UNIVERSITY OF KALYANI

REVISED SYLLABUS

FOR THREE YEARS B.A./B.Sc. DEGREE COURSE

(HONOURS)

IN

ECONOMICS

According to the New Examination Pattern
Part – I, Part- II & Part- III

WITH EFFECT FROM THE SESSION
2010 - 2011

PROCEEDINGS OF THE 21ST MEETING OF THE (PREVIOUS) COUNCIL FOR
UG STUDIES HELD ON 13/09/2005

Revised Structure and Distribution of Marks for Bachelor of Arts Degree
Course w.e.f. Academic Session 2005-2006

BACHELOR OF ARTS (GENERAL)	PART-I	PART-II	PART-III
Compulsory English : One half paper : 50 Marks	50 Marks	–	–
Modern Indian Language : One half paper : 50 Marks	50 Marks	–	–
		–	–
Environmental Studies : One full paper*****: 100 Marks*****	100 Marks*****		
Elective Subjects : **Three** : Four full papers : 3x4x100 each = 1200 Marks	3x1x100 Marks = 300 Marks	3x2x100 Marks = 600 Marks	3x1x100 Marks = 300 Marks
AGGREGATE MARKS : 1400	**500 Marks**	**600 Marks**	**300 Marks**

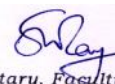| BACHELOR OF ARTS (HONOURS)	PART-I	PART-II	PART-III
Compulsory English : One half paper : 50 Marks	50 Marks	-	-
Modern Indian Language : One half paper : 50 Marks	50 Marks	-	-
Environmental Studies : One full paper*****: 100 Marks*****	100 Marks*****	-	-
Elective Subjects : **Two** : Three full papers : 2x3x100 each = 600 Marks	2x1x100 Marks =200 Marks	2x2x100 Marks =400 Marks	-
One Honours Subject : Eight full Papers : 8x 100 Marks = 800 Marks	2x 100 Marks = 200 Marks	2 x 100 Marks = 200 Marks	4 x 100 Marks = 400 Marks
AGGREGATE MARKS : 1600	**600 Marks**	**600 Marks**	**400 Marks**

*   With effect from the session 2009 -2010.

University of Kalyani

Revised Syllabus of Economics (Honours Course)
(w.e.f. the session 2010-2011)

Content

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Economics (Hons.)
Paper wise subject and marks distribution

PART-I:

PAPER-I: ECONOMIC THEORY-I

        A. MICROECONOMICS- I (50)

        B. MACROECONOMICS-I (50)

PAPER-II: QUANTITATIVE TECHNIQUES

        A. STATISTICS-I (50)

        B. MATHEMATICAL ECONOMICS (50)

PART-II:

PAPER-III: ECONOMIC THEORY-II

        A. MICROECONOMICS- II (50)

        B. MACROECONOMICS- II (50)

PAPER-IV: STATISTIS, COMPUTER APPLICATION & PROJECT WORK

        A. STATISTICS-II (50)

        B. COMPUTER APPLICATION & PROJECT WORK (50)

PART-III:

PAPER-V: INTERNATIONAL ECONOMICS (100)

PAPER-VI: PUBLIC FINANCE AND ECONOMICS OF FINANCE

        A. PUBLIC FINANCE (50)

        B. ECONOMICS OF FINANCE (50)

PAPER-VII: DEVELOPMENT ECONOMICS

        A. DEVELOPMENT THEORIES (50)

        B. RURAL DEVELOPMENT AND ENTREPRENEURIAL ECONOMICS (50)

PAPER-VIII: INDIAN ECONOMICS (100)

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PART-I

Paper I: Economic Theory I   (Full Marks 100)

Group –A: Microeconomics – I   **(50 Marks)**
Classes -70

Unit 1: *Markets and Prices*:

(a)   Introduction to Microeconomic Theory – Positive versus Normative Analysis
(b)   Markets and Prices: definition, extent
(c)   Supply and Demand – market mechanism – market equilibrium – elasticities of supply and demand – market equilibrium – short run versus long run
(d)   Understanding the effects of changing market conditions (comparative statics)
(e)   Effects of government intervention – price control

Classes 10

Text: i) Lipsy and Crystal- Economics, Chapter 2
      ii) Varian, H. R.- Intermediate Microeconomics, EWP, Chapter 1
      iii)Pindyck, R.S. & Rubenfeld, D. L.- Microeconomics, Pearson Education, Chapters 1, 2

Unit 2: *Theory of Consumer Behaviour*

(a) The budget constraint – properties of budget set – change of budget line – taxes, subsidies and rationing
(b) Consumer preferences – assumptions about preferences – indifference curves – perfect substitutes, perfect compliments – the marginal rate of substitution (MRS)
(c) Cardinal utility – constructing a utility function – some examples of utility function – Marginal Utility (MU) – MU and MRS
(d) Optimal choice – consumer demand – price changes and income changes – normal versus inferior goods – Engel curves – income effect and substitution effect and Giffen good
(e) Price Consumption Curve and the demand curve – Slutsky decomposition – ordinary versus compensated demand curve
(f) Elasticity of demand – direct effect, cross effect, substitutes and compliments
(g) Consumer surplus – compensating variation and equivalent variation

Classes 30

Text: i) Varian- Intermediate Microeconomics, Chapters 2-8
      ii) Pindyck & Rubenfeld- Microeconomics, Chapters 3, 4

Unit 3: *Production, Cost and Theory of Firms* :

   (a)   Technology of production – production function
   (b)   Properties of production function with one variable input – average product
         and marginal product
   (c)   Law of Diminishing Marginal Returns
   (d)   Iso-quants, input flexibility, diminishing rate of factor substitution
   (e)   Iso-cost curves
   (f)   Optimizing behaviour of the firm
   (g)   Long-run and the short-run – returns to scale
   (h)   Cobb-Douglas Production, CES Production Function
   (i)   Measuring cost: Economic cost versus accounting cost, opportunity cost,
         sunk cost, fixed cost, variable cost
   (j)   Long-run versus short-run costs
   (k)   Economies of scale – short run and long run

                                                                            Classes 20

Text: i) Varian- Intermediate Microeconomics, Chapters 18 -21
        ii) Pindyck & Rubenfeld- Microeconomics, Chapters 6-7

Unit 4: *Analyses of Market Structures:*

   (a)   Perfect Competition – assumptions – price taking behaviour (Demand curve
         of an individual firm)
   (b)   Supply schedule – very short period, short period and long period
   (c)   Equilibrium of an individual firm
   (d)   Long run industry supply curves – constant, increasing and decreasing cost
         industry
   (e)   Efficiency of competitive market – consumer and producer surplus effects
         of tax and subsidy, price control

                                                                            Classes 10

Text: i) Varian- Intermediate Microeconomics, Chapters 22, 23
        ii) Pindyck & Rubenfeld- Microeconomics, Chapters 8, 9

References:
   1.   Ferguson and Gould, Microeconomic Theory
   2.   Koutsoyiannis- Modern Microeconomics
   3.   Maddala and Miller- Microeconomics
   4.   Anindya Sen- Microeconomics: Theory and Applications, OUP

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Group –B: Macroeconomics – I   **(50 Marks)**
                                                              Classes-70

