

**BENGALURU CENTRAL
UNIVERSITY,
BENGALURU**

**BA Economics Syllabus
(Semester)**

**With Effect from Academic Year
2019-20 Onwards**

Bengaluru Central University, Bengaluru

B.A. Economics Syllabus (Effect from 2019-20 onwards)

FIRST SEMESTER		
I		Micro Economics(Hard core)
SECOND SEMESTER		
II		Macro Economics(Hard core)
THIRD SEMESTER		
III		Public Economics (Hard core)
		or
III		Development Economics (Hard core)
FOURTH SEMESTER		
Soft core		
IV		Introduction to Quantitative Methods for Economics
		or
IV		Introduction to Statistics for Economics
FIFTH SEMESTER		
V		Indian Economics (Hard core)
		Soft core
		Mathematical Methods for Economists
		Financial Economics
		Environmental Economics
		Economics for Infrastructure
Sixth Semester		
VI		International Trade Theory & Policy (Hard core)
		Soft core
		Research Methodology
		Human Resource management
		Indian Economic Thought
		Entrepreneurial Economics

I Semester BA
MICRO ECONOMICS

TOTAL CREDITS -3

TOTAL HOURS- 60

Course Learning Objectives:

- To acquaint the students with the basic concepts of microeconomics and its applications
- To acquaint theories that help students to understand economics of consumer and producer behaviour.
- To help students grasp theoretical nuances of theory of production, cost and distribution
- To help students learn the skills of plotting the numerical into a graphical representation of many concepts in the Micro Economic Theory.

Course Outcomes:

- Understand how utility, preferences, and income influence demand.
- Comprehend demand and supply interact in various market structures to determine the price and quantity of a good produced, Further, how input costs and substitution among factors influence supply.
- Apply with ease economic reasoning to individual and firm behaviour.
- Plotting numerical into a graphical representation of many concepts in the Micro Economic Theory.

Module – 1: Introduction to Micro Economics (08 Hours)

Meaning, Scope, Types – Importance and Limitations; Methodology in economics; Choice as an economics problem, basic postulates, Role of Price Mechanism; Law of Scarcity and Supply frame work, Production Possibility Curve.

Skill Development: Identifying the choice as an economic problem

Module -2: Consumer Behaviour

(10 Hours)

Utility; Cardinal Approach - Law of Diminishing Marginal Utility, Law of Equi-Marginal Utility, Consumer's Surplus –Calculation of consumer's surplus;
Ordinal Approach– Indifference Curve – Meaning and properties, Effects on Equilibrium- Superiority of Ordinal analysis.

Skill Development: Calculation of CS and graphical representation.

Module 3: Demand and Supply Analysis

(16 Hours)

Meaning of Demand, Factors affecting demand; Determinants of individual and market demand; law of demand; Demand schedule and demand curve, market versus individual demand; shifts in demand curve; Elasticity of demand-price, income and cross elasticity

Meaning of Supply, Factors affecting supply; Determinants of individual supply; Law of supply: supply schedule and supply curve, market versus individual supply; shifts in supply curve; Elasticity of supply; the short and long- run supply curve of the firm and the industry.
Shifts in the demand and supply curve together

Skill development: Derivation of demand and supply schedule.

Measurement of demand and supply elasticity: Percentage, Total Outlay, Point and Arc Methods

Module – 4: Theory of Production and Price

(14 Hours)

Production decisions; Production Function; Laws of production –short run and long run, producers equilibrium and Isoquant curves, Economies & Diseconomies of Scale- Internal Economies of Scale and external economies of scale.

Different concepts of costs and their interrelation, equilibrium of the firm; expansion path; Empirical evidence on costs

Nature of Markets; Revenue Analysis, Price and output determination under perfect and imperfect markets (monopoly, monopolistic, and oligopoly)

Skill development –calculation of different types of costs and revenue

Module – 5: Theory of Distribution

(12 Hours)

Theory of Distribution: Marginal productivity theory of distribution, Modern theory of distribution; Rent-Ricardian and Opportunity Cost theories, Quasi Rent, Wages –Real wages and Money Wages, the Modern theory of wage determination; Interest –Classical, and the Keynesian theory

Profit –Gross and Net Profit, Normal profit, accounting profit –Risk, Uncertainty and Innovation theories of Profit.

