

Core 1**ECO1 B01 MICRO ECONOMICS****NO. OF HOURS OF LECTUERS PER WEEK: 6****NUMBER OF CREDIT: 5****MICRO ECONOMICS**

Preamble: This course is designed to expose first semester students, who may be new to Economics, the basic principles of microeconomic theory. The emphasis will be on thinking like an economist and the course will illustrate how microeconomic concepts can be applied to analyze real-life situations.

Module I: Exploring the Subject Matter of Economics

Why study economics? Micro Versus Macro- Concepts of wealth, welfare, scarcity and growth -The scope and method of economics- Induction and deduction-Positive and normative economics-Value judgments- scarcity and choice- the basic problems of an economy- Production Possibility curve- basic competitive model- economic systems.

Module II: Demand and Supply Analysis

Concept of Demand- Law of Demand- Determinants of demand – Types of Demand – Demand Function – Market Demand Curve - Elasticity of Demand – Price, Income and Cross elasticity of demand Measures of Elasticity of Demand. Demand Forecast Meaning- Factors influencing demand forecast. Concept of Supply – Law of Supply – Determinants of Supply – Supply Function – Elasticity of Supply – Market Supply Curve -Market Equilibrium.

Module III: Theory of Consumer Behaviour

Utility Analysis – Cardinal and Ordinal approaches – Law of Diminishing Marginal Utility –Law of Equi-marginal utility, indifference curve, properties of indifference curves – Price (Budget) line – Equilibrium of the Consumer with the help of indifference curves – Price, Income and Substitution effect- Derivation of individual demand curve for normal good – Decomposition of Price effect into income effect and substitution effect – Hicksian and Slutsky's methods – Normal, inferior and Giffen goods – Application of Indifference Curves - Theory of Revealed Preference – Revealed Preference axioms - Consumer surplus - Marshall and Hicks.

Module IV: Theory of Production and Costs

Concept of Production – Production Function – Scale of production- short run versus long run production function- Law of Variable Proportions – Law of Returns to Scale – the Isoquant- Isocost Approach- producers equilibrium-expansion path- Internal and External Economies- Cobb-Douglas production function -Cost function and Cost concepts- Traditional theory of costs- Modern theory of costs.

References:

1. Dominick Salvatore (2003): Microeconomics: Theory and Applications- 4thEdition, Oxford University Press.
2. Robert S Pindyck and Daniel L Rubinfeld (2009): Microeconomics- 8th Edition, Pearson India.
3. Watson and Getz (2004): Price Theory and its Uses- 5thEdition, AITBS Publishers and Distributors.
4. A Koutsoyiannis (1979): Modern Microeconomics- 2ndEdition, Macmillan.
5. G S Madalla and Ellen Miller (1989): Microeconomics: Theory and Applications- Tata McGraw-Hill.
6. Robert Y Awh (1976): Microeconomics: Theory and Applications- John Wiley & Sons.
7. H.R Varian (2009) , Intermediate Microeconomics- A Modern Approach., W W Norton & Co Inc; 8 edition
8. Gregory Mankiw (2006) Principles of Microeconomics,(Paperback) South Western Educational Publishing
9. Jhingan,.M.L., (2017)., Micro Economic Theory, Vrinda Publications (P) Ltd, Delhi

OBJECTIVES

- To identify the difference between Micro and Macro Economics
- To understand the basic principles of the economy
- To analyze different concept of demand and supply in Economics
- To understand the theory of consumer behaviour using ordinal and cardinal approach.
- To identify the theory of production and costs in Economics

COURSE PLAN

Unit/Session / Hours (Time Required)	Topics to be Taught	Procedure Student Centric Methods of Teaching	Activity	Learning Outcome	Assessment
Module I	Why study economics?, Micro Versus Macro, Concepts of wealth, welfare, scarcity and growth, The scope and method of economics, Induction and deduction, Positive and normative economics, Value judgments, scarcity and choice, the basic problems of an economy, Production Possibility curve, basic competitive model, economic systems.	<ul style="list-style-type: none"> ○ Lecture ○ Group Discussion ○ Power Point Presentation 	Peer Group Discussion on the basis of basic problems in economy	<ul style="list-style-type: none"> ● To identify the concept micro vs macro economics ● To understand the basic problems of economy. 	Evaluation through debate
Module II	Concept of Demand- ,Law of Demand,	<ul style="list-style-type: none"> ○ Lecture 	Peer Group	❖ To analyze	Evaluation

	<p>Determinants of demand ,Types of Demand , Demand Function , Market Demand Curve ,Elasticity of Demand ,Price, Income and Cross elasticity of demand ,Measures of Elasticity of Demand. Demand Forecast Meaning, Factors influencing demand forecast. Concept of Supply ,Law of Supply , Determinants of Supply – ,SupplyFunction ,Elasticity of Supply ,Market Supply Curve ,Market Equilibrium</p>	<ul style="list-style-type: none"> ○ Problem solving ○ Power Point Presentation ○ Participatory learning ○ Videos 	<p>Discussion on the basis of determinants of demands</p>	<p>different concept of demand and supply in Economics ❖ To identify basic principles of the economy</p>	<p>through MCQ questions.</p>
<p>Module III</p>	<p>Utility Analysis ,Cardinal and Ordinal approaches – Law of Diminishing Marginal Utility – Law of Equi-marginal utility ,indifference curve, properties of indifference curves – Price(Budget) line – Equilibrium of the Consumer with the help of indifference curves – Price, Income and Substitution effect- Derivation of individual demand curve for normal good – Decomposition of Price effect into income effect and substitution effect – Hicksian and Slutsky’s methods –</p>	<ul style="list-style-type: none"> ○ Lecture ○ Problem Solving ○ Diagrammatic Representation ○ Peer Discussion 	<ul style="list-style-type: none"> ○ Find out the consumer surplus ○ Peer discussion on the basis of Slutsky’s and Hicksian methods 	<p>❖ To understand the theory of consumer behaviour using ordinal and cardinal approach</p>	<p>Evaluation through test paper</p>

	<p>Normal, inferior and Giffen goods – Application of Indifference Curves - Theory of Revealed Preference – Revealed Preference axioms - Consumer surplus - Marshall and Hicks</p>				
<p>Module IV</p>	<p>Concept of Production – Production Function – Scale of production- short run versus long run production function- Law of Variable Proportions – Law of Returns to Scale – the Isoquant- Isocost Approach- producers equilibrium- expansion path- Internal and External Economies- Cobb- Douglas production function -Cost function and Cost concepts- Traditional theory of costs- Modern theory of costs.</p>	<ul style="list-style-type: none"> ○ Power Point Presentation ○ Lecture ○ Problem Solving 	<ul style="list-style-type: none"> ○ Find out different costs ○ Compare Short run versus Long run 	<p>To identify the theory of production and costs in Economics</p>	<p>Evaluation through quiz</p>

Course Outcomes

CO1	To identify the difference between Micro and Macro Economics
CO2	To analyze different concept of demand and supply in Economics
CO3	To understand the theory of consumer behaviour using ordinal and cardinal approach.
CO4	To identify the theory of production and costs in Economics

Faculty in charge
Dr. Shirley Jose K

Semester II

Course Category	Core Course 2
Course Title and Code	Macroeconomics I ECO2 B02
No. of Credits	5
No. of Contact Hours	6 Hours per week

MACROECONOMICS I

Preamble: Macroeconomics emerged as a separate discipline following the failure of classical economics to diagnose the reasons of the Great Depression in the 1930s. ‘The General Theory of Employment, Interest and Money’ published by John Maynard Keynes in 1936 was the influential book which laid the foundation of Macroeconomics. Today, principles of macroeconomics help us understand the trends in aggregate variables like national income, employment, price level and investment. It also helps us explore and understand the determinants of short run fluctuations and long run movements in these variables. The course is designed to give a rigorous overview of macroeconomics to the undergraduate students. It will give the necessary ideas and tools to understand the working of an economy at the aggregate level. The course is also expected to give an idea about the need for and the way in which government intervention is required in a modern economy. After completing this course, the student will be able to appreciate the context in which Macroeconomics emerged as a separate discipline. The student will be able to explain how output and employment are determined in classical and Keynesian systems. Student should also be able to explain why actual output will fall short of the productive capacity of the economy.

Module I: Introduction to Macroeconomics Nature, scope and limitations of macroeconomics – Macroeconomic model – Types of variables: Stock and flow, endogenous and exogenous, ex-ante and ex-post – static, comparative static and dynamic – equilibrium and disequilibrium - Circular flow of income and output national income and its measurement-Production approach, Expenditure approach, Income approach--Real and Nominal GDP.

Module II: Classical macroeconomics Classical Economy – Say’s Law of Market – Wage-price flexibility – Classical model of output and employment – Classical theory of price level determination – Quantity theory of Money – Fisher’s Equation of Exchange – Cash Balance Approach - Neutrality of Money – Money illusion-Classical dichotomy-Classical response to the Great Depression-Crisis in the discipline of Economics

Module III: Keynesian macroeconomics Effective demand - Aggregate demand and aggregate supply – Consumption, Investment and Government Expenditure (C+I+G)- -Autonomous Consumption and Induced Consumption Keynesian Consumption function-investment function-MEC and MEI- Sticky prices and wages Assumption of fix price-Keynesian Cross model and determination of equilibrium output Multiplier-Inflationary and Deflationary gaps-Fiscal Policy-Understanding fiscal policy using Keynesian Cross model-tax multiplier-government expenditure multiplier-balanced budget multiplier.

Module IV: Money Nature of money-types-functions-time preference-interest rate: real and nominal-bond relationship between bond price and interest rate-Theories of Demand for money-Liquidity Preference theory and Keynesian Liquidity Trap-Friedman's re-statement of Quantity Theory of Money. Theories of Supply of money-Measuring supply of money-High powered money-money multiplier.

References:

1. Edward Shapiro – 'Macro economics' Oxford University press.
2. Gregory Mankiw – 'Macro economics' – 6th Edn. Tata McGraw Hill.
3. Richard T. Froyen – 'Macro economics', Pearson education.
4. Eugene Diulio – Macro economic Theory, Shaum's Outline series. Tata McGraw Hill
5. Errol D'Souza – 'Macro Economics' – Pearson Education 2008. 6. Abhijit Kundu (2009): Methodology and Perspectives of Social Science – Pearson Education 8 7. Dornbusch, Fischer and Startz-Macroeconomics-Tata McGraw –Hill

OBJECTIVES

- ❖ To understand the trends in aggregate variables like national income, employment, price level and investment
- ❖ To analyze the working of an economy at the aggregate level
- ❖ To identify the need for and the way in which government intervention is required in a modern economy.
- ❖ To compare how output and employment are determined in classical and Keynesian systems.
- ❖ To explain why actual output will fall short of the productive capacity of the economy.
- ❖ To understand the importance of money in the economy
- ❖ To explain the liquidity preference theory and Keynesian Liquidity Trap

COURSE PLAN

Unit/Session/ Hours (Time Required)	Topics to be Taught	Procedure Student Centric Methods of Teaching	Activity	Learning Outcome	Assessment
Module I	Nature, scope and limitations of macroeconomics – Macroeconomic model – Types of variables: Stock and flow, endogenous and exogenous, ex-ante and ex-post – static, comparative static and dynamic – equilibrium and	<ul style="list-style-type: none"> • Lecture • Group Discussion • Diagrammatic presentation • Problem solving 	<ul style="list-style-type: none"> • Distinguish between different types of variable • Find out National income 	To understand the trends in aggregate variables like national income, employment, price level and investment	Evaluation through test paper

	<p>disequilibrium - Circular flow of income and output national income and its measurement- Production approach, Expenditure approach, Income approach-- Real and Nominal GDP.</p>				
Module II	<p>Classical Economy – Say’s Law of Market – Wage-price flexibility – Classical model of output and employment – Classical theory of price level determination – Quantity theory of Money – Fisher’s Equation of Exchange – Cash Balance Approach - Neutrality of Money – Money illusion-</p>	<ul style="list-style-type: none"> • Lecture • Illustrations • Group Discussion 	<ul style="list-style-type: none"> • Peer discussion about Great Depression • Complete above illustrations 	<p>To identify the need for and the way in which government intervention is required in a modern economy</p>	<p>Evaluation through quiz</p>

	Classical dichotomy- Classical response to the Great Depression- Crisis in the discipline of Economics				
Module III	Effective demand - Aggregate demand and aggregate supply - Consumption, Investment and Government Expenditure (C+I+G)- Autonomous Consumption and Induced Consumption Keynesian Consumption function- investment function- MEC and MEI- Sticky prices and wages Assumption of fix price- Keynesian Cross model and determination of equilibrium output Multiplier-	<ul style="list-style-type: none"> • Lecture • Group Discussion • Diagrammatic presentation • Problem solving 	<ul style="list-style-type: none"> • Compare the classical and Keynesian model of output and employment • Find out Multiplier 	<p>To analyze the working of an economy at the aggregate level</p> <p>To compare how output and employment are determined in classical and Keynesian systems</p> <p>To explain why actual output will fall short of the productive capacity of the economy</p>	Evaluation through test paper

	<p>Inflationary and Deflationary gaps-Fiscal Policy- Understanding fiscal policy using Keynesian Cross model-tax multiplier-government expenditure multiplier-balanced budget multiplier</p>				
<p>Module IV</p>	<p>Nature of money-types-functions-time preference-interest rate: real and nominal-bond relationship between bond price and interest rate-Theories of Demand for money-Liquidity Preference theory and Keynesian Liquidity Trap-Friedman's re-statement of Quantity Theory of</p>	<ul style="list-style-type: none"> • Lecture • Participatory Learning • Assignment • Group Discussion 	<ul style="list-style-type: none"> • Compare barter system and Money system • Peer discussion based on liquidity preference among individuals. 	<p>To understand the importance of money in the economy</p> <p>To explain the liquidity preference theory and Keynesian Liquidity Trap</p>	<p>Evaluation through Assignment and Group Discussion</p>

	Money. Theories of Supply of money- Measuring supply of money-High powered money- money multiplier.				
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Course Outcomes

CO1	To understand the trends in aggregate variables like national income, employment, price level and investment
CO2	To analyze the working of an economy at the aggregate level
CO3	To identify the need for and the way in which government intervention is required in a modern economy.
CO4	To compare how output and employment are determined in classical and Keynesian systems
CO5	To explain why actual output will fall short of the productive capacity of the economy.
CO6	To understand the importance of money in the economy
CO7	To explain the liquidity preference theory and Keynesian Liquidity Trap

Faculty in charge,
Mr. Nijil Jacobi

SEMESTER III

Course Category	Core Course 3
Course Title and Code	Quantitative Methods for Economic Analysis - I ECO3 B03
No. of Credits	4
No. of Contact Hours	5 Hours per week

QUANTITATIVE METHODS FOR ECONOMIC ANALYSIS – I

Preamble: Students of economics should have sound quantitative skills to collect, analyse and interpret empirical data. They also require these skills for advanced studies in quantitative economics. Quantitative skills have become an essential toolkit for most branches of economics. This course is intended to provide students an introduction to quantitative methods and tools that are used in the study of economics at the undergraduate level. The aim of this course is to develop skill in statistical and mathematical techniques that are required for a meaningful study of applied economics and for carrying out empirical their further study in most branches of economics.