Unit 1: *Introduction to Macroeconomic Theory*

(a)   Economy as a circular flow between firm sector and household sector – Firm, Household and Government
(b)   Basic Macroeconomic Variables - Configurations of Aggregate Output, Employment, Interest and Price Level
(c)   Fundamental Macroeconomic Problems – unemployment, inflation
(d)   Fluctuation of output – rate of growth – high unemployment, hyper-inflation, depression and stagflation

Classes 5

Text:
i)   N.G. Mankiw- Macroeconomics, Worth Publishers, Chapters 1, 4, 9
ii) W. H. Branson – Macroeconomics – Theory and Policy (2nd ed), AITBS, Chapter 1, 2

Unit 2: *Concepts of Income and Output*

(a)   Gross National Product (G.N.P)
(b)   Gross Domestic Product (G.D.P)
(c)   Net National Product (NNP)
(d)   Personal Income (PI)
(e)   Relation between GNP, GDP, NNP and PI
(f)   Nominal and Real GNP
(g)   GNP Deflator
(h)   Methods of Measurement of GNP – Measuring Gross Value of GNP – Factor Share Method, Expenditure Method, Value Addition Method
(i)   Foreign or External Sector

Classes 10

Text:
i)   Mankiw- Macroeconomics, Chapter 3
ii) W. H. Branson – Macroeconomics – Theory and Policy (2nd ed), AITBS

Unit 3: *Introduction to Income Determination*

(a)   Aggregate Demand – Components – Consumption, Investment, Government Expenditure and Net Exports
(b)   Consumption Function – Consumtion and Savings
(c)   Aggregate Demand and Autonomous Spending
(d)   Equilibrium Output – Keynesian Cross Diagram

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(e)   Multiplier
(f)   Stability of Equilibrium Output
(g)   Paradox of Thrift
(h)   Government Sector – Government Budget – The Balanced Budget Multiplier
(i)   Taxes as a function of income
(j)   Multiplier and changes in tax rate

Classes 10

Text:
i)   Mankiw‑ Macroeconomics, Chapters 10, 11, 13, 14
ii) W. H. Branson – Macroeconomics – Theory and Policy (2ⁿᵈ ed), AITBS

Unit 4: *Money, Interest and Income*

(a) The Goods Market – Consumption Demand – Investment Demand
(b) Planned Investment and Interest Rate
(c) Goods' Market Equilibrium – IS Curve
(d) Derivation of IS Curve
(e) Slope, position off of the IS Curve – Excess Supply and Excess Demand in Commodity and Asset Market
(f) Wealth Budget Constraint – Nominal and Real Form – The Demand For Real Balance
(g) Supply of Money and Money Market Equilibrium – LM Curve
(h) Slope and Positions off the LM Curve
(i) Equilibrium in goods and asset market
(j) Changes in Equilibrium levels of income and interest rate
(k) Adjustment towards equilibriums – Comparative Statics and Dynamics in a Formal Model
(l) Monetary Policy – Transmission Mechanism
(m) Liquidity Trap – Interest inelasticity
(n) Fiscal Policy and Crowding Out

Classes 20

Text:
i)   Mankiw‑ Macroeconomics, Chapters 10, 11
ii) W. H. Branson – Macroeconomics – Theory and Policy (2ⁿᵈ ed), AITBS

Unit 5: *Output, Price and Employment*

(a)   Supply of Output – Aggregate Production Function
(b)   Aggregate Demand for Labour – Keynes' Relative Wage Hypothesis - Downward Inflexibility of Wage
(c)   Aggregate Supply Function – Relation Between Aggregate Supply and Price
(d)   Aggregate Demand Function – Derivation of Aggregate Demand Curve
(e)   Shifts in Aggregate Demand and Supply Curve
(f)   Monetary and Fiscal Policy

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(g)   Determination of Aggregate Output, Employment, Rate of Interest and Pr ice
(h)   Comparison of Keynesian and Classical Position – Aggregate Supply and Demand in Classical Theory
(i)   Neutrality of Money – Classical Dichotomy – Effects of Monetary and Fiscal Policy in Classical Framework

Classes 25

Text:
i)   N. G. Mankiw - Macroeconomics, Worth Publishers, Chapters 4, 6, 10
ii)   W. H. Branson – Macroeconomics – Theory and Policy (2nd ed), AITBS

References:
    1)   Dornbush and Fisher, Macroeconomic Theory
    2)   Froyen, Macroeconomic Theory
    3)   RGD Allen, Macroeconomic Theory
    4)   G. Ackley, Macroeconomics
    5)   Schmeider, Macroeconomics
    6)   R. Levacic and A. Revman, Macroeconomics
    7)   Gopal Trivedi, Macroeconomics
    8)   Soumyen Sikder, Principles of Macroeconomics

Paper-II: Quantitative Techniques   (Full Marks 100)

(This syllabus has been designed to give an idea to the undergraduate students of Economics Honours Course about the application of quantitative techniques to economic problems.)

Group-A: Statistics-I   (50 Marks)
Classes-70

Unit 1: *Preliminaries*
    a)   Definition and meanings of Statistics, Role of Statistics in E conomics.
    b)   Concepts - Variable (discrete and continuous) & Attribute, Population & Sample, Parameter & Statistic.
    c)   Statistical Data -Primary and Secondary Data –Time Series data, Cross – Section data and Pooled/Panel data. Methods of collection of Primary D ata, Sources of Secondary data - Census & NSSO.
    d)   Tabulation- Frequency Distribution - Cumulative frequency distribution (more than and less than Type).
    e)   Graphical presentation of data - Line diagram, Bar diagram, Hi stogram, Frequency Curve, Ogive & Pie diagram.

Classes-10

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Text:
- i)   Goon, Gupta & Dasgupta – Fundamentals of Statistics, Vol.I -Chapters 1-3.
- ii)   Nagar & Das - Basic Statistics, Chapters 1-3.
- iii)   Gujarati & Sangeeta- Basic Econometrics, Chapter 1.

Unit 2: *Characteristics of Univariate Frequency Distribution*

a)   Measures of Central Tendency- Mean (A.M, G.M, H.M), Median, & Mode.
b)   Measures of dispersion- Range-Mean Deviation- Quartile Deviation -Standard Deviation-Coefficient of Variation.
c)   Measures of inequality (income or Asset)-Lorenz curve-Gini Coefficient.
d)   Concept of Moments – Raw & Central-their relations.
e)   Measures of Skewness and Kurtosis.

Classes-20

Text:
- i)   Goon, Gupta & Dasgupta – Fundamentals of Statistics, Vol.I -Chapters 4-6.
- ii)   Nagar & Das - Basic Statistics, Chapters 4-6.

Unit 3: *Characteristics of Bivariate Frequency Distribution*

a)   Simple Correlation - Bivariate Table, Scattered diagram, Linear Correlation Coefficient (Karl Pearson) - calculation (for grouped and ungrouped data), properties, uses & limitations. Spearman's & Kendall's (Rank) Correlation Coefficient (without tie).
b)   Simple Regression- Two variable linear regression analysis – Least Squares Method - interpretation of regression coefficients.
c)   Relationship between correlation coefficient and regression coefficients.

Classes-15

Text:
- i)   Goon, Gupta & Dasgupta – Fundamentals of Statistics, Vol.I, Chapters 10, 12.
- ii)   Yule & Kendall – An Introduction to the Theory of Statistics, Chapters 11 & 12.

Unit 4: *Time Series*
a)   Importance of time series analysis in economics - Components of time series.
b)   Determination of Regular Trend (Fitting Straight line tren d & exponential growth equation).
c)   Seasonal Variation (Moving Average Method).
d)   Forecasts.

Classes-10

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Text:
i)   Goon, Gupta & Dasgupta – Fundamentals of Statistics, Vol.II –Chapter 7.
ii)   Nagar & Das - Basic Statistics, Chapter 13.

Unit 5: *Index Numbers*

a)   Purpose and uses of index number in economics. Concepts- price relative- quantity relative- value relative.
b)   Problems in the construction and limitations of index numbers.
c)   Laspeyres - Paasche and Fisher indices. Tests for ideal index number.
d)   Fixed base and Chain base index-base shifting.
e)   Concept and Uses of Consumer Price Index (CPI), Wholesale Price Index (WPI) & Producer Price Index (PPI).

Classes-15

Text:
i) Goon, Gupta & Dasgupta – Basic Statistics, Chapter14.

References

1. Goon, A.M., M.K. Gupta and B. Dasgupta (1999). *Basic Statistics*, The World Press Ltd., Calcutta.
2. Croxton, F., D. Crowden and S. Klein (1973). *Applied General Statistics*, Prentice Hall of India, New Delhi.
3. Gupta, S.C. and V.K. Kapoor (1993). *Fundamentals of Applied Statistics*, S. Chand & Sons, New Delhi.
4. Boven, E. and N. Starr. (1985), *Basic Statistics for Business and Economics* - Mc Graw Hill (International).
5. Economic Survey, Govt. of India, 2004-05, pp-93, Box 5.1 A note on compilation of PPI in India.
6. N. G. Das - Statistical Methods- Vol. I & II, Tata McGraw-Hill.

Group-B: Mathematical Economics   (50 Marks)
Classes-70

Unit 1: *Some Basic Mathematical Concepts with Economic illustrations*

a)   Role of Mathematics in Economics Analysis. Concepts of Variables, Constants, and Parameters. The real-number system, A.P. and G.P.
b)   Types of function – Straight Line, rectangular hyperbola, parabolic, circular, exponential and logarithmic and their geometrical representations, Slope of the Line, Inverse function, Homogeneous function, Homothetic function, Equations and identities, inequalities, Systems of Equations.

Classes-10

H-8

Text:
  i)   Alpha C. Chiang & Kevin Wainwright: *Fundamental Methods of Mathematical Economics (4th ed.),2005,* McGraw-Hill, New York. Chapters 1-3.

Unit 2: *Calculus and its applications in economics [One and several (but emphasis should be on two) variable functions]*

   a)   **Differential Calculus:** Concepts of first and second order derivatives, rules of derivatives-addition, subtraction, product and division, and derivatives of functions; Concepts of partial derivatives. Applications - Elasticities, utility-production- cost- revenue- profit functions.

   b)   **Maxima and Minima**: unconstrained optimization, necessary and sufficient conditions for local optima, notions of concavity and convexity of functions, points of inflexion. Constrained optimization (equality constraints) -the method of Lagrange multipliers, interpretation of the necessary conditions and of the Lagrange multiplier, sufficient conditions -the Bordered Hessian. Applications- Equilibrium of a firm and consumer , Interrelationships among total, marginal and average costs and revenues.

   c)   **Integral Calculus:** Rules of Integration, Methods of Integration, Integrati on by parts and Definite integrals - area under curves. Economic examples - measures of consumer surplus, present discounted values calculation and elements of investment analysis.

   d)   **Difference and Differential Equations:** Nature, Solution of First Order Equations-homogeneous and non-homogeneous. Economic examples - Cobweb and other simple Dynamic Models.

Classes-35

Text:
  i)   Chiang & Wainwright: Fundamental Methods of Mathematical Economics, Chapters 7, 8, 9, 12, 14, 16.

Unit 3: *Linear Algebra & Input-Output System*

   a)   Various types of Matrices and Matrix operations. Determinants. Inverse of a Matrix. Rank of Matrix, Crammer's Rule. Solution of simultaneous Equations (upto 3 variables).

   b)   Basic concepts of Linear Programming Problems (LPP) - Solutions -Graphical method, Duality.

   c)   Input-Output Analysis. (Static open models only)

Classes-25

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Text:
   i)   Chiang & Wainwright: *Fundamental Methods of Mathematical Economics,* Chapters 4, 5.

References:

1. Knut Sydsaeter and Peter J. Hammond:*Mathematics for Economic Analysis* (Pearson Education) (2003).
2. Carl Simon and Lawrence Blume: Mathem atics for Economics, Norton (1994).
3. H. Scott Bierman and Luis Fernandez: Game Theory with Economic Applications (2 nd edition) Pearson Education (2003).
4. R.G.D. Allen: *Mathematical Analysis for Economists*, Mc Millan, London (1980).
5. G. Archibald and R. Lipsey: An Introduction to Mathematical Treatment of Economics. AITBS (1987).
6. A. Henderson and R. Quandt – Microeconomic Theory, McGraw Hill, International Edition.
7. Hal R. Varian- Intermediate Microeconomics : A Modern Approach, fourth edition, (EWP), W. W. Norton.
8. W. H. Branson – Macro-economic Theory and Poligy. AITBS.
9. Taro Yamane: *Mathematics for Economists*, Prentice Hall of India, New Delhi (1975).
10. Badal Mukherji and V. Pandit – Mathematical Methods for Economic Analysis, Allied Publishers, Second edition (19 89).

PART - I I

Paper III: Economic Theory II   (Full Marks 100)

Group –A: Microeconomics – II   (50 Marks)
Classes-70

Unit 1: *Monopoly*

   (a)   Average Revenue and Marginal Revenue
   (b)   Monopolist's output decision
   (c)   The effect of tax on monopoly ou tput and price
   (d)   Multiplant Monopolist
   (e)   Price discrimination – First and Second Degree - Two part tariff – Third Degree
   (f)   Monopoly Power – Mark-up Pricing
   (g)   Social cost of monopoly
   (h)   Dead-weight loss
   (i)   Natural Monopoly

Classes 10

Text:
   i)   Varian- Intermediate Microeconomics, Chapters 24, 25
   ii)   Pindyck & Rubenfeld- Microeconomics, Chapters 3, 4

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Unit 2: *Monopolistic Competition*

    (a)   Monopolistic Competition and Differentiated Products
    (b)   Concepts of Industry and Group
    (c)   Product Differentiation and Demand Curve
    (d)   Equilibrium of the firm – short and long run
    (e)   Competition and Economic Efficiency

Classes 10

Text:
i)   Varian- Intermediate Microeconomics, Chapter 25
ii)   Pindyck & Rubenfeld- Microeconomics, Chapter 12

Unit 3: *Oligopoly*

    (a)   Competition among the firms – strategic interactions and conjectural variations
    (b)   Alternative models of oligopolistic behaviour – Cournot, Bertrand and Stackelberg, Sweezy
    (c)   Collusion

Classes 10

Text:
    i)   Varian- Intermediate Microeconomics, Chapter 27
    ii) Pindyck & Rubenfeld- Microeconomics, Chapter 12

