

Choice Based Credit System (CBCS)

UNIVERSITY OF DELHI

DEPARTMENT OF ECONOMICS

UNDERGRADUATE PROGRAMME
(Courses effective from Academic Year 2015-16)



SYLLABUS OF COURSES TO BE OFFERED Core Courses, Elective Courses & Ability Enhancement Courses

Disclaimer: The CBCS syllabus is uploaded as given by the Faculty concerned to the Academic Council. The same has been approved as it is by the Academic Council on 13.7.2015 and Executive Council on 14.7.2015. Any query may kindly be addressed to the concerned Faculty.

Undergraduate Programme Secretariat

Preamble

The University Grants Commission (UGC) has initiated several measures to bring equity, efficiency and excellence in the Higher Education System of country. The important measures taken to enhance academic standards and quality in higher education include innovation and improvements in curriculum, teaching-learning process, examination and evaluation systems, besides governance and other matters.

The UGC has formulated various regulations and guidelines from time to time to improve the higher education system and maintain minimum standards and quality across the Higher Educational Institutions (HEIs) in India. The academic reforms recommended by the UGC in the recent past have led to overall improvement in the higher education system. However, due to lot of diversity in the system of higher education, there are multiple approaches followed by universities towards examination, evaluation and grading system. While the HEIs must have the flexibility and freedom in designing the examination and evaluation methods that best fits the curriculum, syllabi and teaching-learning methods, there is a need to devise a sensible system for awarding the grades based on the performance of students. Presently the performance of the students is reported using the conventional system of marks secured in the examinations or grades or both. The conversion from marks to letter grades and the letter grades used vary widely across the HEIs in the country. This creates difficulty for the academia and the employers to understand and infer the performance of the students graduating from different universities and colleges based on grades.

The grading system is considered to be better than the conventional marks system and hence it has been followed in the top institutions in India and abroad. So it is desirable to introduce uniform grading system. This will facilitate student mobility across institutions within and across countries and also enable potential employers to assess the performance of students. To bring in the desired uniformity, in grading system and method for computing the cumulative grade point average (CGPA) based on the performance of students in the examinations, the UGC has formulated these guidelines.

CHOICE BASED CREDIT SYSTEM (CBCS):

The CBCS provides an opportunity for the students to choose courses from the prescribed courses comprising core, elective/minor or skill based courses. The courses can be evaluated following the grading system, which is considered to be better than the conventional marks system. Therefore, it is necessary to introduce uniform grading system in the entire higher education in India. This will benefit the students to move across institutions within India to begin with and across countries. The uniform grading system will also enable potential employers in assessing the performance of the candidates. In order to bring uniformity in evaluation system and computation of the Cumulative Grade Point Average (CGPA) based on student's performance in examinations, the UGC has formulated the guidelines to be followed.

Outline of Choice Based Credit System:

1. **Core Course:** A course, which should compulsorily be studied by a candidate as a core requirement is termed as a Core course.
2. **Elective Course:** Generally a course which can be chosen from a pool of courses and which may be very specific or specialized or advanced or supportive to the discipline/ subject of study or which provides an extended scope or which enables an exposure to some other discipline/subject/domain or nurtures the candidate's proficiency/skill is called an Elective Course.
 - 2.1 **Discipline Specific Elective (DSE) Course:** Elective courses may be offered by the main discipline/subject of study is referred to as Discipline Specific Elective. The University/Institute may also offer discipline related Elective courses of interdisciplinary nature (to be offered by main discipline/subject of study).
 - 2.2 **Dissertation/Project:** An elective course designed to acquire special/advanced knowledge, such as supplement study/support study to a project work, and a candidate studies such a course on his own with an advisory support by a teacher/faculty member is called dissertation/project.
 - 2.3 **Generic Elective (GE) Course:** An elective course chosen generally from an unrelated discipline/subject, with an intention to seek exposure is called a Generic Elective.

P.S.: A core course offered in a discipline/subject may be treated as an elective by other discipline/subject and vice versa and such electives may also be referred to as Generic Elective.
3. **Ability Enhancement Courses (AEC)/Competency Improvement Courses/Skill Development Courses/Foundation Course:** The Ability Enhancement (AE) Courses may be of two kinds: AE Compulsory Course (AECC) and AE Elective Course (AEEC). "AECC" courses are the courses based upon the content that leads to Knowledge enhancement. They ((i) Environmental Science, (ii) English/MIL Communication) are mandatory for all disciplines. AEEC courses are value-based and/or skill-based and are aimed at providing hands-on-training, competencies, skills, etc.
 - 3.1 AE Compulsory Course (AECC): Environmental Science, English Communication/MIL Communication.
 - 3.2 AE Elective Course (AEEC): These courses may be chosen from a pool of courses designed to provide value-based and/or skill-based instruction.

Project work/Dissertation is considered as a special course involving application of knowledge in solving / analyzing /exploring a real life situation / difficult problem. A Project/Dissertation work would be of 6 credits. A Project/Dissertation work may be given in lieu of a discipline specific elective paper.

Details of Courses Under Undergraduate Programme (B.A./ B.Com.)

