENGAGE learning, India Edition, 2009. ▶ Dimitrios Asteriou and Stephen Hall, <i>Applied Econometrics: A Modern Approach</i>, Palgrave Macmillan, 2007. ▶ Damodar Gujarati, <i>Econometrics by Example</i>, Palgrave Macmillan, 2011. 	

3.3 DSE T3 –Economic History of India (1857-1947)

Economic History of India (1857-1947)	
	6 Credits
Introduction: Colonial India: Background and Introduction	
Overview of the colonial economy	
Macro Trends	
National Income; population; occupational structure.	
Agriculture	
Agrarian structure and land relations; agricultural markets and institutions – credit, commerce and technology; trends in performance and productivity; famines, commercialization of agriculture.	
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.	
Economy and State in the Imperial Context	
The imperial priorities and the Indian economy; drain of wealth; Emergence of Economic Nationalism, Laissez Faire; international trade policies, capital flows and the colonial economy – changes and continuities; government and fiscal policy, , Managing Agency System.	
Reference Books	
<ul style="list-style-type: none"> ▶ Chandra B. (2010): Rise and Growth of Economic Nationalism in India, HarAnand Publications, 2010 ▶ Lakshmi Subramanian, “History of India 1707-1857”, Orient Blackswan, 2010, Chapter 4. ▶ Sumit Guha, 1991, Mortality decline in early 20th century India’, Indian Economic and Social History Review (IESHR), pp 371-74 and 385-87. ▶ Tirthankar Roy, The Economic History of India 1857-1947, Oxford University Press, 3rd edition, 2011. ▶ J. Krishnamurty, Occupational Structure, Dharma Kumar (editor), The Cambridge Economic History of India, Vol. II, (henceforth referred to as CEHI), 2005, Chapter 6. ▶ Irfan Habib, Indian Economy 1858-1914, A People’s History of India, Vol.28, Tulika, 2006. 	

- ▶ **Ira Klein, 1984, —When Rains Fail: Famine relief and mortality in British India, IESHR 21.**
- ▶ **Jean Dreze, Famine Prevention in India in Dreze and Sen (eds.) Political Economy of Hunger, WIDER Studies in Development Economics, 1990, pp.13- 35.**
- ▶ **John Hurd, Railways, CEHI, Chapter 8, pp.737-761.**
- ▶ **Rajat Ray (ed.), Entrepreneurship and Industry in India, 1994.**
- ▶ **AK Bagchi, —Deindustrialization in India in the nineteenth century: Some theoretical implications Journal of Development Studies, 1976.**
- ▶ **MD Morris, Emergence of an Industrial Labour Force in India, OUP 1965, Chapter 11, Summary and Conclusions.**
- ▶ **K.N. Chaudhuri, Foreign Trade and Balance of Payments, CEHI, Chapter 10.**
- ▶ **B.R. Tomlison, 1975, India and the British Empire 1880-1935, IESHR, Vol.XII.**
- ▶ **Dharma Kumar, The Fiscal System, CEHI, Chapter 12.**
- ▶ **BasudevChatterjee, Trade, Tariffs and Empire, OUP 1992, Epilogue.**
- ▶ **IrfanHabib, Indian Economy 1858-1914 (A People's History of India), Vol.28, Tulika 2006.**
- ▶ **Daniel Thorner, Agrarian Prospect in India, 1977.**
- ▶ **Visaria and P. Visaria, Population. CEHI, Chapter**

3.4 DSE T4 –Topics in Microeconomics - I

Topics in Microeconomics - I	
	6 Credits
Introduction: Game Theory Basics: What is a game; games and decisions; different kinds of games; Zero-sum games: secure strategy, min-max theorem, value of a game.	
Normal form games	
The normal form; dominant and dominated strategies; dominance solvability; iterated dominance; mixed strategies and mixed strategy equilibrium; symmetric single population games; n-person games in normal form; Nash equilibrium; applications.	
Extensive form games with perfect information	
The game tree; strategies; sub game perfection; backward induction; sequential equilibrium; bargaining; Rubinstein bargaining, and Nash bargaining.	
Reference Books	
<ul style="list-style-type: none"> ▶ Martin J. Osborne, An Introduction to Game Theory, Oxford University Press, New Delhi, 2004. ▶ Robert Gibbons. A Primer in Game Theory, Princeton University Press, 1992 ▶ Prajit K. Dutta. Strategies and Game: Theory and Practice, MIT Press, 1999. 	

3.5 DSE T5 – Political Economy - I

Political Economy - I	
	6 Credits
Introduction and Historical Overview	
Introduction (States-markets and society) -Emergence of Private property rights-Perspective on political economy with a historical overview: capitalist development in the pre-second world war period, the golden age and later.	
Changing Dynamics of Capitalist Production, Organisational Form and Labour Process	
Fordist and post-fordist production; changing dynamics of organisation of production, markets and labour process; the changing nature of job security and labour rights.	
The State in the Era of Globalisation: Welfare, Development and Autonomy	
Globalisation and the limits of the welfare state, development and state autonomy.	
The Changing Role of Finance	
The changing role of finance in capital accumulation and corporate structure; finance and globalisation - financialisation, financial liberalisation and financial crisis.	
The Social Dimension	
Globalisation and uneven development – growth, inequality, poverty and exclusion.	
New Perspective	
Gender in work, accumulation and globalisation; issues in environment and sustainability; alternatives ahead.	
Reference Books	
<ul style="list-style-type: none"> ▶ Alfred Saad-Filho and Ben Fine. <i>Marx's Capital, Fifth Edition</i>, Pluto Press, 2010 ▶ Michel Beaud, <i>A History of Capitalism, 1500-2000</i>, trans. by Tom Dickman and Anny Lefebvre, New York: Monthly Review Press, 2001. ▶ Ash Amin (ed.), <i>Post-Fordism: A Reader</i>, Blackwell, 1994. ▶ Fran Tonkiss, <i>Contemporary Economic Sociology: Globalisation, Production, Inequality, Chapter 4 (Fordism and After)</i>, Routledge India 2008 reprint, 2006. 	

- ▶ **S. Hymer, "The Multinational Corporation and the Law of Uneven Development", in H. Radice (ed.) International Firms and Modern Imperialism, Penguin Books, 1975.**
- ▶ **G. Gereffi, J. Humphrey and T. Sturgeon, 2005, —The Governance of Global Value ChainsII, Review of International Political Economy, Volume 12: 78–104.**
- ▶ **Narasimha Reddy, —Economic Globalisation, Past and Present – The Challenges to LabourI in Jomo K.S. &KhooKhay Jin (ed.) Globalization and Its Discontents, Revisited, Sepsis -Tulika Books, 2003.**
- ▶ **David Harvey, A Brief History of Neoliberalism, OUP, 2005.**
- ▶ **Andrew Glyn, —Challenges to CapitalIII, in Capitalism Unleashed: Finance, Globalization and Welfare, Oxford: Oxford University Press, (Ch. One, pp. 1-24), 2006.**
- ▶ **G Dumenil and D Levy, The Crisis of Neoliberalism, Harvard University Press, 2011.**
- ▶ **K.S. Jomo (ed.), The Long Twentieth Century: The Great Divergence: Hegemony, Uneven Development and Global Inequality, OUP, 2006.**
- ▶ **Gary Dymksy, 2005, —Financial Globalization, Social Exclusion and Financial CrisisII, International Review of Applied Economics, Vol. 19: 439–457.**
- ▶ **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]**
- ▶ **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.**
- ▶ **Marilyn Power, 2004, —Social Provisioning as a Starting Point for Feminist Economics, Feminist Economics, Volume 10: 3-19.**
- ▶ **John Bellamy Foster, Ecology against Capitalism, Monthly Review Press, 2002**

