

BA-I SEMESTER SYLLABUS

DEPARTMENT OF ECONOMICS

Title: Economic Theory (BECO-101)

Sessional: 20, End Semester Exam: 80

Unit I: Basic Economic Issues

Unlimited wants, Resource scarcity, Choice, Opportunity cost; Economic problems of a developing country: low income, unutilized resources, low level of technology and human & physical capital, acute poverty & inequality in the distribution of income; Economics- Micro and Macro: their differences and subject matters

Unit II: Demand Analysis

Consumer Behaviour: Utility - Total and Marginal; Diminishing Marginal Utility, Utility maximizing rule; Nature of Demand Function, Shifts in demand curve; Supply function, Shifts in supply curve; Market equilibrium; Price determination; Elasticity of demand - price and income elasticity; Elasticity of supply

Unit III: Theory of Production

Production function, Returns to scale, marginal and average product of inputs, short run total, marginal and average cost curves and their relationships; total, average and marginal revenue, profit maximizing output and cost minimization; Market structure - features of perfect competition and its limitation, imperfect competition: monopoly, duopoly and oligopoly: their features

Unit IV: National Income and its Classical Determination

GDP, GNP, NDP, NNP and Per capita Income; Circular flow of income and expenditure; Classical theory of output and employment, Say's Law, Evaluation of classical model

Unit V: Keynesian Model and Macro Policies

Keynesian determination of income, consumption function, saving function, investment multiplier; Fiscal policy: objectives and instruments

Recommended Books

1. Koutsoyannis, A., Modern Micro Economics, ELBS with Macmillan, Hong Kong.
2. Domnick Salvatore., Principles of Micro Economics, Oxford, New Delhi.
3. Gregory Mankiw, N., Principles of Macro Economics, CENGAGE Learning, Australia.
4. Salvatore, D. Microeconomics Theory and Applications, OUP
5. Pindyck, R. S. Rubinfeld, D.L. & Mehta, P.L. Microeconomics, Pearson Education
6. Sen, Anindam., Micro-economic Theory, OUP, Delhi.
7. Ahuja H. L. Principles of Micro economics, S. Chand Limited, Delhi.
8. Shapiro, Edward., Macro Economics Analysis, Galgotia Publication, New Delhi.

BA-II SEMESTER SYLLABUS

DEPARTMENT OF ECONOMICS

MONEY, BANKING AND INTERNATIONAL TRADE (BECO-202)

Minimum number of lecture hours: 45

Unit I: Money

Barter economy and money economy, functions of money; money and price level; quantity theory (Cambridge and Fisher Version); money and rate of interest.

Unit II: Money demand and supply

Classical and Keynesian models of demand for money; Money supply and its components; currency and bank deposits, bank credit creation process.

Unit III: Banking

Principles of commercial banking, specialized banks (IDBI and NABARD), Central Bank, functions of RBI, its monetary policy.

Unit IV: Inflation

Types of inflation; Causes of inflation: demand pull, cost push; structure theories of inflation; inflationary gap; effects of inflation on production, distribution, growth and social justice; techniques of control of inflation.

Unit V: International Trade

Pure theories of international trade: Smith's absolute advantage, Ricardo's comparative advantage; term of trade; balance of trade and balance of payments; disequilibrium in balance of trade and of payments; corrective measures.

Recommended Books

1. Gupta, S. B. Monetary Panning in India, OUP
2. Decock, M. H. Central Banking, 1943
3. Chandler, L.V. The Economics of Money and Banking, 1966
4. Sodersten, Bo, International Economics, Macmillan, Hong Kong
5. Mannur, H G. International Economics, Vikas Publishing House Pvt. Ltd. Delhi
6. Salvatore, Dominick (1987), Theory and Problems of International Economics, Mc Graw-Hill, New York
7. Ray, P. K and K. B. Kundu, International Economics, Kolkata: Naba Bharat Publishers.
8. Allen, R. G. D. Macro Economic Theory, St. Martins Press, 1987.