Module I –Basic Concepts

Exponents and logarithms-Equations –Linear, quadratic and simultaneous equations up to three unknowns- Functions –types and their applications in economics –Introduction to co-ordinate geometry, Graphs, Slope and Intercepts, Equations of Straight Lines.

Module II- Basic Matrix Algebra:

Matrix -Meaning and types, Matrix operations, Addition, Subtraction and Multiplication Properties of Matrix multiplication, Transpose of matrix, Determinant and their properties (Up to 3×3) – Minor and Cofactors – Rank of a Matrix- Solving linear equations using Matrix Inverse- Cramer's rule

Module III– Univariate Analysis

Univariate Analysis: -Frequency Tables, Representation of data-Frequency Polygon, Ogives and Pie diagram. Measures of Central tendency - Arithmetic Mean, Median, Mode, Geometric Mean and Harmonic Mean -. Measures of Dispersion: Absolute and Relative measures of Dispersion – Range, Quartile Deviation, Mean Deviation and Standard Deviation, Coefficient of variation - Lorenz Curve - Gini Coefficient - Skewness and Kurtosis.

Data management using Spread Sheet : Mean, Median, Mode, Dispersion, Coefficient of Variation -Graphical Presentation of Data: Line, bar, pie diagrams.

Module IV: Correlation and Regression Analysis

Correlation-Meaning, Types- Methods of Measuring Correlation-Graphical: Scatter Diagram and correlation Graph; Algebraic Methods: Karl Pearson's Coefficient of Correlation and Rank Correlation Coefficient -Simple linear regression - Meaning, Principle of Ordinary Least Squares and Regression Lines-Correlation and Regression using spread sheet. 28 BA Economics Curriculum: CBCSS 2019

References:

1. Allen , R.J.D. Mathematical Analysis for Economics ,Macmillan Press, London
2. Dowling Edward T, Mathematical Methods for Business and Economics, SchaumsOutlineSeries, McGraw Hill, 1993
3. Dowling Edaward.T, Introduction to Mathematical Economics, 2nd/3rd Edition, Schaum's Outline Series, McGraw-Hill, New York, 2003
4. Taro Yamane, Mathematics for Economists: An Elementary Survey, Prentice Hall of India
5. Sydsaeter K and Hammond P, Essential Mathematics for Economic Analysis, Prentice Hall
6. Haeussler Earnest F, Paul Richard S and Wood Richard, Introductory Mathematical Analysis PearsonEducation ISBN 0131276298
7. Bressler Barry, A Unified Introduction to Mathematical Economics, harper and Row Publishers, ISBN0060409525
8. Anderson, Sweeney and Williams, Statistics for Business and Economics, Thomson Education
9. Lind D.A., W.G. Marchal and S.A Wathen., Statistical Techniques in Business and Economics, Tata McGraw Hill, New Delhi
10. Gupta S. P, Statistical Methods, Sultan Chand and Sons, New Delhi
11. Aczel D Amir and Sounderpandian Jayavel, Complete Business Statistics, Tata McGraw Hill Publishers, Newdelhi ISBN 0070620164
12. Richard I Levin et.al. Statistics for management. India: Pearson Education.

OBJECTIVES

- ❖ To inculcate quantitative skills to collect, analyse and interpret empirical data.
- ❖ To develop skill in statistical and mathematical techniques that are required for a meaningful study of applied economics
- ❖ To understand basic concepts related to quantitative methods in economics
- ❖ To create the capability of data management using spread sheet

COURSE PLAN

Unit/Session/ Hours (Time Required)	Topics to be Taught	Procedure Student Centric Methods of Teaching	Activity	Learning Outcome	Assessment
Module 1	Basic Concepts Exponents and logarithms-Equations – Linear, quadratic and simultaneous equations up to three unknowns-Functions –types and their applications in economics – Introduction to co-ordinate geometry, Graphs, Slope and Intercepts, Equations of Straight Lines.	<ul style="list-style-type: none"> • Lecture • Participative Learning • Problem Solving • Discussion 	Peer group discussion on functions, types and their application in economics	To understand basic concepts related to quantitative methods in economics	Evaluation through MCQ
Module 2	Basic Matrix Algebra: Matrix -Meaning and types, Matrix operations, Addition, Subtraction and Multiplication Properties of Matrix multiplication, Transpose of matrix, Determinant and their properties (Up to 3×3) – Minor and Cofactors – Rank of a Matrix- Solving linear equations using Matrix Inverse- - Cramer's rule	<ul style="list-style-type: none"> • Lecture • Participative Learning • Problem Solving • Discussion • Assignment 	Assignment on the properties of determinant	To inculcate quantitative skills to collect, analyse and interpret empirical data	Evaluation through Test paper
Module 3	Univariate Analysis: - Frequency Tables,	<ul style="list-style-type: none"> • Lecture • Participative 	Assignment on	To create	Evaluation

	Representation of data-Frequency Polygon, Ogives and Pie diagram. Measures of Central tendency - Arithmetic Mean, Median, Mode, Geometric Mean and Harmonic Mean -. Measures of Dispersion: Absolute and Relative measures of Dispersion – Range, Quartile Deviation, Mean Deviation and Standard Deviation, Coefficient of variation - Lorenz Curve - Gini Coefficient - Skewness and Kurtosis. Data management using Spread Sheet : Mean, Median, Mode, Dispersion, Coefficient of Variation - Graphical Presentation of Data: Line, bar, pie diagram	<p>e Learning</p> <ul style="list-style-type: none"> • Problem Solving • Discussion 	measures of central tendency	the capability of data management using spread sheet To inculcate quantitative skills to collect, analyse and interpret empirical data	through Practical exam
Module 4	Correlation-Meaning, Types- Methods of Measuring Correlation-Graphical: Scatter Diagram and correlation Graph; Algebraic Methods: Karl Pearson's Coefficient of Correlation and Rank Correlation Coefficient - Simple linear regression - Meaning, Principle of Ordinary Least Squares and Regression Lines-Correlation and Regression using spread sheet.	<ul style="list-style-type: none"> • Lecture • Power Point Presentation • Group Discussion • Assignment 	Assignment on correlation meaning and types	To develop skill in statistical and mathematical techniques that are required for a meaningful study of applied economics	Evaluation though Test paper

COURSE OUTCOME

CO1	To understand basic concepts related to quantitative methods in economics
CO2	To inculcate quantitative skills to collect, analyse and interpret empirical data
CO3	To create the capability of data management using spread sheet
CO4	To develop skill in statistical and mathematical techniques that are required for a meaningful study of applied economics

Faculty in Charge,

Dr. Chacko Jose P

Semester III

Course Category	Core Course 4
Course Title and Code	Microeconomics II ECO3 B04
No. of Credits	4
No. of Contact Hours	4 Hours per week

MICROECONOMICS II

Preamble: This course is designed to introduce fundamental market concepts and structures. The emphasis of the course is to give conceptual clarity to the student coupled with the use of the principles Micro economic analysis to the decision making of firms and market. After completing this course, the student will be able to apply the principles of micro economics, to the decision making of firms and the functioning of the market.

Module I: Market Structure: Perfect Competition

Market-Functions-Market structure-Types of markets-Perfect competition-Characteristics-Demand AR and MR curves-Price determination in the market period- Short run equilibrium of the firm and industry Shut down point-Long run equilibrium of the firm and industry-Constant, increasing and decreasing cost industries- Welfare effects of government intervention- Impact of a tax and subsidy.

Module II: Monopoly

Monopoly- Sources of monopoly-Types of monopoly-AR and MR curve of a monopolist - Short run and long run equilibrium- Supply curve of a monopolist- The multiplant firm- Monopoly power-Measurement of monopoly power-Social cost of monopoly- Regulation of monopoly - Price discrimination-First degree, second-degree and third degree- International price discrimination (Dumping- types)-Two part tariff, tying and bundling-Peak load pricing-Monopsony- Bilateral monopoly.

Module III: Monopolistic Competition and Oligopoly

Monopolistic competition- Features of monopolistic competition-Short run and long run equilibrium Excess capacity-Product differentiation and selling costs-Oligopoly-Characteristics-Collusive versus non-collusive oligopoly-Cournot model- Kinked demand curve model - Cartel and price leadership.

Module IV: Pricing and Employment of Inputs

Competitive factor markets -Demand curve of the firm for one variable input-Demand curve of the firm for several variable inputs- Market demand curve for an input - Supply of inputs to a firm- The market supply of inputs- Equilibrium in a competitive factor market- Factor market with monopoly power- Factor market with monopsony power-Marginal Productivity theory of input demand.

References:

1. Dominick Salvatore (2003): Microeconomics: Theory and Applications- 4th Edition, Oxford University Press.
2. Robert S Pindyck and Daniel L Rubinfeld (2009): Microeconomics- 8th Edition, Pearson India.
3. Watson and Getz (2004): Price Theory and its Uses- 5th Edition, AITBS Publishers and Distributors.
4. A Koutsoyiannis (1979): Modern Microeconomics- 2nd Edition, Macmillan.
- 5 .G S Madalla and Ellen Miller (1989): Microeconomics: Theory and Applications- Tata McGraw-Hill.

OBJECTIVES

- To introduce fundamental market concepts and structures
- To apply the principles of micro economics to the decision making of firms and the functioning of the market.
- To understand the concept of Price Discrimination in Monopoly
- To understand the concept of Product Differentiation in Monopolistic Competition
- To identify the pricing and employment of outputs.

COURSE PLAN

Unit/Session/ Hours (Time Required)	Topics to be Taught	Procedure Student Centric Methods of Teaching	Activity	Learning Outcome	Assessment
Module I	Market-Functions-Market structure-Types of markets-Perfect competition-Characteristics-Demand AR and MR curves-Price determination in the market period-Short run equilibrium of the firm and industry Shut down point-Long run equilibrium of the firm and industry-Constant, increasing and decreasing cost industries-Welfare effects of government intervention-Impact of a tax and subsidy	<ul style="list-style-type: none"> • Lecture • Discussion • Participatory Learning 	To find out short run and long run equilibrium in Perfect competition	To introduce fundamental market concepts and structures	Evaluation through quiz

Module II	Monopoly- Sources of monopoly-Types of monopoly-AR and MR curve of a monopolist - Short run and long run equilibrium-Supply curve of a monopolist- The multiplant firm-Monopoly power-Measurement of monopoly power-Social cost of monopoly-Regulation of monopoly -Price discrimination-First degree, second-degree and third degree-International price discrimination (Dumping-types)-Two part tariff, tying and bundling-Peak load pricing-Monopsony-Bilateral monopoly.	<ul style="list-style-type: none"> • Lecture • Discussion • Participatory Learning 	To find out short run and long run equilibrium in Monopoly	To apply the principles of micro economics to the decision making of firms and the functioning of the market To understand the concept of Price Discrimination in Monopoly	Evaluation through Test paper
Module III	Monopolistic competition-Features of monopolistic competition-Short run and long run equilibriumExcess capacity-Product differentiation and selling costs-	<ul style="list-style-type: none"> • Lecture • Discussion • Participatory Learning 	To find out short run and long run equilibrium in Monopolistic competition	To understand the concept of Product Differentiation in Monopolistic Competition	Evaluation through Test paper

	Oligopoly- Characteristics- Collusive versus non-collusive oligopoly- Cournotmodel- Kinked demand curve model - Cartel and price leadership				
Module IV	Competitive factor markets - Demand curve of the firm for one variable input- Demand curve of the firm for several variable inputs- Market demand curve for an input - Supply of inputs to a firm- The market supply of inputs- Equilibrium in a competitive factor market- Factor market with monopoly power- Factor market with monopsony power-Marginal Productivity theory of input demand.	<ul style="list-style-type: none"> • Lecture • Discussion • Participatory Learning 	To find out Pricing and employment in outputs	To identify the pricing and employment of outputs	Evaluation through Test paper

COURSE OUTCOME

CO1	To introduce fundamental market concepts and structures
CO2	To apply the principles of micro economics to the decision making of firms and the functioning of the market
CO3	To understand the concept of Price Discrimination in Monopoly
CO4	To understand the concept of Product Differentiation in Monopolistic Competition
CO5	To identify the pricing and employment of outputs

Faculty in Charge
Mr. Nijil Jacobi

Semester IV

Course Category	Core Course 5
Course Title and Code	Quantitative Methods for Economic Analysis II ECO4 B05
No. of Credits	4
No. of Contact Hours	5 Hours per week

QUANTITATIVE METHODS FOR ECONOMIC ANALYSIS – II

Preamble: This course is designed to transmit the body of basic statistics and mathematics that enables the study of economic theory at the undergraduate level. The aim of this course is to equip the students to quantify economic variables and to enable them to apply statistical techniques in Economics. After completing this course, the student will be able to apply statistical and mathematical techniques in Economics.