3.6 DSE T6–Money and Financial Markets

Money and Financial Markets	
	6 Credits
Introduction to money and Banking	
Concept, functions, measurement; theories of money supply determination.	
Financial Institutions, Markets, Instruments and Financial Innovations	
<ol style="list-style-type: none"> 1. Role of financial markets and institutions; problem of asymmetric information – adverse selection and moral hazard; financial crises. 2. Money and capital markets: organization, structure and reforms in India; role of financial derivatives and other innovations. 	
Financial Markets and Interest Rates Behaviour	
Determination; sources of interest rate differentials; theories of term structure of interest rates; interest rates in India.	
Banking System	
<ol style="list-style-type: none"> 3. Balance sheet and portfolio management; Multiple Deposit Creation, Determinants of the Money Supply. 4. Indian banking system: Changing role and structure; banking sector reforms. 	
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.	
Reference Books	
<ul style="list-style-type: none"> ▶ F. S. Mishkin and S. G. Eakins, Financial Markets and Institutions, Pearson Education, 6th edition, 2009. ▶ F. J. Fabozzi, F. Modigliani, F. J. Jones, M. G. Ferri, Foundations of Financial Markets and Institutions, Pearson Education, 3rd edition, 2009. ▶ M. R. Baye and D. W. Jansen, Money, Banking and Financial Markets, AITBS, 1996. ▶ Rakesh Mohan, Growth with Financial Stability- Central Banking in an Emerging Market, Oxford University Press, 2011. ▶ L. M. Bhole and J. Mahukud, Financial Institutions and Markets, Tata McGraw Hill, 5th edition, 2011. 	

- ▶ **M. Y. Khan, Indian Financial System, Tata McGraw Hill, 7th edition, 2011.**
- ▶ **N. Jadhav, Monetary Policy, Financial Stability and Central Banking in India, Macmillan, 2006.**
- ▶ **R.B.I. – Report of the Working Group: Money Supply Analytics and Methodology of Compilation, 1998.**
- ▶ **R.B.I. Bulletin, Annual Report and Report on Currency and Finance (latest).**

3.7DSE T7 – Issues in Development Economics

Issues in Development Economics	
	6 Credits
Demography and Development	
Demographic concepts; birth and death rates, age structure, fertility and mortality; demographic transitions during the process of development; gender bias in preferences and outcomes and evidence on unequal treatment within households; connections between income, mortality, fertility choices and human capital accumulation; migration.	
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.	
Individuals, Communities and Collective Outcomes	
Individual behavior in social environments, multiple social equilibria; governance in organizations and in communities; individual responses to organizational inefficiency.	
Environment and Sustainable Development	
Defining sustainability for renewable resources; a brief history of environmental change; common-pool resources; environmental externalities and state regulation of the environment; market based instruments, economic activity and climate change.	
Globalization	
Globalization in historical perspective; the economics and politics of multilateral agreements; trade, production patterns and world inequality; financial instability in a globalized world.	
India In the Global Economy	

Reference Books

- ▶ Debraj Ray, Development Economics, Oxford University Press, 2009.
- ▶ ParthaDasgupta, Economics, a Very Short Introduction, Oxford University Press, 2007.
- ▶ Abhijit Banerjee, Roland Benabou and DilipMookerjee, Understanding Poverty, Oxford University Press, 2006.
- ▶ Thomas Schelling, Micromotives and Macrobehavior, W. W. Norton, 1978.
- ▶ Albert O. Hirschman, Exit, Voice and Loyalty: Responses to Decline in Firms, Organizations and States, Harvard University Press, 1970.
- ▶ RaghuramRajan, Fault Lines: How Hidden Fractures Still Threaten the World Economy, 2010.
- ▶ ElinorOstrom, Governing the Commons: The Evolution of Institutions for Collective Action, CambridgeUniversity Press, 1990.
- ▶ DaniRodrik, The Globalization Paradox: Why Global Markets, States and Democracy Can't Coexist, Oxford University Press, 2011.
- ▶ Michael D. Bordo, Alan M. Taylor and Jeffrey G. Williamson (ed.), Globalization in Historical Perspective, University of Chicago Press, 2003

3.8 DSE T8 –Political Economy - II

Political Economy - II	
	6 Credits
Analysing Social Change in Historical Perspective	
The method of historical materialism; the transition from feudalism to capitalism; capitalism as a historical process – alternative perspectives; Emergence of socialism: social mode of extraction of surplus and socialist planning.	
Capitalism as an Evolving Economic System	
Basic features; Functioning of the Capitalist System- a) Classical Political Approach of Smith, Ricardo and Marx and b) (b) Neoclassical Economics and Capitalism accumulation and crisis; the modern corporation; monopoly capitalism– alternative perspectives.	
The State in Capitalism	
The state and the economy – contestation and mutual interdependence; the state as an arena of conflict; imperialism – the basic foundations.	
Reference Books	
<ul style="list-style-type: none"> ▶ J. Gurley, "The Materialist Conception of History", Ch.2.1 in R. Edwards, M. Reich and T. Weisskop (ed.), <i>The Capitalist System</i>, 2nd edition, 1978. ▶ O. Lange, <i>Political Economy</i>, vol. 1, 1963, Chapters 1 and 2. ▶ E.K. Hunt, <i>History of Economic Thought</i>, M.E. Sharpe, Indian edn, Shilpi Publications, 2004. ▶ IrfanHabib, 1995, "Capitalism in History", <i>Social Scientist</i>, Vol. 23: 15-31. ▶ R.L. Heilbroner, "Capitalism", in the <i>New Palgrave Dictionary of Modern Economics</i>, Macmillan, 1987. Also reprinted as Chapter 2 in <i>Behind the Veil of Economics</i> by R.L. Heilbroner, W.W. Norton, 1988. ▶ P. Sweezy, <i>The Theory of Capitalist Development</i>, Monthly Review Press, 1942, chapters 2, 4, 5, 6, 8 and 10. ▶ Anwar Shaikh, Entries on "Economic Crises" and "Falling Rate of Profit" in T. Bottomore et al (eds.), <i>The Dictionary of Marxist Thought</i>, OUP, Indian edition, Maya Blackwell, 2000. ▶ VamsiVakulabharanam, 2009, —<i>The Recent Crisis in Global Capitalism: Towards a Marxian Understanding</i>, <i>Economic and Political Weekly</i>, March 28, Vol. 44: 144-150. ▶ J. Schumpeter, <i>Capitalism, Socialism and Democracy</i>, George Allen and Unwin 1976, Chapters 6, 7 and 8. ▶ P. Baran (1957), <i>The Political Economy of Growth</i>, Chapter 3, Pelican edition, 1973. ▶ R. Heilbroner, —<i>The Role of the State</i>, Ch.4 in <i>The Nature and Logic of Capitalism</i>, 1985. ▶ M. Kalecki, —<i>Political Aspects of Full Employment</i>, in E.K. Hunt and J.G. Schwarz (eds.), <i>A Critique of</i> 	

Economic Theory, Penguin Books, 1972.

- ▶ **AmitBhaduri, —Nationalism and Economic Policy in the Era of Globalization, Ch. 2 in Deepak Nayar (ed), Governing Globalization: Issues and Institutions, OUP, 2002 [also WIDER Working Paper no.188, WIDER website (2000)].**
- ▶ **PrabhatPatnaik, —“Lenin’s Theory of Imperialism Today”, in K.S. Jomo (ed.) The Long Twentieth Century: The Great Divergence: Hegemony, Uneven Development and Global Inequality, OUP.**
- ▶ **James O’Connor, "The Meaning of Economic Imperialism," in Robert Rhodes, ed., Imperialism and Underdevelopment, New York: Monthly Review Press, 1970, pages 101 to 111**

3.9 DSE T9–Comparative Economic Development (1850-1950)

Comparative Economic Development (1850-1950)	
	6 Credits
Theory and Concepts	
<ol style="list-style-type: none"> 1. Introduction and Perspectives on Comparative Economic Development 2. An Overview of Economic Development of the countries selected for case studies 3. Agriculture <ol style="list-style-type: none"> a. Agrarian surplus and the role of the peasantry in economic development. 4. Industry <ol style="list-style-type: none"> a. The industrial revolution in Britain; Industrialisation in late industrialisers. 5. The Factory System and Making of the Industrial Working Class <ol style="list-style-type: none"> a. Division of labour, structure of industrial authority, organisation of work and industrial production, relationship between workers and managers. 6. The Role of the State in Industrial and Developmental Transition 	
Reference Books	
<ul style="list-style-type: none"> ▶ E.J. Hobsbawm, <i>World of Labour: Further studies in the history of labour</i>, London Weidenfeld& Nicholson, 1984. ▶ E.J. Hobsbawm, <i>Industry and Empire: An Economic History of Britain since 1750</i>, Weidenfeld& Nicholson, 1968. ▶ Peter Mathias, <i>the First Industrial Nation, an Economic History of Britain, 1700- 1914</i>. 2nd edition Methuen, 1983. ▶ T. Nakamura, <i>Economic Growth in Pre-War Japan</i>, Tr. by Robert A Feldman, Yale University Press, 1983. ▶ Okochi, Karsh and Levine, <i>Workers and Employees in Japan, The Japanese Employment Relations System</i>, University of Tokyo, 1965. ▶ Y. Hayami, <i>A Century of Agricultural Growth in Pre-War Japan: Its Relevance to Asian Development</i>, University of Minnesota Press, 1975. ▶ Chalmers Johnson, <i>MITI and the Japanese Miracle: The Growth of Industrial Policy 1925-1975</i>, Stanford University Press, 1982. ▶ W.W. Lockwood, <i>Economic Development of Japan</i>, Expanded edition, Princeton University Press, 1966. ▶ Dobb M., <i>Soviet Economic Development since 1917</i>, Universal Book Stall, New Delhi, 1995. ▶ Paul R. Gregory and Robert C. Stuart, <i>Soviet Economic Structure and Performance</i>, Harper & Row, 3rd edition, 1986. 	

