

MANIPUR UNIVERSITY
CANCHIPUR: IMPHAL

Syllabus for Bachelor of Economics (Semester System)

Semester 1 : Indian Economic Problems

Semester 2 : Microeconomics I

Semester 3 : Microeconomics II

Semester 4 : Macroeconomics

Semester 5 : Public Finance

Political Economy of Development

Quantitative Methods for Economic Analysis

Semester 6 : Development Economics

Environmental Economics

International Economics

O/C.
Exam. Section.
T.C.

Indian Economic Problems

Unit-1

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 India's 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 growth and economic development. Basic features of 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 policy; Planning in India: Objectives, priorities and strategies; Problems of Unemployment and poverty: estimates of poverty-Employment generation and poverty alleviation programmes; Economic reforms: Structural transformation 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 Publishers** : Indian Economy, Latest edition (New Age International)
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. Kurien:** 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 market 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 in 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. Mehta Microeconomics
Pearson latest Edn
4. Hal R. Varian (1993), *Intermediate Microeconomics, a Modern Approach*, 3rd
edition, Affiliated East-West Press.

Micro Economics-II

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

20 Marks
15 Lectures

Unit-II

The Walrasian system- the two factor, two commodity, 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 Criterion, 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, ways of correcting market failure; externalities and property rights, common property resources, public goods and efficiency, 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 signaling, a model of job market signaling , 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*, 3rd 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 their components - High powered money: meaning and uses.

20 Marks
15 Lectures

Unit V The IS-LM model: General equilibrium model of a two sector growth model and dynamics of the IS-LM model. One sector growth model. Solow model.

20 Marks
15 Lectures

Readings

1. G. Akerlof : 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

1. M.R. Edgeland : Macro Economics – Theory and Policy (Prentice Hall)
2. M.G. Munier (ed) : Readings in Macro economics (Surjit Publication).
3. C. John : Introduction to Economic Growth W.W.Norton & Company

PUBLIC FINANCE

Unit-I

Nature and scope of public finance- the principle of Maximum social Advantage,. Fiscal functions in the developing economy -- provision of social goods.

20 Marks
15 Lectures

Unit-II

Techniques of budgeting, principles of 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 taxes, Efficiency criterion – tax evasion, Taxable capacity – absolute and relative taxable capacity. Factors determining taxable capacity, Unit of taxable capacity; Features of VAT, GST and DTC.

20 Marks
15 Lectures

Unit-IV.

Public Expenditure: Factors affecting public expenditure, Wagner'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, role 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. Bhargava : Public Finance – Volume I
2. R.A. Mishra : Public Finance in theory and practice (Asian Student Edition)
& P.B. Misra

Reference Books

1. R.Jha (1997) : 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 role 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 main 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
15Lectures

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 Policy 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 (Oxford & Kegan Paul)
2. Paul Baran : Political Economy of Growth (Monthly Review Press, New York)
3. Dhirendra Bhattacharya : The Political Economy of Development (Oxford Press)
4. Paul Baran and M.F. 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 (Macmilan), 1990
7. Ranjit Sau : Economy, class and society (Longman), 1986.
8. Biplab Dasgupta : Structural Adjustment, Global Trade and the New Political (Vista 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 functions ; Matrix algebra: addition and multiplication- determinant, inverse of a matrix , Crammer'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 minima, 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, Laspeyres's, 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 J. Hammond (2002) *Mathematics for Economic Analysis*. Pearson Educational Asia: Delhi (reprint of 1st 1995 edition).
- 2 Alpha C. Chiang (1984) *Fundamental Methods of Mathematical Economics*. McGraw 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- Monetary policy in 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 WTO. Foreign capital and developing countries.

20 Marks
15 Lectures

Unit V

Plan, Market and Planning: Role of the state and the market. Planning in a developing country. Planning - objectives and modes. Indicative Planning. Decentralised Planning, India: 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 ; OUP
5. Rodrik Dani : Growth and Quality Growth, NBER Working Paper, N
W7540.
6. Planning Commission : Eleventh Five Year Plan vol I

Environmental Economics

Unit-I

What is Environmental and natural resource economics – Origins of environmental economics – Interdependence between economy and the environment – Issues in environmental economics – II – Laws of Thermodynamics and environmental economics

20 Marks
15 Lectures

Unit-II

Environmental 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 Markets, Drivers and Economics of 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, Earthscan, 2000
3. Stern N, 2006, Stern Review: The Economics of Climate Change, report to the Prime Minister and Chancellor, UK HM 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 (3rd edn. Macmillan)
 2. Paul R. Krugman & Maurice Obstfeld (2009): International Economics Theory and Policy (latest edition) Pearson
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