Module I: Differential Calculus

Limits and Continuity – Differentiation - Rules, Derivative of single variable and multi variable Functions (except Trigonometric and logarithmic Function), Higher Order Derivatives –Partial differentiation- Optimization - Maxima and Minima of Functions. – Economic Application of Derivatives – Marginal Concepts (MU, MR,MP, Elasticity etc)

Module II: Index Numbers and Time Series

Analysis Index Numbers: Meaning and Uses- Unweighted and Weighted Index Numbers: Laspeyre's, Paasche's, Fisher's, Dorbish-Bowley, Marshall-Edgeworth and Kelley's Methods - Tests of IndexNumbers: Time Reversal and Factor Reversal tests - Base Shifting, Splicing and Deflating -CPI and WPI - Stock Price Indices: BSE-SENSEX and NSE-NIFTY.Time Series Analysis - Components of Time Series - Measurement of Trend by Moving Average and the Method of Least Squares.

Module III: Vital Statistics

Vital Statistics: Meaning and Uses- Fertility Rates: Crude Birth Rate, General Fertility Rate, Specific Fertility Rate, Gross Reproduction Rate and Net Reproduction Rate - Mortality Rates: Crude Death Rate, Specific Death Rate, Infant Mortality Rate andMaternal Mortality Rate - Sex Ratio and Couple Protection Ratio.

Module IV- Fundamentals of probability

Basic probability concepts: – Mutually exclusive and collectively exhaustive events – statistically independent events, sample space, events. Types of probability –A Priori Classical probability – Empirical Classical Probability – Subjective Probability.

References

1. Allen , R.J.D. Mathematical Analysis for Economics ,Macmillan Press, London
2. Dowling Edward T, Mathematical Methods for Business and Economics, Schaums Outline Series, McGraw Hill, 1993

3. Bressler Barry, A Unified Introduction to Mathematical Economics, harper and Row Publishers, ISBN0060409525
4. Sydsaeter K and Hammond P, Essential Mathematics for Economic Analysis, Prentice Hal
15. Dowling Edward.T, Introduction to Mathematical Economics, 2nd/3rd Edition, Schaum's
6. Outline Series, McGraw-Hill, New York, 2003
7. Anderson, Sweeney and Williams, Statistics for Business and Economics, Thomson Education
8. Lind D.A., W.G. Marchal and S.A Wathen., Statistical Techniques in Business and Economics, Tata McGraw Hill, New Delhi
9. Gupta S. P, Statistical Methods, Sultan Chand and Sons, New Delhi
10. Richard I Levin et.al. Statistics for management. India: Pearson Education

OBJECTIVES

- ❖ To equip the students to quantify economic variables
- ❖ To apply the index numbers in economic analysis
- ❖ To enable them to apply statistical techniques in Economics.
- ❖ To apply statistical and mathematical techniques in Economics.

COURSE PLAN

Unit/Session/ Hours (Time Required)	Topics to be Taught	Procedure Student Centric Methods of Teaching	Activity	Learning Outcome	Assessment
Module I	Limits and Continuity – Differentiation - Rules, Derivative of single variable and multi variable Functions (except Trigonometric and logarithmic Function), Higher Order Derivatives –Partial differentiation- Optimization - Maxima and Minima of Functions. – Economic Application of Derivatives – Marginal Concepts (MU, MR,MP, Elasticity etc)	<ul style="list-style-type: none"> • Lecture • Participative Learning • Problem Solving • Discussion 	Write a Assignment on the rules of differentiation n.	To equip the students to quantify economic variables	Evaluation through assignments
Module II	Analysis Index Numbers: Meaning and Uses- Unweighted and	<ul style="list-style-type: none"> • Lecture • Participative Learning • Problem 	Identifying different types of Index	To apply the index numbers in economic	Evaluation through quizzes

	<p>Weighted Index Numbers:Laspeyre ‘s, Paasche’s, Fisher’s, Dorbish-Bowley, Marshall-Edgeworth and Kelley’s Methods - Tests of IndexNumbers: Time Reversal and Factor Reversal tests - Base Shifting, Splicing and Deflating -CPI and WPI - Stock Price Indices: BSE-SENSEX and NSE-NIFTY.Time Series Analysis - Components of Time Series - Measurement of Trend by Moving Average and the Method of Least Squares</p>	<p>Solving</p>	<p>numbers</p>	<p>analysis</p>	
<p>Module III</p>	<p>Vital Statistics: Meaning and Uses-Fertility Rates: Crude Birth Rate, General Fertility Rate, Specific Fertility Rate, Gross Reproduction Rate and Net Reproduction Rate - Mortality Rates: Crude Death Rate, Specific Death Rate, Infant Mortality Rate andMaternal Mortality Rate -</p>	<ul style="list-style-type: none"> • Lecture • Participative Learning • Problem Solving • Group discussion 	<p>Peer discussion about the Importance of vital statistics in Economics</p>	<p>To enable them to apply statistical techniques in Economics</p>	<p>Evaluation through Test Paper</p>

	Sex Ratio and Couple Protection Ratio.				
Module IV	Basic probability concepts: – Mutually exclusive and collectively exhaustive events – statistically independent events, sample space, events. Types of probability – A Priori Classical probability - Empirical Classical Probability Subjective Probability	<ul style="list-style-type: none"> • Lecture • Participative Learning • Problem Solving • Assignment 	To write an assignment on what is probability and different types of probability	To apply statistical and mathematical techniques in Economics	Evaluation through MCQ

COURSE OUTCOME

CO1	To equip the students to quantify economic variables
CO2	To apply the index numbers in economic analysis
CO3	To enable them to apply statistical techniques in Economics.
CO4	To apply statistical and mathematical techniques in Economics.

Faculty in Charge,

Dr Chacko Jose P

Semester IV

Course Category	Core Course 6
Course Title and Code	Macroeconomics II ECO4 B06
No. of Credits	4
No. of Contact Hours	4 Hours per week

MACROECONOMICS – II

Preamble: IS-LM framework is a versatile tool used in understanding the working of modern economies. Hence it is widely used in policy formulation too. Phillips curve also was used widely for policy formulation, until it collapsed following the stagflation of 1970s. New concepts like NAIRU developed afterwards. Market economies have always experienced cyclical fluctuations in economic activity. Fiscal and monetary policies have been effectively employed by governments to fight such fluctuations. The objective of this course is to give a rigorous overview of macroeconomics to the undergraduate students. The course is designed to give the necessary ideas and tools to understand the working of an economy at the aggregate level. The course is also expected to give an idea about the need for and way in which government intervention is required in a modern economy. After completing this course a student should be able to derive IS-LM curves and use the framework to explain the working of an economy. A student should also be able to explain the way fiscal and monetary policy works, using the ISLM framework. Student should also be able to explain the concept and measurement of inflation and unemployment. Similarly, a student should also be able to explain the trade-off between inflation and unemployment as predicted by the Phillips curve and its collapse after the stagflation of 1970s.

Module I :ISLM Model

Goods market equilibrium using IS curve-derivation and shifts-Money market equilibrium using LM curve-derivation and shifts-equilibrium using IS and LM.

Module II:Theories of Inflation and Unemployment Inflation–

Types of Inflation –Headline and core inflation-Measurement of inflation in IndiaWPI-CPI-PPI-GDP deflator.Effects of inflation- Sacrifice ratio-Theories of inflation- Demandpull versus cost-push inflation-Measures to control inflation.Unemployment – Types of unemployment- Measurement of unemployment-Cost of unemployment and Okun’slaw.Phillips curve –Short Run and Long run Phillips curve – Stagflation of 1970s-reasons-NAIRU.

Module III:Short Run Analysis

Business Cycles-Phases-Theories of trade cycles- Hawtrey’s theory- Hayek’s theory- Keynesian theory-Monetarist interpretation of trade cycles-Contra-cyclical policy measures-Monetary, fiscal, and incomes policy - Meaning and Instruments.

Module IV:Fiscal and Monetary Policy

Fiscal policy-tools-effectiveness-Monetary policy-tools-effectiveness-Interaction between fiscal and monetary policy.Unconventional Monetary Policy-Quantitative easing-Transmission mechanism.Great recession of 2008 and use of monetary and fiscal policy.

References

- 1.Edward Shapiro – ‘Macro economics’ Oxford University press.
- 2.GregoryMankiw – ‘Macro economics’ – 6th Edn. Tata McGraw Hill.
3. Richard T. Froyen – ‘Macro economics’, Pearson education.
4. Eugene Diulio – Macro economic Theory, Shaum’s Outline series. Tata McGraw Hill
- 5.Errol D’Souza – ‘Macro Economics’ – Pearson Education 2008
- . 6.AbhijitKundu (2009) : Methodology and Perspectives of Social Science – Pearson Education

OBJECTIVES

- To identify the necessary ideas and tools to understand the working of an economy at the aggregate level.
- To give an idea about the need for and way in which government intervention is required in a modern economy
- To explain the way fiscal and monetary policy works, using the ISLM framework
- To explain the concept and measurement of inflation and unemployment.

COURSE PLAN

Unit/Session/ Hours (Time Required)	Topics to be Taught	Procedure Student Centric Methods of Teaching	Activity	Learning Outcome	Assessment
Module I	Goods market equilibrium using IS curve-derivation and shifts-Money market equilibrium using LM curve-derivation and shifts-equilibrium using IS and LM.	<ul style="list-style-type: none"> • Lecture • Participative Learning • Problem Solving • Group discussion 	To identify the ISLM framework	To explain the way fiscal and monetary policy works, using the ISLM framework	Evaluation through Test Paper
Module II	Types of Inflation – Headline and core inflation- Measurement of inflation in India WPI-CPI-PPI-GDP deflator. Effects of inflation- Sacrifice ratio-Theories of inflation- Demand pull versus cost-push inflation- Measures to control inflation. Unemployment – Types of	<ul style="list-style-type: none"> • Lecture • Participative Learning • Problem Solving • Group discussion 	To identify the different types of inflation	To explain the concept and measurement of inflation and unemployment.	Evaluation through Quiz

	unemployment- Measurement of unemployment- Cost of unemployment and Okun's law. Phillips curve – Short Run and Long run Phillips curve – Stagflation of 1970s-reasons- NAIRU.				
Module III	Business Cycles- Phases-Theories of trade cycles- Hawtrey's theory- Hayek's theory- Keynesian theory- Monetarist interpretation of trade cycles- Contra-cyclical policy measures- Monetary, fiscal, and incomes policy - Meaning and Instruments	<ul style="list-style-type: none"> • Lecture • Participative Learning • Group discussion 	To understand the different types of business cycle	To identify the necessary ideas and tools to understand the working of an economy at the aggregate level.	Evaluation through Test Paper
Module IV	Fiscal policy-tools-effectiveness- Monetary policy-tools-effectiveness- Interaction between fiscal and monetary policy. Unconventional Monetary Policy-Quantitative easing- Transmission mechanism. Great recession of 2008 and use of monetary and fiscal policy.	<ul style="list-style-type: none"> • Lecture • Participative Learning • Group discussion 	Peer discussion about the need of fiscal and monetary policy in India	To give an idea about the need for and way in which government intervention is required in a modern economy	Evaluation through Test Paper

COURSE OUTCOME

CO1	To explain the way fiscal and monetary policy works, using the ISLM framework
CO2	To explain the concept and measurement of inflation and unemployment.
CO3	To identify the necessary ideas and tools to understand the working of an economy at the aggregate level.
CO4	To give an idea about the need for and way in which government intervention is required in a modern economy

Faculty in Charge,

Shirley Joe K

Semester V

Course Category	Core Course 7
Course Title and Code	Fiscal Economics ECO5 B07
No. of Credits	4
No. of Contact Hours	6 Hours per week

FISCAL ECONOMICS

Preamble: Fiscal economics deals with the fisc (treasury) of the country. It is related to decision making in the public sector or finance of the government. The basic aim of this course is to introduce students to the application of the techniques, methods and principles of Economics for decision making in fiscal economics. After completing this course students are expected to learn how the principles of economics can be applied to sound decision making in public finance. They are expected to learn to analyse the financial activities of a government and to understand the important economic issues that government agents face. Training in fiscal economics will help students in higher studies.