Course	*Credits	
<u>I. Core Course</u> (12 Papers) Two papers – English Two papers – MIL Four papers – Discipline 1. Four papers – Discipline 2. Core Course Practical / Tutorial* (12 Practicals)	Paper+ Practical 12X4= 48	Paper + Tutorial 12X5=60
<u>II. Elective Course</u> (6 Papers) Two papers- Discipline 1 specific Two papers- Discipline 2 specific Two papers- Inter disciplinary Two papers from each discipline of choice and two papers of interdisciplinary nature. Elective Course Practical / Tutorials* (6 Practical/ Tutorials*) Two papers- Discipline 1 specific Two papers- Discipline 2 specific Two papers- Generic (Inter disciplinary) Two papers from each discipline of choice including papers of interdisciplinary nature.	6x4=24 6 X 2=12	6X5=30 6X1=6
<u>III. Ability Enhancement Courses</u> 1. Ability Enhancement Compulsory (2 Papers of 2 credits each) Environmental Science English Communication/MIL 2. Ability Enhancement Elective (Skill Based) (4 Papers of 2 credits each)	2 X 2=4 4 X 2=8	2 X 2=4 4 X 2=8
	<hr/> Total credit= 120	<hr/> Total = 120

Institute should evolve a system/policy about ECA/ General Interest/Hobby/Sports/NCC/NSS/related courses on its own.

***wherever there is a practical there will be no tutorial and vice-versa.**

B.A. Economics

Semester I	Semester II
Core Economics I: Principles of Microeconomics–I	Core Economics II: Principles of Microeconomics–II
Semester III	Semester IV
Core Economics III: Principles of Macroeconomics–I	Core Economics IV: Principles of Macroeconomics–II
Semester V	Semester VI
Discipline Specific Elective I One of the following: i. DSE 1: Economic Development and Policy in India–I ii. DSE 2: Money and Banking iii. DSE 3: Environmental Economics	Discipline Specific Elective II One of the following: iv. DSE 3: Economic Development and Policy in India–II v. DSE 4: Economic History of India 1857-1947 vi. Public Finance

Core Economics I: Principles of Microeconomics–I

Course Description

This course intends to expose the student to the basic principles in Microeconomic Theory and illustrate with applications.

Course Outline

1. Introduction

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

2. Consumer Theory

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

3. Production and Costs

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

4. Perfect Competition

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

Readings:

Case, Karl E. & Ray C. Fair, *Principles of Economics*, Pearson Education, Inc., 8th edition, 2007.

Core Economics II: Principles of Microeconomics–II

Course Description

This is a sequel to Principles of Microeconomics–I covered in the first semester. The objective of the course is the same as in Principles of Microeconomics I.

Course Outline

1. Market Structures

a. Theory of a Monopoly Firm

Concept of imperfect competition; short run and long run price and output decisions of a monopoly firm; concept of a supply curve under monopoly; comparison of perfect competition and monopoly, social cost of monopoly, price discrimination; remedies for monopoly: Antitrust laws, natural monopoly.

b. Imperfect Competition

Monopolistic competition: Assumptions, SR & LR price and output determinations under monopolistic competition, economic efficiency and resource allocation; oligopoly: assumptions, oligopoly models, game theory, contestable markets, role of government.

2. Consumer and Producer Theory

a. Consumer and Producer Theory in Action

Externalities, marginal cost pricing, internalising externalities, public goods; imperfect information: adverse selection, moral hazard, social choice, government inefficiency.

b. Markets and Market Failure

Market adjustment to changes in demand, efficiency of perfect competition; sources of market failure: imperfect markets, public goods, externalities, imperfect information; evaluating the market mechanism.

3. Income Distribution and Factor pricing

Input markets: demand for inputs; labour markets, land markets, profit maximisation condition in input markets, input demand curves, distribution of Income.

4. International Trade

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

Readings:

Case, Karl E. & Ray C. Fair, *Principles of Economics*, Pearson Education, Inc., 8th edition, 2007.

Core Economics III: Principles of Macroeconomics–I

Course Description

This course introduces students to the basic concepts in Macroeconomics. Macroeconomics deals with the aggregate economy. In this course the students are introduced to the definition, measurement of the macroeconomic variables like GDP, consumption, savings, investment and balance of payments. The course also discusses various theories of determining GDP in the short run.

Course Outline

1. Introduction

What is macroeconomics? Macroeconomic issues in an economy.

2. National Income Accounting

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

3. Determination of GDP

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

4. National Income Determination in an Open Economy with Government

Fiscal Policy: impact of changes in government expenditure and taxes; net exports function; net exports and equilibrium national income.

5. Money in a Modern Economy

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

Readings:

1. Case, Karl E. & Ray C. Fair, *Principles of Economics*, Pearson Education, Inc., 8th edition, 2007.
2. Sikdar, Shoumyen, *Principles of Macroeconomics*, 2nd Edition, Oxford University Press, India

Core Economics IV: Principles of Macroeconomics–II

Course Description

This is a sequel to Principles of Macroeconomics–I. It analyses various theories of determination of National Income in greater detail. It also introduces students to concept of inflation, its relationship with unemployment and some basic concepts in an open economy.

