MANIPUR UNIVERSITY
CANCHIPUR ; IMPHAL

Syllabus for Bachelor of Economics (Semester System)

Semester 1 : Indian Economic problem

Semester 2: Micro Economics I

Semester 3 : Micro Economics II

Semester 4 : Macro Economics

Semester 5 : Public Finance

Political Economy of Development

Quantitative Methods of Economic Analysis

Semester 6 : Development Economics

Environmental Economics

International Economics

SEMESTER I
(Indian Economic Problem)

Unit I

Basic features and the Nature of Indian economy – (i) Basic features of the Indian economy as a developing country; (ii) Indian economy as a mixed economy and (iii) changing nature of the Indian economy from 'controlled economy' to a 'liberalised economy'; National income; trends in the growth of India's national income as per capita income, trends in the composition and sectoral distribution of national income.

20 Marks

15 Lectures

Unit II

Natural Resources, Economic Development and Population; India's natural resources, economic development and environmental degradation; Interrelationship and issues; Population growth and economic development, Basic features of India's population; issues and interrelationship.

20 Marks

15 Lectures

Unit III

Agricultural Development: Agricultural Development since independence; Green Revolution; Land Reform: Meaning, Objectives and significance – food security and policy measures.

20 Marks

15 Lectures

Unit IV

Industrialisation – Industrial policies of India since independence (1956-1991) industrial growth and pattern of industrialization; Problems of large scale industries and policy measures; Micro, small and medium enterprises (MSMEs): Concept or definition of MSME; their role in Indian Economy Public sector reforms, privatization and disinvestment

20 Marks

15 Lectures

Unit V

Planning and Development Issues; Trends in India's foreign trade since independence: Trade Policy-changing features and critical evaluation of India's foreign trade policy; Planning in India: Objectives, priorities and strategies: Problem of Unemployment and poverty: estimate of poverty-Employment generation and poverty alleviation programmes; Economic reforms: Structural transformation in Indian economy.

20 Marks

15 Lectures

SEMESTER II
(MICRO ECONOMICS -I)

Unit I
Why study Microeconomics – The themes of microeconomics: tradeoffs, price and markets, equilibrium, theories and models, positive and normative analysis-definition of a market, competitive and non competitive markets- the demand curve and the supply curve-the market mechanism-change in market equilibrium.

20 Marks

15 Lectures

Unit II
Theory of demand: The Cardinal utility theory, the indifference curve theory, the revealed preference hypothesis, the consumer's surplus – the derivation of the market demand, elasticity of demand –market demand, total revenue and marginal revenue

20 Marks

15 Lectures

Unit III
Theory of production: the production function for a single product, law of production, technological progress and the production function – Equilibrium of the firm; maximization of output subject to a cost constraint, minimization of cost for a given level of output- Optimal expansion plan in the short and long run- production function of a multi product firm-the traditional and modern theory of cost, concept of economies of scale.

20 Marks

15 Lectures

Unit IV
Perfect Competition: assumptions, short and long run equilibrium of the firm and industry; Monopoly: short run and long run equilibrium of the monopolist.

20 Marks

15 Lectures

Unit V
Price discrimination: assumption and effects of price discrimination, price discrimination and elasticity of demand; Equilibrium of the firm under monopolistic competition, product differentiation and the demand curve; Oligopoly: Cournot's Duopoly model, the Kinked-Demand model.   20 Marks

15 Lectures

SEMESTER III

(MICROECONOMICS II)

Unit I
Price and Employment of factor inputs : competitive factor market – demand for a factor input when only one variable/several variable is/are , the supply of input to a firm; Equilibrium in competitive factor market; factor markets with monophony power; factor markets with monopoly power

20 Marks

15 Lectures

Unit II
The Walrasian system – the two factor,two commodity, two consumer General Equilibrium system (2x2x2 model), static properties of General Equilibrium state – GE and allocation of resources, prices of commodities and factors, factor ownership and income distribution.

20 Marks

15 Lectures

Unit III
Criteria of social Welfare: the Pareto optimality criterion, the Kaldor-Hicks Compensation Criterion, The Bergson Criterion 'Social Welfare function"; Welfare maximization and perfect Competition.

20 Marks

15 Lectures

Unit IV
Externalities and public goods: negative and positive externalities, way of correcting market failure; externalities and property rights, common property resources, public goods and efficiency, private preference for public goods.

20 Marks

15 Lectures

Unit V
Market with asymmetric information: Implication of asymmetric information, quality uncertainty and market for lemons- Market signaling, guarantees and warranties; Moral hazard, the principal Agent problem in private and public enterprises.

20 Marks

15 Lectures

IV SEMESTER
(MACRO ECONOMICS)

Unit – I
Theories of Income & Employment; the Basic classical model; Say's Law of market-Its relevance in a model economy – Labour market equilibrium,saving,investment and the rate of interest – the
quantity theory of Money – Relationship between money wages,prices and real wages and price flexibility. The classical dichotomy and neutrality of Money.

20 Marks
15 Lectures

Unit – II
Theory of Income &Employment : The Basic Keynesian Model: Determination of the level of income in the short run ; Aggregate demand : Consumption function, multiplier process ; the investment function, the marginal efficiency of capital, liquidity preference and the rate of interest, the acceleration principle.

20 Marks
15 Lectures

Unit – III
The neo-classical synthesis derivation of the IS and LM curves, general equilibrium and integration in the product, labour and Money market ; Aggregate demand and aggregate supply. Fiscal and monetary policy effects.

20 Marks
15 Lectures

Unit – IV
Inflation : theories of cost push and Demand push Inflation – Effect of Inflation – Inflation control measures ; Phillips curve : Trade off between inflation and unemployment. Money ; concept of money supply ; alternative measures of money supply in India and their components –High power money : meaning and uses.

20 Marks
15 Lectures

Unit – V
Introduction to growth theory ; the stylized fact of growth . One sector growth model and dynamic of growth, Harrod – Domar growth model, solow model.

20 Marks
15 Lectures

Unit I

Nature and scope of public finance – the principle of Maximum social Average. Fiscal functions in the developing economy – provision of social goods.   20 Marks
                                                                                          15 Lectures

Unit II

Techniques of budgeting, principle of budgeting –Government Budgeting: Budgetary procedure preparation of the budget. Revenue account, Capital Account, Public Account: Performance budgeting – meaning and need of performance budgeting.   20 Marks
                                                                                          15 Lectures

Unit III

Principle of Taxation: Equity horizontal and vertical equity, incidence of taxes, Efficiency criterion – tax evasion, Taxable capacity – absolute and relative taxable capacity. Factors determining taxable capacity, limit of taxable capacity; Features of VAT, GST, and DT
                                                                                          20 Marks
                                                                                          15 Lectures

Unit IV

Public Expenditure: Factors affecting public expenditure, Wagner's law and Peacock Wiseman hypothesis, Effects of public expenditure on production, distribution and economic stability. Public borrowing: sources of public borrowing enternal and external, role of public borrowing in mobilization of resources. Burden of internal and external public debt   20 Marks
                                                                                          15 Lecture

Unit V

Fiscal federalism, Centre State financial relations: Constitutional provision in India, the formulae for devolution of shareable taxes, grants –in-aids by the latest Finance Commission, Fiscal policy in India, Fiscal Responsibility and Budgetary Management (FRBM) Act and its implication, Local bodies and their financial responsibilities   20 Marks
                                                                                          15 Lectures

Unit I

The scope of political economy: Political Economy; Meaning ; Changing nature of Political economy; Classical political economy, Marxian political economy; An overview: Marxian concept of mode of production and its use in defining systems. Co-relation between production, distribution, exchange and consumption; the method of political economy   20 Marks
                                                                                          15 Lectures

Unit II

Evolution of society, State and economy; Emergence of socio-economic formations and the state, feudalism as a mode of production; the concept of primitive accumulation of capital, the role of foreign trade, the relationship between merchant capital and industrial revolution
                                                                                          20 Marks
                                                                                          15 Lectures

Unit III

Characteristics of capitalism as a mode of production: the accumulation process and technical change, the growth of monopoly capital: the role multinational corporations; long run development under capitalism   20 Marks
                                                                                          15 Lectures

Unit IV

Global Capitalist System: An outline of the main features of NPE; New political economy and economy development: Analytical approaches; the role of the state, political economy of development and underdevelopment. Globalisation and structural adjustable programmed: Global capital mobility, Markets, Democracy, Governances and public interest   20 Marks
                                                                                          15 Lectures

Unit V

Political economy of Indian economic development: Feudalism in pre-independence period; post-independence India: Agrian relationship in post-independence period; Political economy of Indian agriculture; Main aspect and policy measures; Post liberalization political economy-globalisation, structural adjustment programme and trade reforms   20 Marks
                                                                                          15 Lectures

SEMESTER V
(QUANTITATIVE METHODS OF ECONOMIC ANALYSIS)

Unit I

Importance of statistic and Mathematics in economics-Measures of central tendency and dispersion-mathematical versus nonmathematical Economic-Ingredients of a mathematical model variables, constants and parameters, equations and identities; Functions and types of functions constant, polynomial and Rational function; Matrix algebra: addition and multiplication-determinant, inverse of a matrix, Crammer's rule fo solution of simultaneous equation

