

# Indian Economic problems

## Unit-I

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

**20 Marks**  
**15-Lectures**

## Unit-II

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

**20 Marks**  
**15-Lectures**

## Unit-III

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

**20 Marks**  
**15 Lectures**

## Unit -IV

Industrialization-Industrial policies of India since independence (1956 & 1991) industrial growth and pattern of Industrialization: Problems of large-scale industries and policy measures. Micro-Small and Medium enterprises (MSMEs): Concept or definitions of MSME: their role in Indian economy Public Sector reform. privatization and disinvestments.

**20 Marks**  
**15 Lectures**

## Unit-V

Planning and Development Issues: Trends in India's foreign trade since Independence: Trade Policy-changing features and critical evaluation of India's foreign trade Planning in India: priorities and strategies: Problems of unemployment and poverty: estimates of poverty generation and poverty alleviation programmes: Economic reforms, Structural transformations in Indian economy.

**20 Marks**  
**15 Lectures**

**Readings:**

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

## Microeconomics I

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

**20 Marks**  
**15 Lectures**

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

**20 Marks**  
**15 Lectures**

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

**20 Marks**  
**15 Lectures**

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

**20 Marks**  
**15 Lectures**

**Unit V** Price discrimination: assumptions and effects of price discrimination. price discrimination and elasticity of demand: Equilibrium of the firm under monopolistic competition. Product differentiation and the demand curve: Oligopoly: Cournot's Duopoly model. the Kinked —Demand model

**20 Marks**  
**15 Lectures**

### Readings:

1. A.Koutsoyiannis ( )Modern Micro-economics ,MacMillan
2. A.W. Stonier and Douglas C. Hague ( ) A Text BOOK of economic theory
3. Robert S. Pindyck. D.L Rubinfeld & P.L Meha Microeconomics Pearson latest Edn.
4. Hal R. Varian (1993) Intermediate Microeconomics, a Modern Approach,3<sup>rd</sup> edition, Affiliated East-West Press.

## Micro Economics-II

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

**20 Marks**  
**15 Lectures**

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

**20 Marks**  
**15 Lectures**

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

**20 Marks**  
**15 Lectures**

**Unit IV** Externalities and public goods: negative and positive externalities. of correcting market failure: externalities and property rights. common resources. public goods and efficiencies private preference for public goods

**20 Marks**  
**15 Lectures**

**Unit V** Markets with asymmetric information: Implications of asymmetric information. Quality uncertainty and market for lemons-Market signalling. a model of job market signalling guarantees and warranties: Moral hazard. The principal Agent problem in private and public enterprises.

**20 Marks**  
**15 Lectures**

### Readings:

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

## MACRO ECONOMICS

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

**20 Marks**  
**15 Lectures**

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

**20 Marks**  
**15 Lectures**

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

**20 Marks**  
**15 Lectures**

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

**20 Marks**  
**15 Lectures**

**Unit V** Introduction to growth theory; the stylized facts of growth: one sector growth models and dynamics of Harrod — Domar growth model. model.

**20 Marks**  
**15 Lectures**

## Readings

1. G. Ackley: Macro Economics — Theory and Policy (Macmillan)
2. S.B. Gupta: Monetary Economics (S, Chand & Co.)
3. E. Shapiro (1999): Macro Economic Analysis: Galgotia Publications
4. Rudiger Dornbusch,, Stanley Fischer and Richard Startz.( 1998 ) :Macroeconomics, Irwin McGraw-Hill
5. N. Gregory Mankiw: Macroeconomics, Worth Publishers.

## REFERENCE BOOKS

- a) MR. Edgmand: Macro Economics — Theory and Policy (Prentice Hall)
- b) M.G. Mueller(ed): Readings in Macroeconomics (Surjit Publication).
- c) C John: Introduction to Economic Growth W,W.Norton & Company

## **PUBLIC FINANCE**

**Unit-I** Nature and scope of public finance- the principle of social Advantage. Fiscal function in the developing economy-provision of social goods.

**20 Marks**  
**15 Lectures**

**Unit-II** Techniques Budgeting. Principal od budgeting – Government Budgeting. Budgetary procedure preparation of the budget. Revenue accounts. Capital Accounts. Public Account.

Performance budgeting – meaning and need of performance budgeting.