Unit 4: *Market of Inputs*

    (a)   Competitive Factor Markets
    (b)   Demand for inputs (one and several factors)
    (c)   Market demand curve
    (d)   Supply of input to a firm
    (e)   Market Supply of Inputs
    (f)   Equilibrium in a competitive factor markets
    (g)   Marginal Productivity Theory of Distribution
    (h)   Homogeneous Production Function and Adding Up Result
    (i)   Economic Rent
    (j)   Factor markets with monopoly power
    (k)   Monopsony power
    (l)   Bilateral Monopoly

Classes 10

Text:

    i)   Pindyck & Rubenfeld- Microeconomics, Chapter 14

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Unit 5:　*General Equilibrium and Welfare Economics*

(a)　　Interdependence in the economy
(b)　　2 persons 2 goods Pure Exchange Model – Edgeworth Box Diagram
(c)　　Contract Curve
(d)　　Existence of Equilibrium – offer curve
(e)　　Walras' Law
(f)　　General Equilibrium with production – 2 good 2 factor case
(g)　　Contract curve
(h)　　Production Possibility Frontier
(i)　　Pareto optimality
(j)　　Externalities in consumption and production – market failure

Classes 20

Text:
i)　　Varian- Intermediate Microeconomics, Chapters 29, 30, 32
ii)　　Pindyck & Rubenfeld- Microeconomics, Chapter 16

Unit 6:　*Markets with Asymmetric Information*

(a)　　Quality Uncertainty and market failure
(b)　　Problems of Adverse Selection of Risk and Moral Hazard
(c)　　Adverse Selection and signaling mechanism (Job Market Signaling)
(d)　　Moral Hazard and Incentive Designing (Managerial Incentives in an Integrated Firm)

Classes 10

Text:
i)　　Varian- Intermediate Microeconomics, Chapter 36
ii)　　Pindyck & Rubenfeld- Microeconomics, Chapter 17

References:

1. Ferguson and Gould, Microeconomic Theory
2. Koutsoyiannis- Modern Microeconomics
3. Maddala and Miller- Microeconomics
4. Anindya Sen- Microeconomics: Theory and Applications, OUP

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Group –B: Macroeconomics – II   (50 Marks)
Classes-70

Unit 1: *Behavioural Foundations of Aggregate Models: Consumption Function*

 (a) Consumption Function
 (b) Keynesian Absolute Income Hypothesis
 (c) Linear Form of Keynesian Consumption Function
 (d) Stability of Marginal Propensity to consume
 (e) Short and Long run Consumption Function Estimates
 (f) Relative Income Hypothesis
 (g) Permanent Income Hypothesis
 (h) Life Cycle Hypothesis
 (i) Empirical Evidence

Classes 10

Text:
i) N. G. Mankiw‑ Macroeconomics, Worth Publishers, Chapter16
ii) W. H. Branson – Macroeconomics – Theory and Policy (2nd ed), AITBS

Unit 2: *Behavioural Foundations of Aggregate Models: Investment Function*

 (a) Some Basic Concepts
 (b) Capital and Investment
 (c) Gross and Net Investment
 (d) Autonomous and Induced Investment
 (e) The Investment Decision
 (f) The Net Present Value (NPV) Method
 (g) Neo-classical Theory of Investment
 (h) Keynesian Theory – Marginal Efficiency of Capital – Difficulties with the concept of marginal efficiency of capital

Classes 10

Text:
i) Mankiw‑ Macroeconomics, Chapter 17
ii) W. H. Branson – Macroeconomics – Theory and Policy (2nd ed), AITBS

Unit 3: *Behavioural Foundations of Aggregate Models: Money Demand Function*

 (a) Definition of Money
 (b) Function of Money
 (c) Demand for Money

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   (d)   Components of Demand for Money – Keynesian Theory of Transaction, Precautionary and Speculative Demand for Money

   (e)   Baumol-Tobin Approach to the Transaction Demand for Money

   (f)   Tobin's Theory of Demand for Money as an Asset

Classes 10

Text:
- i) Mankiw‑ Macroeconomics, Chapter 18
- ii) W. H. Branson – Macroeconomics – Theory and Policy (2nd ed), AITBS

Unit 4:   *Money, Banking and Finance*

   (a)   Supply of Money

   (b)   High-Powered Money

   (c)   Money Multiplier

   (d)   Commercial Banking Principles

   (e)   Central Bank and Technique of Monetary Control

   (f)   Money, Banking and Capital Market in India

   (g)   Money Market

   (h)   Reserve Bank and Money Supply

   (i)   Commercial Banking in India

   (j)   Non-bank Financial Intermediaries in India

   (k)   Banking Sector Reform

   (l)   Capital Market in India

   (m)   Capital Market Reform

Classes 20

Text:
- i) Mankiw‑ Macroeconomics, Chapter 18
- ii) S.B.Gupta – Monetary Economics

Unit 5:   *Inflation and Unemployment:*

   (a)   Inflation – Measures, types and effects

   (b)   Classical Theory of Inflation – Quantity Theory of Money and Inflation

   (c)   Keynesian Theory of Inflation

   (d)   Concept of Inflationary Gap

   (e)   Unemployment and Inflation – Stagflation

   (f)   Demand pull and Cost push inflation – interaction between demand pull and cost push inflation

   (g)   Measures of controlling inflation

   (h)   Unemployment – Natural Rate of Unemployment

   (i)   Philips Curve and NAIRU

   (j)   Short and Long Run Philips Curve

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Text:
i) Mankiw‑ Macroeconomics, Chapters 4,6,13
ii) W. H. Branson – Macroeconomics – Theory and Policy (2ⁿᵈ ed), AITBS

Unit 6: *Growth of Output and Cyclical Fluctuatio n:*
  (a)   Trend of output growth – Sources of Growth in Real Income
  (b)   Growth Theories – Harrod-Domar Model
  (c)   Accelerator Theory of Investment
  (d)   Samuelson's Multiplier Accelerator Model

Classes 10

Text:
i) Mankiw‑ Macroeconomics, Chapters 7‑9, 19
ii) W. H. Branson – Macroeconomics – Theory and Policy (2ⁿᵈ ed), AITBS

References:
1. Dornbush and Fisher, Macroeconomic Theory
2. Froyen, Macroeconomic Theory
3. RGD Allen, Macroeconomic Theory
4. G. Ackley, Macroeconomics
5. Schmeider, Macroeconomics
6. R. Levacic and A. Revman, Macroeconomics
7. Gopal Trivedi, Macroeconomics
8. Soumyen Sikder, Principles of Macroeconomics
9. L.N. Bhole – Financial Markets and Institutions in India

Paper IV: Statistics, Computer Application & Project Work
(Full Marks 100)

Group A: Statistics – II   (50 Marks)
Classes-70

Unit 1: *Probability and Probability Distributions*

  a)   **Probability:** Concept of Sets-Random experiment-Sample Space and events. Meaning of probability – classical definition. Theorems on probability - addition and multiplication theorems; conditional probability and independence of events. Bayes theorem.
  b)   **Probability Distributions**: Random variables (discrete & continuous)- Mathematical expectation - mean and variance of a random variable. Probability mass function, Probability density function. Probability distribution-Joint, Marginal and Conditional Distributions, Independence of random variables, Binomial, Poisson and Normal (characteristics and uses). Definition and uses of Standard Normal-t-Chi square & F distributions.   *Classes-10*

Text:
i)   Goon, Gupta & Dasgupta – Fundamentals of Statistics, Vol. I, Chapters 7-8.
ii)   Mathai & Rathie – Probability and Statistics, Chapters 2-6.

