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SECOND YEAR: SEMESER-IV **Statistics-I** S/ECO/403/MJC-7

Course Description: The objective of this sequence is to transmit the body of basic statistics that enables the study of economic theory at the undergraduate level. In this course, particular economic models are not the ends, but the

Full Marks-50

A. Tabular and Diagrammatic Presentation of Data

• Statistical Data: Classification and Presentation (Tabular & Diagrammatic) - Difference between Variable and Attributes - Primary Data & Secondary Data - Methods of Collection of Data - Population & Sample - Complete Enumeration (Census) & Sample Survey.

• Frequency Distribution and its Diagrammatic Presentation: Construction of Frequency Distribution (Simple & Grouped) - Choice of Class Interval - Diagrammatic Representation of Frequency Distribution - Histogram & Frequency Curve – Cumulative Frequency Distribution (More Than and Less Than) – Ogive (Simple Numerical Exercise).

B. Measures of Central Tendency

• Arithmetic Mean, Median and Mode (for both Grouped and Ungrouped Data) - Comparison of Mean, Median and Mode – Geometric Mean and Harmonic Mean (for both Grouped and Ungrouped Data) – Composite Mean – Properties of All these Measures of Central Tendency (Simple Numerical Exercise).

C. Measures of Dispersion

• Absolute Measures - Range, Mean Deviation, Standard deviation and Quartile Deviation - Relative Measures of Variability - Coefficient of Variation, Coefficient of Mean Deviation & Coefficient of Quartile =Deviation.

• Moments, Skewness and Kurtosis: Definitions -Different Measures of Skewness & Kurtosis - (Simple Numerical Exercise).

D. Correlation and Regression Analysis

• Scatter diagram - Covariance - Simple Correlation Coefficient and its Properties - Calculation of Simple Correlation Coefficient from Ungrouped Data

Concepts of Multiple Correlation & Partial correlation - Measures of Multiple & Partial Correlation Coefficient -Rank Correlation Coefficient (Tie and Non-tie Cases)

• Simple Regression Analysis – Properties of Regression Line – Relationship between Correlation Coefficient and Regression Coefficient.

E. Index Numbers

• Definition, Purpose and Uses of Index Numbers - Problems in the Construction of Index Numbers - Different Formulae for Price and Quantity Index Numbers - Tests for Index Numbers

(10 Lectures)

(08 Lectures)

(10 Lectures)

(08 Lectures)

means for illustrating the method of applying statistics tolls to economic theory in general

Classes: (60 Lectures)

(08 Lectures)

Credit-04



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F. Time Series

(10 Lectures)

• Components of Time Series – Additive and Multiplicative Models - Analysis of Trend— Polynomial Trend – Exponential Trend - Measurement of Seasonal Variation: Monthly (or Quarterly) Averages - Ratio to Moving Averages - Ratio to Trend (Simple Numerical Exercise)

REFERENCES

.

- 1. Goon, Gupta and Dasgupta: Basic Statistics
- 2. Goon, Gupta and Dasgupta: Fundamentals of Statistics, Vol. I & Vol. II
- 3. Nagar and Das Basic Statistics for Business and Economics
- 4. N. G. Das Statistical Method (Tata McGraw-Hill)
- 5. Mathai & Rathie Probability and Statistics
- 6. R Spiegel and L.J. Stephen: Statistics (Schaum Series)

7. Yule and Kendall – An Introduction to the Theory of Statistics 8. Gupta and Kapoor – Fundamental of Mathematical Statistics.



NEP w.e.f. 2023-24

SECOND YEAR: SEMESER-IV Development Economics-I

S/ECO/405/MN-4

Credit- 04

Full Marks-50

Classes: 60 (Lectures)

Course Outcomes: The course begins with a discussion of alternative conceptions of development and their justification. It then proceeds to aggregate models of growth that can help evaluate these models. The axiomatic basis for inequality measurement is used to develop measures of inequality and connections between growth and inequality are explored. The course ends by linking political institutions to growth and inequality by discussing the role of the state in economic development and the informational and incentive problems that affect state governance.

A. Meaning of Economic Development: Alternative Approaches

• Traditional View of Economic Development: The Income Approach: Use of National & Per Capita Income as Index of Economic Development – Difference between Growth and Development – Shortcomings of the Income Approach.