Module I: Meaning and scope of fiscal economics

Origin, growth, meaning and scope of public finance- Public and private finance- Principle of MSA- Public goods and private goods-mixed goods and merit goods (concepts only with examples)

Module II: Public expenditure and cost benefit analysis

Meaning and importance of public expenditure with special reference to India-Wagner's, Peacock-Wiseman Hypothesis-Canons of Public expenditure-effects of public expenditure on the economy of India-investment evaluation, project evaluation and cost benefit analysis with suitable examples.

Module III: Public revenue and Income tax calculation

Sources of Public revenue-tax and non-tax- classification of taxes-canons and principles of taxation- Ability to pay- cost of service and Benefit- impact, incidence and shifting of tax burden- effects of taxation- major taxes in India like income tax, GST- calculation of personal and corporation income tax(with suitable examples).

Module IV: Public Debt and Budget in India

Public Debt and Debt management in India- Debt redemption- Budgeting in India- importancetypes- Principles- procedures of budgeting- revenue and capital budgets- zero base budgetingperformance

budgeting- primary deficit- revenue and capital deficit- budget deficit- fiscal policy with reference to India- contra cyclical fiscal policy- deficit financing and black money in India.

Module V:Federal and local finance in India

Meaning and importance of federal finance - function of finance commissions- jurisdictions of finance commission – Centre, State financial relations- NITI Aayog -Local finances- functions and revenues.

Assignments and Seminars

1. Discuss recent central, state and local governments' budget.
2. Calculate income tax of an employee.
3. Prepare and calculate corporation tax of a company.
4. Visit any project in the locality and calculate cost benefit analysis.
5. Discuss about local finance and project.
6. Study about war finance.
7. Consider parallel economy of India.
8. Impact of revenue and expenditure of immigrants and emigrants on the economy of Kerala.
9. Fiscal and monetary policy of India.
10. Discuss Railway Budget.
11. Changes in the financial system of post reform in India.
12. Social Audit system
13. Computation of Net price of a commodity or service by using GST

References:

1. Earl R.Rolph, (1954) "The theory of Fiscal Economics University of California Press.
2. Musgrave and Musgrave(1989),"PublicFinance in Theory and Practice",McGraw Hill International Edition.
3. Tyagi B.P. (1992-93) "Public Finance", Jai Prakash,Nath Co.,Meerat, U.P
4. .UmaKapila(2018) "Indian Economy: Performance and Policies", by Academic Foundation
5. H. Rosen, T. Gayer. (2009) "Public Finance", 9th ed., McGraw-Hill/Irwin,
6. Datta / Sundaram, (2009) "Indian Economy",S.Chand and Co. Ltd., New Delhi.
7. Bhatia H.L(1984). "Public Finance", Vikas Publishing House Pvt.Ltd.,New Delhi
8. R.K Lekhi,Jogindersingh, (2015) "Public Finance"- Kalyani publications
9. Jha R, (1998) "Modern Public Economics", Routledge London.
10. Good sand Service Tax (GST) (2019)-Concept& Status.-Central Boardof Indirect Taxesand Customs (CBIC)India.

OBJECTIVES

- ✚ To understand the meaning and scope of fiscal economies
- ✚ To apply the techniques, methods and principles of Economics for decision making in fiscal economies.
- ✚ To learn how the principles of economics can be applied to sound decision making in public finance
- ✚ To analyse the financial activities of a government
- ✚ To understand the important economic issues that government agents face

COURSE PLAN

Unit/Session/ Hours (Time Required)	Topics to be Taught	Procedure Student Centric Methods of Teaching	Activity	Learning Outcome	Assessment
Module I	Origin, growth, meaning and scope of public finance- Public and private finance- Principle of MSA-Public goods and private goods-mixed goods and merit goods (concepts only with examples)	<ul style="list-style-type: none"> • Lecture • Group Discussion 	To identify the meaning and scope of public Finance	To understand the meaning and scope of fiscal economies	Evaluation through Test Paper
Module II	Meaning and importance of public	<ul style="list-style-type: none"> • Lecture • Assignments 	To identify the theories of Public	To apply the techniques, methods and	Evaluation through Test Paper

	<p>expenditure with special reference to India- Wagner's, Peacock-Wiseman Hypothesis- Canons of Public expenditure- effects of public expenditure on the economy of India- investment evaluation, project evaluation and cost benefit analysis with suitable examples.</p>	<ul style="list-style-type: none"> • Group Discussion 	Expenditure	<p>principles of Economics for decision making in fiscal economics.</p>	
Module III	<p>Sources of Public revenue-tax and non-tax-classification of taxes-canons and principles of taxation- Ability to pay- cost of service and Benefit-impact, incidence and shifting of tax burden-</p>	<ul style="list-style-type: none"> • Lecture • Assignments • Group Discussion • Problem solving 	<p>To understand the calculation of GST and income tax in India</p>	<p>To learn how the principles of economics can be applied to sound decision making in public finance</p>	<p>Evaluation through Test Paper</p>

	effects of taxation- major taxes in India like income tax, GST- calculation of personal and corporation income tax(with suitable examples).				
Module IV	Public Debt and Debt management in India- Debt redemption- Budgeting in India- importance types- Principles- procedures of budgeting- revenue and capital budgets- zero base budgeting performance budgeting- primary deficit- revenue and capital deficit- budget deficit- fiscal policy with reference to India- contra cyclical fiscal policy-	<ul style="list-style-type: none"> • Lecture • Assignments • Group Discussion 	To classify different budgeting in India	To analyse the financial activities of a government	Evaluation through Assignments

	deficit financing and black money in India.				
Module V	Meaning and importance of federal finance - function of finance commissions- jurisdictions of finance commission – Centre, State financial relations- NITI Aayog - Local finances- functions and revenues.	<ul style="list-style-type: none"> • Lecture • Assignments • Group Discussion 	Assignment on Financial sector Reforms in India	To understand the important economic issues that government agents face	Evaluation through Assignments

COURSE OUTCOME

CO1	To understand the meaning and scope of fiscal economies
CO2	To apply the techniques, methods and principles of Economics for decision making in fiscal economies.
CO3	To understand the meaning and scope of fiscal economies
CO4	To learn how the principles of economics can be applied to sound decision making in public finance
CO5	To understand the important economic issues that government agents face

Faculty In Charge,
Dr. Shirley Jose K

Semester V

Course Category	Core Course 8
Course Title and Code	Indian Economic Development ECO5 B08
No. of Credits	4
No. of Contact Hours	6 Hours per week

INDIAN ECONOMIC DEVELOPMENT

Preamble:. The course is designed to expose the learners to some of the key issues facing the Indian economy both at national and regional levels. In this process, as young adults, students are expected to be sensitised about these issues, appreciate and learn to critically assess the role of the government in various economic spheres. The learners are also exposed to numerical information relating to various aspects of Indian economy and India's economic policies. They are expected to develop analytical skills, interpret the economic events and visualise the economic future of India. For all these to happen, teachers are requested to take special care to instruct the students to read the suggested reference books, collect clippings and articles from newspapers and magazines and also develop the habit of following economic survey, economic review and RBI Bulletin. Besides, as against the conventional assignments, each module has '**Suggested Additional Activities**' at the end. Teachers need to encourage the learners to explore beyond the texts while attempting these activities.

Report Based on Study Tour: A study tour is recommended because it may add direct experience to learners about different economic culture of the country. All the final year students need to prepare a report of the tour that includes the places they visited, its importance etc and submit it to the Head of the Department soon after the completion of the tour.

Module I : Development Policies And Experience(1947-1990).

Low Level of Economic Development under the Colonial Rule- Development and Structural Change of Indian Economy Since Independence: Economic policies Perused between 1950's and 1980's: Mixed Economic framework; Market intervention policy and import substitution; Objectives and strategy of planning: Failures and achievements of plans – Performance of 11th plan – Current plan.

Suggested Additional Activities

1. Find out and prepare a list of items that India used to import and export during 1950-51 and 1990-91
 - a. Observe the difference

- b. Do you see the impact of self-reliance? Discuss. Details can be collected from latest Economic Survey.
2. Find out the Deputy Chairman and members of the first Planning Commission of India
 3. Find out the commodities which India Government permitted to import till 1980.
 4. Explain how import substitution can protect domestic industry?

Module II : Economic Reforms since 1991

Background for the introduction of New Economic Reforms of 1991; Liberalisation, Privatisation and Globalisation: An Appraisal- Indian Economy during Reforms with Special focus on trends in FDI, FII and Disinvestment- Centre-State Financial Relations: Finance Commission, its structure and Functioning (with emphasis on Latest Finance Commission). Role of NITI Aayog

Suggested Additional Activities

1. Prepare arguments for and against subsidies. Explain your view
2. Do you think only loss making companies should be privatised? Why?
3. Construct a pie chart for the sectoral contribution of GDP for the period 1950-51 and 2012-
4. What would you observe? Is there a structural change? Explain in your own words
5. Prepare a list showing the latest data on the number of banks- nationalized, private, foreign and New Generation Banks.
6. Discuss the different formulae used for Finance Commission awards.
7. Find out who all are there in the First Finance Commission of India

Module III: Gross Domestic Product and Sectors.

a. Indian Agriculture: The place of Agriculture in the National Economy; Recent Trends in Investment, Credit and Agricultural Subsidy Policy, Agricultural Marketing and Price- New Agricultural Strategy of 1960s (Green Revolution)- Food Security, PDS and TPDS in India; The Need, Scope and Appraisal of Land Reforms in a Developing Country like India.

b. Indian Industries: Review of Industrial Growth under Planning- Industrial Structure: Traditional, SSI, Village, Cottage and Modern Industries- Industrial Sickness-Industrial Policy Resolutions: 1956, 1977, 1980, 1991; an Analysis of Current Industrial Policy- Infrastructure Development in India.

Suggested Additional Activities.

1. Why, despite the implementation of green revolution, 65% of our population continued to be engaged in the agricultural sector till 1990?
2. Why was public sector given a leading role in industrial development during the plan period?
3. Losses incurred by public sector undertakings are to be met out of the public budget -Do you agree with this statement? Discuss.
4. Find out the method of estimating inflation in India. Compare it with other countries.

Module IV: Current Challenges Facing the Indian Economy

a. Poverty: Who are Poor?, Causes and Measurement of Poverty, Number of Poor in India; Policies and Programmes Towards Poverty Alleviation with Special Emphasis on Recent Policies like- Food as a Right: The Food Security Act of 2013 & MGNREGS.

b. Unemployment: Nature, Trends and Estimates of Unemployment in India, Informalisation of Indian Work Force; Employment Prospective of the latest Five Year Plan; Recent Schemes to Reduce Unemployment and Underemployment.

Suggested Additional Activities.

1. Find out from your parents and teachers types of tax payments they are making. Classify the taxes and observe the differences.
2. On the basis of the definition of poverty line, analyse whether categorization of people into BPL/APL is done in the correct way. Explain in your own words.
3. Analyse whether the dream programme of MGNREGP is carrying out in the right way. If No, suggest ways to make the programme more effective. “
4. In some communities, you might have noticed that even if the males do not earn high income, they do not send women to work. Why?
5. Prepare a list of recent schemes and objectives to strengthen the rural areas from the government website <http://www.rural.nic.in>

Module V: Kerala's Economic Development Growth and Structure

Primary, Secondary and Tertiary Sectors-Economic Development Vs Social Development-Poverty Profile of Kerala- Indicators of Human Development: PQLI and HDI- Demographic Transition of Kerala- Trends in Employment and Unemployment in Kerala Sustainability of —Kerala Model of Development with a Special Mention on Recent Sen- | Bhagawati Debate- Decentralised Planning and Development of Kerala- Land Reforms in Kerala- Migration: Concepts in Migration- Emigration to the Gulf- Remittance and its Impact on the Economy of Kerala- Return Migration: Causes, Problems and Policies.

Suggested Additional Activities.

1. Find out the history of emigration from Kerala.
2. Foreign remittance is the backbone of Kerala's socio-economic development. Discuss. “ “
3. What is Nitaqat and Saudization? In what ways it is harmful to the economy of Kerala.
4. Find out the reasons for the existing controversy in poverty estimation.
5. Observe the functioning of „ayalkoottams (SHGs) in your locality and write how far it “ is successful in empowering women.

