

ECONOMICS
University of Jammu
Semester III

Syllabus of Economics for the Examinations to be held in the years 2015, 2016 and 2017

Course No: 301

Duration of Examination: 3 Hours

Title: Macroeconomics

Total Marks: 100

External Examination: 80

Internal Assessment: 20

PREAMBLE: The aim of this course is to give an overview as to how the economy behaves when the behaviour of the various economic agents are aggregated. The role of the state and its influence on the economy through its powers to tax, spend and control the supply of money is a major area of economic analysis in terms of theoretical, empirical as well as policy-making issues. Macroeconomics has an extensive, substantive as well as methodical content. It deals with the functioning of the economy as a whole, including how the economy's total output of goods and services and employment of resources is determined and what causes these totals to fluctuate. This paper has been designed to make the undergraduate students aware of the basic theoretical framework underlying the field of macroeconomics.

UNIT: 1 National Income and Social Accounts:

National income- concepts, methods of measurement: Difficulties in measuring national income and Uses of national income; National income identities with government and international trade, Two-sector and three-sector models.

UNIT: 2 Output and Employment:

The Principle of Effective Demand; Consumption function; Investment function (autonomous, induced and marginal efficiency of capital); Saving and Investment (ex-post and ex-ante)-equilibrium; Investment Multiplier and its effectiveness in LDC's.

UNIT: 3 Financial Markets and Macro Economic Theory:

Money Market – concept, functions and constituents of organised Indian money market; Characteristics of a developed money market; Monetary and Fiscal policies – meaning, objectives and role in developing economies; ISLM Model.

UNIT: 4 Trade cycles, Inflation and Open Economy:

Trade cycles – nature and characteristics; Control of trade cycles- Counter-cyclical Policies, Inflation- types, causes of demand pull and cost push inflation; Effects and methods to control inflation; Concepts of reflation and deflation; Determination of the Equilibrium National Income in a Small Open Economy, Foreign Trade Multiplier, Equilibrium in the Goods Market

Note for Paper setting: The question paper will contain two sections. In the first section, two questions from each unit i.e. 8 questions in total will be asked. The candidate will be required to answer any four questions of 6 marks each (choosing one question from each unit), word limit is not more than 250 words each. Second section will contain two questions from each unit i.e. 8 questions in total. The candidate will be required to answer one question from each unit i.e. a total of 4 questions. There will be internal choice with each unit. Each question will carry 14 marks and word limit is not more than 600 words.

The Distribution of the Internal Assessment of 20 marks will be as follows: There shall be a class test of 10 marks and two written assignments of 5 marks each.

Suggested Readings:

Ackley, G: Macroeconomics- Theory and Policy, Macmillan Publishing Co., New York.
Ahuja, H.L: Macroeconomics for Business and Management, S. Chand & Co. Ltd., New Delhi.
Bhole, L.M.: Financial Institutions and Markets, Tata McGraw-Hill Publishing Co., New Delhi.
Dwivedi, D.N: Macroeconomics- Theory and Policy, Tata McGraw Hill, New Delhi.
Gupta, S.B.: Monetary Economics, S. Chand and Co., New Delhi.
Khan, M.Y.: Indian Financial Systems, Tata McGraw- Hill Publishing Company, New Delhi.
Shapiro, E.: Macroeconomic Analysis, Galgotia Publications, New Delhi.
Keynes, J.M.: The General Theory of Employment, Interest and Money, Macmillan, London.
Mithani, D.M: Macroeconomics, Himalaya Publishing House, Mumbai.
Paul, R.R: Money, Banking and International Trade, Kalyani Publishers, New Delhi.
Seth, M.L: MacroEconomics, Lakshmi Narain Agarwal Publishers, Agra.
Vaish. M.C: Macroeconomic Theory, Vikas Publishing House Pvt. Ltd., New Delhi.

SEMESTER IV

Syllabus of Economics for the Examinations to be held in the years 2016, 2017 and 2018

Course No: 401

Title: Quantitative Methods in Economics

Duration of Examination: 3 Hours

Total Marks: 100

External Examination: 80

Internal Assessment: 20

PREAMBLE: This course is to introduce students of economics to the use of quantitative methods on economics both as a tool for analysis as well as as a tool for empirical validation and quantification. Thus statistical and mathematical tools are important to the study of economics both to analyse data as well as to create mathematical models where complex arguments can be demonstrated in quantitative terms.

Unit I: Some Basic concepts

Role of Mathematics in Economics; Number System—Integers, Rational Numbers; Irrational Numbers, Real Numbers and Imaginary Numbers; Gradient or Slope and Equation of Straight Line (Economic Examples- Budget line, linear demand curves); Rectangular Hyperbola; Equations—Different types of equations (non-linear demand curves). Simple equations, simultaneous equations, quadratic equations and their solutions, (Economic Examples- Various Demand Supply Equilibria)

Unit II: Functions and Differentiation

Functions—Different Function in Economics; Limits and Continuity; Derivatives—Definition and Evaluation, Rules of Differentiation- differentiating polynomial functions; Uses of Differentiation in Economics; Marginal Concepts and Elasticities. First and Second Order Conditions for optimisation, Examples from Economics- Utility Maximisation, Profit Maximisation

Unit III: Measures of Central Tendency and Dispersion

Measures of central tendency— Arithmetic Mean, Median, Mode, Geometric Mean and

their merits and demerits; Measures of dispersion— Mean Deviation, Standard Deviation, Coefficient of Variation, Variance and their merits and demerits, Skewness- Definition; Coefficient of Skewness— Karl Pearson's measure, Kurtosis— Meaning; Measures of kurtosis.