• The Modern View of Economic Development: PQLI– Basic Needs Approach – Sen's Capabilities Approach –Human Development Index: Construction & Interpretation – Objectives of Development & the Millennium Development Goals.

• Some Concepts of Development:-MDG (Millennium Development Goals)- SDG (Sustainable Development)

 B. Characteristics of Underdevelopment & Obstacles to Development:
 (12 Lectures)

 •Defining the Developing World – Common Features of Underdevelopment
 (12 Lectures)

• Obstacles to Development: Trap Models – Vicious Circle of Poverty - Critical Minimum Effort Thesis – Low Level Equilibrium Trap

C. Classic Theories of Economic Growth & Development

• Development as Growth & the Transition Theories: Clark and Fisher Theory on change in Sectoral share - Rostow's Stages of Economic Growth

• Structural–Change Models: The Lewis Theory of Economic Development with Unlimited Supplies of Labour

D. Development Strategies

- Balanced Growth Vs. Unbalanced Growth
- Concept of Surplus labour & disguised unemployment Surplus labour as potential saving
- Capital Intensive Vs Labour intensive technique Choice of technique in a labour surplus economy.
- Export Promotion Vs Import Substitution.

(15 Lectures)

(12 Lectures)

(10 Lectures)



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E. Poverty, Inequality & Development

(11 Lectures)

• Concepts& Measurement of Poverty (i) Income Measure of Poverty – Poverty Line - Headcount Index (HI) – Poverty Gap Measure – Income Gap Measure – (ii) Capability Measure of Poverty: Human Poverty Index (HPI)

• Gender Discrimination: Women and Poverty – Measures of Women Development: Gender related Development Index (GDI) – Gender Empowerment Measure (GEM)

REFERENCES:

1. M. P. Todaro & Stephen C. Smith: Economic Development (Pearson, 10 th Edn. 2012)

- 2. A. P. Thirlwall: Growth and Development (Macmillan)
- 3. Debraj Ray: Development Economics (Oxford University Press, 2009)
- 4. Meier & Rauch (ed): Leading Issues in Economic Development (Oxford University Press)
- 5. K. Basu: A Critique of Less Developed Economy
- 6. Partha Dasgupta: Economics, A Very Short Introduction (Oxford University Press, 2007)
- 7. Amartya Sen: Development as Freedom (OUP, 2000)
- 8. Sampat Mukherje: Contemporary Development Economics (New central Book agency)
- 9. Misra & Puri: Economics of Development & Planning (Himalaya Publishing)
- 10. Debes Mukherjee: Development, Policies, Problems and Institutions (New Central Book Agency)



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SECOND YEAR: SEMESER-IV Development Economics-I

S/ECO/404/MJC-8

Credit-04

Full Marks-50

Classes: 60 (Lectures)

Course Outcomes: The course begins with a discussion of alternative conceptions of development and their justification. It then proceeds to aggregate models of growth that can help evaluate these models. The axiomatic basis for inequality measurement is used to develop measures of inequality and connections between growth and inequality are explored. The course ends by linking political institutions to growth and inequality by discussing the role of the state in economic development and the informational and incentive problems that affect state governance.

A. Meaning of Economic Development: Alternative Approaches (14 Lectures)

• Traditional View of Economic Development: The Income Approach: Use of National & Per-Capita Income as Index of Economic Development – Difference between Growth and Development – Shortcomings of the Income Approach.

•The Modern View of Economic Development: PQLI– Basic Needs Approach – Sen's Capabilities Approach – Three Core Values of Development - Human Development Index: Construction & Interpretation – Objectives of Development & the Millennium Development Goals.

•Some Concepts of Development: Top-Down Development, Participatory Development, Inclusive Development & Sustainable Development. (Definitions only)

B. Characteristics of Underdevelopment & Obstacles to Development: (10 Lectures)

•Defining the Developing World - Common Features of Underdevelopment

• Obstacles to Development: Trap Models – Vicious Circle of Poverty - Critical Minimum Effort Thesis – Low Level Equilibrium Trap – Dualism - Process of Cumulative Causation-Myrdal Model.

