Paper Code: 2331

B.A. HONOURS IN ECONOMICS
SECOND YEAR HONOURS
Paper – V
MACRO ECONOMICS

Course Outcome:

CO1: This course will make the learners familiar with the economic aggregates and their role in economy.

CO2: It also covers various theories related to consumption and basic concept of investment.

CO3: Students will also get familiar with the Concept and various theories of business cycles.

UNIT – I

Nature and Scope of Macro Economics, Concepts and Measurement of National Income, Circular flow of Income (Four sector Economy), Savings and Investment – Ex ante and Ex post Equality and Equilibrium; Different forms of National Income Accounting – Social Accounting, Green Accounting.

UNIT – II

The Classical Theory of Income and Employment, Keynes Critique on classical theory, Keynesian Theory of determination of Income and Employment,

Theories of Interest – Classical, Neo-Classical, Keynesian Theory and Modern Theory.

UNIT – III

Consumption Function- Meaning and Basic concepts, Theories of consumption- Absolute Income hypothesis, Relative Income hypothesis, Permanent Income Hypothesis and Life cycle theory.Factors influencing Consumption Spending. Concept of Multiplier , The Acceleration principle.

Meaning and Types of Investment; Concept of Marginal Efficiency of Capital.

UNIT – IV

Business Cycle – Nature, Characteristics, Phases, Theories of Business Cycle – Hawtrey's Monetary Theory, Hayek's over Investment Theory, Keynes view on Trade Cycle, Samuelson and Hicks Multiplier and Accelerator Interaction Model. Measures to control business cycles in India

UNIT – V

Inflation – Classical, Keynesian and Monetarist approaches to inflation, Structuralist theory of inflation; Philips curve analysis - Short run and long run Philips curve; Tobin's modified Philips curve. Samuelson and Solow - the natural rate of unemployment hypothesis.

Reading List:

1. Ackley, G. (1978) – Macroeconomics: Theory and Policy, McMillan, New York.
2. Branson, W.A. (1989) Macroeconomic Theory and Policy, (3rd Edition) Harper and Row, New Delhi.
3. Dornbusch, Fischer, Startz-Macroeconomics, The Mcgraw Hill Company Ltd., New York.
4. H.L. Ahuja –Advanced Macro Economic Theory, S Chand and Co. New Delhi
5. Shapiro, E. (1996) – Macroeconomic Analysis, Galgotia Publications, New Delhi.
6. Keynes, J. M. (1936) – The General Theory of Employment, Interest and Money, Macmillan, London.
7. M.L. Jhingan- Macro Economic Theory, Vrinda publication, New Delhi
8. Romar, D. L. (1996) – Advanced Macroeconomics, McGraw Hill Company Ltd., New York.
9. Patinkin, D. (1965) – Money, Interest and Prices. Haper and Row, New York.
10. Culbertson, J. M. (1968) – Macroeconomic Theory and Stabilization Policy, McGraw Hill, Kogenkoshi, Tokyo.
11. Friedman, M. (1957) – The Theory of Consumption Function, Princeton University Press, Princeton.
12. Duesenberry, J. S. (1949) – Income saving and the Theory of Consumer Behaviour, Harvard University Press, Harvard.
13. Hicks, J. R. (1950) – A contribution to the Theory of Trade Cycles, Clarendon Press, Oxford.
14. Hicks, J. R. (1974) – The Crisis in Keynesian Economics, Oxford University Press, New Delhi.

Paper Code:2332

B.A. HONOURS IN ECONOMICS

SECOND YEAR HONOURS

PAPER – VI

MONEY AND FINANCIAL MARKETS

Course Outcome:

CO1: The course will provide the basic information to students about the concepts, theories and scope of financial sector.

CO2: The students will understand the significance and functions of short term and long term financial markets, Exchange Rate and their impact on economic indicators.

UNIT – I

Money – Meaning, Functions and Classification; Importance of Money, Gresham's Law; Main Components of Money Supply, New measurement of Money supply, Concept of Money Multiplier, Near Money. Quantity Theory of Money – Cash Transaction, Cash Balance and Keynesian Approach.

UNIT – II

Commercial Banks – Meaning, Types and Functions, The Process of Credit Creation in single Bank system and Multi-banking system, Limitation to Credit Creation; Liabilities and Assets of Banks. Role and importance of Non-Banking Institutions in economy.

Role and functions of Central Bank, Quantitative and Qualitative Methods of Credit Control: Bank Rate, Open Market Operations, Variable Reserve Ratio and Selective Methods;

RBI and Monetary policy in India.

UNIT – III

Financial system – Financial intermediary, financial assets and financial market. Financial Assets-Share, Bond and debenture and financial innovation. Problems in financial transactions- Asymmetric information and Moral hazard. Financial Market- Money Market and Capital Market; Components, Functions and Sources of Long Term and Short Term Finance. Non-Banking Financial Institutions (NBFI's) – Mutual fund, LIC, Investment Companies, Venture Capital. Co-operative Institutions: Structure, Objectives and Limitations.

UNIT-IV

Financial System in India – Components, Functions and Importance; Markets, Measures taken by Government of India to liberalize the financial system, Financial Sector Reforms and their Impact on economic growth in India. Role of SEBI in capital market,

UNIT – V

Foreign Exchange – Determination of Exchange Rate under Fixed and Flexible Exchange Rate, Spot and Forward Exchange Rate, Future ,Forward and option contract to control the Exchange Rate. The role of hedging in the determination of Exchange Rate, Euro-Dollar Markets – Its rate and significance.