References:

1. Economic development in India-Problems and Prospects, N.P. Abdul (Ed), Regal Publications, New Delhi
2. Indian Economy, Gopalji Gupta, PEARSON, New Delhi.
3. Ahulwalia, I.J. and I.M.D. Little (Eds) (1999), India's Economic Reforms and
5. Development, (Essays in honour of Manmohan Singh), Oxford University Press, New Delhi.
6. Bardhan, P .K. (1999), The Political Economy of Development in India, Oxford University Press, New Delhi
7. Chakravarty S, (1987), Development Planning: The Indian Experience, Oxford University Press, and New Delhi

OBJECTIVES

- To understand the key issues facing the Indian economy both at national and regional levels
- To critically assess the role of the government in various economic spheres.
- To classify various aspects of Indian economy and India's economic policies.
- To develop analytical skills, interpret the economic events and visualise the economic future of India.
- To critically evaluate Kerala Model Of Development

COURSE PLAN

Unit/Session/ Hours (Time Required)	Topics to be Taught	Procedure Student Centric Methods of Teaching	Activity	Learning Outcome	Assessment
Module I	Low Level of Economic Development under the Colonial Rule- Development and Structural Change of Indian Economy Since Independence: Economic policies Perused between 1950's and 1980's: Mixed Economic framework; Market intervention policy and import substitution; Objectives and strategy of planning: Failures and achievements of plans – Performance of 11th plan – Current plan.	<ul style="list-style-type: none"> ➤ Lecture ➤ Peer Discussion ➤ Power point Presentation 	To critically evaluate Indian economy since Independence	To understand the key issues facing the Indian economy both at national and regional levels	Evaluation through Peer Discussion

Module II	Background for the introduction of New Economic Reforms of 1991; Liberalisation, Privatisation and Globalisation: An Appraisal- Indian Economy during Reforms with Special focus on trends in FDI, FII and Disinvestment-Centre-State Financial Relations: Finance Commission, its structure and Functioning (with emphasis on Latest Finance Commission).Role of NITI Aayog	<ul style="list-style-type: none"> ➤ Lecture ➤ Peer Discussion Power point Presentation 	To analyse economic REFORMS OF 1991 in India	To develop analytical skills, interpret the economic events and visualise the economic future of India	Evaluation through Test Paper
Module III	<ul style="list-style-type: none"> a. Indian Agriculture b. Indian Industries 	<ul style="list-style-type: none"> ➤ Lecture ➤ Peer Discussion ➤ Power point Presentation 	To compare growth of Indian agriculture and industries	To classify various aspects of Indian economy and India's economic policies	Evaluation through Test Paper
Module IV	<ul style="list-style-type: none"> a. Poverty: b. Unemployment 	<ul style="list-style-type: none"> ➤ Lecture ➤ Peer Discussion ➤ Power point Presentation 	To understand the concept of poverty and employment through	To critically assess the role of the government in various economic spheres	Evaluation through Peer Discussion

			Discussion		
Module V	<p>Growth and Structure- Primary, Secondary and Tertiary Sectors- Economic Development Vs Social Development- Poverty Profile of Kerala- Indicators of Human Development: PQLI and HDI- Demographic Transition of Kerala- Trends in Employment and Unemployment in Kerala Sustainability of —Kerala Model of Development with a Special Mention on Recent Sen- I Bhagawati Debate- Decentralised Planning and Development of Kerala- Land Reforms in Kerala- Migration: Concepts in Migration- Emigration to the Gulf- Remittance and its Impact on the Economy of Kerala- Return Migration: Causes, Problems and Policies.</p>	<ul style="list-style-type: none"> ➤ Lecture ➤ Peer Discussion ➤ Power point Presentation ➤ Debate ➤ Assignments 	<p>To write assignment on Human Development Index in Kerala</p>	<p>To critically evaluate Kerala Model Of Development</p>	<p>Evaluation through Debate</p>

COURSE OUTCOME

CO1	To understand the key issues facing the Indian economy both at national and regional levels
CO2	To develop analytical skills, interpret the economic events and visualise the economic future of India
CO3	To classify various aspects of Indian economy and India's economic policies
CO4	To critically assess the role of the government in various economic spheres
CO5	To critically evaluate Kerala Model Of Development

Faculty In Charge,
Dr. Shirley Jose K

Semester V

Course Category	Core Course 9
Title and Code	Economics of Capital Market ECO5 B09
No. of Credits	4
No. of Contact Hours	5 Hours per week

ECONOMICS OF CAPITAL MARKET

Preamble: In the present Globalised world financial institutions and markets play a significant role. The financial sector liberalization across the world including India has led to unprecedented growth in the financial sector, especially in the capital market, leading to the introduction of new and diversified financial instruments and financial practices, providing ample career opportunities to the students of economics. This course is designed to give an exposure to the students of economics to the changing world of financial markets and to give them an opportunity to familiarize with the basic concepts related to capital market which they read in newspapers and hear and see through electronic media in their daily walks of life. This course also aims at providing a platform to the students of economics in developing the skills required to take up a career in financial sector and to provide them an opportunity to think of higher studies in finance which may open them vast career opportunities in the field of finance.

Module I: Financial Assets

Financial Assets – Tangible and Intangible Assets – Debt Vs Equity – Properties of Financial assets – Financial markets – Classification of Financial Markets – Financial System and Economic Development – Weakness of Indian Financial System.

References:

1. .Frank J. Fabozzi and Franco Modigliani, —Capital Markets – Institutions and Instruments , | Pearson Prentice Hall, New Delhi (Latest Edition).
2. Gordan K. Natarajan, —Financial Markets and Services |, Himalaya Publishing House, Mumbai (Latest Edition).

Module II : Capital Market Capital market –

Meaning, Characteristics and Functions – Importance of Capital Markets in an economy – The structure of Indian capital market – Capital market instruments – Equity shares (rights shares, bonus shares, blue chip shares), Debentures or Bonds (Convertible, nonconvertible, partly convertible, fully convertible, redeemable and irredeemable), Government securities, Euro Issues – GDRs, ADRs, Foreign Currency Convertible Bonds (FCCB) – Capital Market Institutions – DIIs, FIIs, Mutual Funds – Securities and Exchange Board of India (SEBI) – Objectives, Functions and Powers

References:

1. S. Gurusamy, _Capital Markets_, Vijay Nicole Imprints Private Limited, Chennai (Latest edition)

2. Shashi K Gupta, Nisha Aggarwal and Neeti Gupta, *Financial Markets and Institutions*, Kalyani publishers, New Delhi (Latest edition)

3. M.Y. Khan, *Indian Financial System*, Tata McGraw Hill Education Private Limited, New Delhi (Recent edition)

4. Online Resource : www.sebi.gov.com

Activities/Assignments:

1. Students may be asked to note down the important mutual funds operating in India and different schemes offered by some of them and their descriptions. (eg: Growth Funds, Open end Funds etc.)

Module III : The Primary Market (New Issues Market)

Meaning and Functions of Primary Market – Methods of Floating New Issues – Pure Prospectus method, Private Placement Method, IPO Method, Rights Issue Method, Bonus Issue Method, Book Building Method, Employee Stock Option (ESOP) – Intermediaries in New Issues Market – Merchant Bankers/Lead Managers, Registrars to an Issue, Underwriters, Bankers to an Issue, Brokers to an Issue, Debenture Trustees – Causes for Poor performance of New Issues Market.

References:

1. S. Gurusamy, *Capital Markets*, Vijay Nicole Imprints Private Limited, Chennai (Latest edition)
2. Shashi K Gupta, Nisha Aggarwal and Neeti Gupta, *Financial Markets and Institutions*, Kalyani publishers, New Delhi (Latest edition)
3. S. Gurusamy, *Financial Markets and Institutions*, Vijay Nicole Imprints Private Limited, Chennai (Latest edition)
4. S.N. Sasidharan and S. Aiyappan Pillai, *An Introduction to Capital Market*, Right Publishers, Kudavechoor (Latest edition)
5. L.M. Bhole, *Financial Institutions and Markets-Structure, Growth and Innovations*, Tata McGraw Hill Publishing Company Limited, New Delhi (Latest edition)

Activities/Assignments:

1. Show specimen of share application form (IPO) and ask the students to note down the important terms mentioned in the form. Tell them to write down the meaning of all such terms (eg: QIB, Retail Investor, Cap Price etc) and institutions related to IPO.
2. Ask the students to fill up the share application form so as to acquire some practical skills in the subject.
3. Students may be introduced to a specimen of Demat Account opening Form. (Available with DPs like Geojith Securities, JRG Securities, Stock Holding Corporation of India or other Stock Broking firms)

Module IV: The Secondary Market – Stock Exchanges

The Secondary Market – Difference between Primary market and Secondary Market – Listing of Securities – Physical Shares and Demat Shares – Depository Participant (DP) – NSDL and CSDL – Meaning and Definition of Stock Exchanges – Functions of Stock Exchanges – Origin and Development of Stock Exchanges in India – Bombay Stock Exchange (BSE) - National Stock Exchange (NSE) – Over the Counter Exchange of India (OTCEI) – Stock Market Index in India and Abroad: SENSEX and Nifty – NASDAQ, DOWJONES, FTSE, Nikkei.

References:

1. S. Gurusamy, ‘Capital Markets’, Vijay Nicole Imprints Private Limited, Chennai (Latest edition)
2. Shashi K Gupta, Nisha Aggarwal and Neeti Gupta, ‘Financial Markets and Institutions’, Kalyani publishers, New Delhi (Latest edition)
3. S. Gurusamy, ‘Financial Markets and Institutions’, Vijay Nicole Imprints Private Limited, Chennai (Latest edition)
4. S.N. Sasidharan and S. Aiyappan Pillai, ‘An Introduction to Capital Market’, Right Publishers, Kudavechoor (Latest edition)
5. L.M. Bhole, ‘Financial Institutions and Markets-Structure, Growth and Innovations’, Tata McGraw Hill Publishing Company Limited, New Delhi (Latest edition)
6. Online resources: i) www.nseindia.com ii) www.bseindia.com

Activities/Assignments:

1. Ask students to visit SEBI website and collect data on purchase, sale and net investment in equity and debt instruments by FIIs in Indian Stock Market (Also available in financial dailies like Economic Times, Businessline etc.)
2. Ask students to visit the BSE website and note down the shares of companies included in SENSEX and their relative weightage in the index
3. Ask students to visit the NSE website and note down the shares of companies included in NSE Nifty and their relative weightage in the index.
4. Students may be asked to find out other different indices published by BSE and make a short note of these indices from BSE website (eg: BSE PSU Index, BSE TECH Index etc.
5. Students may be directed to study the share holding pattern of some of the shares of companies listed at BSE or NSE. (Available also at www.moneycontrol.com)

Note: 1. Students may be motivated to read financial dailies like Economic Times, Business Line, Business Standard, Dhanam etc regularly in order to get a proper understanding of the terms and concepts and the working of capital markets. 2. Students may be encouraged to watch exclusive financial channels like CNBC TV 18, NDTV PROFIT etc, to get an idea of stock trading and capital market activities. 3. If

possible students may be taken to a stock trading terminal so as to get an idea of the online buying and selling of shares.

Additional Reading:

1. M. Y. Khan, ‘Indian Financial System’, Tata McGraw Hill Education Private Limited, New Delhi (Latest Edition)
2. L.M. Bhole and Jitendra Mahakud, ‘Financial Institutions and Markets – Structure, Growth and Innovations’, Tata McGraw Hill Education Private Limited, New Delhi (Latest Edition)
3. Bharathi V. Pathak, ‘The Indian Financial System – Markets, Institutions and Services’, Pearson, New Delhi (latest edition)
4. K.L. Garg, ‘Stock Exchanges in India’, Bookland Limited, Calcutta.
5. V.A. Avadhani, ‘Investment and Securities Market in India’, Himalaya Publishing House, Bombay (Latest edition)

OBJECTIVES

- ❖ To understand different financial assets in the economy
- ❖ To introduce new and diversified financial instruments and financial practices
- ❖ To providing a platform to the students of economics in developing the skills required to take up a career in financial sector
- ❖ To understand the functioning stock market in India

COURSE PLAN

Unit/Session/ Hours (Time Required)	Topics to be Taught	Procedure Student Centric Methods of Teaching	Activity	Learning Outcome	Assessment
Module I	Tangible and Intangible Assets – Debt Vs Equity – Properties of Financial assets- Financial markets – Classification of Financial Markets – Financial System and Economic Development – Weakness of Indian Financial System.	<ul style="list-style-type: none"> ➤ Lecture ➤ Peer Discussion ➤ Power point Presentation 	To compare tangible and intangible assets	To understand different financial assets in the economy	Evaluation through Test Paper
Module II	Meaning, Characteristics and Functions – Importance of Capital	<ul style="list-style-type: none"> ➤ Lecture ➤ Peer Discussion 	The students to fill up the share application form so as to acquire some practical skills in the subject.	To introduce new and diversified financial instruments and	Evaluation Through Test Paper

	<p>Markets in an economy – The structure of Indian capital market – Capital market instruments – Equity shares (rights shares, bonus shares, bluechip shares), Debentures or Bonds (Convertible, nonconvertible, partly convertible, fully convertible, redeemable and irredeemable), Government securities, Euro Issues – GDRs, ADRs, Foreign Currency Convertible Bonds (FCCB) – Capital Market Institutions- DIIs, FIIs, Mutual Funds – Securities and Exchange Board of India (SEBI) – Objectives, Functions</p>			<p>financial practices</p>	
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	and Powers				
Module III	<p>Meaning and Functions of Primary Market – Methods of Floating New Issues – Pure Prospectus method, Private Placement Method, IPO Method, Rights Issue Method, Bonus Issue Method, Book Building Method, Employee Stock Option (ESOP) – Intermediaries in New Issues Market – Merchant Bankers/Lead Managers, Registrars to an Issue, Underwriters, Bankers to an Issue, Brokers to an Issue, Debenture Trustees – Causes for Poor performance of New Issues Market.</p>	<ul style="list-style-type: none"> ➤ Lecture ➤ Peer Discussion ➤ Assignments 	<p>to note down the important mutual funds operating in India and different schemes offered by some of them and their descriptions.(e.g: Growth Funds, Open end Funds etc.)</p>	<p>To providing a platform to the students of economics in developin g the skills required to take up a career in financial sector</p>	<p>Evaluation through Test Paper</p>