Course Outline

1. IS-LM Analysis

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

2. GDP and Price Level in Short Run and Long Run

Aggregate demand and aggregate supply; multiplier Analysis with AD curve and changes in price levels; aggregate supply in the SR and LR.

3. Inflation and Unemployment

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

4. Balance of Payments and Exchange Rate

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

Readings:

1. Case, Karl E. & Ray C. Fair, *Principles of Economics*, Pearson Education, Inc., 8th edition, 2007.
2. Sikdar, Shoumyen, *Principles of Macroeconomics*, 2nd Edition, Oxford University Press, India

Discipline Specific Elective I

One of the following:

i. DSE 1: Economic Development and Policy in India-I

Course Description

This course reviews major trends in aggregate economic indicators in India and places these against the backdrop of major policy debates in India in the post- Independence period.

Course Outline

1. Issues in Growth, Development and Sustainability

2. Factors in Development

Capital formation (Physical and Human); technology; institutions.

3. Population and Economic Development

Demographic trends; urbanisation.

4. Employment

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

5. Indian Development Experience

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

Readings:

1. Michael P Todaro and Stephen Smith. *Economic Development*, Pearson, 11th edition (2011).
2. Uma Kapila, *Indian Economy since Independence*, Academic Foundation, 19th edition (2009).
3. United Nations Development Programme, *Human Development Report*

2010, Palgrave Macmillan (2010).

4. Government of India, *Economic Survey*
(latest)
5. Government of India, *Five Year Plan*
(latest)
6. Government of India, *Finance Commission Report*
(latest)

ii. DSE 2: Money and Banking:

Course Description

This course exposes students to the theory and functioning of the monetary and financial sectors of the economy. It highlights the organization, structure and role of financial markets and institutions. It also discusses interest rates, monetary management and instruments of monetary control. Financial and banking sector reforms and monetary policy with special reference to India are also covered.

Course Outline

1. Money

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

2. Financial Institutions, Markets, Instruments and Financial Innovations

a. Role of financial markets and institutions; problem of asymmetric information – adverse selection and moral hazard; financial crises.

b. Money and capital markets: organization, structure and reforms in India; role of financial derivatives and other innovations.

3. Interest Rates

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

4. Banking System

a. Balance sheet and portfolio management.

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

5. Central Banking and Monetary Policy

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

Readings

1. F. S. Mishkin and S. G. Eakins, *Financial Markets and Institutions*, Pearson Education, 6th edition, 2009.
2. F. J. Fabozzi, F. Modigliani, F. J. Jones, M. G. Ferri, *Foundations of Financial Markets and Institutions*, Pearson Education, 3rd edition, 2009.
3. L. M. Bhole and J. Mahukud, *Financial Institutions and Markets*, Tata McGraw Hill, 5th edition, 2011.
4. M. Y. Khan, *Indian Financial System*, Tata McGraw Hill, 7th edition, 2011.
5. Various latest issues of R.B.I. Bulletins, Annual Reports, Reports on Currency and Finance and Reports of the Working Group, IMF Staff Papers.

iii. DSE 3: Environmental Economics:

Course Description

This course introduces students to concepts, methods and policy options in managing the environment using tools of economic analysis. This course should be accessible to anyone with an analytical mind and familiarity with basic concepts of economics. Since several environmental problems are caused by economic activity (for instance, carbon emissions, over-harvesting of renewable resources and air and water pollution as a by-product of industrial activity), this course examines different approaches to adjusting behaviour through economic institutions such as markets and incentives as well as through regulation, etc. It also addresses the economic implications of environmental policies through practical applications of methods for valuation of environmental goods and services and quantification of environmental damages. Conversely, the impact of economic growth on the environment is also addressed under the rubric of sustainable development. Environmental problems and issues from the Indian and international context (especially global warming) are used to illustrate the concepts and methods presented in the course. The course will be useful for students aiming towards careers in the government sector, policy analysis, business, journalism and international organisations.

Course Outline

1. Introduction

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

2. The Design and Implementation of Environmental Policy

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

3. Environmental Valuation Methods and Applications

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

4. Sustainable Development

Concepts; measurement; perspectives from Indian experience

Readings

1. Roger Perman, Yue Ma, Michael Common, David Maddison and James McGilvray, "*Natural Resource and Environmental Economics*", Pearson Education/Addison

- Wesley, 4th edition, 2011.
2. Charles Kolstad, “*Intermediate Environmental Economics*”, Oxford University Press, 2nd edition, 2010.
 3. Robert N. Stavins (ed.), “*Economics of the Environment: Selected Readings*”, W.W. Norton, 6th edition, 2012.
 4. Robert Solow , “An Almost Practical Step toward Sustainability,” Resources for the Future 40th anniversary lecture,1992.
 5. Kenneth Arrow et al. , “Are We Consuming Too Much?” *Journal of Economic Perspectives*, 18(3): 147-172, 2004.
 6. IPCC (Intergovernmental Panel on Climate Change), Fifth Assessment Report (forthcoming 2014).