BA-III SEMESTER SYLLABUS

DEPARTMENT OF ECONOMICS

PUBLIC FINANCE AND STATISTICS (BECO-303)

Minimum number of lecture hours: 45

Unit I: Public Finance

Public finance: meaning and scope, public and private finance; principles of maximum social advantage; public goods, private goods, mixed goods and merit goods; problems of free-ridership and provisioning of public goods

Unit II: Public Expenditure

Meaning and importance; reasons for the growth of public expenditure: Wagner's hypothesis; Canons of public expenditure; effects of public expenditure on production and distribution of income

Unit III: Public Revenue

Sources of public revenue, taxes; classification of taxes, canons of taxation; principles of taxation; ability to pay and benefit approach of taxation; impact, incidence and shifting of tax burden; effects of taxation on production

Unit IV: Debt and Budget

Meaning, types and sources of Public Debt; Debt redemption; Budget: meaning and types of budget; revenue and capital budget; revenue and capital expenditure, revenue deficit, fiscal deficit, contra cycle fiscal policy

Unit V: Statistics

Sources of data: primary and secondary; collection of data and tabulation; measures of central tendency: mean, median, mode (both grouped and ungrouped data); range, mean deviation and standard deviation as measures of dispersion

Recommended Books

1. Musgrave, R. A., The Theory of Public Finance, Mc Graw-Hill, Kogakhusa, Tokyo, 1959
2. Musgrave, R. A. and P. B. Musgrave, Public Finance in Theory and Practice, Mc Graw-Hill Book Company
3. Buchanan J.M. The Public Finances, Richard D Irwin, Homewood, 1970
4. Dalton, H. Principles of Public Finance, Allied Publishers, New Delhi
5. Atkinson, A.B and J. E. Stiglitz, Lectures on Public Economics, Tata Mc Graw-Hill
6. Choudhry, R. K. Public Finance and Fiscal Policy, Kalyani Publishers, New Delhi
7. Jha, R. Modern Public Economics, Routledge, London
8. Mishra, B. Economics of Public Finance, Macmillan India Ltd., New Delhi

9. Rao, Govinda Political Economy of Federalism in India, OUP

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DEPARTMENT OF ECONOMICS

10. Rao, Govinda State Finances in India: Issues and Challenges, EPW,03-08-2002
11. Acharya Shankar, Thirty Years of Tax Reforms in India, EPW, 14-05-1995
12. Gupta, S. P. Statistics, S. Chand, New Delhi
13. Gupta, S. C. An Introduction to Statistical Method, S. Chand, New Delhi
14. Nagar, A. L. and R. K. Das, Basic Statistics, OUP, New Delhi

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BA-IV SEMESTER SYLLABUS

DEPARTMENT OF ECONOMICS

INDIAN ECONOMY AND THE ECONOMY OF ARUNACHAL PRADESH
(BECO-404)

Minimum number of lecture hours: 45

Unit I: Structure of Indian Economy and Population

Basic features of Indian economy, national income and its growth, changing sectoral composition of national income, population size, distribution, growth, sex composition, occupational distribution, causes of rapid growth of population, population policy

Unit II: Indian Agriculture and Industry

Characteristics of Indian agriculture, causes of low productivity, land reform- measures and evaluation, green revolution, its causes and impact, factors limiting the spread of green revolution

Unit III: Foreign Trade and Planning

Changing magnitude, direction and composition of foreign trade, WTO and its policies, balance of payments- its problems and policies, IMF

India's Five Year Plans - achievements and failures, Economic Reforms - origin, components and appraisal of reforms

Unit IV: Arunachal Economy and Population

Features of Arunachal economy, level and growth of GDP and per capita GDP (State Domestic Product), changing sectoral composition of GDP, population: trends and features, sex ratio, literacy, causes of its rapid growth, workforce structure

Unit V: Agriculture and Industry

Agricultural practices in Arunachal Pradesh, Jhum and permanent cultivation, land tenure and land use pattern, level of industrialization, problems of industrialization in Arunachal Pradesh

