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university

**SCHEME OF EXAMINATION AND  
COURSE OF STUDY**

**FACULTY OF ARTS & SOCIAL SCIENCES  
2007-2008**

**BACHELOR OF ARTS (ECONOMICS)**

**SCHEME :**

Two Papers	Max. Marks - 200	Min. Pass Marks - 72
Paper - I	Duration 3 Hours	100 Marks
Paper - II	Duration 3 Hours	100 Marks

**PAPER - I****MICRO ECONOMICS****Max. Marks: 100****Duration : 3 hrs.****Min. Marks. : 36****UNIT - I****Introduction**

Nature and scope of economics; Methodology in economics; choice as an economic problem; basic postulates; Role of price mechanism; Demand and supply; Basic framework-applications; Market equilibrium.

**UNIT - II****Consumer's Behaviour**

Utility - Cardinal and ordinal approaches; indifference curve; consumer's equilibrium (Hicks and Slutsky); Giffin goods; Compensated demand; Elasticity of demand-Price, income and cross; consumer's surplus; Engel curve.

**UNIT - III****Theory of Production and Costs**

Production decisions; Production function; Iso-quant, factor substitution; law of variable proportions; returns to scale; economics of scale; different concepts of cost and their interrelation; Equilibrium of the firm; Expansion path.

**UNIT - IV****Market Structure**

Market forms - Perfect and imperfect market; Equilibrium of a firm- Perfect competition, monopoly and price discrimination, Measure of monopoly power, Monopolistic competition, Duopoly, Oligopoly, Taxation and equilibrium of a firm, Notion of controlled and administered prices.

**UNIT - V****Factor Pricing**

Marginal productivity theory of distribution; Theories of wage determination; Wages and collective bargaining; Wage differentials; Rent - Scarcity rent; Differential rent; Quasi rent; interest - Classical and Keynesian theories; Profits - Innovation, risk and uncertainty theories

**Recommended Books :**

1. Bach, G.L. (1977), Economics, Prentice Hall of India, New Delhi.
2. Gauld, J.P. and Edward P.L. (1966), Microeconomic Theory, Richard Irwin, Homewood
3. Henderson J. and R.E. Quandt (1980), Microeconomic Theory : A mathematics Approach, Mc Graw Hill, New Delhi.
4. Heathfield and Wibe (1987), An introduction to cost and Production functions, Macmillan, London.
5. Koutsoyiannis, A. (1990), Modern Microeconomics, Macmillan.
6. Lipsey, R.G. and K.a. Chrystal (1999), Principles of Economics (9<sup>th</sup> Edition), Oxford University Press, Oxford.
7. Mansfield, E. (1997), Microeconomics (9<sup>th</sup> Edition), W.W. Norton and Company, New York.
8. Ray, N.C. (1975), An introduction to Microeconomics, Macmillan company of India Ltd., Delhi
9. Ryan, W.J.L. (1962)- Price theory, Macmillan and Co. Limited, London.
10. Samuelson, P.A. and W.D. Hague (1972), A Textbook of Economic theory, ELBS & Longman Group, London.
11. Varian H.R. (2000), Intermediate Microeconomics: a Modern Approach (5<sup>th</sup> Edition), East-West Press, New Delhi.

**PAPER - II****INDIAN ECONOMIC THOUGHT****Max. Marks: 100****Duration : 3 hrs.****Min. Marks. : 36****UNIT - I**

Prominent ancient Indian economic thinkers and major source, books (only names and brief knowledge). Definition & scope of economics according to Kautilya and Shukra. Basic assumptions - integral man, Integrated rationality Dharma, based economic structure and Four Purusarthas. Human wants - nature origin and kinds. The concept of restrained consumption & co-consumption. Meaning and importance of wealth & code of conduct for earning and spending.

**UNIT - II**

Economic ideas of Manu, Shukra and Kautilya in the field of consumption, production, exchange, distribution and public finance.

**UNIT - III**

Economic thought of Swami Dayanand Saraswati, Dada Bhai Nrauji, Mahadev Govind Ranade, Gopal Krishna Gokhale.

#### UNIT - IV

Economic ideas of R.C. Dutta M.N. Roy and M.K. Gandhi and Vinoba Bhave.