Unit 2: *Theory of Sampling*

a)   Meaning of Sampling, Sampling vs. complete enumeration, Parameter & statistic.
b)   Methods of sampling-Simple Random Sampling (SRSWR & SRSWOR), Stratified Random Sampling, Practical methods of drawing a random sampling.
c)   Sampling distribution of a statistic; sampling error and standard error of a statistic with special reference to the mean of Normal population.

Classes-10

Text:
i)   Goon, Gupta & Dasgupta – Fundamentals of Statistics, Vol. I, Chapter - 13.
ii) Mathai & Rathie – Probability and Statistics, Chapter - 7.

Unit 3: *Statistical Inference*

a)   **Estimation:** Methods of estimation (OLS & MLE)-Point and interval estimation of parameters; properties of an estimator - unbiasedness, minimum variance, efficiency and consistency.
b)   **Testing of Hypothesis**: Concept of null and alternative hypothesis - simple and composite hypothesis, Type I and Type II errors – meaning of level of significance and power of the test, one tail and two tail test –confidence interval and simple application of tests for single mean and variance under normality. Chi-square test for goodness of fit.

Classes-20

Text:
i)   Goon, Gupta & Dasgupta – Fundamentals of Statistics, Vol. I, Chapters 14-15.
ii) Mathai & Rathie – Probability and Statistics, Chapters 8-9.

Unit 4: *Introduction to Econometrics*

a)   Definition, Scope and Goals of Econometrics.
b)   Simple Linear (2 Variable) Regression Model and its assumptions - significance of the stochastic disturbance term.
c)   Method of Ordinary Least Squares- Derivation of the normal equations, standard error of regression coefficients - the Coefficient of Determination.
d)   Simple tests of hypothesis on regression coefficients -economic interpretations of regression results.

Classes-20

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Text:
  i) D. N. Gujarati & Sangeetha- Basic Econometrics, Tata McGraw-Hill Publishing
     Company Limited, Chapters-1-5.
  ii) A. Koutsoyiannis- Theory of Econometrics (2nd ed.), Palgrave, Chapters 1-6

Unit 5: *Vital Statistics*

  a)   Concept of vital events-fertility, mortality & morbidity. Data sources.
  b)   Measurement of mortality - Crude death rate (CDR), Specific death rate
          (SDR), Standardized death rate (STDR), Infant Mortality Rate (IMR) -Neo-
          natal & Post-natal.
  c)   Life Table – description, construction & uses.
  d)   Measurement of fertility – Crude birth rate (CBR), General fertility rate
          (GFR), Age Specific fertility rate (ASFR), Total fertility rate (TFR).
  e)   Measurement of population growth – Crude rate of natural increase, Gross
          reproduction rate (GRR), Net reproduction rate (NRR).

Classes-10

Text:

  i)   Goon, Gupta & Dasgupta – Fundamental of Statistics, Vol. II, Chapter 22.

References:

1. Croxton, F., D. Crowden and S. Klein (1973). *Applied General Statistics*, Prentice Hall of
   India, New Delhi.
2. Gupta, S.C. and V.K. Kapoor - *Fundamentals of Applied Statistics*, S. Chand & Sons, New
   Delhi.
3. P.H. Karmel and M. Polasek, *Applied Statistics for Economists* (4th edition), Pitman,
   Australia.
4. Kendall, M.G. *et al*. *The Advanced Theory of Statistics*, Vol.I, II, III Griffin (latest edition).
5. Medhi, J. (1992). *Statistical Methods: An Introductory Text*, Wiley Eastern Ltd., New
   Delhi.
6. Nagar, A.L. and R.K. Das (1993). *Basic Statistics*, Oxford University Press, New Delhi.
7. Hoel, Port and Stone – Introduction to Probability Theory.
8. Rao, C.R. (1965). *Linear Statistical Inference*, Wiley & Sons.
9. M. M. Murthy – Sampling Theory and Methods.
10. Hogg and Craig – Introduction to Mathematical Statistics
11. Allen Webster, *Applied Statistics for Business and Economics*, (3rd edition), McGraw
    Hill, International Edition 1998.
12. Allen, R.G.D., Statistics for Economists, Hutchinson University, Library, 1951.
13. Fisher, R. A. Statistical Methods for Research Workers, Oliver & Boyd, 1954

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14. J. F. Kenny and E. S. Keeping, Mathematics of Statistics, Part I & II, D. van Nostrand Co. Inc., 1956.
15. Raj D., The design of Sample survey, Mc Graw - Hill, 1972.
16. Benjamine, B., Health and Vital statistics, G. Allen & Unwin, 1968.
17. Cox, P. R., Demography, Cambridge Univ. press, 1970.
18. Chatterjee, P.K., Health Studies: Some concepts and Measures, 2003.
19. Hogg and Tanis, Probability and Statistical Inference.
20. N. G. Das - Statistical Methods - Vol. I & II, Tata McGraw Hill
21. M.R. Spiegel (2nd edition), *Theory and Problems of Statistics*, Schaum Series.

Group B: Computer Application & Project Work   (50 Marks)
Classes 70

Unit I   *General Introduction :*

[The students shall make themselves aware of the meaning of the term and obtain only working knowledge on the following]

a)   Disk Operating Computer System Configuration: the CPU and its ROM and RAM, Input-Output Devices, Information Storage Devices, and the Motherboard assembling these components – communication ports Com and USB

b)   Information System: the binary numbers – data measurement in bits and bytes; Data type – numeric, alpha numeric, and string variables, ASCII and hexadecimal codes.

c)   File Management System: Files Folders (Directory), and Structure of File Management – File name and File extension – path and pathname. Usual types of file – com, exe, bat, bin, dll, txt, nt, and other application specific files.

d)   Basic of Computer Operation – creation, saving and deletion of files and folders; taking softcopy and hard copy.

e)   Types of Programming Language and Computer Programs: DOS Programs, Utility Programs, Standardized Application Programs. Operating System Configuration with the application programs –the System Registry and initialization.

f)   System Maintenance: Disk Clean up, Disk De-fragmentation, Registry Clean-up, Disk Formatting and taking Back-up, System Recovery Tools.

g)   Use of Internet- Search – Email.

Unit II   *Working with Application Programs for Standard Office Procedures :*
Text Editor, Data Processing Spreadsheets, Database management, and Presentation (The student shall learn the operations through hands-on training followed by practical tests)

Unit III   *Working with Statistical Analysis Software :*
Graphical Analysis – plotting bar diagram, pie-chart, time-series, various statistical estimation and testing of correlations, regressions (The student shall learn the operations through hands-on training followed by practical tests)

Unit IV   *Project Work*:
The student shall require formulate and work independently [forming among themselves groups of maximum 3 students, to be intimated to the instructor] on a primary survey/secondary data based empirical investigation project using statistical software, and submit the project report within 15 days after the part II examination. The project report should contain its appropriate title, objective and scope, hypotheses, methodology, results obtained and the conclusions, along with the questionnaire designed and the tabulation sheets prepared in the appendix.

Examination Evaluation – Practical Tests 25 marks and Project-work 25 marks

i)   Written Test of 25 marks which will comprise of 15 marks theoretical questions and 10 marks for problem solving on the computer.

ii)   The Instructor and/or the Head of the Department shall evaluate the Project Report (25 marks). The marks given to a project report shall be awarded to each of the student in the group which prepared the report.

References:

1.   Kerns (1993), Essentials of Microsoft Windows, Word, Excel, Prentice Hall of India, New Delhi.
2.   Rajaraman, V. (1996), Fundamentals of Computers, Prentice Hall of India, New Delhi.
3.   Gary Koop (2009), Analysis of Economic Data, 3rd Edition (University of Strathclyde, UK)

PART - III

Paper V: International Economics   (Full Marks 100)

Classes-140

Unit 1: *International Trade Theory:*

(a) Basis for International Trade
(b) Gains from Trade
(c) Absolute and Comparative Cost Advantage Theory of Trade
(d) Factor Endowments and Trade – Heckscher-Ohlin Model
(e) Rybczynski's Theorem

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(f) Factor Price Equlaization Theorem
(g) Stolper Samuelson Theorem
(h) Leontief Paradox
(i) Metzler's Paradox

Classes 25

Text:
i)   Sodersten & Reed-International Economics, Chapters 1-6
ii) Krugman and Obstfeld, International Economics , Chapters 1-4
iii) Salvatore – International Economics, Chapters 1-5

Unit 2: *Trade Policy:*

(a)   Instruments of Trade Policy
(b)   Tariff and protection in a single country
(c)   Cost- benefit analysis of tariff
(d)   Other instruments – Export Subsidy and Import Quota
(e)   Optimum tariff

Classes 25

Text:
i)   Krugman and Obstfeld, International Economics, Chapter 8
ii) Sodersten & Reed-International Economics, Chapters 10, 11
iii) Salvatore – International Economics, Chapters 8, 9

Unit 3: *International Monetary Economics*

(a)   National income accounting in an open economy
(b)   Balance of payments
(c)   Foreign trade Multiplier
(d)   Repercussion effects in a two country framework
(e)   Foreign Exchange Market
(f)   Models of Exchange Rate Determination and Trade Balance
(g)   Devaluation
(h)   Marshall-Lerner Condition
(i)   J-Curve
(j)   Income effects of devaluation
(k)   Elasticity and Absorption Approach of Devaluation

Classes 35

Text:
i) Sodersten & Reed-International Economics, Chapters 23, 25, 29
ii) Krugman and Obstfeld, International Economics, Chapters 12, 16
iii) Caves, Frankel & Jones – World Trade and Payments, Chapter 17

H-20

Unit 4: *International Monetary System and Institutions:*

(a)   International system of payments – fixed vs. flexible regime
(b)   Evolution of international monetary system – Gold Standard, Gold Exchange Standard, Bretton Woods System, Current Flexible Rate Regime
(c)   International Financial Institutions – IMF and World Bank
(d)   International Trade Institution – World Trade Organization (WTO)

Classes 30

Text:
   i)   Sodersten & Reed-International Economics, Chapters 17, 22, 30, 31
   ii) Kenen - The International Economy, Chapters 17, 19, 20
   iii) Salvatore – International Economics, Chapter 21

Unit 5: *India's Trade Experience and Policy:*

(a)   Composition of India's Trade – export, import and balance of payment
(b)   Trade during the colonial period
(c)   India's trade policy since independence
(d)   Trade liberalization
(e)   Globalization and Indian Economy

Classes 25

Text:
   i)   Mishra & Puri- Indian Economy, Chapters 35-37, 41-42
   ii) Datta & Sundaram- Indian Economy, Chapters 46-48
   iii) Jalan- Indian Economy
   iv) Sunanda Sen – Globalization and Development, National Book Trust

References:
   1)   Peter Kenen, The International Economy
   2)   M. Chacoliades, International Economics
   3)   Sunanda Sen, Trade and Dependence, Sage

Paper VI: Public Finance and Economics of Finance   (Full Marks 100)

Group A: Public Finance   **(50 Marks)**

Classes 70

Unit 1: *Nature and Scope of Public Finance*

   a)   Meaning and scope of Public Finance
   b)   Distinction between Private and Public Finance

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        c) Public goods vs. Private goods

        d) Economic Role of the Govt.: Allocation, Distribution and Stabilization Function

Classes 10

Text:

i)   Musgrave &.Musgrave: Public Finance in theory and pra ctice – Ch-1

ii)   B.P.Herber: Modern Public Finance – Ch-1 &2

iii)   Due & Friedlander : Government Finance – Ch-3

Unit 2: *Role of Government further Considered*

        a) Market failure

        b) Causes and need for Govt. intervention

        c) Optimum provision of Public goods: Lindahl -Johansen approach, Samuelsonian approach.

Classes 10

Text:

i)   Musgrave &.Musgrave: Public Finance in theory and practice –Ch-4,5,6.

ii)   Due & Friedlander: Government Finance – Ch-3 (Appendix A&B),4.

Unit 3: *Taxation*

        1)

        a) Source of Public Revenue

        b) Taxation-meaning and classification of taxes

        c) Characteristics of good tax -structure

        d) Major trends in tax revenue of the Central Gov ernment in India.

        2)

        a) Principles of taxation: Benefit Approach -Lindahl's voluntary exchange principle.

        b) Ability to pay approach – Subjective index of Ability – Sacrifice Principles

        c) Objective indices of ability

        d) Tax formulae under various Concepts of equal sacrifice.

Classes 10

Text: i)   Musgrave &.Musgrave: Public Finance in theory and practice – Ch-4,12,13

      ii)   Due & Friedlander: Government Finance – Ch-9

Unit 4: *Taxation further Considered*

     a) Incidence of taxation (partial equilibrium analysis) – its determinants
     b) Effects of unit and ad-valorem taxes on out put and prices (under Perfect Competition and Monopoly)
     c) Effects of taxes on Savings
     d) Work-effort & Investment

Classes 10

Text: i)   Musgrave &.Musgrave: Ch-14,15(specially Appendix),16
         ii)   B.P.Herber: Modern Public Finance –Ch- 6,7,12

Unit 5: *Public Expenditure*

     a) Meaning
     b) Classification and principle of public expenditure
     c) Trends and causes of growth in public expenditure in India

Classes 10

Text:
   i) Musgrave &.Musgrave: Ch- 8
   ii) Misra : Ch- 10 (Indian perspective)

Unit 6: *Public Debt and Financial Administration*

     a) Sources of Public borrowing
     b) Effects of public debt
     c) Methods of debt redemption
     d) Growth of public debt in India
     e) Public budget : Economic and Functional Classification of the budget
     f) Preparation and passing of budget in India

Classes 10

Text:
i)   Musgrave &.Musgrave: Ch-32
ii)   B.P.Herber: Modern Public Finance – Ch-22
iii)   Due & Friedlander : Govt. Finance – Ch-9
iv)   Misra: Ch- 9

Unit 7: *Types of Taxes*

     a) Direct and Indirect taxes
     b) Advantages and limitation of these taxes (brief analysis)
     c) Trends of Direct and Indirect taxes in India during the Plan period.

H-23

Classes 10

Texts:
  i) Due & Friedlander: Government Finance – Ch-9,13
  ii) Misra: Ch - 7

Suggested Texts:

i) Musgrave R.A. and P.B. Musgrave, Public Finance in Theory and Practice - Tata McGraw Hill, (5th.Edn.)
ii) B.P. Herber: Modern Public Finance (5thEdn.): Richard D. Irwin Inc.
iii) Due & Friedlander- Government Finance: Economics of the Public sector - A.I.B.T.S.
iv) B. Misra- Economics of Public Finance (3rd Edn.): MacMillan India Ltd. (Ch - 4,5,7,9,10)

References:

  1) Mithani, D.M. - Modern Public Finance, Himalaya Publishing House, Mumbai
  2) J.R. Aronson – Public Finance – McGraw-Hill Book Company (Ch - 1,2)
  3) Due, J.F. - Government Finance, Irwin, Homewood
  4) Reserve Bank of India, Report on Currency and Finance
  5) Dalton, Public Finance
  6) A. Bagchi (Ed.) - Readings in Public Finance

Group B: Economics of Finance   (50 Marks)
Classes 70

Unit 1:   *a) Introduction to various forms of business organization – economic advantages and disadvantages of the different forms*

Classes 5

Text:
  i) L.M. Bhole – Financial Institutions and Markets – Structure, Growth, and Innovations, Tata McGraw Hill, Chapter – 1
  ii) Ross, Westerfeld and Jaffe – Corporate Finance, Tata McGraw Hill, Chapter - 1

Unit 2:   *a) Introduction to first generation financial commodities (negotiable instruments) – bill of exchange, promissory notes, securities and bonds and debentures, shares, and the nature, function and creation of them in course of the economic activities in the real sector.*

Classes 10

Text:
  i) L.M. Bhole – Financial Institutions and Markets – Structure, Growth, and Innovations, Tata McGraw Hill, Chapter – 16, 17, 18, 19, 20, 21

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Unit 3:   ***a) Transaction price of a negotiable instruments bearing future sum – discounting technique to obtain the present value.***
b) Role of the risk factor and the market rate of the interest in determining the rate of discount.

Classes 10

Text:
   i) Ross, Westerfeld and Jaffe – Corporate Finance, Tata McGraw Hill, Chapter – 4
   ii) Brealey and Myers – Principles of Corporate Finance, Tata McGraw Hill, Chapter – 2, 3, 5, 6

Unit 4:   ***a) Pricing of securities in capital markets – estimating risk and return of individual shares and risk and return of a portfolio of securities***
b) The capital market risk-return relation and capital asset pricing.

Classes 10

Text:
   i) Prasanna Chandra – Fundamentals of Financial Management, Tata McGraw Hill, Chapter – 4, 5
   ii) Brealey and Myers – Principles of Corporate Finance, Tata McGraw Hill, Chapter – 4, 7, 8
   iii) William F. Sharpe, Gordon J. Alexander and Jeffery V. Bailey – Investments, Prentice Hall India (Eastern Economy Edition), Chapter – 5, 6, 7, 8, 9, 10

Unit 5:   ***a) Corporate Financial Statements – the basic structure of balance sheet and profit & loss accounts***
b) Ratio analysis of financial statements.
c) Capital Structure and leverage
d) Short-term and Long-term corporate financing alternatives
e) Working capital Management

Classes 15

Text:
   i) Ross, Westerfeld and Jaffe – Corporate Finance, Tata McGraw Hill, Chapter – 2 (including Appendix 2A and 2B), 14, 15, 16 (including Appendix 16A and 16B), 26
   ii) Prasanna Chandra – Fundamentals of Financial Management, Tata McGraw Hill, Chapter – 18, 19, 20, 21, 22, 23, 24

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Unit 6:   a) Evolution of the second generation financial commodities – introduction to major types of derivatives and mechanism of derivative trading, types of traders

Classes 10

Text:
i) Ross, Westerfeld and Jaffe – Corporate Finance, Tata McGraw Hill, Chapter – 22, 23, 24, 25
ii) L.M. Bhole – Financial Institutions and Markets – Structure, Growth, and Innovations, Tata McGraw Hill, Chapter – 24

Unit 7:   a) Introduction to financial investment funds and investment process
b) Various types of investment funds and institutional investors (Private Equity Fund, Mutual Fund, Hedge Fund, Pension Fund etc.) an d securitization process.

Classes 10

Text:
i) L.M. Bhole – Financial Institutions and Markets – Structure, Growth, and Innovations, Tata McGraw Hill, Chapter – 1, 10, 12, 13, 14
ii) Brealey and Myers – Principles of Corporate Finance, Tata McGraw Hill, Chapter – 14
iii) Ross, Westerfeld and Jaffe – Corporate Finance, Tata McGraw Hill, Chapter – 28

References:
1. Financial Institutions And Markets – Meir Kohn, Oxford
2. Financial Management – M.Y. Khan
3. Corporate Finance - A Focused Approach – Michael C. Ehrhardt and Eugene F. Brigham, Thomson South Western

Paper VII: Economics of Development   (Full Marks 100)
Group A: Development Theory   (50 Marks)
Classes 70

Unit 1:   a) Meaning of Development – Distinction between growth and development – alternative concepts of economic development: income based approach and capability based approach.
b) Broad features of underdevelopment.
c) Approaches to theory of economic development -Elementary ideas only.
d) Development experiences of less developed countries in the recent past.

Classes 7

Text:
  i)   Todaro and Smith, Economic Development , Chapters 1, 4
  ii) A.P. Thirwall, Growth and Development , Chapter 1

Unit 2:   a)   Stages of Development and Structural Change
                            i.   Sector thesis of Fisher and Clark
                            ii. Rostow's Stages of Growth
                            iii. Industrialization and growth.

Classes 7

Text:
  i)   Todaro and Smith, Economic Development , Chapter 4
  ii) A.P. Thirwall, Growth and Development , Chapter 3

Unit 3:   a)   Population growth and economic development
                 b)   Population growth and the quality of life
                 c)   Facts about world population
                 d)   Theory of demographic transition – the concept of optimum population –
                 e)   The trap models and their criticisms (Model of Nelson & Leibenstein)

Classes 10

Text:
  i)   Todaro and Smith, Economic Development , Chapter 7
  ii) A.P. Thirwall, Growth and Development , Chapter 8

Unit 4:   a)   Problems of labour surplus economy
                 b)   Lewis model and its criticism
                 c)   Nurkse's idea of disguised saving po tential
                 d)   Concept of labour surplus (disguised unemployment)
                 e)   Sen's model
                 f)   Labour migration.

Classes 10

Text:
  i)   Todaro and Smith, Economic Development , Chapter 4
  ii) A.P. Thirwall, Growth and Development , Chapter 5

Unit 5:   a)   Development Strategy
                 b)   Balanced vs. unbalanced growth
                 c)   Importance of agriculture and industry in economic Development
                 d)   Choice of technique in a labour surplus economy.