Discipline Specific Elective II

One of the following:

iv. DSE 4: Economic Development and Policy in India–II

Course Description

Building on the more aggregative analysis of trends in the Indian Economy offered in Economic Development and Policy–I, this course examines sector-specific trends in key indicators and their implications in the post-Independence period.

Course Outline

1. Agriculture: Policies and Performance

Production and productivity; credit; labour; markets and pricing; land reforms; regional variations.

2. Industry: Policies and Performance

Production trends; small scale industries; public sector; foreign investment.

3. Foreign Trade: Trends and Policies

Balance of trade and balance of payments; India and the World Trade Organisation.

Readings:

1. Uma Kapila, *Indian Economy since Independence*, Academic Foundation, 19th edition (2009).
2. Government of India, *Economic Survey* (latest)
3. Government of India, *Five Year Plan* (latest)

v. **DSE 5: Economic History of India 1857-1947**

Course Description

This course analyses key aspects of Indian economic development during the second half of British colonial rule. In doing so, it investigates the place of the Indian economy in the wider colonial context, and the mechanisms that linked economic development in India to the compulsions of colonial rule. This course links directly to the course on India's economic development after independence in 1947.

Course Outline

1. Introduction: Colonial India: Background and Introduction

Overview of colonial economy.

2. Macro Trends

National Income; population; occupational structure.

3. Agriculture

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

4. Railways and Industry

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

5. Economy and State in the Imperial Context

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

Readings:

1. Lakshmi Subramanian, "*History of India 1707-1857*", Orient Blackswan, 2010, Chapter 4.
2. Sumit Guha, 1991, 'Mortality decline in early 20th century India', *Indian Economic and Social History Review (IESHR)*, pp 371-74 and 385-87.

3. Tirthankar Roy, *The Economic History of India 1857-1947*, Oxford University Press, 3rd edition, 2011.
4. J. Krishnamurty, *Occupational Structure*, Dharma Kumar (editor), The Cambridge Economic History of India, Vol. II, (henceforth referred to as CEHI), 2005, Chapter 6.
5. Irfan Habib, *Indian Economy 1858-1914*, A People's History of India, Vol.28, Tulika, 2006.
6. Ira Klein, 1984, -When Rains Fail: Famine relief and mortality in British India, *IESHR* 21.
7. Jean Dreze, *Famine Prevention in India in Dreze and Sen (eds.) Political Economy of Hunger*, WIDER Studies in Development Economics, 1990, pp.13-35.
8. John Hurd, *Railways*, CEHI, Chapter 8, pp.737-761.
9. Rajat Ray (ed.), *Entrepreneurship and Industry in India*, 1994.
10. AK Bagchi, -Deindustrialization in India in the nineteenth century: Some theoretical implications, *Journal of Development Studies*, 1976.
11. MD Morris, *Emergence of an Industrial Labour Force in India*, OUP 1965, Chapter 11, Summary and Conclusions.
12. K.N. Chaudhuri, *Foreign Trade and Balance of Payments*, CEHI, Chapter 10.
13. B.R. Tomlison, 1975, *India and the British Empire 1880-1935*, IESHR, Vol.XII.
14. Dharma Kumar, *The Fiscal System*, CEHI, Chapter 12.
15. Basudev Chatterjee, *Trade, Tariffs and Empire*, OUP 1992,

Epilogue. Background reading for students:

Irfan Habib, *Indian Economy 1858-1914* (A People's History of India), Vol.28, Tulika 2006.

Daniel Thorner, *Agrarian Prospect in India*, 1977.

L. Visaria and P. Visaria, *Population*. CEHI, Chapter 5.

vi. DSE 6: Public Finance

Course Description

This course is a non-technical overview of government finances with special reference to India. The course does not require any prior knowledge of economics. It will look into the efficiency and equity aspects of taxation of the centre, states and the local governments and the issues of fiscal federalism and decentralisation in India. The course will be useful for students aiming towards careers in the government sector, policy analysis, business and journalism.

Course Outline

Part 1: Theory

1. Overview of Fiscal Functions, Tools of Normative Analysis, Pareto Efficiency, Equity and the Social Welfare.
2. Market Failure, Public Good and Externalities.
3. Elementary Theories of Product and Factor Taxation (Excess Burden and Incidence).

Part 2: Issues from Indian Public Finance

4. Working of Monetary and Fiscal Policies.
5. Current Issues of India's Tax System.
6. Analysis of Budget and Deficits
7. Fiscal Federalism in India
8. State and Local Finances

Readings

1. Musgrave, R.A. and P.B. Musgrave, *Public Finance in Theory and Practice*, Mc-Graw Hill, 1989.
2. Mahesh Purohit, "*Value Added Tax: Experience of India and Other Countries*", Gayatri Publications, 2007.
3. Kaushik Basu, and A. Maertens (ed.), *The Oxford Companion to Economics in India*, Oxford University Press, 2007.
4. M.M Sury, *Government Budgeting in India*, Commonwealth Publishers, 1990.
5. Shankar Acharya, "Thirty years of tax reform" in India, *Economic and Political Weekly*, May 2005.
6. Government of India, *Report of the 13th Finance Commission*.
7. *Economic Survey*, Government of India (latest).
8. State Finances: A Study of Budgets, *Reserve Bank of India* (latest).