- ▶ **Timothy W. Guinnane, 2002, —Delegated Monitors, Large and Small: Germany's banking System, 1800 - 1914II, Journal of Economic Literature, Volume XL: 73-124.**
- ▶ **Richard A. Easterlin, Davis and Parker, American Economic Growth: An economist's History of the United States, Harper & Row, 1972.**
- ▶ **Hughes and Cain, American Economic History, HarperCollins College Publishers, 4thedition, 1994.**
- ▶ **Angus Maddison, Dynamic Forces in Capitalist Development, a Long-Run Comparative View, Oxford University Press, 1991.**
- ▶ **P.K.O'Brien, 1986, —Do we have a Typology for the Study of European Industrialization in the XIXthCentury, Journal of European Economic History, XV 3:291-333.**

3.10 DSE T10 –Financial Economics

Financial Economics	
	6 Credits
Introduction: Evolution of limited liability companies; Time value of money and concepts of security markets	
Investment Theory and Portfolio Analysis	
<ol style="list-style-type: none"> 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. 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. 3. 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. 	
Options and Derivatives	
Introduction to derivatives and options; forward and futures contracts; options; other derivatives; forward and future prices; stock index futures; interest rate futures; the use of futures for hedging; duration-based hedging strategies; option markets; call and put options; factors affecting option prices; put-call parity; option trading strategies: spreads; straddles; strips and straps; strangles; the principle of arbitrage; discrete processes and the binomial tree model; risk-neutral valuation.	
Corporate Finance	
Patterns of corporate financing: common stock; debt; preferences; convertibles; Capital structure and the cost of capital; corporate debt and dividend policy; the Modigliani- Miller theorem.	
Reference Books	
<ul style="list-style-type: none"> ▶ David G. Luenberger, Investment Science, Oxford University Press, USA, 1997. ▶ Hull, John C., Options, Futures and Other Derivatives, Pearson Education, 6th edition, 2005. ▶ Thomas E. Copeland, J. Fred Weston and KuldeepShastri, Financial Theory and Corporate Policy, Prentice Hall, 4th edition, 2003. ▶ Richard A. Brealey and Stewart C. Myers, Principles of Corporate Finance, McGraw-Hill, 7th edition, 2002. ▶ Stephen A. Ross, Randolph W. Westerfield and Bradford D. Jordan, Fundamentals of Corporate Finance. McGraw-Hill, 7th edition, 2005. 	

- ▶ **Burton G. Malkiel, A Random Walk Down Wall Street, W.W. Norton & Company, 2003.**
- ▶ **William Sharpe, Gordon Alexander and Jeffery Bailey, Investments, Prentice Hall of India, 6th edition, 2003.**

3.11 DSE T11–Topics in Microeconomics - II

Topics in Microeconomics - II	
	6 Credits
Repeated Games with complete information	
Repeated games: Folk theorem and repeated prisoner's dilemma; Finitely repeated games and backward induction; infinitely repeated games; credibility and sub game perfect Nash equilibrium, one-step deviation property;	
Simultaneous move games with incomplete information (Bayesian games)	
Strategies; Bayesian Nash equilibrium; higher order beliefs.	
Extensive form games with imperfect information	
Strategies; beliefs and sequential equilibrium; applications.	
Uncertainty and Information	
Expected utility Theory; measures of risk aversion, applications- investment in risky assets, insurance, the principal agent problem: adverse selection and moral hazard, signalling, introduction to auction and mechanism design, VCR mechanisms.	
Reference Books	
<ul style="list-style-type: none"> ▶ Martin J. Osborne, An Introduction to Game Theory, Oxford University Press, New Delhi, 2004. ▶ R. Gibbons. Game Theory for Applied Economists, Princeton University Press, 1992 ▶ Eric. Rasmusen, Games and Information: An Introduction to Game Theory, Wiley- Blackwell, 2006 	