Basic Reading List

1. Mitthani, D.M. – Money and Banking, Himalaya Publishing Company, New Delhi.
2. Sethi, T.T. – Monetary Economics, Laxmi Narayan Agarwal, Agra.
3. Seth, M. L. – Money and Banking, Lakshmi Narayan Agrawal, Agra.
4. Ojha, B.L. – Money Banking and Public Finance, Ramesh Book Depo., Jaipur.
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B.A. HONOURS IN ECONOMICS

SECOND YEAR HONOURS
Paper – VII
MATHEMATICAL ECONOMICS

Course Outcome:

CO1: This course will equip students to understand the economic concepts and theories with the use of mathematical tools and techniques to refine the verbal logic.

CO2: The Modern algebraic tools will allow convenient handling of simultaneous equations in the context of linear programming and input-output analysis.

UNIT – I

Utility function, Indifference Curves and their characteristics, Budget line, Constrained Optimization, Consumer's Equilibrium, Slutsky equation -Income effect, Substitution effect and Price effect. Derivation of Simple Demand Curve and Elasticity of Demand.

UNIT – II

Properties of Production Function – Homogeneous and Non-Homogeneous, Cobb-Douglas, CES, Returns to Scale. Choice of Optimal Combination of Factors of Production; Cost and Revenue Functions, Derivation of Cost Curves, Relation between total, Average and Marginal cost and revenue, Adding up theorem.

UNIT – III

Concept of Equilibrium – Equilibrium of the firm under Perfect Competition, Monopoly and Monopolistic Competition, Monopoly – Price Discrimination, Cobweb Model.

UNIT – IV

Pricing under Duopoly- The Cournot Model, The Bertrand Model, and the Stackelberg Model. Collusive Oligopoly. Kinked Demand Curve Model.

Trade Cycle Model of Hicks and Samuelson. Harrod-Domar Growth Model.

UNIT – V

Input-Output Analysis – The simple closed and open model, Linkages, Concepts and Measurement, Dynamic Input-Output Model.

Linear programming- Concept and Assumptions, Basic theorem of Linear Programming, Primal and Dual, Graphic and Simplex Method.

Basic Reading List

1.   Henderson, J. and R.E. Quandt (1980) – Microeconomic Theory: a Mathematical Approach, McGraw Hill, New Delhi.

2.   Mehta and Madnani – Mathematics for Economists, Sultan Chand and Sons, New Delhi.

3.   Madnani, G.M.K. – Mathematical Economics: Oxford and IBH Publishing Co., New Delhi.

4.   Cliang, A.C. – Fundamentals of Mathematical Economics, McGraw Hill, New York.

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Paper Code: 2334

Course Outcome:

CO1: This paper will develop the understanding of theories of International Trade which explain the reasons, composition and impacts of international trade to students.

CO2: It will also build the understanding of trade policy and exchange rate system.

CO3: The students will have an idea about trends, composition and direction of international trade and trade policy of India.

UNIT – I

Importance of International Economics, Inter-regional and international trade, Theories of International Trade, Theory of Absolute Advantage, Comparative Advantage and Opportunity Cost, Hecksher-Ohlin theory of trade and trade under Imperfect Competition.

UNIT – II

Gains from Trade – Their measurement and distribution, Concepts of terms of trade and determinants of Terms of Trade.

Concept and components of Balance of Payments, Equilibrium & Dis-equilibrium in Balance of Payments, Devaluation and other measures to correct deficit in the Balance of Payments.

UNIT – III

Foreign Trade Policy – Free trade v/s Protection, Types of Tariffs and Quotas and their impact on Partial Equilibrium analysis. Concept of Optimum and effective Tarrif. Concept of Foreign Trade Multiplier.

UNIT – IV

Foreign exchange – Meaning, Types and Theories of Determination of Exchange Rate- The Purchasing Power Parity Theory and Modern Theory. Fixed v/s Flexible Exchange Rate Policy. Exchange Control- Meaning, Objectives and Methods of Exchange Control.

UNIT – V

Foreign Trade of India- Trend, Composition and Direction. EXIM Policy of India –Pre and Post Globalisation. FDI- Trends and Impact. WTO and Its Impact on Indian Economy. Globalisation Debate: Regionalism, Multilateralism or Nationalism.

Basic Reading List

1. Acharyya R.(2014). International Economics-An Introduction to Theory and Policy, Oxford University Press, New Delhi.

2. Barla C.S. and Agrawal (2012). International Economics. Laxmi Narayan Agarwal, Agra. (Hindi Version)

3. Cherunilam, F. (2008). International Economics, The Tata McGraw-Hill Companies,New Delhi. 5th Ed.

4. Jhingan M.L. (2015). International Economics, Vrinda Publications, New Delhi (English & Hindi Version)

5. Kindlberger, C. P. (1991). International Economics, R D Irwin, Homewood.8th Ed.

6. Krugman, P.R. and M. Obstfeld (2013). International Economics- Theory and Policy, Dorling Kindersely Pvt. Ltd. Licensee of Pearson Education, new Delhi India.

7. Salvatore, D. (2014). International Economics: Trade and Finance., Jhon Wiley &Sons, Singapore.

8. Mithani, D. M. – International Economics, Himalaya Publication House, Bombay

9. Rana, K.C. and K.N. Verma (2010). International Economics, Vishal Publishing House, Ludhiyana. (English & Hindi Version)

10. Sodersten, B.C. (1991). International Economics, Macmillan Press, London.

11. Swami, K. D. (2008) – International Economics, Scientific Publications, Jodhpur. (Hindi Version)

12. Vaish, M.C. and S. Singh (2000). International Economics, Oxford and I.B.H. Publishing Company Pt. Ltd., New Delhi. (Hindi Version)

Paper Code: 3331

B.A. HONOURS IN ECONOMICS
THIRD YEAR HONOURS
Paper – IX
GROWTH AND DEVELOPMENT ECONOMICS