**20 Marks**  
**15 Lectures**

**Unit-III** Principle of Taxation- Equity horizontal and vertical equity. Incidence of incident of taxes. Efficiency criterion – tax evasion Taxable capacity-absolute and relative capacity. Factors determining taxable capacity, limit of taxable capacity Features of VAT, GST and DTC.

**20 Marks**  
**15 Lectures**

**Unit-IV** Public Expenditure: Factors affecting public expenditure. Wagera’s law and Peacock Wiseman hypothesis. Effect of public expenditure on production. distribution and economic stability.

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

**20 Marks**  
**15 Lectures**

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

**20 Marks**  
**15 Lectures**

**Readings:**

1. H.L Bhatia: Public Finance Vikas.
2. R.A.Musgrave & P.B. Musgrave: Public Finance in theory and practice (Asian Student Edition)

**Reference Books:**

1. R.Jha (1987): Modern Theory of Public Finance. Wiley Eastern Ltd.
2. Raja Chelliah: Fiscal policy in under developed countries. George Allen and Union.
3. M.J.K. Thavaraj: Fiscal Policy & Financial administration in India (S. Chand & co.)
4. Hemlata Rao: Central- State Financial Relations.
5. Govt. of India: Report of the Latest Finance Commission.



## **Political Economy of Development**

**Unit-I** The scope of political economy: Political economy: Meaning: Changing nature of political economy; classical Political economy. Marxian political economy: An overview Marxian concept of mode of production and its use in defining systems, co-relation between production. distribution. Exchange and consumption: The method of political economy.

**20 Marks**  
**15 lectures**

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

**20 Marks**  
**15 Lectures**

**Unit-III** Characteristics of capitalism as a mode of production: the accumulation process and technical change, the growth of monopoly capital: the role of multi-national corporations: long run development under capitalism.

**20 Marks**  
**15 lectures**

**Unit-IV** Global Capitalist; System: An outline of the pain features of NPE: New: New Political economy and economic development: Analytical approaches: the role of the state, Political economy of development and underdevelopment. Globalisation and structural adjustment programmes: Global capital mobility, Markets. Democracy, Governance and Public interests.

**20 Marks**  
**15 Lectures**

**Unit-V** Political economy of Indian economic development: Feudalism in Pre-independence period: Post-independence India: Agrarian relationship in Post-Independence period: Political economy of Indian agriculture: Main aspects and Polio measures: Post liberalization political economy- globalisation. structural adjustment programmes and trade reforms.

**20 Marks**  
**15 Lectures**

## Readings

1. Maurice Dobb: Studies in the Development of Capitalism: Routledge & Kegan Paul
2. Paul Baran: Political Economy of Growth (Monthly Review Press New York)
3. Dhiresb Bhattacharya: The Political Economy of Development (Academic Press)
4. Paul Baran and M.P. Sweezy: Monopoly Capital: Penguin
5. Subroto Roy and William E. James (ed): Foundations of India's Political Economy
6. B.N. Ghosh: Political Economy a Marxist approach (Macmillan). 1990.
7. Ranjit Sau: Economy, class and society (Longman). 1986.
8. Biplab Dasgupta: Structural Adjustment, Global Trade and the New Political (Vistar Publications, New Delhi), 1998.
9. Barbara Hariss-White: India's Market Society: Three Essays in Political Economy. Three Essays Collective, New Delhi
10. . Colin Leys (2008): Market Driven Politics: Neoliberal Democracy and the Public Interest. London: Verso.
11. Pranab Bardhan (2003), Poverty Agrarian Structure and Political Economy in India: Selected Essays, OUP

## Quantitative Methods for Economic Analysis

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

**20 Marks**  
**15 Lectures**

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

**20 Marks**  
**15 Lectures**

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

**20 Marks**  
**15 Lectures**

**Unit-IV** Correlation analysis, Pearsonian Coefficient of correlation. rank correlation. Correlation vs causality Simple linear regression: interpretation of regression parameters: Method of Least squares; Derivation of the normal equation; Economic examples Time series analysis: components of a time series; fitting a linear trend using least square method

**20 Marks**  
**15 Lectures**

**Unit-V** Concept of an index number, uses of index numbers Laspeyeras, Paasche's and Fisher's Index Numbers; Time Reversal, Factor reversal and circular tests: Chain base index: Problems in the Construction of an index number; splicing; base shifting and use of index number for deflating other series: Wholesale price index Consumer price index and Agricultural production index. Measuring inflation rate.