#### UNIT - V

Major Economic thoughts of Dr. B.R. Ambedkar, J.L. Nehru, Ram Manohar Lohiya, Deen Dayal Upadhayay, Charansingh, J.K. Mehta and Amratya sen.

#### References :

1. Gupta, B.L. (1942) : Value and Distribution System in Ancient India, Gian Publishing House, New Delhi.
2. Ganguli B.N. (1977) : Indian Economic Thought a 19<sup>th</sup> Century Perspective, Tata McGraw Hill New Delhi.
3. Kautilya (1951), Arthshastra translated by R.Sharma Shastry.
4. Kulkarni S.A., (1987) : Ekatma Arthniti Suruchi Prakashan, New Delhi.
5. M.G. Bokare : Hindu Economics, Janki Prakashan New Delhi.
6. Ramesh Dutt : Economic History of India, Vol.I & II
7. D.R. Gadgil : The Industrial Evolution of India in Recent Times 1860-1030 (1971)
8. M.C. Vaish : Aarthik Vicharo ka Itihas
9. Gandhi M.K. (1974), India of my dreams, Navjivan Publishing Ahmedabad
10. Sen, A.K. (1987), On Ethics and Economics, Oxford, New York.
11. Sen, A.K. (1981), Poverty and Famines : an essay on entitlement and deprivation, oxford university press.
12. Sen, A.K. (1971), Collective Choice and Social welfare, North Holland amsterdam.

## **PAPER - III**

### **MACRO ECONOMICS**

**Max. Marks: 100**

**Duration : 3 hrs.**

**Min. Marks. : 36**

Each paper will contain ten question having two questions from each unit. The candidates are required to attempt five questions in all selecting atleast one question from each unit.

#### **UNIT - I**

##### **National Income and Social Account**

Nature and importance of Macro Economics, Fallacy of composition. Concept Nature and importance of Macro Economics. National income identities with government and international trade : incorporation of environmental concerns in national account-green accounting.

#### **UNIT - II**

##### **Output and Employment**

Say's law of market and the classical theory of employment. Keynes objection to the classical theory. Keynesian theory of output and employment - Aggregate demand and aggregate supply functions, the principle of effective demand, Consumption function - Average and marginal propensity to consume; Factors in influencing consumption spending.

#### **UNIT - III**

##### **Investment**

The investment multiplier and its effectiveness in LDCs. Theory of investment Autonomous and induced investment; Marginal efficiency of capital; saving and investment ex post and ex ante. Equality and equilibrium.

##### **Rate of Interest**

Classical, Neo-classical and Keynesian theories of interest.

#### **UNIT - IV**

##### **Trade Cycles**

Nature and characteristics; Hawtrey's monetary theory Hayek's over investment theory; Keynes view of trade cycle; The concept of accelerator; Samuelson and Hicks multiplier-accelerator interaction model, Control of trade cycles.

#### **UNIT - V**

##### **Economic Growth**

Source of growth, Growth models-Harrod and Domar; Instability of equilibrium, Neo-classical growth models - Solow; Economic growth and technical progress.

**Basic Reading List-**

12. Aekley, G. (1976) *Macroeconomics : Theory and Policy*, Macmillan Publishing Company, New York.
13. Day A.C.L. (1960) *Outline of Monetary Economics*, Oxford University Press, Oxford.
14. Gupta, S.B. (1994), *Monetary Economic*, S.Chand and Co., Delhi.
15. Hejdra, B.J. and F.V. Ploeg (2001), *Foundations of Modern Macroeconomics*, Oxford University Press, Oxford.
16. Lewis, M.K. and P.D. Mizan (2000), *Monetary Economics*, Oxford University Press, Oxford.
17. Shapiro, E. (1996), *Macroeconomics Analysis* Galgotia Publications, New Delhi.
18. Vaish, M.C. *Macro Economics*.

**PAPER - IV**  
**INDIAN ECONOMY**

**Max. Marks: 100**

**Duration : 3 hrs.**

**Min. Marks. : 36**

Each paper will contain ten question having two questions from each unit. The candidates are required to attempt five questions in all selecting atleast one question from each unit.

**UNIT - I**

**Pre British Period**

Indian economy in the Pre-British period-structure and organisation of villages, towns, industries and handicrafts.

Economic Consequences of the British Rule

General overall impact; colonial exploitation-from and consequences; Case for protection of Indian industries; The theory of drain-its pros and cons.