Module IV	<p>The Secondary Market – Difference between Primary market and Secondary Market – Listing of Securities – Physical Shares and Demat Shares – Depository Participant (DP) – NSDL and CSDL – Meaning and Definition of Stock Exchanges – Functions of Stock Exchanges – Origin and Development of Stock Exchanges in India – Bombay Stock Exchange (BSE) – National Stock Exchange (NSE) – Over the Counter Exchange of India (OTCEI) – Stock Market Index in India</p>	<ul style="list-style-type: none"> ➤ Lecture ➤ Peer Discussion ➤ Power point Presentation 	<p>To find out other different indices published by BSE and make a short note of these indices from BSE website (eg: BSE PSU Index, BSE TECH Index etc.</p>	<p>To understand the functioning stock market in India</p>	<p>Evaluation through Test Paper</p>
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	and Abroad: SENSEX and Nifty – NASDAQ, DOWJONES, FTSE, Nikkei.				
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COURSE OUTCOME

CO1	To understand different financial assets in the economy
CO2	To introduce new and diversified financial instruments and financial practices
CO3	To providing a platform to the students of economics in developing the skills required to take up a career in financial sector
CO4	To understand the functioning stock market in India

Faculty In Charge,

Dr. Chacko Jose P

Semester V

Course Category	Core Course 10
Course Title and Code	Mathematical Economics ECO5 B10
No. of Credits	4
No. of Contact Hours	5 Hours per week

MATHEMATICAL ECONOMICS

Preamble: Mathematical economics is an approach where mathematical symbols and theorems are used for economic analysis. Modern economics is analytical and mathematical in structure. Thus the language of mathematics has deeply influenced the whole body of the science of economics. Every student of economics must possess a good proficiency in the fundamental methods of mathematical economics. One of the significant developments in Economics is the increased application of quantitative methods and econometrics. A reasonable understanding of econometric principles is indispensable for further studies in economics. This course is aimed at introducing students to the most fundamental aspects of mathematical economics and econometrics. The objective is to develop skills in these. It also aims at developing critical thinking, and problem-solving, empirical research and model building capabilities of the student which will help them to build and test models in economics and related fields. The course will also assist them in higher studies in economics.

Module I: Introduction to Mathematical Economics

Mathematical Economics: Meaning and Importance- Mathematical Representation of Economic Models- Economic functions: Demand function, Supply function, Utility function, Consumption function, Production function, Cost function, Revenue function, Profit function, saving function, Investment function

Module II: Marginal Concepts

Marginal utility, Marginal propensity to Consume, Marginal propensity to Save, Marginal product, Marginal Cost, Marginal Revenue, Marginal Rate of Substitution, Marginal Rate of Technical Substitution. Relationship between Average Revenue and Marginal Revenue Relationship between Average Cost and Marginal Cost - Elasticity: Price elasticity, Income elasticity, Cross elasticity.

Module III: Optimisation

Optimisation of single / multi variable functions - Constrained optimisation with Lagrange Multiplier – significance of Lagrange Multiplier. Economic applications: Utility Maximisation, Cost Minimisation, Profit Maximisation.

Module IV: Production Function

Linear Programming and Input Output analysis Production function- homogeneous and non-homogeneous. Degree of homogeneity and returns to scale - Properties of Cobb-Douglas production function. Production possibility curve. Linear programming: – Basic concept, Nature of feasible, basic and optimal solution; Graphic solution. Input-output analysis –Matrix of technical coefficients – the Leontief matrix – computation of total demand for a two/ three sector economy.

Module V: Market Equilibrium

Market Equilibrium: Perfect Competition- Monopoly- Discriminating Monopoly

Note to faculty / question paper setter: 1. This course is for B.A. Economics course. The students of this course may not have studied mathematics at higher secondary level. Hence questions may be confined to intermediary level. 2. Kindly give due consideration and adhere to the weightages indicated in the syllabus while setting question paper also.

References:

1. Dowling E.T, Introduction to Mathematical Economics, 2nd Edition, Schaum's Outline Series, McGraw-Hill, New York, 2003 (ETD)
2. Chiang A.C. and K. Wainwright, Fundamental Methods of Mathematical Economics, Tata McGraw-Hill Education; Fourth edition (2013)
3. Henderson, J. M. and R.E. Quandt (1980), Microeconomic Theory: A Mathematical Approach, McGraw Hill, New Delhi.
4. James Bradfield, Jeffrey Baldani, An Introduction to Mathematical Economics, Cengage Learning India Pvt Ltd (2008)
5. A. Koutsoyiannis, Modern Microeconomics, Palgrave Macmillan; 2nd Revised edition (2003) (– see mathematical appendices for each topic.

OBJECTIVES

- To develop a good proficiency in the fundamental methods of mathematical economics
- To introduce the most fundamental aspects of mathematical economics and econometrics
- To inculcate critical thinking, and problem-solving, empirical research and model building capabilities of the student.
- To understand the marginal concepts in economics

COURSE PLAN

Unit/Session/ Hours (Time Required)	Topics to be Taught	Procedure Student Centric Methods of Teaching	Activity	Learning Outcome	Assessment
Module I	Mathematical Economics: Meaning and Importance- Mathematical Representation of Economic Models- Economic functions: Demand function, Supply function, Utility function, Consumption function, Production function, Cost function, Revenue function, Profit function, saving function, Investment function	<ul style="list-style-type: none"> ➤ Lecture ➤ Group Discussion ➤ Problem Solving 	To understand fundamental methods of mathematical economics	To develop a good proficiency in the fundamental methods of mathematical economics	Evaluation through Test Paper

Module II	Marginal utility, Marginal propensity to Consume, Marginal propensity to Save, Marginal product, Marginal Cost, Marginal Revenue, Marginal Rate of Substitution, Marginal Rate of Technical Substitution. Relationship between Average Revenue and Marginal Revenue Relationship between Average Cost and Marginal Cost - Elasticity: Price elasticity, Income elasticity, Cross elasticity	<ul style="list-style-type: none"> ➤ Lecture ➤ Group Discussion ➤ Problem Solving 	To understand marginal concepts in economics	To understand marginal concepts in economics	Evaluation through Test Paper
Module III	Optimisation of single / multi variable functions - Constrained optimisation with Lagrange Multiplier – significance of Lagrange Multiplier. Economic applications: Utility	<ul style="list-style-type: none"> ➤ Lecture ➤ Group Discussion ➤ Problem Solving 	To identify optimization of single / multi variable functions	To inculcate critical thinking, and problem-solving, empirical research and model building capabilities of the student	Evaluation through Test Paper

	Maximisation, Cost Minimisation, Profit Maximisation.				
Module IV	<p>Linear Programming and Input Output analysis</p> <p>Production function-homogeneous and non-homogeneous. Degree of homogeneity and returns to scale - Properties of Cobb-Douglas production function.</p> <p>Production possibility curve. Linear programming:</p> <ul style="list-style-type: none"> - Basic concept, Nature of feasible, basic and optimal solution; Graphic solution. <p>Input-output analysis</p> <ul style="list-style-type: none"> -Matrix of technical coefficients - the Leontief matrix - computation of total demand for a two/ three sector economy. 	<ul style="list-style-type: none"> ➤ Lecture ➤ Group Discussion ➤ Problem Solving 	To find out linear programming in economics	To inculcate critical thinking, and problem-solving, empirical research and model building capabilities of the student	Evaluation through Test Paper

Module V	Market Equilibrium: Perfect Competition- Monopoly- Discriminating Monopoly	<ul style="list-style-type: none"> ➤ Lecture ➤ Peer Discussion ➤ Problem Solving 	To find out market equilibrium in different markets	To critically evaluate Market Equilibrium in different markets	Evaluation through Test Paper
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COURSE OUTCOME

CO1	To develop a good proficiency in the fundamental methods of mathematical economics
CO2	To understand marginal concepts in economics
CO3	To inculcate critical thinking, and problem-solving, empirical research and model building capabilities of the student
CO4	To critically evaluate Market Equilibrium in different markets

Faculty In Charge,

Dr. Chacko Jose P

Semester VI

Course Category	Core Course 11
Course Title and Code	Financial Economics ECO6 B11
No. of Credits	4
No. of Contact Hours	5 Hours per week

FINANCIAL ECONOMICS

Preamble: This course intends to familiarize the students with the basic concepts in financial economics along with some of the basic models which are used to benchmark valuation of assets and derivatives. These include the CAPM, and the Binomial Option Pricing models. After completing this course, the student will be able to develop comprehensive knowledge on the role of finance in the operation of an economy. It also enables them to know the operation of the Indian Financial System and activities in the financial markets.

Module I: Investment Theory and Structure of Interest rates

Introduction to financial economics, Time Value of Money: Future Value, Present Value, Future value of an annuity, Present value of annuity, Present rate of perpetuity. Investment Criteria: Net Present Value, Benefit Cost Ratio, Internal Rate of Return, Modified Internal Rate of Return.

Module II: Valuation of Bonds and Securities

Fundamentals of Valuation of Securities: Valuation of Bonds and Stocks; Bond Yield, Yield to Maturity. Equity Valuation: Dividend Discount Model, The P/E Ratio Approach; Irrelevance of Dividends: Modigliani and Miller Hypothesis.

Module III: Risk and Return Types of risk

, Historical returns and Risk, computing historical returns, average annual returns, variance of returns, Measurement of Risk and Return of an asset, Measurement of Risk and Return of a Portfolio, Determinants of Beta, Risk-Return trade off.

Module IV: Cost of Capital and Capital Asset Pricing Model

The Cost of Capital: Debt and equity; Cost of Debt, Cost of Preference Capital and Equity Capital. 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.

Module V: Derivative Markets

An introduction to financial derivatives: Types and uses of derivatives; Forward Contracts: determination of forward prices, Futures Contract: theories of future prices- the cost of carry model, the expectation model, capital asset pricing model. Relation between Spot and Future Prices, forward vs future contract, Hedging in Futures; Options: types, value of an option, the Pay-Offs from Buying and Selling of Options;

the Put Call Parity Theorem; Binomial option pricing model (BOPM) and Black-Scholes option pricing model.

References

1. L. M. Bhole and J. Mahukud, Financial Institutions and Markets, Tata McGraw Hill, 5th edition, 2011.
2. Hull, John C., Options, Futures and Other Derivatives, Pearson Education, 6th edition, 2005.

Additional Reading List

1. David G. Luenberger, Investment Science, Oxford University Press, USA, 1997.
2. Thomas E. Copeland, J. Fred Weston and KuldeepShastri, Financial Theory and Corporate Policy, Prentice Hall, 4th edition, 2003.
3. Richard A. Brealey and Stewart C. Myers, Principles of Corporate Finance, McGrawHill, 7th edition, 2002.
4. Stephen A. Ross, Randolph W. Westerfield and Bradford D. Jordan, Fundamentals of Corporate Finance. McGraw-Hill, 7th edition, 2005.

OBJECTIVES

- To develop comprehensive knowledge on the role of finance in the operation of an economy.
- To critically evaluate Modigliani and Miller hypothesis
- To know the operation of the Indian Financial System and activities in the financial markets.
- To know the operation of the capital market in India
- To understand concept of financial derivatives in India

COURSE PLAN

Unit/Session/ Hours (Time Required)	Topics to be Taught	Procedure Student Centric Methods of Teaching	Activity	Learning Outcome	Assessment
Module I	Introduction to financial economics, Time Value of Money: Future Value, Present Value, Future value of an annuity, Present value of annuity, Present rate of perpetuity. Investment Criteria: Net Present Value, Benefit Cost Ratio, Internal Rate of Return, Modified Internal Rate of Return.	<ul style="list-style-type: none"> • Lecture • Peer Discussion 	To understand the concept of financial economics	To develop comprehensive knowledge on the role of finance in the operation of an economy	Evaluation through Test Paper
Module II	Fundamentals of Valuation of Securities: Valuation of Bonds and Stocks; Bond	<ul style="list-style-type: none"> • Lecture • Peer Discussion 	To identify the fundamentals of valuation of securities.	To critically evaluate Modigliani and Miller hypothesis	Evaluation through Test Paper

	Yield, Yield to Maturity. Equity Valuation: Dividend Discount Model, The P/E Ratio Approach; Irrelevance of Dividends: Modigliani and Miller Hypothesis				
Module III	Historical returns and Risk, computing historical returns, average annual returns, variance of returns, Measurement of Risk and Return of an asset, Measurement of Risk and Return of a Portfolio, Determinants of Beta, Risk-Return trade off.	<ul style="list-style-type: none"> • Lecture • Peer Discussion 	To know measurement of risk and return of portfolio	To know the operation of the Indian Financial System and activities in the financial markets.	Evaluation through Test Paper
Module IV	The Cost of Capital: Debt and equity; Cost of Debt, Cost of Preference Capital and Equity Capital. The capital market line; the capital asset pricing model; the beta of an	<ul style="list-style-type: none"> • Lecture • Peer Discussion 	To critically evaluate CPAM model in investment analysis and as a pricing formula	To know the operation of the capital market in India	Evaluation through Test Paper

	asset and of a portfolio; security market line; use of the CAPM model in investment analysis and as a pricing formula				
Module V	An introduction to financial derivatives: Types and uses of derivatives; Forward Contracts: determination of forward prices, Futures Contract: theories of future prices- the cost of carry model, the expectation model, capital asset pricing model. Relation between Spot and Future Prices, forward vs future contract, Hedging in Futures; Options: types, value of an option, the Pay-Offs from Buying and Selling of Options; the Put Call Parity Theorem; Binomial	<ul style="list-style-type: none"> • Lecture • Peer Discussion 	To understand financial derivatives in India	To understand concept of financial derivatives in India	Evaluation through Test Paper

	option pricing model (BOPM) and Black-Scholes option pricing model.				
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COURSE OUTCOME

CO1	To develop comprehensive knowledge on the role of finance in the operation of an economy.
CO2	To critically evaluate the Modigliani and Miller hypothesis.
CO3	To know the operation of the Indian Financial System and activities in the financial markets
CO4	To know the operation of the capital market in India
CO5	To understand concept of financial derivatives in India

Faculty In Charge,

Mr. Nijil Jacobi

Semester VI

Course Category	Core Course 12
Course Title and Code	International Economics ECO6 B12
No. of Credits	4
No. of Contact Hours	5 Hours per week

INTERNATIONAL ECONOMICS

Preamble: International economics deals with the economic relations among nations --- both trade and financial relations—A good understanding in international economics is necessary for a student of economics and those who wish to work in these areas or governmental organizations. The basic aim of this introductory course on international economics is to present before the students the questions, and answers, related to international economic relations. The students are expected to acquire skill that will help them to take rational decisions in issues related to international economics.