**20 Marks**  
**15 Lectures**

**Readings:**

1. Knut Sydsaeter and Peter Je Hammond (2002) Mathematics for Economic Analysis. Pearson Educational Asia: Delhi (reprint of 1st 1 995 edition).
2. Alpha C Chiang (1984) Fundamental Methods of Mathematical Economics. Hill (3rd edition).
3. A. L. Nagar,. & R.K.Das Basic Statistics Oxford University Press
4. M.R. Spiegel (2nd edition), Theory and Problems of Statistics, Schaum Series.

## **Development Economics**

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

**20 Marks**  
**15 Lectures**

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

**20 Marks**  
**15 Lectures**

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

**20 Marks**  
**15 Lectures**

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

**20 Marks**  
**15 Lectures**

**Unit V** State, Market and Planning: Role of the state and the economy. Planning regulation and market. Planning in a developing Planning. Decentralised Planning. Indicative inclusive growth and Development.

**20 Marks**  
**15 Lectures**

### **Readings:**

1. M.P. Todaro & S.C. Smith: Economic Development: Pearson Education Asia
2. M.P. Todaro: Economic Development in the Third world (Longman)
3. Debraj Ray (1998): Development Economics (OUP)
4. Yujiro Hayami: Development Economics from the Poverty to the Wealth of Nations; Oxford University Press
5. Rodrik Dani (2000): Institutions for High- Quality Growth, NBER Working Paper. No W7540
6. Planning Commission: Eleventh Five Year Plan vol 1

## **Environmental Economics**

**Unit-I**            What is Environmental and natural resource economics environmental economics  
Interdependence between economy and the environment Issues In environmental economics —  
The Laws of Thermodynamics and environmental economics

**20 Marks**  
**15 Lectures**

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

**20 Marks**  
**15 Lectures**

**Unit-III**           Market failure with environmental consequences – Pollution Externalities – Review  
of basics – Public goods - common Property resources and the Issue of property rights —  
Economic Solutions to Market failures.

**20 Marks**  
**15 Lectures**

**Unit-IV**           Renewable resource extraction under monopoly and perfect competition: Non-  
renewable resource extraction under monopoly and perfect competition.

**20 Marks**  
**15 Lectures**

**Unit-V**            Environmental Kuznets Curve and Economics 01 sustainable development.

**20 Marks**  
**15 Lectures**

### **Readings:**

1. Kolstad, Charles D (2006), Environmental Economics, Oxford University Press  
(Indian Edition)
2. Pearce David and Barbier, Edward, Blueprint for a Sustainable Economy,  
Earthscan32000
3. Stern N, 20065 Stern Review: The Economics of Climate Change, report to the  
Prime Minister and chancellor, UK Treasury': London 2006,
4. Baumgartner, Stefan and Martin Quaas, "What is sustainability economics?"  
Ecological Economics, 2010(Manipur University's Department of Economics  
would make this article and some more available to the colleges).

## **INTERNATIONAL ECONOMICS**

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

**20 Marks**  
**15 Lectures**

**Unit-II** Modern Theory of Trade: Heckscher-Ohlin theorem. Leontief Paradox. Factor price equalization.

**20 Marks**  
**15 Lectures**

**Unit-III** Balance of Payments: Balance of Payments Accounting — Accommodating and Autonomous items and their relevance to Balance of Payments equilibrium and disequilibrium: Exchange rate determination under Mint Parity theory and purchasing power parity theory.

**20 Marks**  
**20 Lectures**

**Unit-IV** Trade Policies: Free trade Vs Protection. tariffs. optimum tariff, Quotas. Theory of customs union. Globalization.

**20 Marks**  
**15 Lectures**

**Unit-V** IMF- Objectives and functions and achievements: GATT/ World Trade Organisation and developing countries.

**20 Marks**  
**15 Lectures**

Readings:

1. Bo-Sodersten & Geoffrey Reed: International Economics (3<sup>rd</sup> edn. Macmillan)
2. Paul R, Krugman & Maurice Obstfeld (20( )9): International Economics Theory and Policy (latest edition) Pearson