Skill development: Calculation of different types of profits.

References

1. Ahuja. H L (2018) Advanced Economic Theory-Microeconomic Analysis. S. Chand Publishing house, New Delhi
2. Bach, GL. (1977), Economics, Prentice Hall of India, New Delhi.
3. Gauld, J.P. and Edward P.L (1996), Microeconomic Theory, Richard. Irwin, Homewood.
4. Koutsoyiannis, A. (1990), Modern Microeconomics, Macmillan.
5. Lipsey Richard and Chrystal Alec(2015) Economics 13th Ed, Oxford University Press
6. Robert S. Pindyck, Daniel L. Rubinfeld and Prem L. Mehta. (2009) Microeconomics. Pearson International Edition
7. Varian, H.R. (2000), intermediate Microeconomics: A modern Approach (5th Edition), East West Press, New Delhi.
8. Varian, Hal R. (2010) Intermediate Microeconomics: A Modern Analysis, 8th edition, Norton & Company (London)

II Semester BA
MACRO-ECONOMICS

Teaching hours per week-5 Hours

Total teaching hours-60 Hours

Course Learning Objectives:

- To understand the macroeconomic behaviour through national income accounts.
- To learn the analytical framework of macroeconomic concepts used by classical, Keynesian and post-Keynesian approaches
- To know different types of inflation and their relationship with employment

Course Outcomes:

- Use national income accounts to describe and analyze the macroeconomic issues in quantitative terms.
- Understand the forces behind the employment generation as reflected by different schools of thought and its limitations
- Understand the different views on the supply of money and demand for money.

Module 1: Introduction to Macro-Economics

(07 Hours)

Macro economics: meaning, nature, scope, importance and limitation- Meaning of stock and flows- circular flow of income, importance of circular flow model -two sectors, three sectors and four sectors model

Skill Development: Draw the two sectors, three sectors and four sectors model and identify the differences

Module 2: National Income Accounting

(08 Hours)

National income accounting: meaning and definition-concepts, importance, methods and difficulties in measuring national income- ways to increase national income- empirical problems – calculation of national income.

Skill Development: calculate national income, NNP, Personal income, disposable personal income

Module 3: Classical and Keynesian theory of Employment (17 Hours)

Classical theory of employment and Says law of Market-Full employment, Adam Smith's invisible hand, wage- price flexibility- critical evaluation

Keynesian theory- concepts of effective demand and its determinants; Consumption Function- Average and Marginal propensity to consume, Psychological law of consumption, determinants of consumption function;

Theory of Investment-Autonomous and induced Investment, Marginal Efficiency of Capital; Relevance and critic of Keynesian policies.

Skill Development: Determine Effective Demand by taking the data on aggregate demand price and the aggregate supply price and do the graphical representation

Module 4: Supply of Money and Demand for Money (14 Hours)

Definitions of Money supply; Money supply and Value of Money; Classical and Keynesian views on the supply of money, determinants of money supply, high powered money, money multiplier

Demand for Money; The Classical Approach, The Keynesian Approach, Liquidity preference, The Post-Keynesian Approaches

Skill Development: Calculate the M1, M2, M3 and M4
Calculate money multiplier

Module 4: Inflation and Business Cycle (14 Hours)

Definitions of Inflation, causes of Inflation, Types of Inflation-demand push inflation and cost push inflation; inflationary gap; Relationship between inflation and unemployment- The Phillips curve-short and long run; Effects of Inflation, Measures to control Inflation

Business Cycles- Meaning, types of the business cycle, features of the business cycle, phases of business cycle; Control of Business Cycles.