Classes 10

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Text:
  i) Todaro and Smith, Economic Development
  ii) A.P. Thirwall, Growth and Development, Chapter 12
  iii) H. Myint, Economics of Developing Countries,

Unit 6: *Social Sector and Development*
  a) HDI
  b) Education, Health And Nutrition
  c) Education and Health as joint investments on human capital for development
  d) Role of human capital on economic development - Evidence from cross-country data
  e) Improving health and education
  f) Why income alone is not sufficient?
  g) Economic impact of education
  h) Nature of schooling in developing countries
  i) Health systems and development – measurement and distribution
  j) Disease burden
  k) Health, nutrition and productivity
  l) Investing in health

Classes 10

Text:
  i) Todaro and Smith, Economic Development, Chapter 9

Unit 7: *Gender and Development*

  a) Gender issues and development
  b) Women's education in developing countries – an overview
  c) Women in the labour force
  d) Women, poverty and development in the Third World
  e) Women in developing countries – missing women
  f) Grameen Bank – performance and sustainability
  g) Empowerment of women

Classes 10

Text:
  i) Todaro and Smith, Economic Development, Chapter 10

Unit 8: *Environment and Development*

  a) Environment and Economy interface
  b) Sustainable Development
  c) Concept of Green GDP
  d) Population, poverty and environment

Classes 6

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Text:
   i)   Todaro and Smith, Economic Development, Chapter 11
   ii) A.P. Thirwall, Growth and Development, Chapter 11

References:
   1. Meier and Rauch, Leading Issues in Economic Development
   2. Hayami and Godo, Development Economics
   3. Dreze and Sen, Economic Development and Social Opportunity .
   4. R. T. Gill: Economic Development Past and Present.

Group B: Rural Development and Entrepreneurial Economics   (50 Marks)
Classes 70

Unit 1:   *Rural development versus agricultural development:*

   a. Introduction to the concept of Rural Development
   b. Decentralised Planning and participatory approach to rural development and role of NGOs
   c. Non Agrarian activities and integrated rural development
   d. Rural industrialization

Classes 10

Text:
   i) Adam Szirmai - Dynamics of Socio-economic Development, CUP.

Unit 2:   *Credit and Self-help Groups*
   a) Credit needs for rural non-farm sector
   b) Constraints of micro enterprises in rural areas
   c) Need for SHG formation
   d) Concept of micro credit
   e) Self-help groups in India

Classes 8

Text:
   i) S.S. Khanka - Entrepreneurial Development, S. Chand and Company

Unit 3:   *Entrepreneurship*
   a) Concepts and basic characteristics of entrepreneurship
   b) Function and types of entrepreneurs
   c) Role of entrepreneurship in economic development
   d) Rural entrepreneurship – meaning, need and problems

Classes 8

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Text:
  i) S.S. Khanka - Entrepreneurial Development, S. Chand and Company, Chapters 1,2,3,4

Units 4: *Theories of Entrepreneurship*

   a) Motivation theories
   b) Maslow's need hierarchy theory
   c) Mclleand's Acquired Needs Theory
   d) Motivating Factors

Classes 6

Text:
  i) S.S. Khanka - Entrepreneurial Development, S. Chand and Company,
    Chapter 6

Unit 5: *Project*
   a) Meaning of project
   b) Project Report, contents and formulation
   c) Importance of balance sheet, cash flow statement and break even point

Classes 8

Text:
  i) S.S. Khanka - Entrepreneurial Development, S. Chand and Company,
    Chapter 12

Unit 6: *Financial Planning*

   a) Concept of financial planning
   b) Sources of finance
   c) Capital structure and its determinants
   d) Concept of shares and debentures
   e) Venture capital

Classes 12

Text:
  i) S.S. Khanka - Entrepreneurial Development, S. Chand and Company,
    Chapter 14

Unit 7: *Institutional Support*
   a) Institutional support to enterprises
   b) Small Industries Development Organisation (SIDO)
   c) State Small Industries Development Corporation

H-30

　　d)　　District Industrial Centres
　　e)　　Industrial Estates

Classes 6

Text;:
　i) S.S. Khanka - Entrepreneurial Development, S. Chand and Company,
　　Chapter 18

Unit 8: *Growth Strategies*

　　a)　　Growth strategies in small business
　　b)　　Expansion and diversification
　　c)　　Joint venture
　　d)　　Merger
　　e)　　Subcontracting

Classes 12

Text:
　i) S.S. Khanka - Entrepreneurial Development, S. Chand and Company,

Chapter 30

References:

1) Entrepreneur: Talent, Temperament and Techinque, Bill Bolton and John Thompson, Butterworth and Heinenmann
2) India: Economic Development and Social Opportunity, Dreze and Sen, OUP
3) Rural Credit and Self-Help Groups, K.G. Karmakar, Sage Publications, New Delhi
4) Rural Industrialization – Development Trajectory in India, S.Sau, Farma KLM

Paper VIII: Indian Economic Problems　　　　　(Full Marks 100)
Classes 140

Unit I　　　　Historical Background of the Present Indian Economy
　　　　　　　　Performance of the Indian Economy during the British Period
　　　　　　　　Land tenure System and Impact on Indian Agriculture

Unit II　　　Structural Changes in the Indian Economy

Unit III　　Agrarian Economy and Food
　　　　　　　　a) Importance of Agriculture and Its Growth
　　　　　　　　b) Food Production and Consumption
　　　　　　　　c) New Economic Policy, Commercialisation of Agriculture, WTO and Food Security

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Unit IV   *Industrial Economy*
   a) Importance of Industrialisation
   b) Growth of Industrial Production and Structural Changes in the Indian Industrial Economy
   c) New Economic Policy, Foreign Direct Investment and Issues of Industrialisation

Unit V   *Infrastructure*
   a) Road, Air and Water Transport
   b) Communications
   c) Irrigation
   d) Power
   e) Problems of Infrastructural Development

Unit VI   *International Trade and Balance of Payments*
   a) Structure and Direction of Foreign Trade
   b) Problems of Balance of Payments
   c) Issues in EXIM Policy
   d) Trade Sector Reforms

Unit VII   *National Income, Savings and Capital Formation*
   a) Trend and Structural Changes
   b) Trend of Saving
   c) Pattern of Capital Formation

Unit VIII   *Poverty in India*
   a) Measure
   b) Trend and Pattern
   c) Factors influencing Poverty
   d) Poverty Alleviation Measures

Unit IX   *Inequality in India*
   a) Measure
   b) Trend and Pattern

Unit X   *Employment and Unemployment in India*
   a) Pattern
   b) Trend

Unit XI   *Planning in India*
   a) Rationale
   b) Objectives
   c) Outcome

Unit XII   *Money, Banking and Finance in India*
        a) Trend and Structure
        b) Financial Sector Reforms
        c) Review of Monetary Policy
        d) Specialised Financial Institutions

Unit XIII   *Public Finance in India*
        a) Centre-State Financial Relations
        b) Central and State Government Finances
        c) Parallel Economy
        d) Fiscal Sector Reforms

[Note that in each unit historical context must be discussed in the class starting from the colonial period.]

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1) Lucas, R.E.B. and G.S. Papanek, The Indian Economy: Recent Development and Future Prospects
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6) Selected articles from Economic and Political Weekly
7) Economic Survey, Government of India
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9) Relevant Articles from Economic and Political Weekly

14/09/2010
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