Department of Economics

Skill Enhancement Course for CBCS (Hons)

SEC-III: Research Methodology

This course is designed to help undergraduate students appreciate, learn and practice data-based research skills that will help them in writing term papers, project reports etc in their Discipline and Generic Elective courses.

- I. Nature of research
- II. Formulating the research topic
- III. Review of literature
- IV. Approaches to research and research strategy
- V. Research Ethics
- VI. Using secondary data
- VII. Using primary data – collecting data through observation/ interviews / questionnaire
- VIII. Sample selection methods
- IX. Analyzing data
- X. Writing Project Report – Referencing Styles

Note: Internal assessment for this course will include a research paper or project report

Suggested Readings :

1. Ranjit Kumar (2014), *Research Methodology: A Step-by-Step Guide for Beginners*, 4th Edition, Sage Publications.
2. Uwe Flick (2012), *Introducing Research Methodology: A Beginner's Guide to Doing a Research Project*, Sage Publications.
3. Bethlehem, J. (2009), *Applied Survey Methods: A Statistical Perspective*, Wiley.
4. Cochran, William, G. (2008), *Sampling Techniques*, Third Edition, Wiley-India, ISBN 978-81-265-1524-0. Reprint: 2008.
5. Groves, R. M., Fowler, F. J., Couper, M. P., Lepkowski, J. M., Singer, E. and Tourangeau, R. (2009). *Survey Methodology*, Wiley.


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Department of Economics

Skill Enhancement Course for CBCS (Programme)

SEC-III: Understanding the Economic Survey and Union Budget

The course seeks to familiarize the students with basic concepts related to some contemporary economic issues. Its aim is to equip the students with sufficient knowledge and skills so as to understand media discussions, and to critically analyze contemporary issues that figure in high-profile government documents, in particular the Economic Survey and the Union Budget. Such capability is necessary to understand government policies and also to increase people's participation in economic decision-making. The emphasis in the course will be on conceptual understanding, not data.

I. Concepts

- a. Fiscal policy, need for government spending, areas of government spending in India
- b. Capital expenditure, revenue expenditure, plan expenditure, non-plan expenditure.
- c. Deficits (fiscal, primary, revenue), impact of fiscal deficit on economy, need to control fiscal deficits,
- d. Capital receipts, revenue receipts, tax and non-tax revenue, direct and indirect taxes, need to rationalize tax structure. Goods and Services Tax (GST).
- e. Actuals, Revised Estimates, Budget Estimates
- f. Zero-base budgeting
- g. Gender budgeting
- h. Fiscal devolution and centre-state financial relations in India

II. Economic Survey

III. The Union Budget

Need for the Budget, Understanding the process of budget making in India, Analysis of budget in terms of various parameters such as:

- a) Deficits – trends in fiscal deficit and revenue deficit
- b) Receipts - proposed sources of revenue and expected growth in revenue; steps taken to increase revenue such as tax simplification, improvement in tax administration, expansion of tax net;
- c) Expenditure - expenditure pattern and expected growth in expenditure; The thrust areas of the budget; areas / sectors which have received higher or lower share of expenditure, reasons and consequences thereof; steps proposed to ensure effective spending.

Suggested Readings:

1. *Economic Survey (latest)*, Government of India, Ministry of Finance. Full chapter (excluding boxed items) on 'Economic Outlook, Prospects, and Policy Challenges' and 'Fiscal Framework'. Other selections to be determined each year.


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2. 'Understanding the Budget Concepts and Terminologies', Centre for Budget and Governance Accountability
<http://www.cbgaindia.org/files/documents/Understanding%20the%20Budget%20Concepts%20and%20Terminologies.pdf>
3. *The Key to Budget Documents, Budget At A Glance, Macroeconomic Framework Statement, Medium Term Fiscal Policy Statement and Fiscal Policy Strategy Statement*, all available at indiabudget.nic.in.
4. *Economic and Social Classification of the Budget*, available at <http://finmin.nic.in/reports/FunClass201415.pdf>.
5. <http://www.unionbudget.nic.in/ub2016-17/bh/bh1.pdf> (For Budget 2016-17 highlights)
6. Pranab Mukherjee (2012), "Budget Making", in K. Basu and A. Maertens (eds), *The New Oxford Companion to Economics in India*, OUP.
7. Dipak Dasgupta and Supriyo De (2012), "Fiscal Deficit", in Basu and Maertens.
8. Uma Kapila (2016), "Fiscal and Budgetary Developments", in *Indian Economy Since Independence*, Academic Foundation, latest edition.
9. Y V Reddy (2015), "Continuity, Change and The Way Forward: Fourteenth Finance Commission", EPW Vol. 50, Issue No. 21, 23 May, 2015
10. 14th Finance Commission Report.
<http://finmin.nic.in/14fincomm/14thFinanceCommission.htm>


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DEPARTMENT OF ECONOMICS
DELHI SCHOOL OF ECONOMICS

NOTICE

The Academic Council at its meeting last week passed the Economics Department's proposals regarding four new GE courses and a new SEC course for B.A. (Programme), as well as one new DSE course and an interchange in the sequence of two existing DSE courses for B.A. Economics (Hons). The courses are given below to facilitate preparation of timetables and lectures. This is subject to official notification by the University.