Skill Development: Derive the graphical model showing the relationship between unemployment and inflation using the short-run Phillips curve and the long-run Phillips curve

Reference books

- 1) Ackley, G. (1976), *Macroeconomics: Theory and Policy*, Macmillan Publishing Company, New York.
- 2) Ahuja H (2016), *Macro Economics- theory and policy*, S Chand and Co
- 3) Dwivedi DN (2016) *Macro Economics: Theory and Policy*, Tata McGraw-Hill Education
- 4) Heijdra, B.J. and F.V. Ploeg (2001), *Foundations of Modern macroeconomics*, Oxford University Press, Oxford.
- 5) Keynes, J.M. (1936), *The General theory of Employment, Interest and Money*, Machmillan, London.
- 6) Lucas, R. (1981), *Studies in Business Cycle Theory*, MIT Press, Cambridge, Massachusetts.
- 7) Shapiro, E. (1996), *Macroeconomics Analysis*, Galgotia Publications, New Delhi.

Public Economics

3rd Semester BA

Teaching hours per week-5 Hours

Total teaching hours-60 Hours

Course Learning Objectives

- To learn about the importance of Public Economics in the economic development
- To understand the role of State & Public sector in the economic development.
- The focus on understanding the key issues relating to the government spending, taxing debt and budget.

Course Outcomes

- Good acquaintance with the concepts, tools, and issues in Public Economics.
- Understand the characteristics of good tax, public expenditure and public debt
- Understand the tenets of generation of State Revenue, Taxes, Expenditure and Budget analysis.

Module: 1 Introduction to Public Economics.

(12 Hours)

Meaning, Nature and Scope of Public Economics, Objectives, Importance of Public Economics; Fiscal functions of the State; Role of Government in different forms of the economic system-Capitalist, Socialist and Mixed Economy; Role of Public Sector, Private and Public Finance, Public goods v/s private goods, principle of maximum social advantage.

Skill Development: Plot the maximum social advantage with the help of diagram

Module: 2 Public Expenditure

(08 Hours)

Meaning, Scope and justification of Public Expenditure, causes and effects of Public expenditure on production, employment and distribution, causes of Increase in Public expenditure – Wagner’s hypothesis, Peacock –Wiseman hypothesis.

Skill Development: Do the simple Analysis of the Wagner Hypothesis of Government Expenditure taking data of Government of India’s Public expenditure

Module: 3 Public Revenue**(12 Hours)**

Source of public revenue, Taxation- meaning, canons and classification of taxes, The benefit and ability approaches, characteristics of a good tax system, impact and incidence of taxes, taxable capacity, effects of taxation, devolution of tax resources between Central and State Government.

Skill Development: list out the different criteria adopted by various finance commission in the devolution of resources between centre and state.

Module: 4 Public Debt**(12Hours)**

Meaning of public debt, Sources of public borrowing- classification of public debt, economic effects of public debt, the burden of public debt- internal burden of public debt, external burden of public debt, redemption of public debt- various ways, Advantages of debt redemption; Public debt management- objectives, principles.

Skill Development: Plot the diagram taking the data of Government of India's internal and external debt over the years with the help of diagram

Module: 5 Fiscal Policy and Budget**(16Hours)**

Meaning of fiscal policy-definitions, objectives of fiscal policy, instruments of fiscal policy

Concept of budget, characteristics of the budget, purposes of the budget, canons of public budgeting, significations of public budgeting, types of budgets – executive and legislative multiple and unified budgets, federal, state and local budgets, revenue and capital budget, performance budgeting, Zero based budgeting- advantages and limitations.

Skill Development: Plot the Revenue and capital expenditure as percentage of spending of the latest central and state budget in a graph and observe the trend

Reference Books:

1. Bird, Graham (2004), *International Finance and the Developing Economies*, Palgrave Macmillan
2. Hindriks J., G. Myles (2006), *Intermediate Public Economics*, MIT Press,
3. John Cullis and Philip Jones (1998) *Public Finance and Public Choice*, Oxford University Press, 1st edition
4. Joseph E. Stieglitz,(2000) *Economics of the Public Sector*, W.W. Norton & Company, 3rd edition,
5. Kaushik Basu and A. Maertens (ed.) (2013), *The New Oxford Companion to Economics in India*, Oxford University Press
6. Musgrave R.A. and P.B. Musgrave(1989), *Public Finance in Theory & Practice*, McGraw Hill Publications, 5th edition
7. Rosen H, Gayer T. (2009), *Public Finance*, 9th ed., McGraw-Hill/Irwin