Recommended Books

1. Mishra S K and V K Puri, Indian Economy, Himalayan Publishing House, Mumbai
2. Kapila, Uma, (ed.) Indian economy since independence, Academic Foundation, Delhi
3. Parikh K (ed.) India Development Report, OUP, New Delhi
4. Government of India, Economic Survey, New Delhi
5. Mitra, A. (1997) Internal Migration and Economic Development in Hills, Omson, New Delhi
6. Roy, N C and P K Kuri (2001) Land Reforms in Arunachal Pradesh, Classical Publishing House, New Delhi

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7. Government of Arunachal Pradesh (2006) Arunachal Pradesh Human Development Report 2005, Itanagar
8. Planning Commission (2009) Arunachal Pradesh Development Report 2008, Planning Commission, Government of India, Academic Foundation, New Delhi
9. Saikia Bedabrat (2013) Agricultural Development in Arunachal Pradesh, SSDN Publishers and Distribution, New Delhi
10. Dutta, R and K P M Sundaram – Indian Economy, S. Chand, New Delhi

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BA-V SEMESTER SYLLABUS

MICRO ECONOMIC THEORY (BECO-505)

Minimum number of lecture hours: 45

Unit I: Consumer Behaviour

Cardinal and ordinal utility; Indifference curves - characteristics, MRS; Budget line and its characteristics, Utility maximization, derivation of demand function, changes in income and price, income effect and resolution of price effect into income effect and substitution effect, normal and inferior (Giffen) goods

Unit II: Price Determination

Market demand and supply, equilibrium, adjustment to changes in demand and supply, static and comparative static analysis; elasticity of demand: price, income and cross, elasticity of supply; factors affecting elasticity of demand and supply

Unit III: Production, Cost and Revenue

Production function: AP and MP, Isoquants, MRTS, Ridge lines, Returns to scale, Cobb Douglas Production Function - its characteristics

Cost function - short run and long run, least cost input combination, expansion path, relation between short run AC and MC; Revenue: TR, AR, MR; elasticity, AR and MR

Unit IV: Market Structure

Perfect competition, Monopoly, Monopolistic competition, Discriminating Monopolist, Oligopoly, Price leadership, Collusive oligopoly, Duopoly, Cournot model, Kinked demand curve

Unit V: Distribution

Marginal productivity theory, Euler's theorem; wage: bargaining theory, Loanable fund theory of interest, Innovation theory of profit

Recommended Books

1. Koutsoyiannis, A. Modern Microeconomics, ELBS with Macmillan, Hong Kong
2. Dominick Salvatore, Principles of Microeconomics, Oxford, New Delhi
3. Salvatore D, Microeconomics Theory and Application, OUP
4. Pindyck, RS, Rubinfeld DL & Mehta PL, Microeconomics, Pearson Education
5. Ahuja, H.L Advanced Economic Theory, S. Chand, Delhi

MACRO ECONOMIC THEORY (BECO-506)

Minimum number of lecture hours: 45

Unit I: Determination of National Income and Employment

Different concepts of national Income: GDP, GNP, NDP, NNP per capita income, personal income, disposable income; measurement of National Income and its problems

Classical model of employment, output, price level and interest rate determination; critical evaluation of classical system

Unit II: Keynesian Theory of Income and Employment

Theory of Effective Demand, Determination of income and output, underemployment equilibrium, wage rigidity, liquidity preference theory of interest, consumption function and its characteristics, saving function, investment multiplier, evaluation of Keynesian system

Unit III: Keynes-Classical Synthesis

Interaction of the real and monetary sectors of the economy, the money market equilibrium and derivation of LM curve; commodity market equilibrium and derivation of IS curve; equilibrium level of income and interest rate, shifts in IS and LM curves, slope of IS & LM curves and relative effectiveness of monetary and fiscal policies

Unit IV: Determination of Investment

Keynesian theory of investment, Marginal Efficiency of Capital, Determination of Investment

Acceleration Principle: autonomous and induced investment, determination of investment, interaction between multiplier and accelerator

Unit V: Phillips Curve and macroeconomic Policy

Phillips curve: trade-off between unemployment and inflation; stagflation and vertical Phillips curve; monetary and fiscal policies to remove stagflation, inflation and promote growth