The Commerce Department's proposal to allow B.Com. (Hons) students to take GE courses in Economics being offered by the Commerce Department (as we earlier discussed with Economics teachers in the colleges) was rejected by the Standing Committee of the Academic Council. Therefore, B.Com. (Hons) students who wish to take GE courses in Economics will have to take those offered by the Economics Department. Economics courses offered by the Commerce Department can be taken only by students of other departments. However, the following points are to be kept in mind:

- These courses are to be taught only by teachers with M.A. and NET/PhD in Economics, whether they are affiliated to the Commerce or Economics Departments of their respective colleges.
- Students of B.A. Economics (Hons) should be discouraged from taking GE Economics courses of the Commerce Department, which duplicate what is being done in their own Honours courses.

Head of Department

28 June 2017

GE Course I(a) for B.A./ B.Com. (P)
Principles of Microeconomics
(Vth Semester)

This course intends to expose the student to the basic principles in Microeconomic Theory and illustrate with applications. It covers the decision-making behaviour of consumers and producers, and the functioning of markets.

Course Outline

1. Introduction

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

2. Consumer Theory

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

3. Production and Costs

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

4. Market Structures

a. Perfect Competition

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

b. Theory of a Monopoly Firm

Concept of imperfect competition; short run and long run price and output decisions of a monopoly firm; concept of a supply curve under monopoly; comparison of perfect competition and monopoly, social cost of monopoly, price discrimination; natural monopoly.

TEXT:

Case, Karl E. & Ray C. Fair, *Principles of Economics*, Pearson Education, 8th edition, 2007.

GE Course I(b) for BA/B.Com (P)
Issues in Economic Development
(Vth Semester)

This course is designed to introduce basic concepts and issues of economic development and globalization to students who do not necessarily have any background in economic theory.

I. Development and Underdevelopment – A Historical and General Perspective

1. Partha Dasgupta, *A Very Short Introduction to Economics*, pg 1-29 (Prologue & Ch 1)
2. Deepak Nayyar, *Catch Up: Developing Countries in the World Economy*, Ch 2, 4
3. Todaro and Smith, *Economic Development*, Ch 1 & Ch 2 (only the section on Characteristics of the Developing World: Diversity within Commonality)

II. Basic Issues in Growth and Development

4. G. Omkarnath (2013) *Economics: A Primer for India*, Orient Blackswan Ch 5
5. Amitava Krishna Dutt (2014), *Pathways to Economic Development*, Ch 1 & 6
6. Todaro and Smith, *Economic Development*, Ch 5 (for poverty and inequality)

III. Capabilities, Human Development and Sustainable Development

7. Amartya Sen, “Poverty as Capability Deprivation,” Chapter 4 in *Development as Freedom*, OUP, 2000.
8. Seetha Prabhu K on “Human Development Index” in Basu and Maertens (ed) *New Oxford Companion to Economics in India, 2012*
9. Paul Streeten, “The Meaning and Measure of Development” in Amitava K Dutt and Jaime Rose ed. *International Handbook of Development Economics*, Vol 1, Ch1, Edward Elgar, 2008
10. Partha Dasgupta, *A Very Short Introduction to Economics*, Ch 7 (pg 117-138)

IV. Globalisation and Development

11. Dani Rodrik, *The Globalization Paradox*, Ch 1 & Ch 7
12. Deepak Nayyar – “Globalisation & Development” in Ha Joon Chang ed *Rethinking Development Economics*
13. D. Narasimha Reddy – “Economic Globalisation, Past and Present – the Challenge to Labour” in Jomo & Jin ed. *Globalization and its Discontents, Revisited*.

GE Course 2(a) for BA / B.com (P)
Principles of Macroeconomics
(VIth Semester)

Course Description

This course introduces students to the basic concepts in Macroeconomics. Macroeconomics deals with the aggregate economy. In this course the students are introduced to the definition, measurement of the macroeconomic variables like GDP, consumption, savings, investment and balance of payments. The course also discusses various theories of determining GDP in the short run.

Course Outline

1. Introduction

What is macroeconomics? Macroeconomic issues in an economy.

2. National Income Accounting

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

3. Determination of GDP

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

4. National Income Determination in an Open Economy with Government

Fiscal Policy: impact of changes in government expenditure and taxes; net exports function; net exports and equilibrium national income.