III Semester BA
Development Economics

Teaching hours per week-5 Hours

Total teaching hours-60

Course Learning Objectives:

- To familiarize the students with the concepts, structure and issues in the economics of development.
- To acquaint them with the theories of development and their importance and limitations
- To understand the sector view of development
- To acquaint with Environment and Sustainable Development

Course Outcomes:

- Students will learn different measurement indicators of development and its limitations
- Critical understanding of the concepts and topics in economics of development and their applications.
- Enhance the analytical power on different approaches of development.
- Understand the Importance and role of the environment in sustainable development in the background of climate change

Module-1: Introduction to Development Economics

(15 Hours)

Definitions, characteristics, importance and nature of Development Economics; Development & growth-concepts and differences; Development gap;

Measurement indicators-GDP, GNP, PQLI, HDI, World happiness index, Gender development indices, Gender Empowerment measure.

Skill Development: learn the computation of PQLI, HDI, WHI, GDI, GEM

Module-2: Theories of Economic Development

(12 Hours)

Theories of development – classical theories of development-Adam Smith, Ricardo and JS Mill; Karl Marx in the theory of development – theory of social change; immutable laws of capitalist development –crisis in capitalism; Schumpeter and capitalistic development

Skill Development: List out the changes, over the years, in the perspective of the crisis of capitalism

Module-3: Approaches to the Economic Development

(12 Hours)

Partial theories of growth and development, vicious circle of poverty, circular causation, unlimited supply of labour, big push, balanced growth, unbalanced growth, critical minimum effort thesis, low income equilibrium trap- dualism: technical, behavioral and social.

Skill Development: Draw vicious cycle of poverty, circular causation and low level equilibrium trap

Module-4: Sectoral view of Development

(11 Hours)

Role of agriculture in economic development; land reforms-importance; efficiency and productivity in agriculture

Role, rational and pattern of industry growth in economic development; the choice of technique, appropriate technology and employment: small scale vs. large scale production; terms of trade between agriculture and industry.

Skill Development: Identify the changes in the terms of trade between agriculture and industry in monetary terms and draw a diagram

Module- 5: Environment and Sustainable Development

(10 Hours)

Definition, Importance and role of environment in sustainable development; environment – economy linkage; Need for sustainability for renewable resources, a brief history of environmental change, common pool resources, environmental externalities and state regulation of the environment, economic activity and climate change.

Skill Development: list the UN's Sectoral Development Goals

References:

1. Adelman, I. (1961), Theories of Economics Growth and Development, Stanford University Press, Stanford.
2. Arrow, Kenneth J and Michael D. Intriligator (2010), Handbook of Development Economics, Elsevier.
3. Basu, Kaushik (2003). Analytical Development Economics, MIT Press
4. Behrman, S. and T.N. Srinivasan (1995), handbook of Development Economics, Vol. 1 to 3, Elsevier, Amsterdam.
5. Chenery, Hollis and T N Srinivasan (1988). Handbook of Development Economics, Elsevier
6. Hayami, Y. (1997). Development Economics: From the Poverty to the Wealth of Nations, Oxford, Clarendon Press.
7. Higgins, B. (1959), Economic Development, Norton, New Delhi.
8. Kindleberger, C.P. (1977), Economic Development, 3rd Edition, McGraw Hill, New York.
9. Mariano (2008). Experienced Poverty and Income Poverty in Mexico: A Subjective Well-Being Approach, World Development, Vol. 36(6), 1078–1093.
10. Naqvi, Syed NawabHaider (2002). Development Economics – Nature and Significance, Sage, New Delhi.
11. Panagariya, Arvind (2008). India the Emerging Giant, Oxford University Press.
12. Ray, D., (1998). Development Economics, Princeton University Press.
13. Sen, Amartya (1999), Development as Freedom, Oxford University Press.
14. Todaro, M.P. and S.C.Smith, (2003), Economic Development (8th Edition), Pearson