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H.O.D. - Economics
T.M. College, Dimapur



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H.O.D.

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MANIPUR UNIVERSITY
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Syllabus for Bachelor of Economics (Semester System)

Semester 1 : Indian Economic Problems

Semester 2 : Microeconomics I

Semester 3 : Microeconomics II

Semester 4 : Macroeconomics ✓

Semester 5 : Public Finance

Political Economy of Development

Quantitative Methods for Economic Analysis

Semester 6 : Development Economics ✓

Environmental Economics ✓

International Economics

Indian Economic Problems

(1st Semester)

Unit-I ✓

Basic features and the Nature of Indian economy- (i) Basic features of the Indian economy as a developing economy; (ii) Indian economy as a mixed economy and (iii) Changing nature of Indian economy from 'controlled economy' to a 'liberalised economy'; National income: the growth of India's national income and per capita income, trends in the composition and distribution of national income.

Unit-II ✓

Natural Resources, Economic Development and Population: India's natural resources, economic development and environmental degradation; interrelationships and issues; growth and economic development. Basic features of India's population; interrelationships.

Unit-III ✓

Agricultural Development: Agricultural development since independence; Green Revolution; Land Reforms: Meaning, objectives and significance – food security and policy measures.

Unit-IV ✓

Industrialization – Industrial policies of India since independence (1956 & 1991); growth and pattern of Industrialization; Problems of large-scale industries and policies; Micro, Small and Medium enterprises (MSMEs): Concept or definitions of MSMEs; Indian Economy Public Sector reform, privatization and disinvestments.

Unit-V ✓

Planning and Development Issues: Trends in India's foreign trade since independence; Policy-changing features and critical evaluation of India's foreign trade policy; Planning Objectives, priorities and strategies: Problems of Unemployment and poverty: estimates; Employment generation and poverty alleviation programmes; Economic reforms and transformation in Indian economy.



Readings:

- ✓ R..Datt and K.P.M .Sundharam : Indian economy, Latest edition (S. Chand & Co)
A.N. Agrawal : Indian Economy, Latest edition(New Age International Publishers)
M.L. Dantwalla et al : The Dilemmas of Growth : the Indian experience(Sage publication).
C.H.Hanumantha Rao & Hans Linneman(ed) : Economic Reforms and Poverty alleviation in India(Sage Publication)
T.C. Kurien: The Economy : An Interpretative Introduction (Sage Publication)
N.V. Nadkarni, A.S. Seetha Ramu & Abdul Aziz : India the emerging challenges (Sage Publication)
V.M. Dandekar : Indian economy 1947-2, Vol.I: Agriculture
Vol..II.Population, Poverty & Employment(Sage Publication).
Govt. of India : Economic Survey; various issues
Planning Commission, : Five Year Plans(including the Eleventh Five Year Plan).
Government of India
Angus Deaton and Jean Dreze (2002), "Poverty and Inequality in India: A Reexamination", EPW, September 7, 2002.
Jean Dreze and Amartya Sen,(2002), India Development and Participation, OUP
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Microeconomics I

(2nd - Semester)

Unit I Why study Microeconomics - The themes of microeconomics: trade offs, prices and market equilibrium, theories and models, positive and normative analysis- definition of a market, competitive and non competitive markets- the demand curve and the supply curve- the market mechanism- change in market equilibrium

20 L
15 L

Unit II Theory of Demand: the cardinal utility theory, the indifference curves theory, the revealed preference hypothesis, the consumer's surplus- the derivation of the market demand, elasticity of demand-market demand, total revenue and marginal revenue

20 L
15 L

Unit III Theory of the Production: the production function for a single product, laws of production technological progress and the production function- Equilibrium of the firm; maximization of profit subject to a cost constraint, minimization of cost for a given level of output- Optimal expansion in the short and long run- production function of a multi product firm- the traditional and modern concept of cost, concept of economies of scale

20 L
15 L

Unit IV Perfect competition : assumptions, short and long run equilibrium of the firm and industry Monopoly : short run and long run equilibrium of the monopolist

20 L
15 L

Unit V Price discrimination: assumptions and effects of price discrimination, price discrimination and elasticity of demand; Equilibrium of the firm under monopolistic competition, product differentiation and the demand curve: Oligopoly : Cournot's Duopoly model, the Kinked Demand Curve