5. Money in a Modern Economy

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

Readings:

1. Case, Karl E. & Ray C. Fair, *Principles of Economics*, Pearson Education, Inc., 8th edition, 2007.
2. Sikdar, Shoumyen, *Principles of Macroeconomics*, 2nd Edition, Oxford University Press, India

GE Course 2(b) for BA/B.Com (P)
The Indian Economy since 1947
(VIth Semester)

This course will introduce students to the key concepts and issues of Post-Independence Indian Economic Development

I. Historical & General Overview

1. Bipan Chandra, “The Colonial Legacy” in Bimal Jalan (ed) *The Indian Economy: Problems and Prospects*, Viking; Penguin Books, India, 1992
2. Jean Dreze and Amartya Sen, *An Uncertain Glory: India and its Contradictions*, 2013, **Ch.1**

II. Growth and Structural Change

3. Jean Dreze and Amartya Sen, *An Uncertain Glory: India and its Contradictions*, 2013, **Ch. 2**
4. G. Omkarnath, “Liberalisation and Growth” in *Economics: A Primer for India*, Orient Blackswan, 2013, **Ch 7 pp 192-215**

III. The Indian Economy in a Comparative Perspective

5. Jean Dreze and Amartya Sen, *An Uncertain Glory: India and its Contradictions*, 2013, **Ch. 3**
6. Pranab Bardhan, *Awakening Giants, Feet of Clay: Assessing the Economic Rise of China and India*, OUP, 2010, **Ch. 2**

IV. Key Issues: Poverty, Inequality, Education, Health and Gender

7. Jean Dreze and Amartya Sen, *An Uncertain Glory: India and its Contradictions*, 2013, **Chapters 5,7,8** [For Education, Poverty and Inequality]
8. Indrani Gupta, “Health Indicators” in K. Basu and A. Maertens (eds), *New Oxford Companion to Economics in India, 2012* [Referred to as **NOCEI** hereafter]
9. Alka Basu, “Infant and Child Mortality” in NOCEI
10. Bina Agarwal, “Gender Inequality” in NOCEI

V. Sectoral Performances and Issues in Contemporary Indian Economy – Agriculture, Industry, Services and Foreign Trade

11. Mahendra Dev, “Agricultural Development” in NOCEI
12. Maitreesh Ghatak, “Land Reforms” in NOCEI
13. R. Nagaraj, “Industrial Growth” in NOCEI
14. Pulin B. Nayak (2012), “Privatization” in NOCEI
15. Rupa Chanda, “Services led Growth” in NOCEI
16. Ashok Guha, “International Trade” in NOCEI

17. Partha Pratim Pal, “India and International Trade since the establishment of WTO” in *India and International Trade*, Oxford India Short Introduction Series (OISI), 2014.
Chapter 6

Skill Enhancement Course (SEC) III for B.A./B. Com(P)
DATA ANALYSIS

(Vth Semester)

Course Description:

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

Course Outline:

1. Sources of data. Population census versus sample survey. Random sampling.
2. Univariate frequency distributions. Measures of central tendency: mean, median and mode; arithmetic, geometric and harmonic mean. Measures of dispersion, skewness and kurtosis.
3. Bivariate frequency distribution. Correlation and regression. Rank correlation.
4. Introduction to probability theory. Notions of random experiment, sample space, event, probability of an event. Conditional probability. Independence of events. Random variables and probability distributions. Binomial and normal distributions.
5. Estimation of population parameters from sample data. Unbiased estimators for population mean and variance.
6. Basics of index numbers: price and quantity index numbers.

Readings:

1. P.H. Karmel and M. Polasek (1978), *Applied Statistics for Economists*, 4th edition, Pitman.
2. M.R. Spiegel (2003), *Theory and Problems of Probability and Statistics* (Schaum Series)

India in the World Economy, c. 1500-1800 (VIth Semester)

Circa 1500, given its scale and depth, the Asian economy was, more or less, synonymous with the world economy. India, both geographically and economically, was at the centre of this early modern (1500 AD-1800 AD) world economy. However, dramatic change was about to come in this state of affairs. The opening of the “all water route” from Europe to India and the accidental “discovery” of the Americas during the early modern period, led to a paradigm shift in the world. Did this signify a complete break from the past or did India, China and other Asian economies continue their sway over the world economy even after, as some call it, ‘Vasco da Gama epoch’ began? This paper aims to focus on India’s role in the changing world economy during these challenging times

Unit 1: Introduction

C. 1500: The status and role of the Indian economy in the world production and exchange; trade routes (land based and water based); Financial networks.

Unit 2: Commodities and Networks: India in the World Trade, 1500-1800

The arrival and the impact of Portuguese ‘State of India’, The Dutch, English and French and other Minor East India Companies and European private traders on Asian production and international exchange.

Principal Commodities: necessities and luxuries, spices, textiles etc. and precious metals.

The changing Trade routes: Land based Trade, Coastal Trade, Intra-Asian Trade, Afro-Asian Trade, Inter-Continental and Inter-Oceanic Trade. The ‘new’ ‘all water route’ vs. the ‘old’ land based Eurasian route.

The Asian and African reaction (conflict and cooperation) towards the newcomers.

Emergence of an early modern world economy: The changing pattern of production, and exchange and India’s role in it.

Unit 3: Merchants, State, Financial Capital and Trade

Position of Indian merchant groups in international trade.