Module I: Introduction to International Economics

Subject matter and importance of International Economics - Internal trade and International trade - Importance of International trade – International trade and economic development – Basic concepts - Terms of trade.

Module II :Theories of International Trade:

Mercantilist approach to trade -Classical Theory: Absolute and Comparative Cost Advantage theories - Heckscher – Ohlin Theory and Leontief Paradox.

Module III: Theory of Commercial Policy:

Free trade - Arguments for and against free trade – Protection - Arguments for and against protection - Methods of Trade Restriction : Tariff and non-tariff trade barriers - Types of tariffs – New protectionism - export subsidy and countervailing duties - Dumping and anti-dumping duties – Economic Integration – WTO, EU, NAFTA, ASEAN, SAARC.

Module IV: Foreign Exchange

Foreign exchange market – functions - Defining foreign exchange and exchange rate – Exchange rate concepts – exchange rate changes (devaluation, revaluation, depreciation, appreciation- over valuation and undervaluation) – Different systems of exchange rate determination - fixed and flexible exchange rate – Hybrid exchange rate systems – Managed floating – Theories of exchange rate – Mint Parity theory – Purchasing Power Parity Theory – Balance of Payments Theory - Components of Foreign exchange .

Module V: Balance of Payments

Defining Balance of Trade and Balance of Payments - Structure of balance of payments – Equilibrium and disequilibrium in BOP – Measures to correct BOP disequilibrium – India's BOP since 1991 – International financial flows – Foreign Direct Investment and Portfolio Investment – Currency Convertibility – IMF-Role and Functions.

References

1. Salvatore, Dominick, *International Economics*, Wiley India, New Delhi.
2. C.P. Kindleberger, *International Economics*
3. Bo Soderstein and Geoffrey Reed, *International Economics*, Macmillan
4. Carbaugh, *International Economics*, Cengage Learning
4. Francis Cherumilam - *International Economics*
5. Mannur, H.G. *International Economics*
6. Errol D'Souza, *Macro Economics*, Pearson Education 2008 (For BOP in India)
7. RBI Bulletin, Various issues. 49

OBJECTIVES

- To understand the different terms related to international economics
- To explain the theories of international trade
- To analyze the different theories of commercial policies.
- To acquire skills related to interpret functioning of foreign exchange
- To distinguish between BOT and BOP

COURSE PLAN

Unit/Session/ Hours (Time Required)	Topics to be Taught	Procedure Student Centric Methods of Teaching	Activity	Learning Outcome	Assessment
Module I	Subject matter and importance of International Economics - Internal trade and International trade - Importance of International trade – International trade and economic development – Basic concepts- Terms of trade	<ul style="list-style-type: none"> • Lecture • Peer Discussion 	To know the different terms in international economics especially Terms of Trade	To understand the different terms related to international economics	Evaluation through Test Paper
Module II	Mercantilist approach to trade - Classical Theory : Absolute and Comparative Cost Advantage theories - Hecksher – Ohlin Theory and Leontief Paradox.	<ul style="list-style-type: none"> • Lecture • Peer Discussion 	To differentiate the different theories in international trade	To explain the theories of international trade	Evaluation through Test Paper
Module III	Free trade - Arguments for and against free	<ul style="list-style-type: none"> • Lecture • Peer Discussion 	To critically evaluate	To analyze the different	Evaluation through Test Paper

	<p>trade – Protection - Arguments for and against protection - Methods of Trade Restriction : Tariff and non-tariff trade barriers - Types of tariffs – New protectionism - export subsidy and countervailing duties - Dumping and anti-dumping duties – Economic Integration – WTO, EU, NAFTA, ASEAN, SAARC</p>	<p>n</p>	<p>the theories of commercial policies</p>	<p>theories of commercial policies.</p>	
<p>Module IV</p>	<p>Foreign exchange market – functions - Defining foreign exchange and exchange rate – Exchange rate concepts – exchange rate changes (devaluation, revaluation, depreciation, appreciation-over valuation and undervaluation) – Different systems of exchange rate determination - fixed and flexible</p>	<ul style="list-style-type: none"> • Lecture • Peer Discussion 	<p>To identify the functioning of foreign exchange markets</p>	<p>To acquire skills related to interpret functioning of foreign exchange</p>	<p>Evaluation through Quizz</p>

	<p>exchange rate – Hybrid exchange rate systems – Managed floating – Theories of exchange rate – Mint Parity theory – Purchasing Power Parity Theory – Balance of Payments Theory - Components of Foreign exchange .</p>				
Module V	<p>Defining Balance of Trade and Balance of Payments - Structure of balance of payments – Equilibrium and disequilibrium in BOP – Measures to correct BOP disequilibrium – India’s BOP since 1991 – International financial flows – Foreign Direct Investment and Portfolio Investment – Currency Convertibility – IMF-Role and Functions</p>	<ul style="list-style-type: none"> • Lecture • Peer Discussion 	To compare BOT and BOP	To distinguish between BOT and BOP	Evaluation through Test Paper

COURSE OUTCOME

CO1	To understand the different terms related to international economics
CO2	To explain the theories of international trade
CO3	To analyze the different theories of commercial policies.
CO4	To acquire skills related to interpret functioning of foreign exchange
CO5	To distinguish between BOT and BOP

Faculty In Charge,

Mr. Nijil Jacobi

Semester VI

Course Category	Core Course 13
Course Title and Code	Development of Economic Thought ECO6 B13
No. of Credits	4
No. of Contact Hours	5 Hours per week

DEVELOPMENT OF ECONOMIC THOUGHT

Preamble: This course presents review of the history of economic thinking and economic analysis.: The main goal of this course is to provide students with understanding of historical evolution of economic thought. In addition students are also led to familiarize with i) Developments in major field of economics, ii) Schools of thought in economics iii) Works of some great economist from antiquity to contemporary times. By the end of this course student will be able to identify the major ideas associated with each group or thinker studied, and thereby the origins of contemporary theory are better comprehended. They are expected to place the theories and ideas studied within the context of the times in which they developed, evaluate different streams of economic thinking as well some personalities who had a major impact on the history of economic thought. Students are also expected to identify theories that radically differ from modern mainstream theory, and thereby recognize that the theoretical basis of economics has been, and continues to be, contested.

Module I: Mercantilism & Physiocrats Mercantilism-

Main characteristics - Limitations of national resources. Importance of Foreign Conquest, Colonization and Trade, Role of State in Foreign Trade, Definition of Wealth and the ways in which to augment it, Importance of the Balance of Trade, Works of Francis Bacon, Thomas Mum, Josiah Child, John Cary, Charles Davenant, John Stuart Mill Age of Enlightenment – France, Italy, Scotland. The Physiocratic school. Definition of surplus. The organization of economic activities and transactions. The Tableau Economique Works of Jacques Turgot, Francois Quesnay, Richard Cantillon.

Module II: British Political Economy

Nature of the Surplus, Source of Value, Measure of Value, Market Prices and Natural Prices, Profits and Wages, Gross and Net Revenue (national income), Income Distribution, Works of Adam Smith, David Ricardo, Robert Malthus, Objections raised by J. B. Say, Charles Dupuit, W Stanley Jevons, and Leon Walras, J.M. Keynes

Module III: Socialism

Rise of Socialist ideas, Political background, Ricardian Theory of Rent, Nationalization of Land, French Socialists, Marxism, Marx's writings in theoretical economics. The Marxian twist, Marxism post – 1991 - Schumpeter's Critique

Module IV: Indian Economic Thought

Early Indian economic thought - Chanakya's Arthashastra - Colonial Economic policies, Unfair treatment of the colonies, Nationalist response, Swadeshi Movement. Economic ideas of M. G. Ranade, Dadabhai Naoroji, Gopal Krishna Gokhale, Dr. B. R. Ambedkar, M.K. Gandhi

References:

1. Loganathan. V A, A History of Economic Thought, S Chand & Company, New Delhi (1987)
2. Srivastava S K - History of Economic Thought S Chand & Company, New Delhi (2002)
3. Ganguly B.N - Indian Economic Thought, A Nineteenth Century Perspective, McGraw Hill (1977)
4. Grid and Rist, A History of Economic Doctrines, George Harrop, London (1956)
5. Louis Haney - History of Economic Thought, Surjit Publications, New Delhi (1977)
6. Ernesto Screpanti and Stefano Zamagni, An Outline of History of Economic Thought, Oxford University Press, Second Edition (2005)
7. Grey and Thomson, The Development of Economic Doctrine, Longman Group, London (1980)

OBJECTIVES

- To understand historical evolution of economic thought.
- To critically evaluate the contribution of british political economist
- To critically evaluate the concept of socialism
- To critically evaluate the contribution of Indian economic thought

COURSE PLAN

Unit/Session/ Hours (Time Required)	Topics to be Taught	Procedure Student Centric Methods of Teaching	Activity	Learning Outcome	Assessment
Module I	Main characteristics - Limitations of national resources. Importance of Foreign Conquest, Colonization and Trade, Role of State in Foreign Trade, Definition of Wealth and the ways in which to augment it, Importance of the Balance of Trade, Works of Francis Bacon, Thomas Mum, Josiah Child, John Cary, Charles Davenant, John Stuart Mill Age of Enlightenment – France, Italy, Scotland. The Physiocratic school. Definition of surplus. The organization of economic activities and transactions. The Tableau Economique Works	<ul style="list-style-type: none"> • Lecture • Peer Discussion 	To know the contribution of different economist	To understand historical evolution of economic thought.	Evaluation through Test Paper

	of Jacques Turgot, Francois Quesnay, Richard Cantillon.				
Module II	Nature of the Surplus, Source of Value, Measure of Value, Market Prices and Natural Prices, Profits and Wages, Gross and Net Revenue (national income), Income Distribution, Works of Adam Smith, David Ricardo, Robert Malthus, Objections raised by J. B. Say, Charles Dupuit, W Stanley Jevons, and Leon Walras, J.M. Keynes	<ul style="list-style-type: none"> • Lecture • Peer Discussion 	To know the contribution of different british economist	To critically evaluate the contribution of british political economist	Evaluation through Test Paper
Module III	Rise of Socialist ideas, Political background, Ricardian Theory of Rent, Nationalization of Land, French Socialists, Marxism, Marx's writings in theoretical economics. The Marxian twist, Marxism post – 1991 - Schumpeter's Critique	<ul style="list-style-type: none"> • Lecture • Peer Discussion 	To know the concept of socialism	To critically evaluate the concept of socialism	Evaluation through Test Paper
Module IV	Early Indian economic thought - Chanakya's Arthashastra - Colonial Economic policies, Unfair treatment of the colonies, Nationalist response, Swadeshi Movement. Economic ideas of	<ul style="list-style-type: none"> • Lecture • Peer Discussion 	To know the contribution of different Indian economist	To critically evaluate the contribution of Indian economic thought	Evaluation through Test Paper

	M. G. Ranade, Dadabhai Naorojee, Gopal Krishna Gokhale, Dr. B. R. Ambedkar, M.K. Gandhi				
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COURSE OUTCOME

CO1	To understand historical evolution of economic thought.
CO2	To critically evaluate the contribution of British political economist
CO3	To critically evaluate the concept of socialism
CO4	To critically evaluate the contribution of Indian economic thought

Faculty In Charge,
Dr. Shirley Jose K

Semester VI

Course Category	Core Course 14
Course Title and Code	Economics of Growth and Development ECO6 B14
No. of Credits	4
No. of Contact Hours	5 Hours per week

ECONOMICS OF GROWTH AND DEVELOPMENT

Preamble: This course is designed to introduce students to the exciting and challenging subject of economics of growth and development, which draws from several branches of economics. It intends to provide the theoretical framework for growth and development discourses under different schools of economic thoughts and also into better insights and knowledge on issues and challenges on economic development. It also aims to equip students with the ability to analyze the factors affecting the long run economic growth, both from a positive and negative sense.. After completing this course the student should also be able use theories of growth and development to analyze the problems of the developing world. The students are expected to develop an interrelated to approach to resource use.