3.12 DSE T12–Environmental Economics

Environmental Economics	
	6 Credits
Introduction	
What is environmental economics; review of microeconomics and welfare economics.	
The Theory of Externalities	
Pareto optimality and market failure in the presence of externalities; property rights and the Coase theorem.	
The Design and Implementation of Environmental Policy	
Overview; Pigouvian taxes and effluent fees; tradable permits; choice between taxes and quotas under uncertainty; implementation of environmental policy.	
International Environmental Problems	
Trans-boundary environmental problems; economics of climate change; trade and environment.	
Measuring the Benefits of Environmental Improvements	
Non-Market values and measurement methods; risk assessment and perception.	
Sustainable Development	
Concepts; measurement.	
Reference Books	
<ul style="list-style-type: none"> ▶ Charles Kolstad, <i>Intermediate Environmental Economics</i>, Oxford University Press, 2nd edition, 2010. ▶ Robert N. Stavins (ed.), <i>Economics of the Environment: Selected Readings</i>, W.W. Norton, 5th edition, 2005. ▶ Roger Perman, Yue Ma, James McGilvray and Michael Common, <i>Natural Resource and Environmental Economics</i>, Pearson Education/Addison Wesley, 3rd edition, 2003. ▶ Maureen L. Cropper and Wallace E. Oates, 1992, — <i>Environmental Economics: A Survey Journal of Economic Literature</i>, Volume 30:675-740 	

3.13 DSE T13 – Issues in Indian Economy

Issues in Indian Economy	
	6 Credits
WTO and India	
Different rounds of trade negotiations	
Macroeconomic Policies and Their Impact	
Fiscal Policy; trade and investment policy; financial and monetary policies; inflation and measures to control inflation, labour laws and regulation, SEZ	
Policies and Performance in Agriculture	
Growth; productivity; agrarian structure and technology; capital formation; trade; food security and food policy, pricing and procurement; globalization and Indian agriculture.	
Policies and Performance in Industry	
Growth; productivity; diversification; small scale industries; public sector; competition policy; foreign investment, globalization and Indian industry.	
Trends and Performance in Services	
Formal and Informal Sectors, banking and insurance; trade in services.	
Reference Books	
<ul style="list-style-type: none"> ▶ 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. ▶ 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. ▶ PulapreBalakrishnan, Ramesh Golait and Pankaj Kumar, 2008, —Agricultural Growth in India Since 1991, RBI DEAP Study no. 27. ▶ B.N. Goldar and S.C. Aggarwal, 2005, —Trade Liberalisation and Price-Cost Margin in Indian Industries, The 	

Developing Economics, September.

- ▶ P. Goldberg, A. Khandelwal, N. Pavcnik and P. Topalova, 2009, —Trade Liberalisation and New Imported Inputs, *American Economic Review, Papers and Proceedings*, May.
- ▶ Kunal Sen, 2010, —Trade, Foreign Direct Investment and Industrial Transformation in India, in Premachandra Athukorala, editor, *The Rise of Asia*, Routledge.
- ▶ 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
- ▶ Dipak Mazumdar and Sandeep Sarkar, 2009, —The Employment Problem in India and the Phenomenon of the Missing Middle, *Indian Journal of Labour Economics*.
- ▶ J. Dennis Rajakumar, 2011, —Size and Growth of Private Corporate Sector in Indian Manufacturing, *Economic and Political Weekly*, April.
- ▶ Ramesh Chand, 2010, —Understanding the Nature and Causes of Food Inflation, *Economic and Political Weekly*, February.
- ▶ Bishwanath Goldar, 2011, —Organised Manufacturing Employment: Continuing the Debate, *Economic and Political Weekly*, April.
- ▶ Kaushik Basu and A. Maertens, eds, 2013, *The New Oxford Companion to Economics in India*, Oxford University Press
- ▶ A. Raychaudhury and P. De, *International Trade in Services in India: Implications for Growth and Inequality in a Globalizing World*, OUP, 2012
- ▶ *India Development Reports*, IGIDR

3.14 DSET 14 – Project work

6 Credits