**UNIT - II**

Structure of Indian Economy

Basic features; Natural resources-Land, water and forest resources; Broad demographic features- Population size and growth rates, sex composition, rural urban migration, occupational distribution, Problem of over population; population policy, Infrastructure development; national Income.

**UNIT - III**

Agriculture

Nature and importance; Trends agriculture production and productivity; Factors determining productivity; Land Reforms; New agricultural strategy and green revolution; Rural credit, Agriculture marketing Agriculture and WTO.

Industry

Industry development during the planning period, Industrial policy of 1991; industrial licensing policy MRTP Act, FEAR and FEMA; Growth and Problems of small scale industries; Role of public sector enterprises in India's industrialization-recent policy towards public sector.

**UNIT - IV**

Planning in India

Objectives; strategy; broad achievements and failures; current Five Year plan objective, allocation and targets; New economic reforms Liberalization, privalization and globalization, Rationale behind economic reforms; Progress of privatization and globalization.

## UNIT - V

### External Sector

Role of foreign trade; Trends in exports and imports; Composition and direction of India's foreign trade; Balance of payment crisis and the New economic reforms - Export promotion measures and the new trade policies. Foreign capital - FDI, aid, Multinational corporations (MNCs) and their impact on Indian Economy. The relevance of SWADESHI.

### Important Areas of Concern

Poverty and inequality; Unemployment, Rising price; Industrial relations.

### BASIC READING LIST-

13. Datt, R.K.P.M. Sundhram (2001), Indian Economy. S.Chand & Company Ltd. New Delhi
14. Kedia, Kusum & Sinha, Root of Under development a peep into Indian Colonial Post. Tara Printing Works, Varanasi
15. Dhingra, I.C. (2000), The Indian Economy, Environment and policy, Sultan Chand & Sons, New Delhi.
16. Dutt, R.C. (1950), The Economic History of Indian Under Early British Rule, Low Price Publication, New Delhi
17. Kumar D. (Ed.) (1982), The Cambridge Economic History of India Volume II, 1757-1970, Orient Longman Ltd. Hyderabad.
18. Misra, S.K. and V.K. Puri (2001) Indian Economy ó Its Development Experience, Himalaya Publishing House Mumbai.
19. Directorate of Economics and Statistics, Government of Rajasthan, State Income of Rajasthan
20. Government of Rajasthan : Five year plan documents.
21. Government of Rajasthan : Budget studies.
22. Government of Rajasthan Statistical Abstract of Rajasthan
23. Government of Rajasthan : Report of Desert development Commission.

**PAPER - V**  
**MONEY, BANKING AND PUBLIC FINANCE**

**Max. Marks: 100**

**Duration : 3 hrs.**

**Min. Marks. : 36**

**UNIT - I**

Basic Concepts

Money - meaning, functions and classification, Gresham's law, Role of money in capitalist, socialist and mixed economic, Monetary standards- Metallic and paper systems of note issue.

Value of Money and Inflation

Meaning, uses and limitations of index numbers, quantity theory of money, Cash transaction and cash balance approaches, the Keynesian approach, Inflation deflation and reflation - definition, types, causes and effects of inflation on different sectors of the economy, Demand pull and cost push inflation, Measures to control inflation, Trade off between inflation and unemployment, Philips curve.

**UNIT - II**

Commercial Banking

Meaning and types; Functions of commercial banks; the process of credit creation - purpose and limitations; liabilities and assets of banks; Evolution of commercial banking in India after Independence; A critical appraisal of the progress of commercial banking after nationalization; recent reform in banking sector in India. Determinants of Money Supply - High powered Money and Money multiplier.

**UNIT - III**

Central Banking

Functions of a central bank, Quantitative and qualitative methods of credit control- bank rate policy, open market operations, variable reserve ratio and selective methods; Role and functions of the Reserve Bank Objectives and limitations of monetary policy with special reference to India.

**UNIT - IV**

Nature and Scope of Public Finance

Meaning and scope of public finance, Distinction between private and public finance, Public goods vs private goods; The principle of maximum social advantage; market failure; Role of the Government.

Public Expenditure

Meaning classification and principle of public expenditure; Canons and effect of public expenditure; Trends in public expenditure and causes of growth public expenditure in India.