Recommended Books

1. Ackley G, Macroeconomics: Theory and Policy, Macmillan
2. Dornbush, R and S Fischer, Macroeconomics Mc Graw Hill, New York
3. Gupta S B, Monetary Economics, S Chand, Delhi
4. Allen RGD Macroeconomic Theory, St. Martin Press, 1967
5. Shapiro, Edward Macro Economic Analysis, Galgotia Publication, New Delhi
6. Branson, W H, Macroeconomic Theory and Policy, Universal Bookstall, Delhi
7. Sarkel, Jaydev, Macroeconomic Theory, Book Syndicate, Kolkata
8. D' souza, Errol, Macro Economics, Tata Mc Graw Hill, Oxford
9. Vaish MC, Monetary Theory, Vikas Publishing House, New Delhi

INTERNATIONAL ECONOMICS (BECO-507)

Minimum number of lecture hours: 45

Unit I: Classical Theory

Mercantilism on international trade, its limitations; Adam Smith model, its shortcomings; Ricardian model of comparative cost and opportunity cost model of Haberler

Unit II: Factor Endowment Theory and Terms of Trade

Heckscher-Ohlin Theory and Leontief Paradox; Terms of trade, different concepts of terms of trade, gains from trade

Unit III: Theory of Commercial Policy

Arguments for and against of protection, Methods of trade restriction, tariff and non-tariff barriers - dumping, export subsidies and countervailing duties, economic integration: EU, ASEAN, SAPTA, evolution of WTO

Unit IV: Foreign Exchange

Exchange rate determination, gold standard (mint parity), purchasing power parity, floating exchange rate, fixed and flexible exchange rate, depreciation and devaluation of exchange rate, components of foreign exchange reserve with reference to India

Unit V: Balance of Payment

Balance of trade, balance of payments - its different accounts; equilibrium and disequilibrium in BOP, measurement and magnitude of disequilibrium, measures to correct BOP disequilibrium; IMF and its functions

Recommended Books

1. Salvatore, Dominick, International Economics, Wiley India, New Delhi
2. Kindleberger, C P, International Economics, Homewood, 1963
3. Sodersten, Bo and Geoffrey Reed, International Economics, Macmillan, 1999
4. Cherunilam Francis, International Economics, Tata Mc GrawHill
5. Mannur, H G International Economics, Vikas Publishing House Pvt. Ltd., Delhi
6. Ray PK and KB Kundu, International Economics, Kolkata, Naba Bharat Publisher
7. D' Souza, Errol, Macro Economics, Pearson Education, 2008
8. Allen RGD, Macro Economic Theory, St. Martins Press, 1967

BASIC MATHEMATICS AND STATISTICS (BECO-508)

Minimum number of lecture hours: 45

Unit I: Set and Co-ordinate Geometry

Venn diagram, De Morgan's law, cardinality of sets, difference of sets, Cartesian products of sets, relations, different forms of functions, homogeneous and non-homogeneous functions and their graphs, limits and continuity of functions

Co-ordinate Geometry: co-ordinates of a point in two dimensional space, length of line between two points, co-ordinates of the mid-point of a line joining two points, equation of a straight line (slope-intercepts form, intercept form only), slope of the line, application of linear equation in economics

Unit II: Calculus and its Economic Applications

Derivatives, geometric interpretation, basic rules of differentiation, partial and total differentiation, application of derivatives - elasticity of demand, derivation of marginal function, interrelationships among total, marginal and average functions, applications to consumer and producer equilibrium; integration and its basic rules

Unit III: Central Tendency and Dispersion

Measures of central tendency - arithmetic mean, geometric mean, harmonic mean, median and mode; measures of dispersion - range, mean deviation, quartile deviation, standard deviation and coefficient of variation (both grouped and ungrouped data)

Unit IV: Correlation, Regression and Index Number

Coefficient of correlation and its properties; Spearman's rank correlation (non-tied case), regression, method of least square, properties of regression coefficient; index number, its purpose, problems in construction, Laspeyres', Paasch's and Fisher's indices, fixed and chain base, cost of living indices