Module I: Development and Underdevelopment-

An Overview Background and beginning of ‘Development Economics’ in the post-world war era, its elements Defining economic development - Alternative measures of development –PQLI, HDI and its extensions, Development and growth- income as a measure of growth - Human development-Sens capability approach, development as freedom, Structural features of underdeveloped economies-International variations – development gap- Underdevelopment as a low level equilibrium in a multiple equilibrium situation – low level equilibrium trap

Module II: Perceptions about Development and Underdevelopment

Vicious circle of poverty- Rostow’s stages of growth-big push, balanced and unbalanced growth, Low level equilibrium models, Critical Minimum effort thesis- Dual economy models- Lewis model and its extensions, Harris- Todaro migration model - Poverty and Inequality: Definitions, Measures and Mechanisms - Concept of poverty and its measures - Inequality meaning – axioms - commonly used inequality measures, Kuznets curve - Impact of poverty and inequality on process of development.

Module III: Facts about economic growth

Neoclassical growth model- Solow model of growth- Production function, investment function, capital accumulation and steady state.Dynamics of the model-change in saving rate, population growth, Technological progress.Convergence in the Solow model. Endogenous growth theoryAK model.

Module IV: Development and environment.

Sustainable development. The environmental Kuznets curve. Global warming. Limits to growth Earth summit.

References:

- 1) Charles I Jones & Dietrich Vollreth (2013) – Introduction to economic growth, 3rd edition. W W Norton & Co
- 2) David N Weil (2012) – Economic growth, 3rd edition, Pearson.
- 3) A P Thirlwall (2011) – Economics of Development, 9th edition, Palgrave.
- 4) Todaro & Smith (2017) – Economic Development, 12th edition. Pearson.
- 5) Subrata Ghatak (2003) – Introduction to development economics, 4th edition, Routledge.
- 6) Debraj Ray (1999) – Development economics, 1st edition, OUP.
- 7) Hendrik Van Den Berg (2016) - Economic growth and development, 3rd edition. World scientific publishing Co.
- 8) .E Wayne Nafziger (2005) – Economic Development, 4th edition, Cambridge University Press.

OBJECTIVES

- To understand the concept of development and underdevelopment
- To provide the theoretical framework for growth and development
- To analyze the factors affecting the long run economic growth, both from a positive and negative sense.
- To use theories of growth and development to analyze the problems of the developing world.
- To critically evaluate the development and environment

COURSE PLAN

Unit/Session/ Hours (Time Required)	Topics to be Taught	Procedure Student Centric Methods of Teaching	Activity	Learning Outcome	Assessment
Module I	An Overview Background and beginning of 'Development Economics' in the post-world war era, its elements Defining economic development - Alternative measures of development – PQLI, HDI and its extensions, Development and growth- income as a measure of growth - Human development-Sens capability approach, development as freedom, Structural	<ul style="list-style-type: none"> • Lecture • Peer Discussion 	to identify different development indices	To understand the concept of development and underdevelopment	Evaluation through Test Paper

	<p>features of underdeveloped economies- International variations – development gap- Underdevelopment as a low level equilibrium in a multiple equilibrium situation – low level equilibrium trap</p>				
Module II	<p>Vicious circle of poverty- Rostow’s stages of growth- big push, balanced and unbalanced growth, Low level equilibrium models, Critical Minimum effort thesis- Dual economy models- Lewis model and its extensions, Harris- Todaro migration model - Poverty and Inequality: Definitions, Measures and Mechanisms - Concept of poverty and its measures - Inequality meaning – axioms - commonly used inequality measures, Kuznets curve - Impact of poverty and inequality on process of</p>	<ul style="list-style-type: none"> • Lecture • Peer Discussion 	<p>To distinguish different growth and development theories</p>	<p>To provide the theoretical framework for growth and development</p>	<p>Evaluation through Test Paper</p>

	development.				
Module III	Neoclassical growth model-Solow model of growth-Production function, investment function, capital accumulation and steady state.Dynamics of the model-change in saving rate, population growth, Technological progress.Convergence in the Solow model. Endogenous growth theoryAK model.	<ul style="list-style-type: none"> • Lecture • Peer Discussion 	To explain neoclassical growth model	To use theories of growth and development to analyze the problems of the developing world. To analyze the factors affecting the long run economic growth, both from a positive and negative sense.	Evaluation through Test Paper
Module IV	Sustainable development. The environmental Kuznets curve. Global warming.Limits to growthEarth summit.	<ul style="list-style-type: none"> • Lecture • Peer Discussion 	To know the importance of sustainable development in economics	To critically evaluate the development and environment	Evaluation through Test Paper

Course outcome

CO1	To understand the concept of development and underdevelopment
CO2	To provide the theoretical framework for growth and development
CO3	To analyze the factors affecting the long run economic growth, both from a positive and negative sense
CO4	To use theories of growth and development to analyze the problems of the developing world
CO5	To critically evaluate the development and environment

Faculty In Charge,
Mr. Nijil Jacobi

COMPLEMENTARY COURSES**Introductory Economics SEMESTER I**

Course Category	Complementary Course
Course Title and Code	Introductory Economics I ECO1(2) C01
No. of Credits	4
No. of Contact Hours	6 Hours per week

INTRODUCTORY ECONOMICS I**Module I: Basics of Economics**

Economics-Definitions- Importance of economics-relation with other social sciences-Basic Problems of an economy - Micro versus Macro

Module II: Demand and supply

Utility, utility function, marginal utility, law of diminishing marginal utility- demand, law of demand. Elasticity of demand-Cost, cost function, opportunity cost, variable cost, fixed cost, total cost, marginal cost, average cost, supply, supply function, supply curve, Elasticity of supply- Equilibrium price, market and its classification

Module III: Production and distribution

Factors of Production-Production function, types of production function (short run and long run), economies of scale- Distribution-Marginal productivity theory.

Module IV: National Income Concepts and Meaning

National Income-Meaning and Significance- Concepts of National Income- Importance of the estimation of national income-difficulties in estimation of national income.

Module V: Classical Vs Keynesian economics

Assumptions of Classical economists-Say's Law of Market, Full employment, wage-price flexibility -Keynesian revolution-major concepts of Keynes, Post-Keynesian developments (Brief introduction only).

References

1. Diwedi DN - Macroeconomics Theory and Policy, Tata McGraw Hill Education Pvt. Ltd, New Delhi,
2. Salvator D and EA Diulio – Principals of Economics Schuam's Outline Series
3. Salvator D – International Economics, Schuam's Outline Series
4. Gregory Mankiw, Principles of Macroeconomics
5. Sangita Vaishali Kapoor, (2017) Introductory Macro Economics,
6. Gregory Mankiw, Principles of Microeconomics
7. Pradeepkumar Mehta and Meena Singh (2017) , Introductory Microeconomics, Taxmann's Paperback. Paul Samuelson and William D Nordhaus(2010), Economics, Tata McGraw Hill Education

OBJECTIVES

- To understand the basic problems in an economy
- To understand the concept of demand and supply
- To know the production function in an economy
- To understand the national income concepts and meaning
- To distinguish between Classical and Keynesian economics

COURSE PLAN

Unit/Session / Hours (Time Required)	Topics to be Taught	Procedure Student Centric Methods of Teaching	Activity	Learning Outcome	Assessment
Module I	Economics-Definitions-Importance of economics-relation with other social sciences-Basic Problems of an economy - Micro versus Macro	<ul style="list-style-type: none"> • Lecture • Group Discussion 	To distinguish between Micro and Macro economics	To understand the basic problems in an economy	Evaluation through Test Paper
Module II	Utility, utility function, marginal utility, law of diminishing marginal utility- demand, law of demand. Elasticity of demand-	<ul style="list-style-type: none"> • Lecture • Group Discussion 	To differentiate different types of Elasticity of demand	To understand the concept of demand and supply	Evaluation through Test Paper

	Cost, cost function, opportunity cost, variable cost, fixed cost, total cost, marginal cost, average cost, supply, supply function, supply curve, Elasticity of supply- Equilibrium price, market and its classification				
Module III	Factors of Production- Production function, types of production function (short run and long run), economies of scale- Distribution- Marginal productivity theory.	<ul style="list-style-type: none"> • Lecture • Group Discussion 	To identify different types of factors of production	To know the production function in an economy	Evaluation through Test Paper
Module IV	National Income- Meaning and Significance- Concepts of National Income- Importance	<ul style="list-style-type: none"> • Lecture • Group Discussion 	To know the different methods of national income calculation	To understand the national income concepts and meaning	Evaluation through Test Paper

	of the estimation of national income-difficulties in estimation of national income.				
Module v	Assumptions of Classical economists- Say's Law of Market, Full employment, wage-price flexibility - Keynesian revolution-major concepts of Keynes, Post-Keynesian developments (Brief introduction only).	<ul style="list-style-type: none"> • Lecture • Group Discussion 	To compare the classical and Keynesian economics.	To distinguish between Classical and Keynesian economics	Evaluation through Test Paper

COURSE OUTCOME

CO1	To understand the basic problems in an economy
CO2	To understand the concept of demand and supply
CO3	To know the production function in an economy
CO4	To understand the national income concepts and meaning
CO5	To distinguish between Classical and Keynesian economics

Faculty In Charge,

Mr. Nijil Jacobi

SEMESTER IV

Course Category	Complementary
Course Course Title and Code	Introductory Economics II ECO4(3) C01
No. of Credits	4
No. of Contact Hours	6 Hours per week

INTRODUCTORY ECONOMICS II**Module I: Money and Banking**

Definitions and functions of money- demand for and supply of money- Fischer's quantity theory of money- inflation and deflation (Only concepts, Types and Causes)- Role and functions of commercial banks and Central Bank-monetary policy and its instruments.

Module II: Public Finance Meaning and Significance

- Public and private finance-Principle of Maximum Social AdvantagePublic revenue- public expenditure-public debt- budget- Fiscal Policy-FRBM Act- Finance Commission- Terms of References and Recommendations of 14th and 15th Finance Commission.

Module III: Trade Internal and External Trade

-balance of trade and balance of payments-foreign exchange rate, devaluation- revaluation-depreciation-appreciation.

Module IV: India as a Developing Economy

Indian economy- growth and development under different policy regimes-Demographic trends and issues-education- health and malnutrition - Trends and policies on poverty; inequality and unemployment - Role of NITI Aayog.

References

1. Diwedi DN - Macroeconomics Theory and Policy Tata Magrawhill ||
2. Salvator D and EA Diulio – Principals of Economics Schuam's Outline Series
3. Salvator D – International Economics, Schuam's Outline Series
4. Gregory Mankiw, Principles of Macroeconomics
5. Sangita VaishaliKapoor, (2017) Introductory Macro Economics,

6. Datt and AshwaniMahajan (2018), Indian Economy, S. Chand, New Delhi
7. Uma Kapila, (2017), Indian Economy-Performance and Policies,
8. Manoranjan Sharma (2017), Leading Issues in Indian Economy
9. R. K. Lekhi and Joginder Singh, (2016) Public Finance, Kalyani Publishers
10. H.L. Bhatia, Public Finance (29th Edition), Vikas Publishing House, New Delhi

OBJECTIVES

- To understand demand for and supply of money
- To critically evaluate the functions of finance commission
- To distinguish between BOP and BOT
- To critically evaluate the India as a developing economy

COURSE PLAN

Unit/Session/ Hours (Time Required)	Topics to be Taught	Procedure Student Centric Methods of Teaching	Activity	Learning Outcome	Assessment
Module I	Definitions and functions of money- demand for and supply of money- Fischer's quantity theory of money- inflation and deflation (Only concepts, Types and Causes)- Role and functions of commercial banks and Central Bank- monetary policy and its instruments.	<ul style="list-style-type: none"> • Lecture • Group Discussion 	To explain the importance of money supply in an economy	To understand demand for and supply of money	Evaluation through Test Paper
Module II	Public and private finance- Principle of Maximum Social Advantage Public revenue- public expenditure-	<ul style="list-style-type: none"> • Lecture • Group Discussion 	To write an essay on topic Evaluate the functions of finance commission in india	To critically evaluate the functions of finance commission	Evaluation through Test Paper

	public debt- budget- Fiscal Policy-FRBM Act- Finance Commission- Terms of References and Recommendatio ns of 14th and 15th Finance Commission.				
Module III	-balance of trade and balance of payments- foreign exchange rate, devaluation- revaluation- depreciation- appreciation.	<ul style="list-style-type: none"> • Lecture • Group Discussi on 	To undestand the importanc e of internal and external trade	To distinguis h between BOP and BOT	Evaluation through Test Paper
Module IV	Indian economy- growth and development under different policy regimes- Demographic trends and issues- education- health and malnutrition - Trends and policies on poverty; inequality and unemployment - Role of NITI Aayog.	<ul style="list-style-type: none"> • Lecture • Group Discussi on 	To critically evaluate the position of India as a developin g economy	To critically evaluate the India as a developin g economy	Evaluation through Test Paper

COURSE OUTCOME

CO1	To understand demand for and supply of money
CO2	To critically evaluate the functions of finance commission
CO3	To distinguish between BOP and BOT
CO4	To critically evaluate the India as a developing economy

Faculty In Charge,
Mr. Nijil Jacobi