#### UNIT - V

##### Taxation

Source of public revenue; Taxation - meaning, canon and classification of taxes; Division of tax burden - The benefit and ability to pay approaches; Impact and incidence and shifting of taxes; Taxable capacity; Effects of taxation; Characteristics of a good tax system; major trends in tax revenue of the central and state government Rajasthan.

##### Public Debt and financial administration

Sources of public borrowing; effects of public debt; methods of debt redemption Growth of India's public debt; The public budget kinds of budget; economic and functional classification of the budget, Preparation and passing of budget in India. Various concepts of budget deficits. Recent budget of Centre and State Govt.

##### **Recommended Books :**

1. Ackley, G. (1978), Macroeconomic : Theory and Policy Macmillan publishing Co. New York
2. Bhargava, R.N. (1971, The Theory and Working or Union Finance in India. Chaitanya Publishing Hosue, Allahabad.
3. Gupta, S.B. (1994) Monetary Economics, S.Chand & Company, New Delhi.
4. Houghton, E.W. (Ed.) (1988), Public Finance, Penguin, Baltimore.
5. Jha, R. (1998), Modern Public Economic, Rouledge, London.

**PAPER - VI**  
**QUANTITATIVE TECHNIQUES**

**Max. Marks: 100**

**Duration : 3 hrs.**

**Min. Marks. :36**

**General Instruction:**

Each paper will contain ten questions having two questions from each unit. Candidates are required to attempt five questions in all, selecting atleast one question from each unit.

**UNIT - I**

Basic Concept

Variables, sets, functions, equations, identities, system of equations. Application of straight-line, slope of the line Homogeneous function.

Calculus

Differentiation of function : Maxima and Minima. Elasticities equilibrium of a firm and consumer : Inter-relationship among total marginal and average cost and revenues : Constrained optimisation problem : Inter-relationship of a function, consumer's and producer's surplus.

Matrix and Determinants

Various types of matrices, Determinants, Inverse of a matrix, crammer's rule, input-output analysis, simple static model, linkages, concept of linear programming - graphic method.

**UNIT - II**

Introduction to statistics

Basic concepts; Population, Sample, Parameter, Frequency, Distribution, cumulative frequency, graphic and diagrammatic representation of data, techniques of data collection, sampling vs population, primary and secondary data.

Central Tendency and dispersion

Measures of central tendency; mean, median, mode, geometric mean and harmonic mean, measures of dispersion, range, mean deviation, standard deviation, coefficient of variation, quartile deviation, skewness and kurtosis. Concept of rate of growth.

**UNIT - III**

Correlation and Regression

Correlation, Simple Coefficient of correlation - Karl Pearson and rank correlation, Partial and multiple correlation, Analysis, Regression analysis - Estimation of regression line in a bivariate distribution -

Least squares method, interpretation of regression coefficients.  
Interpolation (Newton's and Binomial Method)

#### UNIT - IV

Time series and Index Numbers

Time series analysis - concept and components - Determination regular, trends and seasonal indices; Index numbers - concept, price relation quantity relative, value relative; Laspeyres's, Paasche's and Fisher, Family budget method; Problems in the construction and limitation of index number. Test for ideal index number. Association of attributes and chi-square test.

#### UNIT - V

Probability and Distribution

Probability : Concept, rules of probability (addition and multiplication); Random variables, Mathematical expectations, Theoretical distribution - binomial poisson and normal : their properties and uses.

Indian statistics

Current population census 2001. Statistical system in India. Agriculture, Industrial and Trade statistics in India.

#### BOOKS RECOMMENDED-

1. Allen, R.G.C. (1974), Mathematical Analysis for Economists, Macmillan Press. London
2. Black J. and J.F. Bradley (1973) Essential mathematics for Economists. John Wiley and Sons.
3. Chiang, A.C. (1986), Fundamental Methods of Mathematical Economics (3<sup>rd</sup> Edition) McGraw Hill. New Delhi
4. Croxton, F.E., D.J. Cowden and S.Klein (1973, Applied General Statistics, Prentice Hall, New Delhi.
5. Gupta, S.C. and V.K. Kapoor (1993), Fundamental of Applied Statistics, S.Chand and Sons, New Delhi.
6. Spiegel M.R. (1992), Theory and Problems of Statistics, McGraw Hill Book London.