Unit V: Probability

Statistical and a priori probability, addition theorem of probability, conditional probability, random variable, its probability distribution, expected values of variance, binomial probability distribution and its properties

Recommended Books

1. Allen RGD, Mathematical Analysis for Economics, AITBS, Delhi-51
2. Chiang AC, Fundamental Methods of Mathematical Economics, Mc Graw Hill, Kogakusha, New Delhi
3. Mehta and Madnani, Mathematics for Economics, S Chand, New Delhi

4. Gupta, SP, Statistics, S Chand, New Delhi
5. Gupta SC, Fundamentals of Applied Statistics, S Chand, New Delhi
6. Goon AM, MK Gupta and BS Dasgupta , Fundamental of Statistics, Vol I and II, The World Press Ltd, Calcutta

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BA-VI SEMESTER SYLLABUS

MONETARY ECONOMICS AND FINANCIAL INSTITUTIONS (BECO-609)

Minimum number of lecture hours: 45

Unit I: Money Supply

Measures of money supply: M1, M2, M3, M4; endogenous concept of money supply and its historical background; (the banking school in England, real bill doctrine and law of reflux); exogenous concept of money supply, its historical background (the currency school in England and its doctrine); Reserve money (high-powered money), sources of change in reserve money; bank deposit, relation between reserve money and money supply

Unit II: Money Demand

Classical money demand function, Friedman's restatement of quantity theory of money, relation between money demand and demand for different financial assets especially bonds and shares (equities)

Unit III: Money Market

Money market, commercial banks, its principles and functions, credit and deposit creation, control of commercial banking; the central bank and its functions, RBI's policy on control of commercial banking and money market

Unit IV: Capital Market and Financial Institutions in India

Primary and secondary capital markets, specialized financial institutions and their regulatory bodies in India: RRB, LIC, SEBI, and IRDA

Unit V: Macroeconomic Policy

Macroeconomic policy in open economy, problems of internal and external balance, expenditure changing and expenditure switching policies, instruments targets rule: Mundell-Fleming Model: IS, LM, BP, curves: sterilized and non-sterilised interventions, fiscal and monetary policy under fixed and floating exchange rates

Recommended Books

1. Blaug, Mark, Economic Theory in Retrospect, Vikas Publishing House, New Delhi
2. Gupta SB, Monetary Planning in India, OUP
3. Gupta SB, Monetary Economics, Institutions and Policy, S Chand, New Delhi
4. Ackley G, Macro Economics, Theory and Policy, Macmillan
5. Mueller, M G (ed.) Readings in Macroeconomics, Surjeet Publications, Delhi

DEVELOPMENT ECONOMICS (BECO-610)

Minimum number of lecture hours: 45

Unit I: Basic Concepts

Economic growth and economic development, measurement of economic development, determinants and obstacles of economic development, human development and construction of human development index (HDI), poverty and its measurements (head count ratio, income gap, Sen's index)

Unit II: Theories of Economic Development

Balanced vs unbalanced growth, Hirschman's strategy of unbalanced growth, Rosenstein-Rodan's big push theory, Lewis and Schumpeterian models

Unit III: Harrod-Domar and Technical Change

Harrod-Domar model- Harrod's razor-edge growth path, similarities and differences between Harrod and Domar; Technical Change - neutral and non-neutral technical change; embodied and disembodied technical change

Unit IV: Population and Development

Population growth and its impact on development, theory of demographic transition, human capital: its components, human capital formation and its limitation

Unit V: Economic Planning

Economic planning, its types: perspective and indicative planning, need for planning in developing countries, technique of planning- Mahalanobis two-sector model, cost-benefit analysis- its uses and limitations, Concepts of shadow price – shadow price of labour in LDCs

Recommended Books

1. Higgins, B, Economic Development, WW Norton, New York
2. Meier G, Leading Issues in Economic Development, OUP, New Delhi
3. Todaro, MP, Economic Development, Longman, London
4. Thirlwall, AP, Growth and Development, Macmillan, London
5. Ray, D Development Economics, OUP, New Delhi
6. Mishra and Puri, Economic Development and Planning, Himalayan Publishing House
7. Sarkel J, Growth Economics, Book Syndicate Pvt. Ltd., Kolkata
8. Ghatak S, Development Economics, Macmillan, New York