State, Diasporas and Networks: Asian and European merchants – interaction, cooperation, confrontation and exclusion. ‘Smuggling’ and ‘Piracy’.

Relationship between Merchants and States. Position of merchants in Asian States (maritime and land based) and European States in Asia.

Unit 4: Conclusion

Situating India in the early modern world economy.

Indicative Reading List

1. Lakshmi Subramanian, 1999, *India's International Economy, 1500-1800*, **The Indian Historical Review**, vol. XXV, No. 2.
2. Om Prakash, 1998, **European Commercial Enterprise in Pre-Colonial India**, CUP, Cambridge, Ch. 1, 2, 3.
3. James D. Tracy, (ed.), **The Political Economy of Merchant Empires: State Power and World Trade, 1350-1750**, CUP, Cambridge, Ch. 8.
4. David Washbrook, 2007, *India in the Early Modern World Economy: Modes of Production, Reproduction and Exchange*, **Journal of Global History**, vol. 2, issue 01, pp. 87-111.
5. Scot C Levi, 2015, **Caravans: Indian Merchants on the Silk Road**, Penguin, Delhi, Ch. 4, 9.
6. Stephen F Dale, 1994, **Indian Merchants and Eurasian Trade, 1600-1750**, CUP, Cambridge, Ch. 1, 3, 6.
7. Giancarlo Casale, 2006, '*The Ottoman administration of the spice trade in the sixteenth century Red Sea and Persian Gulf*', **Journal of the Economic and Social History of the Orient**, 49/2, pp. 170-98.
8. Chris Nierstrasz, 2015, **Rivalry for Trade in Tea and Textiles, The English and the Dutch East India Companies 1700-1800**, palgrave Macmillan, Hampshire, Ch. 4, 5.
9. Giorgio Riello and Tirthankar Roy (ed.), 2009, **How India Clothed the World: The World of South Asian Textiles 1500-1850**, Lieden, Ch. 1, 2, 7.
10. Om Prakash, 2007, *From Negotiation to Coercion: Textile Manufacturing in India in the Eighteenth Century*, **Modern Asian Studies**, 41, 6, pp. 1331-1368.
11. Ashin Das Gupta, 1985, *The Indian merchants and the Western Indian Ocean: The Early Seventeenth Century*, **Modern Asian Studies**, 19, pp. 481-499 (Also available in Ashin Das Gupta, **The World of the Indian Ocean Merchant, 1500-1800**, Variorum, 1994, Hampshire, pp. 279-99.)
12. Teotonio R de Souza (ed.), 1985, **Indo-Portuguese History: Old Issues New Questions**, Concept, Delhi, Ch. 5.
13. Anthony Disney, 1989, *Smugglers and Smuggling in the Western Half of the Estado da India in the Late Sixteenth and Early Seventeenth Centuries*, **Indica** Vol. 26, Nos. 1 and 2, March-Sept 1989, pp.57-75.
14. Sanjay Subrahmanyam (ed.) 1994, **Money and the Markets in India 1100-1700**, OUP, Delhi, Ch. 6.
15. Deniss O Flynn, Arturo Giráldez and Richard von Glahn (eds.), 2003, **Global Connections and Monetary History, 1470-1800**, Ashgate, Aldershot, Ch 6.
16. P. Parthasarathy, 2011, **Why Europe Grew Rich and Asia did not: Global Economic Divergence, 1600-1850**, Cambridge, Ch. 2.
17. Tirthankar Roy, 2013, **An Economic History of Early Modern India**, Routledge, London, Macmillan. Ch. 1, 8.
18. Om Prakash (ed.), 2012, **The Trading World of the Indian Ocean, 1500-1800**, Pearson, Delhi, Ch. Introduction, 1, 4, 14, 17,
19. Lakshmi Subramanian, 2012, **Three Merchants of Bombay**, Penguin, Delhi. Ch. 1.

20. Pamela Nightingale, 1970, **Trade and Empire in Western India, 1784-1806**, CUP, Cambridge, Ch. 1, 8.
21. Kenneth Pomeranz, 2000, **The Great Divergence: China, Europe and the Making of the Modern World Economy**, PUP, Princeton & Oxford, Ch. 4.
22. Tirthankar Roy, 2012, **India in the World Economy, From Antiquity to the Present**, CUP, Cambridge, Ch. 1.

B.A. (Hons) Economics

Revised sequence of Discipline Specific Elective Courses

Group-I (Vth semester)

- (i) Economics of Health and Education
- (ii) Applied Econometrics
- (iii) Economic History of India (1857-1947)
- (iv) Topics in Microeconomics-I
- (v) Political Economy-I
- (vi) International Economics (Shifted)**
- (vii) Public Economics

Group-II (VIth semester)

- (viii) Political Economy-II
- (ix) Comparative Economic Development (1850-1950)
- (x) Financial Economics
- (xi) Topics in Microeconomics-II
- (xii) Environmental Economics
- (xiii) Money and Financial Markets (Shifted)**
- (xiv) Dissertation/Project
- (xv) *India in the World Economy 1500-1800 (New Course)***

Aditya Bhattacharjea

Head of Department