Readings:

1. A. Koutsoyiannis () Modern Micro-economics , MacMillan
2. A.W. Stonier and Douglas C. Hague () A Text Book of economic theory



Micro Economics-II (3rd-Semester)

Unit-I (Price and Employment of factor inputs) competitive factor markets- demand for a factor input when only one variable/several variables is /are variable, the supply of inputs to a firm; Equilibrium in competitive factor market; factor markets with monopsony power; factor markets with monopoly power

20 Marks
15 Lectures

Unit-II (The Walrasian system-) the two factor, two commodity, two consumer General Equilibrium system (2X2X2 model), static properties of a General Equilibrium state - GE and allocation of resources, prices of commodities and factors, factor ownership and income distribution

20 Marks
15 Lectures

Unit-III
Criteria of social welfare: the Pareto optimality criterion, the Kaldor-Hicks Compensation Criterion, The Bergson Criterion 'Social Welfare function'; Welfare maximization and perfect competition,

20 Marks
15 Lectures

Unit IV Externalities and public goods: negative and positive externalities, ways of correcting market failure; externalities and property rights, common property resources, public goods and efficiency, private preference for public goods

Marks
Lectures

Market with asymmetric information: implications of asymmetric information, quality uncertainty and market for lemons-Market signaling, a model of job market signaling, guarantees and warranties; Moral hazard, The principal Agent problem in private and public enterprises.

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Econometrics

Readings:

1. A. Koutsoyiannis : Modern Micro-economics , MacMillan
2. A.W. Stonier and Douglas C. Hague : A Text Book of economic theory
3. Robert S. Pindyck, D.L. Rubinfeld & P.L. Mehta : Microeconomics; Pe
Edn
4. Hal R. Varian (1993), *Intermediate Microeconomics, a Modern*
edition, Affiliated East-West Press.

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MACRO ECONOMICS

(4th Semester)

Unit I Theories of Income & Employment: the Basic classical model; Say's law of markets – its relevance in a modern economy – Labour market equilibrium, saving, investment and the rate of interest – the quantity theory of Money – Relationship between money wages, prices and real wages and price flexibility. The classical dichotomy and neutrality of money.

20 Marks
15 Lectures

Unit II Theories of Income & Employment: the Basic Keynesian Model: Determination of the level of income in the short run; Aggregate demand : consumption function, multiplier process; the investment function, the marginal efficiency of capital, liquidity preference and the rate of interest, the acceleration principle.

20 Marks
15 Lectures

Unit III The neo-classical synthesis: derivation of the IS and LM curves, general equilibrium and integration in the product, labour and Money markets; Aggregate demand and aggregate supply. Fiscal and monetary policy effects.

20 Marks
15 Lectures

Unit IV Inflation: theories of cost Push and Demand Push Inflation-Effects of Inflation – Inflation control measures ; Phillips curve : Trade off between inflation and unemployment . Money :concept of money supply, alternative measures of money supply in India and their components – High powered money: meaning and uses.

20 Marks
15 Lectures

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Readings

1. G, Ackley : Macro Economics – Theory and Policy (Macmuillan)
2. S.B. Gupta : Monetary Economics (S. Chand & Co.)
3. E.Shapiro(1999) : Macro Economic Analysis; Galgotia Publication
4. Rudiger Dornbusch, Stanley Fischer and Richard Startz,(1998) :Macroeconomics
McGraw- Hill.

5. N. Gregory Mankiw :Macroeconomics, , Worth Publishers.

REFERENCE BOOKS

- 1, M.R. Edgmand : Macro Economics – Theory and Policy (Prentice Hall)
2. M.G. Mueller(ed) : Readings in Macro economics (Surjit Publication)
- 3.. C. John : Introduction to Economic Growth W,W.Norton & Co.

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PUBLIC FINANCE (V)

(6th Semester)

Unit-I

Nature and scope of public finance- the principle of Maximum social Advantage,. Fiscal functions in the developing economy – provision of social goods.

20 Marks

15 Lectures

Unit-II

Techniques of budgeting, principles of budgeting – Government Budgeting: Budgetary procedure preparation of the budget. Revenue accounts, Capital Accounts, Public Account.

Performance budgeting – meaning and need of performance budgeting.

20 Marks

15 Lectures

Unit-III

Principle of Taxation: Equity horizontal and vertical equity, incidence of taxes, Efficiency criterion – tax evasion, Taxable capacity – absolute and relative taxable capacity. Factors determining taxable capacity, limit of taxable capacity; Features of VAT, GST and DTC.

20 Marks

15 Lectures

Unit-IV.

Public Expenditure: Factors affecting public expenditure, Wagner's law and Peacock Wiseman hypothesis, Effects of public expenditure on production, distribution and economic stability.

Public borrowings: sources of Public borrowings internal and external, role of Public borrowing in mobilization of resources. Burden of internal and external public debts.

20 Marks

15 Lectures

Unit-V

Fiscal federalism, Centre State financial relations: Constitutional provision in India, the formulae for devolution of shareable taxes, grants –in-aids by the latest Finance Commission, Fiscal policy in India, Fiscal Responsibility and Budgetary Management (FRBM) Act and its implications. Local bodies and their financial responsibilities.

Reference Books:

1. R.Jha (1987)

: Modern Theory of Public Finance, Wiley Eastern Ltd.

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(5th Semester)

Political Economy of Development (V)

Unit I

The scope of political economy: Political economy: Meaning : Changing r economy; classical Political economy, Marxian political economy; An overview; M mode of production and its use in defining systems, co-relation between product exchange and consumption; The method of political economy.

Units-II

Evolution of Society ,State and Economy; Emergence of socio-economic fo state, feudalism as a mode of production; the concept of primitive accumulation of ca foreign trade, the relationship between merchant capital and industrial revolution.

Unit-III

Characteristics of capitalism as a mode of production: the accumulation proce change, the growth of monopoly capital: the role of multi-national corporations: long r under capitalism.

Unit IV

Global Capitalist System: An outline of the main features of NPE: New: economy and economic development: Analytical approaches: the role of the state, Po of development and underdevelopment. Globalisation and structural adjustment progra capital mobility, Markets, Democracy, Governance and Public interests.

Unit -V

Political economy of Indian economic development : Feudalism in Pre-indepe Post-Independence India: Agrarian relationship in Post-Independence period; Politic Indian agriculture; Main aspects and Policy measures; Post liberalization poli globalisation, structural adjustment programmes and trade reforms.

Readings

5. Subroto Roy and William E. James (ed)

: Foundations of India's Political Economy.



(5th Semester)

Quantitative Methods for Economic Analysis. (VII)

Unit I Importance of Statistics and Mathematics in economics – Measures of central tendency and dispersion -mathematical versus nonmathematical Economics- Ingredients of a mathematical model: variables, constants and parameters, equations and identities; Functions and types of functions – constant, polynomial and Rational functions ; Matrix algebra: addition and multiplication- determinant, inverse of a matrix , Crammer's rule for solution of simultaneous equations

20 Marks
15 Lectures

Unit II The derivative of a function. Techniques of differentiation; sums, products and quotients of functions; composite functions and the chain rule. Partial differentiation; Partial derivatives in economics. Homogeneous and homothetic functions. Elasticity of substitution. Maxima and minima, saddle points, unconstrained optimization, necessary and sufficient conditions for local optima. Constrained optimization (equality constraints). The method of Lagrange multipliers. Interpretation of the Lagrange multiplier -Economic examples

20 Marks
15 Lectures

Unit III

Concepts of Sample space and events, probability of an event; addition and multiplication theorems; conditional probability and independence of events- Bayes rule ;. Concept of a random variable; Probability distribution, Joint Marginal and Conditional Distributions, Independence of random variables; mean and variance of a random variable; Binomial and Normal distribution; Law of large numbers and Central Limit theorem.

20 Marks
15 Lectures

Unit IV

Correlation analysis, Pearsonian Coefficient of correlation, rank correlation. Correlation vs causality Simple linear regression; Interpretation of regression parameters. Method of least squares. Coefficient of determination. Coefficient of correlation. Method of partial correlation. Coefficient of partial correlation. Method of partial correlation.

20 Marks

Unit V

Concept of an index number, Uses of index numbers, Laspeyres's, Paasche's and Index Numbers; Time Reversal, Factor reversal and circular tests; Chain base index; Problems in Construction of an index number; splicing; base shifting and use of index number for deflating series; Wholesale price index, Consumer price index and Agricultural production index, measurement of inflation rate.

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. A.L. Nagar, & R.K. Das Basic Statistics Oxford University Press
4. M.R. Spiegel (2nd edition), *Theory and Problems of Statistics*, Schaum Series.



Development Economics

(6th Semester)

Unit I

Economic Growth and Development: Concepts of Economic Growth and Development and their measurement: Theories of growth: Classical Approach: Adam Smith, Marx and Schumpeter – Neo classical approach; Robinson, Solow, Kaldor and Harrod- Domar. Factors of growth: natural resources and population.

20 Marks
15 Lectures

Unit II

Strategies of Development: Low-level equilibrium trap and big push; Balanced Growth and Unbalanced Growth; Choice of technique-basic issues.

20 Marks
15 Lectures

Unit III

Policy Issues: Fiscal Policy and Economic Development- Monetary policy in Economic development. Deficit financing-need, significance and limitations ;.Price policy and economic development;. Capital formation and development.

20 Marks
15 Lectures

Unit IV

Technology transfer and Trade Policy: Needs, significance and problems of Technology transfers. Trade Policy-export promotion and the import substitution, recent changes in trade policy. Developing countries and WTO. Foreign capital and developing countries.

20 Marks
15 Lectures

Unit V

Development and Planning: Role of the state and the market. Planning: Introduction, planning process, objectives, regulation and control, indicators, planning, development, planning, and development.

20 Marks
15 Lectures

1. M.P.Todaro & S.C.Smith : Economic Development ; Pearson Education
2. M.P. Todaro : Economic Development in the Third World
3. Debraj Ray (1998) :Development Economics (OUP)
4. Yujiro Hayami : Development Economics From the Poverty Nations ;Oxford University Press
5. Rodrik Dani(2000) 'Institutions for High- Quality Growth, NBER W7540.
6. Planning Commission ; Eleventh Five Year Plan vol 1



Environmental Economics

Unit-I

What is Environmental and natural resource economics – Origins environmental economics – Interdependence between economy and the environment Issues in environmental economics – The Laws of Thermodynamics and environmental economics

20 Marks
15 Lectures

Unit-II

Environmental Problems and Policy Solutions: Climate Change, Standards via command and Control, criteria for policy approaches- economic and noneconomic, choosing policy instruments

20 Marks
15 Lectures

Unit-III

Market failure with environmental consequences – Pollution Externalities – Review of basics – Public goods – common Property resources and the issue of property rights – Economic Solutions to Market failures.

20 Marks
15 Lectures

Unit-IV

Renewable resource extraction under monopoly and perfect competition ; Non-renewable resource extraction under monopoly and perfect competition.

20 Marks
15 Lectures

Unit-V

Environmental Kuznets Curve and Economics of sustainable development.

20 Marks
15 Lectures

(18)

INTERNATIONAL ECONOMICS

Unit-I

Nature and Significance of International Economics, need for a separate theory of trade, classical theory of trade: Adam Smith's theory of absolute advantage, Ricardo's comparative advantage and its formulation in terms of opportunity costs.

Unit-II

Modern Theory of Trade: Heckscher-Ohlin theorem, Leontief Paradox, Factor price equalization.

Unit-III

Balance of Payments: Balance of Payments Accounting – Accommodating and items and their relevance to Balance of Payments equilibrium and disequilibrium: Exchange rate determination under Mint Parity theory and purchasing power parity theory.

Unit -IV

Trade Policies: Free trade Vs Protection, tariffs, optimum tariff, Quotas, Theory of Customs Union, Globalization.

Unit -V

IMF- Objectives and functions and achievements; GATT/ World Trade Organisation and developing countries.

Readings:

1. Bo-Sodersten & Geoffrey Reed : International Economics (3rd edn. Macmillan)
 2. Paul R. Krugman & Maurice Obstfeld (2009): International Economics Theory and Applications (latest edition) Pearson
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