HISTORY OF ECONOMIC THOUGHT (BECO-611)

Minimum number of lecture hours: 45

Unit I: Mercantilism, Physiocracy and Adam Smith

Mercantilism, basic principles of mercantilism, balance of trade under mercantilism, evaluation of mercantilism; Physiocracy: Tableau Economique of Quesney, concept of Natural Order, net produit, taxation & trade; Smith labour theory of value, division of labour and economic growth

Unit II: Ricardo, Malthus and J B Say

Ricardian theory of value and rent, implication of Ricardian theory of rent, Malthusian theory of population, its evaluation, Ricardo & Malthus debate on glut, Say's law of market

Unit III: Socialism and Karl Marx

Robert Owen and Proudon, their evaluation; Karl Marx: labour theory of value, surplus value, its origin, rate of surplus value, falling rate of profit, concentration of capital, crises in capitalism, its collapse

Unit IV: The Marginal School

Leon Walras general equilibrium, assumptions, analysis & evaluation; Marshallian theory of value and time elements, concepts of costs and representative firms

Unit V: Indian Economic Thought

Kautilay's economics – Arthasashtra; modern Indian economic thought: Dada Bhoj Naoroji (drain theory), Ranade, Gokhle, Mahatma Gandhi (Khadi and cottage industries), evaluation of Gandhian model

Recommended Books

1. Guide C & C Rist, A History of Economic Doctrine
2. Blaug, M, Economic Theory in Retrospect, Vikas Publishing House, Delhi
3. Roll, Eric, A History of Economic Thought, Faber & Faber, London and Rupa, Delhi
4. Paul RR, History of Economic Thought, Kalyani Publication
5. Honey Lewis (1979), History of Economic Thought, Surjeet Publications, Delhi
6. Bhatia H L, History of Economic Thought, Vikas Publishing House, Delhi
7. Vohra M, History of Economic Thought, Anmol Publication, Delhi
8. Hajela TN, History of Economic Thought, Shivlal Agarwala, 1972

ISSUES OF INDIAN ECONOMY (BECO-612)

Minimum number of lecture hours: 45

Unit I: Pre-independence Indian Economy

Land tenure in British India, permanent settlement, Mahalwari and Ryotwari systems, decay of Indian industries during company rule, beginning of modern infrastructure and industry: railways, telegraphs, different industries and spread of higher education

Unit II: Basic Features of Indian economy

Trend and composition of NI & per capita income, occupational distribution, demographic features, increasing importance of tertiary sector, trend and composition of tertiary sector, unemployment problem, poverty: absolute and relative, poverty alleviation programs

Unit III: Basic Issues in Agriculture

Overview of agriculture since independence, role of agriculture in economic development, barriers to agricultural growth, land reforms in India: rationale, measures and impact; green revolution and Indian agricultural growth, food security and public distribution system, agricultural price policy

Unit IV: Basic Issues in Industry

Overview of industrial progress since independence, achievements and failures of industrial sector, industrial policy during the post reform period, performance of public sector undertakings and policy of disinvestment

Unit V: Economic Reforms and Planning

Features of economic planning in India, major objectives, strategy of Indian planning, regional disparities – indicators, causes, extent and policy measures; Economic Reforms since 1991 – liberalization, privatization and globalisation

Recommended Books

1. Mishra S K and V K Puri, Indian Economy, Himalayan Publishing House, Mumbai
2. Kapila, Uma, (ed.) Indian economy since independence, Academic Foundation, Delhi
3. Parikh K (ed.) India Development Report, OUP, New Delhi
4. Government of India, Economic Survey, New Delhi
5. Dutt, Amlan, An Introduction to India's Economic Development since 19th century, Popular Parkashan, Mumbai
6. Dutta, R and K P M Sundaram – Indian Economy, S. Chand, New Delhi