<div align="right">

20 Marks

15 Lectures

</div>

Unit II

The derivative of a function. Technique of differentiation; sum, products andquotient of functions; composite functions and the chain rule. Partial differentiation; partial derivatives in economics. Homogeneous and homothetic function. Elasticity of substitution. Maxima and minima, saddle points,unconstrained optimization, necessary and sufficient conditions for local optima. Constrained optimization (equality constrained). The method of Lagrange multipliers. Interpretation of the Lagrange multiplier- Economic examples

<div align="right">

20 Marks

15 Lectures

</div>

Unit III

Concept of sample space and events, probability of an event; addition and multiplication theorems ; conditional probability and independence of events-Bayes rule; Concept of a random variables; probability distribution, joint marginal and conditional distributions, Independence of random variables; mean and variance; Binomial and Normal distribution; Law of Large numbers and Central Limit theorem.

<div align="right">

20 Marks

15 Lectures

</div>

Unit IV

Correlation analysis, pearsoian coeffient of correlation, rank correlation, correlation vs causality simple linear regression; Interpretation of regression parameters; Methods of Least square. Derivation of the normal equation; Economic example. Time series analysis; components of time series;fitting a linear trend using least square method   20 Marks

<div align="right">

15 Lectures

</div>

Unit V

Concept of an index number, uses of index numbers,Laspeyer's Paasche's and Fisher's Index numbers; Time Reversal, Factor reversal and circular test; China base index; problems in the construction of an index number; splicing; base shifting and use of index number for deflating other series; Wholesale price index, consumer price index and agricultural production index, measuring inflation   20 Marks

<div align="right">

15 Lectures

</div>

SEMESTER VI

(DEVELOPMENT ECONOMICS)

Unit I

Economic Growth and Development: Concepts of Economic Growth and Development and their measurement : Theories of growth: Classical Approach: Adam Smith, Marx and Schumpeter – Neo classical approach; Robinson, solow, Kaldor and Harrod-Domar, Factors of growth: natural resources and population

20 Marks

15 Lectures

Unit II

Strategies of Development: Low-level Equilibrium trap and big push; Balance Growth and Unbalance Growth; choice of technique -basic issues   20 Marks

15 Lectures

Unit III

Policy Issues: Fiscal policy and economic Development – Monetary policy in economic development, Deficit financing-need, significance and limitation; Price policy and economic development; Capital formation and development   20 Marks

15 Lectures

Unit IV

Technology transfer and trade policy: Needs, significance and problems of Technology transfers. Trade policy-export promotion and the important: substitution, recent change in trade policy. Developing countries and WTO. Foreign capital and developing country.

20 Marks

15 Lectures

Unit V

Nature and significance of international economics; Adam Smith's theory of absolute advantage, Ricardo's theory of comparative advantage; World Bank, International Monetary Fund and World Trade Organisation.

20 Marks

15 Lectures

SEMESTER VI

(Environmental Economics)

Unit –I

What is Environmental and natural resource economics – Origins of environmental economics – Interdependence between economy and the environment –issues in environmental economics – The Laws of Thermodynamics and environmental economics?

20 Marks
15 Lectures

Unit – II

Environmental problems and Policy Solution: Climate change, standards via command and   control, criteria for policy approaches – economic and noneconomic, choosing policy   instruments.

20 Marks
15 Lectures

Unit – III

Market failure with environment consequences – pollution Externalities – Review of basics –   Public goods – Common property resources and the issue of property right – Economic.   Solution to Market failure.

20 Marks
15 Lectures

Unit – IV

Renewable resource extraction under monopoly and perfect competition; Non-renewable   resource extraction under monopoly and perfect competition.

20 Marks
15 Lectures

Unit – V

Environmental Kuznets Curve and Economics of sustainable development

20 Marks
15 Lectures

SEMESTER - VI
INTERNATIONAL ECONOMICS

Unit-I
Nature and significance of International economics need for a separate theory of international trade, classical theory of trade; Adam Smith's theory of absolute advantage, Ricardo's theory of comparative advantage and its formulation in terms of opportunity costs.

20 Marks
15 Lectures

Unit – II
Modern theory of trade : Heckscher-Ohlin theorem, Leontief Paradox, Factor price equalization

20 Marks
15 Lectures

Unit – III
Balance of payment: Balance of Payment Accounting –Accommodating and Autonomous items and their relevance to Balance of Payments equilibrium and disequilibrium: Exchange rate determination under Mint Parity theory and purchasing power parity theory.

20 Marks
15 Lectures

Unit – IV
Trade policies, Free trade Vs Protection, tariff, optimum tariff, Quotas. Theory of customs union, Globalisation.

20 Marks
15 Lectures

Unit – V
IMF- Objectives and functions and achievements; GATT/World Trade Organisation and developing countries

20 Marks
15 Lectures