Unit IV: Bivariate Data

Covariance- definition and formula, Correlation Coefficient, Spearman's Rank Correlation Coefficient, Curve fitting- fitting variable X against Y, Goodness of fit- Definition and formula, uses in economics- estimation of Demand Curves, Supply Curves, Consumption Function

Note for Paper setting: The question paper will contain two sections. In the first section, two questions from each unit i.e. 8 questions in total will be asked. The candidate will be required to answer any four questions of 6 marks each (choosing one question from each unit), word limit is not more than 250 words each. Second section will contain two questions from each unit i.e. 8 questions in total. The candidate will be required to answer one question from each unit i.e. a total of 4 questions. There will be internal choice with each unit. Each question will carry 14 marks and word limit is not more than 600 words.

The Distribution of the Internal Assessment of 20 marks will be as follows: There shall be a class test of 10 marks and two written assignments of 5 marks each.

Basic Reading List:

1. Schaum's Series (2005), *An Introduction to Mathematical Economics*, Tata McGraw Hill, New Delhi.
2. Chiang A.C & Wainwright, *Fundamentals of Mathematical Economics*
3. Chander, Romesh (2007), *Lectures On Elementary Mathematics For Economists*, New Academic Publishing Co, New Delhi.
4. S.P. Gupta (2005), *Statistical Methods*, S. Chand & Sons, New Delhi.

Additional Reading List:

1. G.S. Monga (1972), *Mathematics & Statistics for Economists*, Vikas Publishing House, New Delhi.
2. C.B. Gupta & Vijay Gupta (1995), *An Introduction to Statistical Methods*, Vikas Publishing House, New Delhi.

University of Jammu

Syllabus of Economics for the Examinations to be held from 2016, 2017 and 2018

Semester V

Course No: 501 Title: Money, Banking, Public Finance and International Trade

Duration of Examination: 3 Hours

Total Marks: 100

External Examination: 80

Internal Assessment: 20

PREAMBLE: Money, Banking, Public Finance and International Trade constitute an important components towards understanding of economics. A clear understanding of the operations of money and banking and their interaction with the rest of the economy is essential to realise how monetary forces operate through a multitude of channels – market, non-market institutions and among others, the state. In modern times, the activities of the state have considerably increased and the theoretical understanding of different state activities through the budgetary mechanism is essential. Accordingly, the paper on “Money, Banking, Public Finance and International Trade” is an integration of monetary theory, banking institutions and government which combines with itself a systematic discussion of the theory, institutions and policy with special reference to India.

UNIT: 1 Money and Theories of Money:

Money – meaning, functions and classification; Characteristics of good money; Gresham’s Law; Fisher’s Transactions Approach and Cambridge Cash Balance Approach; A comparison of Fisherian and Cambridge Versions;

UNIT: 2 Commercial Banking and Central Banking:

Commercial Banks – meaning, types and functions; The process of credit creation; Recent Reforms in Banking Sector in India; Functions of Central Banks; Qualitative and quantitative methods of credit control.

UNIT: 3 Public Finance:

Meaning and scope of public finance; Distinction between public and private finance; The Principle of Maximum Social Advantage; Public expenditure – meaning and classification; Taxation – meaning and classification; Basic features of VAT, Preparation and passing of budget in India.

UNIT 4: International economics:

Importance of the study of International economics; Concepts of Internal, Interregional and International trade; Theories of International Trade- Absolute Advantage, Comparative Advantage, Heckscher – Ohlin’s theory and Reciprocal demand theory; Tariffs and Quotas – meaning, types and their impact (partial equilibrium analysis).

5. **Note for Paper setting:** The question paper will contain two sections. In the first section, two questions from each unit i.e. 8 questions in total will be asked. The candidate will be required to answer any four questions of 6 marks each (choosing one question from each unit), word limit is not more than 250 words each. Second section will contain two questions from each unit i.e. 8 questions in total. The candidate will be required to answer one

question from each unit i.e. a total of 4 questions. There will be internal choice with each unit. Each question will carry 14 marks and word limit is not more than 600 words.

6. The Distribution of the Internal Assessment of 20 marks will be as follows: There shall be a class test of 10 marks and two written assignments of 5 marks each.

Suggested Readings:

Ackley, G: Macroeconomics- Theory and Policy, Macmillan Publishing Co., New York.
Ahuja, H.L: Macroeconomics for Business and Management, S.Chand & Co. Ltd., New Delhi.
Dwivedi, D.N: Macroeconomics- Theory and Policy, Tata McGraw Hill, New Delhi.
Gupta, S.B.: Monetary Economics, S. Chand and Co., New Delhi.
Jha, R: Modern Public Economics, Rutledge, London.
Lekhi, R.K: Public Finance, Kalyani Publishers, New Delhi.
Mithani, D.M: Money, Banking & International Trade, Himalaya Publishing House, Mumbai.
Mithani, D.M: Modern Public Finance, