

**VIDYASAGAR UNIVERSITY**  
Paschim Medinipur, West Bengal



***CURRICULUM & SYLLABUS (FINAL) OF***  
**BACHELOR OF SCIENCE (HONOURS) MAJOR IN ECONOMICS**

**4-YEAR UNDERGRADUATE PROGRAMME**

*(w.e.f. Academic Year 2023-2024)*

*Based on*

**Curriculum and Credit Framework for Undergraduate Programmes (CCFUP), 2023 &  
NEP, 2020**

**VIDYASAGARUNIVERSITY**  
**BACHELOR OF SCIENCE (HONOURS) MAJOR IN ECONOMICS (under**  
**CCFUP, 2023)**

Level	YR.	SEM	Course Type	Course Code	Course Title	Credit	L-T-P	Marks			
								CA	ESE	TOTAL	
B.Sc. (Hons.)	3rd	V	<b>SEMESTER-V</b>								
			Major-8	ECOHMJ8	T: Intermediate Microeconomics – II	4	3-1-0	15	60	75	
			Major-9	ECOHMJ9	T: Intermediate Macroeconomics – II	4	3-1-0	15	60	75	
			Major-10	ECOHMJ10	T: Statistical Methods for Economics - II	4	3-1-0	15	60	75	
			Major(Elec.) 1	ECODSE1	DSE-1: T: Financial Economics (Theory + Practical) Or DSE-1: T: Development Experiences of India and China	4	2-1-1 3-1-0	15	60	75	
			Minor (Disc.-I)	ECOMI5	T: Entrepreneurship Development ( <i>To be taken by students of other Disciplines</i> )	4	3-1-0	15	60	75	
		<b>Semester-V Total</b>						<b>20</b>			<b>375</b>
		VI	<b>SEMESTER-VI</b>								
			Major-11	ECOHMJ11	T: International Economics	4	3-1-0	15	60	75	
			Major-12	ECOHMJ12	T: Theory of Economic Development	4	3-1-0	15	60	75	
			Major-13	ECOHMJ13	T: Indian Economy	4	3-1-0	15	60	75	
			Major (Elect.) 2	ECOHDSE2	DSE-2: T: Environmental Economics Or DSE-2: T: Rural Development and NGO Management (Theory + Practical)	4	3-1-0 2-1-1	15	60	75	
			Minor (Disc.-II)	ECOMI6	T: Money and Banking ( <i>To be taken by students of other Disciplines</i> )	4	3-1-0	15	60	75	
		<b>Semester-VI Total</b>						<b>20</b>			<b>375</b>
		<b>TOTAL of YEAR-3</b>						<b>40</b>			<b>750</b>

MJ=Major, MI=Minor Course, SEC=Skill Enhancement Course, AEC=Ability Enhancement Course, MDC=Multidisciplinary Course, VAC = Value Added Course; CA= Continuous Assessment, ESE= End Semester Examination, T = Theory, P= Practical, L-T-P = Lecture-Tutorial-Practical, MIL = Modern Indian Language, ENVS = Environmental Studies

## Semester V

**MJ-8: Intermediate Microeconomics - II**

**Credits 04 (Full Marks: 75)**

**MJ-8T: Intermediate Microeconomics - II**

**Credits 04**

### **Course Objective**

In the complex world with strategic business and household decision making processes the knowledge on Game Theory is important to the students of Economics. This course is offered to the students to grip the knowledge on basics of game theory and its application on a strategic imperfect market, the oligopoly market. It also offers the pricing of labour and exploitation of labour under several imperfect conditions in the labour and product markets. The course also covers up the decision under asymmetric information system; how general equilibrium operates and how Pareto optimality and social welfare are ensured for a better world.

### **Course Learning Outcomes**

The readers will be able to learn how the pricing of two and four wheelers are done by a few strategic automobile manufacturers along with world's petroleum product price determinations. They will be able to know how labours are getting exploited by the imperfect firms. The knowledge on how we stay better in the world can also be extracted from the information economics and the economics of social welfare.

### **Course Contents:**

#### **Unit 1: Oligopoly and Application of Game Theory**

Oligopoly: Basic features; Concepts of equilibrium in oligopoly; Non-collusive and collusive oligopoly; Cournot Duopoly Model; Reaction function and Cournot equilibrium; Bertrand Duopoly Model; Bertrand equilibrium under homogeneous and heterogeneous goods; Bertrand Paradox; Sticky price equilibrium; Stackelberg equilibrium; Oligopoly equilibrium under cartel; Price Leadership Model- Low cost price leadership model and Dominant firm model; Differentiated oligopoly; Non price competition under oligopoly; Welfare effects of oligopoly

#### **Unit 2: Input Market under Imperfect Competition**

Pricing of Labour under market imperfections; Monopolistic product market and monopolistic labour market; Bilateral monopoly; Monopolistic product market and monopsonistic labour market; Monopolistic and monopsonistic exploitations

#### **Unit 3: Externalities, Public Goods and Markets with Asymmetric Information**

Concepts of externalities; Market failure; Inefficiencies in positive and negative externalities; Internalization of externality- Indirect Unit Tax; Property right and Coase Theorem; Public goods and its properties; Ideas of Information Economics; Gresham's Law; Moral Hazard Problems and its Effects; Asymmetric Information and Adverse Selection

#### **Unit 4: General Equilibrium, Efficiency, and Welfare**

Exchange Economy; Consumption allocation and Pareto Optimality; Edgeworth box and contract curve; Equilibrium and efficiency under pure exchange; Pareto efficiency with production; Concepts of PPF, SIC, and resource allocation

#### **Suggested Readings**

- Hal Varian Microeconomic Analysis, Third Edition, Selected chapters, W. W. Norton and Company, 2013.
- Snyder and W. Nicholson, Fundamentals of Microeconomics, Cengage Learning (India), 2010
- Jean Tirole. Theory of Industrial Organization, MIT Press, 1988
- Robert Gibbons. A Primer in Game Theory, Princeton University Press, 1992.
- Erik Rasmusen. Games and Information: An Introduction to Game Theory, Basil Blackwell, 1999.
- K. Binmore. Fun and Games: A Text on Game Theory, OUP, 1991
- Anindya Sen, Microeconomics: Theory and Applications, OUP, 1999
- Pindyck and Rubinfeld, Microeconomics, Prentice Hall
- Mascollel and Green, Microeconomic Theory, OUP
- Das, Ramesh Chandra, Microeconomics: Theory and Practice (Second Edition), 2017, Kunal Books, New Delhi
- W.W. Norton and Company/Affiliated East-West Press (India), 2010. The workbook by Varian and Bergstrom could be used for problems.

**MJ-9: Intermediate Macroeconomics - II**  
**MJ-9T: Intermediate Macroeconomics - II**

**Credits 04 (Full Marks: 75)**  
**Credits 04**

**Course Objective:**

This course aims to deepen students' understanding of intermediate macroeconomic theories, focusing on the evolution of macroeconomic thought and the microeconomic foundations of macroeconomic behavior. Students will explore key concepts like monetary policy, consumption, investment, and economic growth, preparing them for advanced macroeconomic analysis.

**Course Learning Outcome:**

By the end of this course, students will be able to critically compare different schools of macroeconomic thought and apply microeconomic principles to macroeconomic models. They will also demonstrate the ability to analyze the effects of monetary policy and understand the dynamics of economic growth through various theoretical frameworks.

**Unit 1: Schools of Macroeconomic Thoughts**

Complete Classical Model; classical dichotomy and neutrality of money; Keynesian vs Classical system; Friedman's restatement of Quantity Theory; basic tenets of New Classical and New Keynesian Systems

**Unit 2: Micro Foundations of Macroeconomics**

Consumption: Keynesian consumption function; Fisher's theory of optimal intertemporal choice; life-cycle and permanent income hypotheses; Dusenberry's relative income hypothesis; rational expectations and random-walk of consumption expenditure.

Investment: MEC and MEI; Acceleration principle- fixed and variable.

Demand for money: Regressive expectations and Tobin's portfolio choice models; Baumol's inventory theoretic money demand

**Unit 3: Monetary Sector**

High-powered money; money multiplier analysis; monetary policy – Open Market Operations, Bank rate, variable reserve ratio, repo and reverse repo, Government debt and Ricardian equivalence

**Unit 4: Economic Growth**

Harrod- Domar model; Solow model of growth – steady state, cross-country convergence technological progress and growth; Introduction to endogenous growth theory – AK Model; Introduction to conservation capital in relation to economic growth

**References:**

- Snowdon, B., & Vane, H. R. (Eds.). (1997). A macroeconomics reader. Routledge.
- Barro, R. (1989). Macroeconomics (5th ed.). The MIT Press.
- Branson, W. H. (1989). Macroeconomics (3rd ed.). Harper and Row.
- Sen, A. K. (Ed.). (1970). Growth economics. Penguin.
- Abel, A. B., & Bernanke, B. S. (2011). Macroeconomics (7th ed.). Pearson Education, Inc.
- Hall, J. B., & Taylor, R. E. (1997). Macroeconomics (5th rev. ed.). W.W. Norton and Company.

- Dornbusch, R., Fischer, S., & Startz, R. (2010). *Macroeconomics* (11th ed.). McGraw Hill.
- Banerjee, D., & Das, R. C. (2018). *Macroeconomics: From short run to long run*. Sage Publications.
- D. Banerjee, D. & R. C. Das-Modern Macroeconomics, 1<sup>st</sup> Edition, Routledge, London, UK, 2024
- D'Souza, E. (2009). *Macroeconomics*. Pearson Education.

**MJ-10: Statistical Methods for Economics - II**

**Credits 04 (Full Marks: 75)**

**MJ-10T: Statistical Methods for Economics – II**

**Credits 04**

**Course Objectives:**

This course aims to provide a comprehensive understanding of advanced statistical methods and their applications in economics. It introduces the fundamentals of probability theory, univariate probability distributions, and sampling techniques, equipping students with the theoretical foundation for statistical analysis. The course also focuses on estimation methods, hypothesis testing, and analysis of variance (ANOVA), emphasizing their practical use in solving economic problems.

**Course Outcomes:**

Upon completion, students will have a strong grasp of probability concepts, including random variables and their distributions. They will be proficient in applying sampling methods and analyzing sampling distributions. Additionally, students will develop skills in estimating population parameters, conducting hypothesis tests, and interpreting results from parametric and non-parametric tests, enabling them to address real-world economic and statistical challenges effectively.

**Unit 1: Elements of Probability Theory**

Meaning of probability. Notation and terminology. Classical definition of probability. Theorems of total probability. Conditional probability and statistical independence, Limitations of the classical definition- An axiomatic approach. Random variable, and its expectation and variance. Joint distribution of two random variables

**Unit 2: Univariate Probability Distribution**

Discrete distributions – Uniform, Binomial, Poisson; Continuous Distributions – Rectangular, Normal, Exponential (Properties of each distribution; mean and variance).

**Unit 3: Sampling and Sampling Distribution**

Concept of sampling and random sampling. Principal steps in a sample survey; methods of sampling;- SRSWR, SRSWOR, Stratified sampling. Sampling vs non-sampling error, Sampling distributions of statistics derived from normal distribution.

**Unit 4: Estimation and Test of Hypothesis**

Parameters and statistics; Point Estimation-Properties of a good estimator; Maximum Likelihood Method and the method of moments; Estimation of population parameters using SRSWR and SRSWOR; Interval estimation

Exact and approximate tests under normal distributions, Comparison of means and analysis of variance

(ANOVA), frequency chi-square – goodness of fit, test of homogeneity and independence, parametric versus non-parametric tests

**Suggested Readings:**

- Goon. A.M, Gupta M.K. and Dasgupta. B..Fundamentals of Statistics, Vol I and II ,The World Press Pvt Ltd,Calcutta..
- Jay L. Devore, Probability and Statistics for Engineers, Cengage Learning, 2010.
- John E. Freund, Mathematical Statistics, Prentice Hall, 1992.
- Richard J. Larsen and Morris L. Marx, an Introduction to Mathematical Statistics and its applications, Prentice Hall, 2011.
- William G. Cochran, Sampling Techniques, John Wiley, 2007.
- R.V. Hogg. and A.T. Craig, An Introduction to Mathematical Statistics, Third Edition, Amerind, New York, London
- Mood, A.M., F.A.Greybill and D.C. Boes: Introduction to the theory of statistics, McGraw Hill, 1974

## Major Electives

**DSE-1: Financial Economics**

**Credits 04**

**Or**

**DSE-1: Development Experiences of India and China**

**Credits 04**

**DSE-1: Financial Economics**

**CA: 15 marks; ESE: 60 marks (Group A: 40 marks and Group B: 20 marks)**

### Course Learning Objective

To make students understand the preliminaries of financial markets and its instruments, analyse the financial market using economic models and discuss the basics of corporate finance.

### Course learning Outcome

These basic theoretical understanding makes the students capable of analysing the financial market dynamics in practice and also prepare the ground for understanding the sophisticated features and modelling of the financial market.

### GROUP A: Theory

#### Unit 1: Introduction

Evolution of limited liability companies; Time value of money and concepts of security markets investment

#### Unit 2: Theory and Portfolio Analysis

1. Deterministic cash-flow streams: Basic theory of interest; discounting and present value; internal rate of return; evaluation criteria; fixed-income securities; bond prices and yields; interest rate sensitivity and duration; immunisation; the term structure of interest rates; yield curves; spot rates and forward rates.

2. Single-period random cash flows: Random asset returns; portfolios of assets; portfolio mean and variance; feasible combinations of mean and variance; mean-variance portfolio analysis: the Markowitz model and the two-fund theorem; riskfree assets and the one-fund theorem.

3. CAPM: The capital market line; the capital asset pricing model; the beta of an asset and of a portfolio; security market line; use of the CAPM model in investment analysis and as a pricing formula.

#### Unit 3: Options and Derivatives

Introduction to derivatives and options; forward and futures contracts; options; other derivatives; forward and future prices; stock index futures; interest rate futures; the use of futures for hedging;

duration-based hedging strategies; option markets; call and put options; factors affecting option prices; put-call parity; option trading strategies: spreads; straddles; strips and straps; strangles; the principle of arbitrage; discrete processes and the binomial tree model; risk-neutral valuation.

#### **Unit 4: Corporate Finance**

Patterns of corporate financing: common stock; debt; preferences; convertibles; Capital structure and the cost of capital; corporate debt and dividend policy; the Modigliani- Miller theorem.

#### **GROUP B : Practical**

#### **Industry Visit and Report Writing**

#### **References**

- David G. Luenberger, Investment Science, Oxford University Press, USA, 1997.
- Hull, John C., Options, Futures and Other Derivatives, Pearson Education, 6th edition, 2005.
- Thomas E. Copeland, J. Fred Weston and KuldeepShastri, Financial Theory and Corporate Policy, Prentice Hall, 4th edition, 2003.
- Richard A. Brealey and Stewart C. Myers, Principles of Corporate Finance, McGraw-Hill, 7th edition, 2002.
- Stephen A. Ross, Randolph W. Westerfield and Bradford D. Jordan, Fundamentals of Corporate Finance. McGraw-Hill, 7th edition, 2005.
- Burton G. Malkiel, A Random Walk Down Wall Street, W.W. Norton & Company, 2003.
- William Sharpe, Gordon Alexander and Jeffery Bailey, Investments, Prentice Hall of India, 6th edition, 2003
- L. M. Bhole & Jitendra Mahakud: Financial Institutions and Markets; 6th Edition, Tata McGrawHill

## **DSE-1: Development Experiences of India and China**

### **Course Objectives**

This course explores the development trajectories of India and China, providing a comparative analysis of their historical, economic, and social transformations. It examines key reforms, agricultural and industrial development, social and human capital policies, and the role of infrastructure and technology in shaping their growth. The course also covers foreign trade, investment strategies, and their impact on these two economies.

### **Course Outcomes**

Upon completing this course, students gain a deeper understanding of the historical context that shaped the pre-reform economies of India and China. They become adept at comparing the different reform strategies undertaken by both countries, recognizing the structural transformations brought by economic reforms. Learners also explore the rural and urban development strategies of both nations, understanding their implications for poverty, inequality, and social development. The course further equips students with the ability to analyze the role of foreign trade, investment, and technological innovation in driving economic growth in India and China.

### **Unit 1: Historical Context**

- Historical Background and Pre-reform Economies of India and China: Mixed economy, Socialism and Market socialism

### **Unit 2: Economic Reforms and Transition**

- India's Economic Reforms: The 1991 Liberalization Process and Its Aftermath
- China's Economic Reforms: The Open Door Policy and Market Reforms Post-1978
- Comparison of Reform Strategies: Gradualism in China vs. Big Bang in India
- Impact of Reforms on Economic Growth and Structural Transformation

### **Unit 3: Agricultural Development and Rural Transformation**

- Land Reforms and Agricultural Policies in India and China
- Green Revolution in India vs. Agricultural Modernization in China
- Rural Development Strategies and Policies
- Impact of Agricultural Transformation on Poverty and Inequality

### **Unit 4: Industrialization and Urbanization**

- Patterns of Industrialization: State-led vs. Market-driven Approaches

- Role of State-Owned Enterprises (SOEs) and Private Sector Development
- Urbanization Trends and Challenges: Megacities and Urban Infrastructure
- Regional Disparities in Industrial and Urban Development

#### **Unit 5: Social Development and Human Capital**

- Education and Skill Development Policies: Access and Quality
- Health Care Systems: Public Health Initiatives and Outcomes
- Social Welfare Programs: Poverty Alleviation, Social Security, and Inequality Reduction
- Demographic Challenges: demographic transitions, Labor Force Dynamics, and Migration

#### **Unit 6: Infrastructure and Technological Development**

- Infrastructure Development: Transportation, Energy, and Communication
- Role of Technology and Innovation in Economic Growth
- Information and Communication Technology (ICT) in India and China
- Comparative Analysis of Digital Economies

#### **Unit 7: Foreign Trade and Investment**

- Foreign Trade Policies and Export-led Growth Strategies
- Foreign Direct Investment (FDI) Policies and Their Impact
- Trade Relations with Major Economies and Regional Cooperation

#### **References**

1. Amartya Sen and Jean Drèze, *An Uncertain Glory: India and its Contradictions*, Princeton University Press, 2013.
2. Barry Naughton, *The Chinese Economy: Transitions and Growth*, MIT Press, 2007.
3. Arvind Panagariya, *India: The Emerging Giant*, Oxford University Press, 2008.
4. Yasheng Huang, *Capitalism with Chinese Characteristics: Entrepreneurship and the State*, Cambridge University Press, 2008.
5. Jagdish Bhagwati and Arvind Panagariya, *Why Growth Matters: How Economic Growth in India Reduced Poverty and the Lessons for Other Developing Countries*, PublicAffairs, 2013.
6. Angus Maddison, *The World Economy: Historical Statistics*, OECD, 2003.
7. Guruswamy, M., & Singh, Z. D. (2008). Chasing the dragon: Will India catch up with China?. Pearson Education India.
8. Gechev, Vasil, China & India: A Comparison of Economic Growth Dynamics (1980-2018) (April 17, 2020). Available at SSRN: <https://ssrn.com/abstract=3578163> or <http://dx.doi.org/10.2139/ssrn.3578163>
9. Bosworth, B and S M Collins. 2007. "Accounting for Growth: Comparing India and China." Working Paper 12943, Brookings Institution and National Bureau of Economic Research, Washington, DC, Cambridge, MA
10. Aha, C, A Xie, S S Roach, M Sheth, and D Yam. 2006. India and China: New Tigers of Asia, Part II. Special Economic Analysis, Morgan Stanley, New York.

## **Minor: 5. Entrepreneurship Development**

**Credits 04**

### **Course Learning Objectives:**

The course will help students develop the skills and knowledge needed to start and run a business successfully and to Develop an entrepreneurial mind set **i.e.** the ability to empathize with others.

### **Course Learning Outcome:**

Students will learn concept of Entrepreneur, Entrepreneurship motivation, how to identify a Project and to select it among others.

**Unit 1:** Evolution of the concept of Entrepreneur; Basic features - Entrepreneurship and economic development - Growth of entrepreneurship in India—Role of Entrepreneurship in Economic Development, Problem of Rural entrepreneurship in India

**Unit 2:** Entrepreneurship motivation; Motivation theories, Maslow's need Hierarchy Theory, McClelland and Acquired Needs Theory, Kakinada Experiment

Project identification and selection • Meaning of project- project report--- planning commission's guidelines for formulating a project report

**Unit 3:** Financial resources for new ventures; Sources of finance---capital structure - institutional support to enterprises—national small industries board – state small industries development corporation--- district industries center--- industrial estates

**Unit 4:** Growth strategies in small business; Stages of growth, Types of growth strategies, Expansion, Diversification, Joint Venture, Merger, Subcontracting  
Sickness in Small Business: Concept of industrial sickness, Symptoms of sickness, Causes and consequences of industrial sickness

### **Suggested Readings:**

1. S.S Khanka--- Entrepreneurial Development, S. Chand & Company Ltd
2. Bill Bolton and John Thompson ---- Entrepreneurs: Talent, Temperament and Technique, Butterworth and Heinemann.
3. David .H Holt---Entrepreneurship New Venture Creation
4. N.D.Vohra- Quantitative Techniques in Management , Tata McGraw-Hill
5. Sharma - Operations Research, Macmillan India Ltd.
6. Poornima M. Charantimath: Entrepreneurship Development and Small Business Enterprises (2nd Edition) Pearson.

## **Semester VI**

**MJ-11: International Economics**

**Credits 04**

**MJ-11T: International Economics**

**Credits 04**

### **Course Learning Objective**

To make students aware of the basis and patterns of international trade, gains and losses from it and associated policy options. It also makes the students equipped in analyzing the structure and working of open economy macroeconomics and foreign exchange market.

### **Course learning Outcome**

After completing this course a student is expected to understand the importance of international trade in today's world, analyse the trade models, and evaluate the simple trade policies. Students will also be acquainted with the dynamics of open economy macroeconomic policies which sets the ground for analysing the critical international economic issues.

### **Course Outline**

#### **Unit 1: Basics of Trade Theory**

Arbitrage as basis and direction of trade; fundamental sources of cross-country price differences and arbitrage; concept of comparative advantage; externalities, regulation and perverse comparative advantage; International equilibrium; offer curves, ToT and stability; Gains from Trade (GFT) Theorem; Concepts of Production possibility Frontier and Community Indifference curves; Illustration of GFT; Decomposition of GFT; Substitution possibilities and magnitude of GFT.

## **Unit 2: Technology and Trade (Ricardian Model)**

Comparative versus Absolute Advantage, One-factor economy, production possibility frontier, relative demand and relative supply, terms of trade; Trade in Ricardian world, Determination of intermediate ToT, Complete specialization & GFT

## **Factor Endowment & Trade (Heckscher-Ohlin-Samuelson Model):**

H-O theorem and physical vs. price definitions of factor abundance; Properties of the HO model: Factor intensity ranking, one-to-one correspondence between commodity price ratio & factor price ratio (Stolper-Samuelson theorem), One to one correspondence between endowment ratio and production proportion (Rybczysky's theorem); Proof of HO theorem; Taste bias and invalidation of HO theorem; Empirical studies- Leontief Paradox; Effects of trade on factor price and income distribution, factor price equalization, factor intensity reversal & factor price equalization.

## **Unit 3: Trade Policy: Partial Equilibrium Analysis:**

Tariff - cost-benefit, Quota, Quota- Tariff equivalence & non-equivalence, effects of tariff, quota, subsidy and voluntary export restraint; General Equilibrium Analysis- distinction between large and small economy, welfare effects of a tariff on small country and large country, Offer curve and ToT, Tariff ridden offer curve, Tariff war, Optimum tariff for large economy, Metzler's Paradox.

## **Unit 4: Balance of Payments & Exchange Rate:**

Balance of Payment accounts in an open economy; Determination of National Income, Transfer problem, Introduction of foreign Country & repercussion effect - open economy multiplier with & without repercussion effect; Fixed & Flexible Exchange Rate: adjustment of demand and supply of Foreign Exchange, Effect of devaluation, Effects of exchange rate on domestic prices and ToT, Marshall-Lerner Condition, J-Curve effect; IS-LM in the open economy under fixed and flexible exchange rates with perfect and imperfect capital mobility (Mundell-Fleming model)

## **References**

- P. Krugman and M. Obstfeld- International Economics (8th Edition) ; Pearson Education  
R. Caves, J. Frankel and R.W. Jones – World Trades & Payments (9th Ed); Pearson Education..  
Rajat Acharyya- International Economics; Oxford University Press  
Giancarlo Gandolfo, International Trade Theory and Policy, Springer, 2014  
D. Banerjee, D. & R. C. Das-Modern Macroeconomics, 1<sup>st</sup> Edition, Routledge, London, UK, 2024  
R. Dornbusch, S. Fischer & R. Startz-Macroeconomics, 12<sup>th</sup> Edition, McGraw Hill Education, 2018

## **MJ-12: Theory of Economic Development**

**Credits 04**

### **MJ-12T: Theory of Economic Development**

#### **Course Objectives:**

This course aims to provide students with a solid foundation in the theoretical concepts and strategies of economic development. It explores various indicators of development, development models, and sectoral interactions in the process of economic growth. The course also covers the role of capital, technology, and international economic institutions in shaping development in emerging economies.

#### **Course Outcomes:**

By completing this course, students develop the ability to distinguish between economic growth and development, analyze key development indicators, and comprehend the implications of different development strategies and models. They will understand sectoral interactions, particularly between agriculture and industry, and assess the role of capital formation and technology in driving development. Additionally, they gain insights into the challenges faced by developing countries in the global market and the role of international institutions like the IMF and World Bank in supporting development efforts.

### **Unit 1: Concepts and Indicators of Development**

- Economic Growth vs. Economic Development, Vicious Cycle of Poverty
- Indicators of Economic Development: Analysis of various indicators, including GDP, GNP, PQLI (Physical Quality of Life Index), HDI (Human Development Index), and SDGs (Sustainable Development Goals)
- Concept of Dualism: technological, social, and economic

### **Unit 2: Development Strategies and Models**

- Rostow's Stages of Economic Growth: Examination of the stages of growth and their relevance to developing economies.
- Low-Level Equilibrium Trap: Nelson's Model: Understanding the concept and implications of the trap for developing economies.
- Big Push Theory: The rationale and need for large-scale investment to overcome development bottlenecks; Critical minimum effort.
- Balanced vs. Unbalanced Growth: Comparative analysis of strategies, focusing on simultaneous vs. sequential sectoral development.
- Choice of Techniques: Decision-making regarding the selection of appropriate technologies and production methods in developing economies.

### **Unit 3: Sectoral Interactions and Dualism**

- Complementary Role of Agriculture and Industry: The interdependence and dynamics between these sectors in the development process.
- Interaction between Agriculture and Industry: The Lewis Model: Understanding the structural transformation from agriculture to industry.
- The Renis-Fei Model of Economic Development: Analysis of the model focusing on labor surplus and economic development.

### **Unit 4: Capital and Technology in Development**

- Domestic Capital Formation: Sources, challenges, and strategies to mobilize savings and investment within a country.
- Foreign Investment: Different forms of foreign investment, their roles, and their impacts on the economic development of host countries.
- Role of Technology in Agricultural and Industrial Development: Exploring the impact of technological advancements on productivity and growth in agriculture and industry

### **Unit 5: Role of International Economic Institutions**

- Challenges faced by developing countries in the global market.
- Role of IMF and World Bank in the Development of Developing Countries: Analysis of the functions, programs, and impact of these institutions on development.

### **References**

1. *Development Economics* by A.P. Thirlwall
2. *Economics of Development: Theory and Evidence* by A.P. Thirlwall & Penelope Pacheco-Lopez
3. *Development Economics* by Debraj Ray, Oxford University Press, 2009
4. *Analytical Development Economics* by Kaushik Basu, OUP

5. *Economic Development in the Third World* by M.P. Todaro, Longman, New York
6. *Development Economics* by Dominick Salvatore and E. Dowling, Schaum's Outline Series in Economics, McGraw-Hill, New York
7. *Leading Issues in Economic Development* edited by G.M. Meier, Oxford University Press, New York
8. *Poor Economics: A Radical Rethinking of the Way to Fight Global Poverty* by Abhijit V. Banerjee and Esther Duflo

**MJ-13: Indian Economy**

**Credits 04**

**MJ-13T: Indian Economy**

**Credits 04**

**Course Objectives:**

This course aims to provide students with a comprehensive understanding of the structure and dynamics of the Indian economy. It explores the sectoral distribution of national income, issues related to poverty, unemployment, and population growth, and the role of government policies in addressing these challenges. The course also covers key sectors such as agriculture, industry, and banking, along with an analysis of public finance and India's foreign trade in the post-liberalization era.

**Course Outcomes:**

By the end of this course, students will be able to assess the sectoral composition of the Indian economy and understand the changes since the inception of planning. They will analyze the effectiveness of poverty eradication programs and employment policies, understand the interaction between population growth and economic development, evaluate key agricultural and industrial policies, and critically examine the role of banking and monetary policy. Students will also gain insights into India's fiscal structure and foreign trade trends in the post-liberalization period.

**Unit 1: Economic Development since Independence**

Major features of the economy at independence

Models of Economic Development: Gandhian and Nehruvian approaches

Planning: Evolution of India's development goals and strategies

Agricultural Development since Independence: An Overview

Industrial Development during Plan Period; Performance and challenges of public and private sectors

Structural changes: Output and employment

Trends of savings and investment  
Import substitution and export promotion strategies  
Regional Imbalances  
India's Performance on Sustainable Development Goals

## **Unit 2: Population and Human Development**

Demographic trends  
Population and Economic Development  
Education and Development of Human Resource  
New Education Policy 2020  
National Health Policy  
Health and Family Welfare, Malnutrition, Food insecurity  
Development of health infrastructure

## **Unit 3: Growth and Distribution**

Growth of GDP, Employment, and Employment Elasticity  
Unemployment and its Trend  
Estimates and trends of poverty  
Measures and trends of inequality  
Trends of inflation  
Policies and Programmes to reduce Poverty, Inequality and Unemployment

## **Unit 4: Economic Reforms in India**

Fiscal Policy Reforms: Tax Reforms, Budgetary Reforms, Fiscal Responsibility and Impact  
Monetary Policy Reforms: Overview of Changes, Key Institutions and Impact  
Trade Policy Reforms: Liberalization of Trade, Foreign Direct Investment and Impact

## **References**

1. Puri, Misra and Garg: Indian Economy
2. Uma Kapila: Indian Economy since independence, Academic Foundation
3. Jean Dreze and Amartya Sen, 2013. An Uncertain Glory: India and its Contradictions, Princeton University Press.
4. Sukhomoy Chakraborty: Development Planning: The Indian Experience, OUP
5. Joshi and Little: India's Economic Reforms, OUP
6. Rakesh Mohan, 2008, —Growth Record of Indian Economy: 1950-2008. A Story of Sustained Savings and Investment, Economic and Political Weekly, May.
7. Rajib Bhattacharyya, & Ananya Ghosh Dastidar (2024). The Indian Economy: Issues, Policies and Performance (1st ed.). Routledge India
8. Himanshu, 2010, Towards New Poverty Lines for India, Economic and Political Weekly, January.
9. Jean Dreze and Angus Deaton, 2009, Food and Nutrition in India: Facts and Interpretations, Economic and Political Weekly, February.
10. Das and Basar (2023). [State level hunger index in India: assessing the progress of regional outcomes](#), Geo Journal, Vol 88, Springer Nature.
11. Himanshu. 2011, —Employment Trends in India: A Re-examination, Economic and Political Weekly, September.

## Major Electives

**DSE-2: Environmental Economics**

**Credits 04**

Or

**DSE-2: Rural Development**

Or

**DSE-2: Political Economy**

**DSE-2: Environmental Economics**

### **Course Objective:**

This course aims to provide an understanding of the economic principles that underlie environmental issues and policies. It explores the interaction between the economy and the environment, focusing on externalities, environmental valuation, and sustainable development.

### **Course Learning Outcome:**

By the end of this course, students will be able to analyze environmental problems using economic theory, evaluate the effectiveness of different environmental policies, and apply valuation techniques to assess environmental benefits.

### **Unit 1: Introduction**

What is environmental economics; Economic approaches to environment, The Economic System in an Environmental Context.

#### **The Theory of Externalities**

The theory of externalities, Welfare analysis of externalities; property rights and the environment: Coase theorem.

## **Unit 2: Measuring the Benefits of Environmental Improvements**

Total Economic value, Overview of environmental valuation techniques; Revealed preference method and stated preference method

### **The Design and Implementation of Pollution Control Policy**

Overview; Pigouvian taxes and effluent fees; tradable permits; choice between pollution taxes and standards; implementation of environmental policy in developing economies

## **Unit 3: International Environmental Problems**

Trans-boundary environmental problems; economics of climate change; trade and environment

## **Unit 4: Sustainable Development**

Concepts; measurement; policies

## **References**

- Charles Kolstad, *Intermediate Environmental Economics*, Oxford University Press, 2nd edition, 2010.
- Robert N. Stavins (ed.), *Economics of the Environment: Selected Readings*, W.W. Norton, 5th edition, 2005.
- Roger Perman, Yue Ma, James McGilvray and Michael Common, *Natural Resource and Environmental Economics*, Pearson Education/Addison Wesley, 3rd edition, 2003.
- Maureen L. Cropper and Wallace E. Oates, 1992, —Environmental Economics: A Survey *Journal of Economic Literature*, Volume 30:675-740
- Hanley, N., Shogren, J. F., White, B., Hanley, N., Shogren, J. F., & White, B. (1997). The economics of sustainable development. *Environmental economics in theory and practice*, 425-449.

## **DSE-2: Rural Development and NGO Management**

**CA: 15 marks; ESE: 60 (Group A: 40 marks; Group B: 20 marks)**

### **Course Objectives:**

This course aims to provide an understanding of the rural economy, focusing on the agricultural sector, rural infrastructure, and the informal sector. It explores the rationale for rural development, various approaches to promoting rural welfare, and evaluates key development programs and policies. The course also covers issues related to food security, rural employment, and the commercialization of agriculture.

### **Course Outcomes:**

Students will be able to analyze the characteristics and dynamics of the rural economy, including agriculture, rural industrialization, and infrastructure. They will evaluate rural development policies and programs, such as MGNREGA and NRLM, and assess the impact of rural credit and informal sector activities. Students will also understand the challenges of food security, commercialization in agriculture, and the role of the rural non-farm sector in employment generation. Additionally, they will gain insights into decentralized planning and the role of local governance in rural development.

### **Group A: Theory**

#### **Unit 1: Introduction to Rural Development**

- **Features of the Rural Economy:** Understanding the characteristics and dynamics of rural areas, including demographics, economic activities, and infrastructure.
- **Economics of Agriculture and Allied Activities:** Overview of agriculture's role in the rural economy, including crop production, livestock, fisheries, and forestry.

- Rural Industrialization: Concept and significance of industrial activities in rural areas, promoting economic diversification and employment.
- Rural Infrastructure: Development and impact of essential infrastructure such as roads, electricity, water supply, and communication in rural regions.
- Rural Credit: Importance of financial services in rural development, including access to credit, microfinance, and banking services.

## **Unit 2: Rural Development: Rationale and Approaches**

- Rationale for Rural Development: Understanding the need for focused development policies for rural areas.
- Approaches to Rural Development: Examination of various theoretical and practical approaches, including integrated rural development, community-driven development, and sustainable rural livelihoods.

## **Unit 3: Rural Informal Sector and Social Protection**

- Rural Informal Sector: Characteristics, significance, and challenges faced by the informal economy in rural areas.
- Social Protection in Rural Areas: Analysis of social safety nets, welfare programs, and policies aimed at providing protection to vulnerable populations in rural settings.

## **Rural Development Programmes and Evaluation**

- Major Rural Development Programmes: Overview of key programs aimed at enhancing rural welfare, infrastructure, and economic opportunities, such as MGNREGA, NRLM, PMAY, and others.
- Evaluation of Policies and Programmes: Methods and criteria for assessing the effectiveness of rural development policies and programs.
- Decentralized Planning: Importance and implementation of planning at local levels to address specific rural needs and promote participatory governance.
- Role of Local Government: Panchayati Raj Institutions (PRIs) and other local governance structures in facilitating rural development.

## **Unit 4: Food Security and Commercialization in Rural India**

- Food Security: Understanding food availability, access, utilization, and stability in rural areas.
- Commercialization of Agriculture: Impact of market-oriented agriculture on rural livelihoods, smallholders, and food security.
- Policies for Food Security: Analysis of the Public Distribution System (PDS), National Food Security Act, and other food security initiatives.

## **Unit 5: Rural Non-Farm Sector and Employment**

- Rural Non-Farm Sector: Definition, importance, and components, including manufacturing, services, and cottage industries.
- Rural Non-Farm Employment: Role in providing income and employment opportunities, especially in times of agricultural distress.
- Growth and Development: Factors driving the growth of the non-farm sector, including infrastructure development, education, and skill development.

## **Group B: Practical**

NGO Visit and Report Writing

## **References**

1. Bhattacharya, S.N (1984), Indian Rural Economics, Metropolitan, New Delhi.
2. Das (2020), Social Protection Programmes in India: Impact on Rural Poverty and Deprivation, Concept Publishing Company Pvt. Ltd.
3. Harris, J(1983), Rural development: Theories of peasant economy and agrarian change, Taylor and Francis
4. Institute of Social Sciences (1995), Status of Panchayati Raj Institutions in the States of India, Concept Publishing Company, New Delhi.
5. Karmakar, K G (2010), Micro Finance in India, Sage Publications, New Delhi.
6. Kothari, Rajni (1999), Issues in Decentralised Governance' in S.N.Jha and Mathur (ed.), Decentralisation and Local Politics', Sage Publication, New Delhi.
7. Krisnamurty, J, (2000), Rural development challenges and opportunities. Rawat publication, Jaipur and New Delhi.
8. Mishra, S.N (2000), Decentralised Planning and Panchayati Raj, Mittal Publication, New Delhi.
9. Mecnakshiin, S.S. (1994), Decentralisation in Developing Countries. Concept Publishing Company. New Delhi
10. Sau, Das and Bisai (2019), Rural Development: Some Reflections with Reference to India
11. Sau, S.U (2004) Rural industrialization reflection on development trajectory in India, Firma KLM Private Limited, Kolkata.
12. Sou, S.N, (2005), Participatory decentralized planning issues and experiences with reference to India: Firma KLM Private Limited, Kolkata.

## **DSE-2: Political Economy**

### **Course Learning Objective**

The basic objective is to make students conscious of the historical evolution of the capitalist system and the dynamics of advanced capitalist system and its implications on the social arena.

### **Course learning Outcome**

The students are expected to understand the historical trajectories of the capitalist system and the intricacies of capitalist institutions. It will help students to explore the complex interactions of society, polity and economy.

### **Unit 1: Introduction and Historical Overview**

Introduction (States-markets and society) -Emergence of Private property rights Perspective on political economy with a historical overview: capitalist development in the pre-second world war period, the golden age and later.

### **Unit 2: Changing Dynamics of Capitalist Production, Organisational Form and Labour Process**

Fordist and post-fordist production; changing dynamics of organisation of production, markets and labour process; the changing nature of job security and labour rights

### **Unit 3: The State in the Era of Globalisation: Welfare, Development and Autonomy**

Globalisation and the limits of the welfare state, development and state autonomy.

### **The Changing Role of Finance**

The changing role of finance in capital accumulation and corporate structure; finance and globalisation

- financialisation, financial liberalisation and financial crisis

**Unit 4: The Social Dimension:** Globalisation and uneven development – growth, inequality, poverty and exclusion.

### **New Perspective**

Gender in work, accumulation and globalisation; issues in environment and sustainability; alternatives ahead

### **References**

J. Gurley, "The Materialist Conception of History", Ch.2.1 in R. Edwards, M. Reich and T. Weisskopf (ed.), *The Capitalist System*, 2nd edition, 1978.

O. Lange, *Political Economy*, vol. 1, 1963, Chapters 1 and 2.

E.K. Hunt, *History of Economic Thought*, M.E. Sharpe, Indian edn, Shilpi Publications, 2004.

IrfanHabib, 1995, "Capitalism in History", *Social Scientist*, Vol. 23: 15-31.

R.L. Heilbroner, "Capitalism", in the *New Palgrave Dictionary of Modern Economics*, Macmillan, 1987. Also reprinted as Chapter 2 in *Behind the Veil of Economics* by R.L. Heilbroner, W.W. Norton, 1988.

P. Sweezy, *The Theory of Capitalist Development*, Monthly Review Press, 1942, chapters 2, 4, 5, 6, 8 and 10.

Anwar Shaikh, Entries on "Economic Crises" and "Falling Rate of Profit" in T. Bottomore et al (eds.), *The Dictionary of Marxist Thought*, OUP, Indian edition, Maya Blackwell, 2000.

Vamsi Vakulabharanam, 2009, —The Recent Crisis in Global Capitalism: Towards a Marxian Understanding, *Economic and Political Weekly*, March 28, Vol. 44: 144-150.

J. Schumpeter, *Capitalism, Socialism and Democracy*, George Allen and Unwin 1976, Chapters 6, 7 and 8.

P. Baran (1957), *The Political Economy of Growth*, Chapter 3, Pelican edition, 1973.

R. Heilbroner, —The Role of the State, Ch.4 in *The Nature and Logic of Capitalism*, 1985.

M. Kalecki, —Political Aspects of Full Employment, in E.K. Hunt and J.G. Schwarz (eds.), *A Critique of Economic Theory*, Penguin Books, 1972.

Amit Bhaduri, —Nationalism and Economic Policy in the Era of Globalization, Ch. 2 in Deepak Nayyar (ed), *Governing Globalization: Issues and Institutions*, OUP, 2002 [also WIDER Working Paper no.188, WIDER website (2000)].

Prabhat Patnaik, —“Lenin’s Theory of Imperialism Today”, in K.S. Jomo (ed.) *The Long Twentieth Century: The Great Divergence: Hegemony, Uneven Development and Global Inequality*, OUP.

James O'Connor, "The Meaning of Economic Imperialism," in Robert Rhodes, ed., *Imperialism and Underdevelopment*, New York: Monthly Review Press, 1970, pages 101 to 111

## **Minor 6: Money and Banking**

**Credits 04**

### **Course Learning Objective**

To understand in details the notion of money and its components, working of money and capital markets, the structure of financial market and its institutions and the concept of interest rates

### **Course learning Outcome**

Students are expected to have a holistic idea of the monetary part of an economy and its various sub-contents.

### **Course Outline**

#### **Unit 1: Money**

Definition of Money – Kinds of Money: Fiduciary/ Debt/ Credit Money – Coins, Paper Currency & Deposit Money - Legal Tender or Fiat Money and Non-legal Tender or Credit Money Proper - Limited & Unlimited Legal Tender – e-Money & Plastic Money – Functions of Money – Money Vs. Near Money – Examples of Near Money - Value of Money – High-powered Money or Monetary Base - Measures of Money Supply.

#### **Overview of the Financial System**

Meaning & the Role/Functions of the Financial System - Constituents of the Financial System: Financial Assets/ Instruments; Financial Intermediaries/ Institutions; and Financial Markets •

Definition & Role of Financial Markets – Classification of Financial Markets: Money Market & Capital Market – Basic Distinction between Money Market & Capital Market • Definition & Role of Financial Intermediaries – Classification of Financial Intermediaries: Banks and Non- Bank Financial Institutions (NBFIs). Financial Assets/Instruments: Distinction between Primary & Secondary Securities – Debt & Equity Instruments of Various Types – Bonds, Shares, Debentures etc. – Distinction between Bonds & Shares

### **Unit 2: Money Market**

Features, Importance & Functions of the Money Market - Characteristics of Developed and Underdeveloped Money Markets • Components of Money Market: Call Money Market - Commercial Bill Market - Treasury Bill Market – Repo & Reverse Repo Markets.

### **Capital Market**

Features, Importance & Functions of the Capital Market - Characteristics of Developed and Underdeveloped Capital Markets • Components of Capital Market: Gilt-edged Market and the Industrial Securities Market – Distinction between Primary Market and Secondary Market • Features, Role & Functions of Stock Market or Stock Exchange

### **Unit 3: Banks**

Commercial Banks & the Central Bank • Definition & Functions of Commercial Banks – Concepts of Primary & Derivative Deposits and the Process of Credit Creation by Commercial Banks – Role of Commercial Banks in Economic Development • Definition & Functions of Central Bank – Distinction between Central Bank & Commercial Bank & Monetary Policy: Definition, Goals, Targets, Indicators & Instruments of Monetary Policy – Various Types of Quantitative & Qualitative Instruments of Credit Control.

### **Unit 4: Non-Bank Financial Intermediaries**

Distinction Between Commercial Banks & NBFIs – Validity of the Distinction - Examples of NBFIs – Development Banks, Mutual Funds, Insurance Companies - Central Bank's Control Over NBFIs.

### **Financial Markets and Interest Rates Behaviour**

Real & Nominal Interest Rates – Sources of Interest Rate Differentials – Meaning of Term Structure of Interest Rates - Theories of Term Structure of Interest Rates: The Expectations Theory – The Liquidity or Risk Premium Theory – The Market Segmentation Theory

### **Suggested Readings:**

F. S. Mishkin and S. G. Eakins, Financial Markets and Institutions, Pearson Education, 6th edition, 2009.

F. J. Fabozzi, F. Modigliani, F. J. Jones, M. G. Ferri, Foundations of Financial Markets and Institutions, Pearson Education, 3rd edition, 2009.

M. R. Baye and D. W. Jansen, Money, Banking and Financial Markets, AITBS, 1996.

Rakesh Mohan, Growth with Financial Stability- Central Banking in an Emerging Market, Oxford University Press, 2011.

L. M. Bhole and J. Mahukud, Financial Institutions and Markets, Tata McGraw Hill, 5th edition, 2011.

M. Y. Khan, Indian Financial System, Tata McGraw Hill, 7th edition, 2011.

N. Jadhav, Monetary Policy, Financial Stability and Central Banking in India, Macmillan, 2006.

R.B.I. – Report of the Working Group: Money Supply Analytics and Methodology of Compilation, 1998.

R.B.I. Bulletin, Annual Report and Report on Currency and Finance (latest).