C. Classical Theories of Economic Growth & Development

- Development as Growth & the Transition Theories: Clark and Fisher Theory on Change in Sectoral Share - Rostow's Stages of Economic Growth
 - Structural–Change Models: The Lewis Theory of Economic Development with Unlimited Supplies of Labour

• Dependency School: Development & Underdevelopment as a Historical Process - Dependency Theory of Baran

D. Development Strategies

• Balanced Growth vs. Unbalanced Growth - The Big Push Theory of Development

• Concept of Surplus Labour & Disguised Unemployment – Surplus Labour as Potential Saving

(12 Lectures)

(12 Lectures)



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- Capital Intensive Vs Labour Intensive Technique Choice of Technique in a Labour -surplus economy.
- Export Promotion Vs Import Substitution.

E. Poverty, Inequality & Development

(12 Lectures)

• Concepts& Measurement of Poverty (i) Income Measure of Poverty – Poverty Line - Headcount Index (HI) – Poverty Gap Measure – Income Gap Measure – (ii) Capability Measure of Poverty: Human Poverty Index (HPI)- Multi-Dimensional Poverty Index.

• Concepts & Measurement of Inequality : (i) Distributional Inequality of Income – Size Distribution of Income – Lorenz Curve & Gini Coefficient – (ii) Functional Distribution of Income Inequality & Development : Kuznets' Inverted-U Hypothesis.

• Gender Discrimination: Women and Poverty – Measures of Women Development: Gender related Development Index (GDI) – Gender Empowerment Measure (GEM)

REFERENCES:

1. M. P. Todaro & Stephen C. Smith: Economic Development (Pearson, 10 th Edn. 2012)

- 2. A. P. Thirlwall: Growth and Development (Macmillan)
- 3. Debraj Ray: Development Economics (Oxford University Press, 2009)
- 4. Meier & Rauch (ed): Leading Issues in Economic Development (Oxford University Press)
- 5. K. Basu: A Critique of Less Developed Economy
- 6. Partha Dasgupta: Economics, A Very Short Introduction (Oxford University Press, 2007)
- 7. Amartya Sen: Development as Freedom (OUP, 2000)
- 8. Sampat Mukherje: Contemporary Development Economics (New central Book agency)
- 9. Misra & Puri: Economics of Development & Planning (Himalaya Publishing)
- 10. Debes Mukherjee: Development, Policies, Problems and Institutions (New Central Book Agency)

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SECOND YEAR: SEMESER-IV Mathematical Economics S/ECO/402/MJC-6 Full Marks-50

Credit- 04

Course Description: The objective of this sequence is to transmit the body of basic mathematics that enables the study of economic theory at the undergraduate level. In this course, particular economic models are not the ends, but the means for illustrating the method of applying mathematical techniques to economic theory in general.

- A. Basic Concepts:
- Application of Differentiation. Constrained and Unconstrained optimization, Utility maximization- Cost minimization- Revenue maximization Profit maximization: Numerical examples. Application of Lagrange multiplier method
- Application of integration: Measurement of consumer and producer surplus and social welfare.
- Derivation of total cost from marginal cost, derivation of total revenue from marginal revenue. Numerical Examples.
- **B.** Difference Equations:
 - Finite Difference Equations of First & Second Order and their Solutions.
 - •Applications in Economics Cobweb Model Samuelson's Multiplier-Accelerator Interaction Model.

C. Differential Equations :

- Differential Equations of First & Second Order and their Solutions
- Application in Economics Excess Demand Functions & Price Dynamics in a Single Market.

D. Linear Programming :

• Optimization Problem - Linear Programming Technique as a Tool for Optimization - General Formulation of the Linear Programming Problem - Objective Function, Structural Constraints, Non-Negativity Restrictions – Feasible Region – Optimum Solution — Application in Economics.

- Graphical Solutions of Some Standard Maximization & Minimization Problems
- Concepts of Slack Variable, Feasible Solutions, Basic Solutions & Basic Feasible Solution
- The Dual Problem Conversion of Primal to Dual- Conversion of Dual to Primal.

E. Input-Output Analysis:

- Basic Concept of Input-Output Analysis
- Assumptions Structure of the Leontief Static Open Model (2 x 2 case) Solution in Such a Model
- Hawkins-Simon Condition & its Economic Interpretation

F. Basic Game Theory:

- Basic Concepts & Assumptions of Game Theory
- Two-person Zero-Sum game with Saddle Point
- Concept of Dominance in two person zero sum game
- Elements of Non-Zero-sum Game
- Prisoner's Dilemma.
- Concept of Nash Equilibrium

(06 Lectures)

Classes: (60 Lectures)

(08 Lectures)

(15 Lectures)

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(08 Lectures)

(18Lectures)

(05 Lectures)



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REFERENCES:

1. Knut Sydsaeter & Peter J. Hammond: Mathematics for Economic Analysis ((Pearson Educational Asia, Delhi, 2002)

2. Alpha C. Chiang & Kevin Wainwright: Fundamental Methods of Mathematical Economics (McGraw Hill International, 2005)

3. Lawrence Blume & Carl P. Simon: Mathematics for Economists (Viva Norton Student Edition, 2010; Viva Books Pvt. Ltd)

4. Dorfman, Samuelson & Solow: Linear Programming & Game theory: A n Economic Analysis 5. N. D. Vora: Quantitative Techniques in Management (Tata McGraw-Hill)

6. Sharma: Operation Research-Theory and Applications (Macmillan India Ltd)

7. E.T. Dowling: Introduction to Mathematical Economics, Schaum's Outline Series (McGraw-Hill)

8. Taro Yamane: Mathematics for Economics

9. W. J. Baumol: Economic Theory and Operations Analysis (Prentice Hall, 4th Edn. 2009

10. Edward Dowling: Introduction to Mathematical Economics, 3th Edn.

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SECOND YEAR: SEMESER-IV **International Economics** S/ECO/401/MJC-5 **Full Marks-50**

Credit-04

Course Description: This course introduces students to the various international trade theories and students will learn how international trade has helped countries to acquire goods at cheaper cost. Also, understand the concept of balance of payments and exchange rate determination in foreign exchange market.

A. Introduction: Nature & Scope of International Economics

B. Basic Concepts & Tools of Trade Theory

Internal and International Trade - Inter-Industry and Intra-Industry Trade - Free Trade & Protection, Basis of Trade: Arbitrage as Basis of International Trade - Sources of Cross-country Price Difference and Arbitrage -Absolute and Comparative Advantages - Analytical Tools: Community Indifference Curves - Opportunity Cost & Production Possibility Curves (Concepts only)

C. Classical Theories of Trade

Assumptions of Classical Theories of Trade - Absolute Advantage Theory of Adam Smith and Gains from Complete Specialization - Comparative Advantage Theory of David Ricardo and Gains from Complete Specialization.

D. Neoclassical Modification of the Ricardian Theory

Analysis of Comparative Advantage and Gains from Trade (GFT) by Introducing the Concept of Opportunity Cost Instead of Labour Theory of Value - The Case of Incomplete Specialization

E. Neoclassical Trade Models: Factor Endowment & Trade

Heckscher-Ohlin Theory - Physical Vs. Price Definition of Factor Abundance - Differences in Prices under Trade - Factor Price Equalization Theory (Heckscher-Ohlin-Samuelson Model)- Rybczynski Theorem-Empirical Studies - Leontief Paradox & its Explanations-Factor Intensity Reversal and Factor Price Equalization.

F. Theories of Trade Restriction

Tariff & Non-Tariff Barriers-Partial Equilibrium Analysis of Tariff & Quota - Dead-weight Loss of Tariff -Comparison between Tariff and Quota-General Equilibrium Analysis of Tariff - The Stolper-Samuelson Theorem - Welfare effects of Tariff on Small Country and Large Country - Tariff war -The Infant Industry Argument

H. Balance of Payments and Exchange Rate

Balance of Payments Accounts in an Open Economy - Fixed and Flexible Exchange Rates-Balance of Payments & Problems of Adjustment: The Mechanism of Adjustment under Fixed Exchange Rates - Expenditure Reducing and Expenditure Switching Policies - Devaluation: the Elasticity and Absorption Approaches -Marshall-Lerner Condition - Mechanism of Adjustment under Flexible Exchange Rates.

(06 Lectures)

(15 Lectures)

(10 Lectures)

Classes: (60 Lectures)

(02 Lecture)

(06 Lectures)

(06 Lectures)

(15 Lectures)

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REFERENCES:

- 1. Rajat Acharyya: International Economics (Oxford University Press)
- 2. Soderstein, Bo: International Economics, (Macmillan, 2ndEdition)
- 3. R.Caves, J. Frankel and R. W. Jones: World Trade and Payments (Pearson Education, 9th Edn)
- 4. P. Krugman and M. Obstfeld: International Economics (Pearson Education, 8th Edn.)
- 5. Dominick Salvatore: International Economics Trade & Finance (Willey Student Edition)



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SECOND YEAR: SEMESER-III

Public Economics

S/ECO/303/MN-3

Credit-04

Full Marks-50

Classes: 60Lectures)

Course Outcomes: This course aims to introduce the students to the basic concepts of Public

Finance. On completion of this course students will be able to understand the revenue and expenditure system of the federal country, India.

A. Nature & Scope of Public Economics:

•Definition and Scope of Public Economics

• Externalities: Meaning & Types of Externality - Positive and Negative Externalities – Externality & Market Failure

• Coase Theorem

B. Theory of Public Goods:

•Concept of Public Goods– Pure Public Goods and Merit Goods - Characteristics of Pure Public Goods – Distinction between Pure Public Goods and Private Goods – Exclusion Principle – Public Goods & Free Rider Problem - Market Failure in Case of Public Goods

• Optimal Provision of Public Goods - Lindhal Equilibrium.

C. Taxation :

- Definition of Taxes Canons of Taxation
- •Classification of Taxes -Direct and Indirect Taxes Proportional, Progressive and Regressive Taxation Merits & Demerits
- Principles of Taxation: Benefit Principle Equal Sacrifice Principle Ability to Pay Principle

•Burden of Taxes: Impact, Shifting and Incidence of Taxes Effects of Taxes:

• Effects of Taxation on Income Distribution, Work Efforts and on Savings – The Laffer curve - Optimal Taxation

(10 Lectures)

(10 Lectures)

(20 Lectures)



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D. Public Expenditure & Public Debt :

(20 Lectures)

 Public Expenditure : Meaning & Classification of Public Expenditure - Government Budget & its Types – Government Expenditure & Tax Multipliers – Balanced Budget Multiplier
 Public Debt: Meaning of Public Debt – Purposes of Public Debt - Sources of Public Borrowings:

Internal and External Public Debt – Effects and Burden of Public Debt.

• Fiscal Federalism in India

REFERENCES:

1. Musgrave: Theory of Public Finance

2. R. A. Musgrave & P. B. Musgrave: Public finance in Theory & Practice (McGraw-Hill, 5th edn. 1989)

3. J. F. Due & A. F. Friedlander: Government Finance – Economics of Public Sector (AITBS Publishers, 1994)

4. J. E. Stiglitz: Economics of Public Sector (W.W. Norton & Company, 3rd Edn. 2000)

5. Amaresh Bagchi (Ed.): Readings in Public Finance (OUP)

6. A. Ghosh & C. Ghosh: Public Finance (Prentice-Hall India, 2nd Edn. 2014)

- 7. Subrata Ganguly Public Finance
- 8. H.L.Bhatia: Public Finance, Latest Edition



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SECOND YEAR: SEMESER-III

Managerial Economics

S/ECO/305/SEC-3

Credit- 03

Full Marks-50

Classes: 45 (Lectures)

Course Outcomes: The Course develops an understanding of the applications of managerial economics. Interpret regression analysis and discuss why it is employed in decision-making. Discuss optimization and utility including consumer behavior. Assess the relationships between short-run and long-run costs.

A. Meaning and Scope of Managerial Economics

• Organizational Goal-Profit maximization hypothesis, Critique of profit maximization hypothesis-Alternative goals of the firm- Managerial Thesis –Baumol , Williamson , Behavioral Theory of the firm

B. Business Environment

• **Business Environment:** Concept and Importance, Nature and Scope, Types of Environment: Natural, Economic, Financial, Political, Social, Technical, Cultural, Demographical, Global, Educational, Legal, Cross-cultural.

• Economic, Financial and Legal Environment: Different Economic systems and their characteristics, Macroeconomic environment of business, Role of the Government - Elements of legal environment-Relationship between law and society

• Social and Cultural Environment: Concept and Importance of Socio-Cultural Environment of Business - Social and Educational set-up - Cultural heritage Tradition- Social attitudes - Castes and communities - Joint family system - Social responsibility of business.

• Natural Resources: Renewable & Non –Renewable resources- Impact of availability of natural resources on business growth.

C. Demand Analysis

• Demand forecasting

• Methods of demand forecasting: Survey Method - Statistical Methods – Trend Projection Method - Regression Method – Leading Indicator Method (Simple numerical problems)



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(05 Lectures)

(10 Lectures)

(08 Lectures)

D. Price Determination under different structure

• Methods of price determination in practice – Mark up pricing- Limit pricing- Average Cost pricing – Peak load pricing – Multiple product pricing - Transfer pricing (Simple numerical problems)

E. Financial Investment Decision

• Distinction between real and financial assets – Needs for financial Investment – Alternative financial instruments and investments.

F. Behavioural Theory:

- Behavioural Theory of Cyert and March.
- Corporate Social Responsibility and its Importance
- Concept of risk aversion by managers (risk aversion in management decision making)
- Decision making under risk and uncertainty.
- Maximin, Minimax, Hurwicz, Laplace & Savage Criteria for optimal Decision.

REFERRENCES:

- 1. G.S.Gupta Managerial Economics
- Michael R Baye & Jeffrey T Prince Managerial Economics and Business Strategy | 9th Edition -Mc Graw Hill
- 3. Dean Joel Managerial Economics
- 4. Varshray and Maheshwari Managerial Economics
- 5. Chopra.G.P- Managerial Economics
- 6. Keat -Managerial Economics
- 7. Peterson Managerial Economics
- 8. N.D Vohra Managerial Economics

(10 Lectures)

(05 Lectures)

(07 Lectures)

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SECOND YEAR: SEMESER-III Intermediate Macroeconomics S/ECO/302/MJC-4

Credit-04

Full Marks-50

Classes: 60 (Lectures)

Course Outcomes: On completion of this course, students will be able to understand the basic

concepts of macroeconomics and learn how to consumer's and producer's equilibrium are achieved through demand analysis and production function.

A. Theories of Consumption

• Empirical Findings Regarding Consumption Function – Absolute income Hypothesis, Relative Income Hypothesis, Permanent Income Hypothesis & Life Cycle Hypothesis.

B. The Investment Function

• The Keynesian Analysis of Investment – MEC and MEI - Shortcomings of Keynesian Analysis. Net Present Value criterion and Marginal Efficiency Criterion of Investment

- The Fixed Acceleration Principle of Investment its Implications and Limitations.
- The Flexible Acceleration Principle of Investment its Implications and Limitations.

C. Theories of Inflation

•The Quantity Theory Approach to Inflation - Demand Pull Inflation - Inflationary Gap Analysis and its Shortcomings- Concepts of Cost Push & Mark up Inflation- Distinction between Demand Pull & Cost Push Inflation

• The Philips Curve and the Trade-off between Inflation and Unemployment – Short Run and Long Run Philips Curve.

D. The Classical System

•The Classical View of Macroeconomics in respect of the determination of Employment, Output and Prices - Wage-Price Flexibility and Full Employment - The Classical Quantity Theory of Money and its Criticism- Say's Law and Walras law - The Dichotomy between the Real and Monetary Sectors -Neutrality of Money.

(06 Lectures)

(08 Lectures)

(08 Lectures)

(08 Lectures)



• Neoclassical Growth Models: Harrod and Domar's Model of Economic Growth – Assumptions Implications – Actual, Warranted and Natural Rates of Growth – The Knife Edge Problem.



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E. Simple Keynesian System:

•Keynesian Consumption Function & its Properties – Factors Affecting Consumption Expenditure Saving Function & its Properties.

• Determination of Equilibrium Level of National Income - Nature of Equilibrium - Stability of Equilibrium

• Comparative Static Analysis: The Multiplier Analysis With and Without Governmental Sector – Investment Multiplier, Government Expenditure Multiplier, Balanced Budget Multiplier - Limitations of the Multiplier Analysis - The Paradox of Thrift.

• Comparison between Keynesian & Classical Systems

F. Introduction of the Money Market:

•Demand for Money: Three Motives of Holding Transactions, Precautionary & Speculative Motives

• Supply of Money: Definition of Money-Concepts of M1, M2 & M3- Components of Money .

G. The IS-LM Model (Interaction between

Commodity Market & Money Market) • Commodity Market Equilibrium and Construction of the IS Curve - Slope and Shifts of IS Curve -

Money Market Equilibrium and Derivation of the LM Curve – its Slope and Shifts - Determination of Equilibrium Level of Income and Rate of Interest in Terms of the IS-LM Model - Stability of Equilibrium

• Comparative Static Analysis: Effects of Shifts in Saving, Investment, Government expenditure, Taxation, Money Demand & Money Supply Schedules

• Relative Effectiveness of Monetary & Fiscal Policies in terms of IS-LM model.



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(10 Lectures)

(04 Lectures)

(08 Lectures)

H. The Complete Keynesian System

(08 Lectures)

• Basic Concepts of Aggregate Demand (AD) and Aggregate Supply (AS):

Construction of the AD Curve from the IS-LM Model – Economic Analysis of its Slope and Shifts -Introduction of the Labour Market and Derivation of the Aggregate Supply Curve – its Slope and Shifts – the Short Run and Long Run AS Curves.

REFERENCES

1. Dornbusch, Fischer and Startz: Macroeconomics (McGraw Hill, 11th edition, 2010).

2. N. Gregory Mankiw: Macroeconomics (Worth Publishers, 7th edition, 2010).

3. Olivier Blanchard: Macroeconomics (Pearson Education, Inc., 5th edition, 2009).

4. Richard T. Froyen: Macroeconomics (Pearson Education Asia, 2nd edition, 2005).

5. Andrew B. Abel and Ben S. Bernanke: Macroeconomics (Pearson Education, Inc., 7th edition, 2011).6. Errol D'Souza: Macroeconomics (Pearson Education, 2009).

7. Hall & Taylor: Macroeconomics (W. W. Norton & Company 5th edn. 1997)

8. Soumen Sikdar: Principles of Macroeconomics (Oxford University Press)

9. W. H. Branson: Macroeconomics (Harper & Row, 3rd edn. 1989)



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SECOND YEAR: SEMESER-III

Elementary Ideas of Money & Banking

S/ECO/304/MD-3

Credit-03 **Full Marks-50 Classes: 45 (Lectures)**

Course Outcome: This course introduces students to the conceptual and practical operations of the Money, banking, financial markets and institutions. The course is intended to provide an in-depth understanding of the operational issues of capital and money market network along with its regulatory framework.

A. Money

• Definition of Money - Kinds of Money: Fiduciary/ Debt / Credit Money - Coins, Paper Currency & Deposit Money - e-Money & Plastic Money - Functions of Money - Money Vs. Near Money – Examples of Near Money - Value of Money – High-powered Money - Measures of Money Supply- Concepts of M1,M2 ,& M3.

B. Overview of The Financial System:

• Meaning & the Role/Functions of the Financial System - Definition & Role of Financial Markets – Classification of Financial Markets: Money Market & Capital Market – Basic Distinction between Money Market & Capital Market

•Definition & Role of Financial Intermediaries – Classification of Financial Intermediaries: Banks and Non Bank Financial Institutions (NBFIs)

• Financial Assets/Instruments: Distinction between Primary & Secondary Securities – Debt & Equity Instruments of Various Types - Bonds, Shares, Debentures.

C. Money Market:

• Features, Importance & Functions of the Money Market - Characteristics of Developed and Underdeveloped Money Markets

•Components of Money Market: Call Money Market - Commercial Bill Market - Treasury Bill Market - Repo & Reverse Repo Markets.

D. Capital Market:

• Features, Importance & Functions of the Capital Market - Characteristics of Developed and Underdeveloped Capital Markets

(10 Lectures)

(08 Lectures)

(10 Lectures)

(05 Lectures)



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- Components of Capital Market: Distinction between Primary Market and Secondary Market
- •Features, Role & Functions of Stock Market or Stock Exchange **E. Banks: Commercial Banks & the Central Bank**

(12 Lectures)

• Definition & Functions of Commercial Banks – Concepts of Primary & Derivative Deposits and the Process of Credit Creation by Commercial Banks – Role of Commercial Banks in Economic Development.

•Definition & Functions of Central Bank – Distinction between Central Bank & Commercial Banks – Central Bank & Monetary Policy: Definition, Goals, Instruments of Monetary Policy – Various Types of Quantitative & Qualitative Instruments of Credit Control.

REFERENCES:

1. Suraj B. Gupta: Monetary Economics- Institutions, Theory & Policy (S.Chand & Co)

2. S. Gursami: Indian Financial System (Tata McGraw Hill)

3. L. M. Bhole: Financial Institutions and Markets (Tata McGraw Hill)

4. R. R. Paul: Monetary Economics (Kalyani Publishers)

5. F. S. Mishkin and S. G. Eakins, Financial Markets and Institutions (Pearson Education)

6. F. J. Fabozzi, F. Modigliani, F. J. Jones & M. G. Ferri: Foundations of Financial Markets and Institutions (Pearson Education)

7. M. Y. Khan: Indian Financial System (Tata McGraw Hill).



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SECOND YEAR: SEMESER-III Intermediate Microeconomics S/ECO/301/MJC-3

Credit-04

Full Marks-50

Classes: 60 (Lectures)

Course Outcomes: On completion of this course, students will be able to understand the basic concepts of Microeconomics and learn how to consumer's and producer's equilibrium are achieved through demand analysis and production function.

A. Market Morphology & Classification of Markets (05 Lectures)

Different Criteria for Classification of Markets: Nature of Product, Number of Buyers & Sellers, Control over Price, Conditions of Entry & Exit - Perfect Competition, Monopoly, Bilateral Monopoly, Monopsony, Monopolistic Competition, Duopoly and Oligopoly (Definitions, Examples & Discussion of Basic Features Only.)

B. Theory of Perfect Competition

Perfect Competition and Pure Competition—Short Run and Long Run Equilibrium of a Competitive Firm –Short Run and Long Run Supply Curves — Long Run Equilibrium of the Competitive Industry – Price Determination in a Competitive Industry – Existence, Uniqueness and Static Stability of Equilibrium – Long Run Supply Curves of the Industry - Effects of External Economies and Diseconomies – Effect of Change in Cost – Effect of Imposition of Tax – Deadweight Loss of a Tax.

C. Theory of Imperfect Competition Monopoly

Sources & Major Features of Monopoly - AR and MR Curves under Monopoly – Relation between AR, MR and Elasticity of Demand – Short Run & Long Run Equilibrium under Monopoly – Absence of Supply Curve under Monopoly- Effect of change in cost on output and price, Impact of imposition of tax in monopoly. - Price Discrimination – First, Second & Third Degree – Equilibrium under Price Discrimination – Multiple Plant Monopolists –

(12 Lectures)

(15 Lectures)



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Concept & Measures of Monopoly Power - Natural Monopoly

Monopolistic Competition: Assumptions – Product Differentiation & Demand curve – Concept of Industry and Group - Short Run and Long Run Equilibrium – Excess Capacity and Selling Cost.

D. Theory of Oligopoly

Characteristics of Oligopoly - Non-Collusive Oligopoly Models: Cournot's Model of Duopoly-Bertrand Model Of Duopoly - Stackelberg's Model & Price Leadership – Collusive Oligopoly – Collusion, Formation of Cartel and Market Sharing – Price Rigidity under Oligopoly: Kinked Demand Curve Model.

E. Theory of Factor Pricing

- Demand for Factors of Production Determinants of Price Elasticity of Demand for a Factor
- Marginal Productivity Theory and its Limitations

• Theory of Wage: Choice between Work and Leisure – Derivation of Individual Labour Supply Curve – Total Labour Supply Curve – Demand for Labour – Determination of Equilibrium in a Competitive Labour Market .

• Theory of Rent: Ricardian Theory of Rent - Transfer Earning and Economic Rent – Quasi Rent – Rent and Price

• Theory of Profit: Gross and Net Profit- Elements of Profit - Risk and Uncertainty Theory -Innovation Theory of Profit.

F. General Equilibrium and Welfare Economics

• Partial and General Equilibrium – Walrasian and Marshallian General Equilibrium Approach

•The Concept of Pareto Optimum – Pareto Optimality in Consumption – Pareto Optimality in Production.

(08 Lectures)

(12 Lectures)

(08 Lectures)



REFERENCES:

- 1. Robert S. Pindyck, Daniel L. Rubinfeld, Prem L.Mehta: Microeconomics (7th Edn. Pearson.)
- 2. Samuelson and Nordhaus : Economics
- 3. Koutsoyiannis: Microeconomic Theory
- 4. Ferguson and Gould: Microeconomic Theory
- 5. H. Varian: Intermediate microeconomics, 7th edn. (East-West Press)
- 6. Henderson and Quandt: Microeconomic Theory
- 7. Anindya Sen: Microeconomics- Theory and Applications (Oxford University Press)
- 8. Hugh Gravelle & Ray Rees: Microeconomics (Pearson)
- 9. Jaydeb Sarkhel: Microeconomic Theory (Book Syndicate, 2013)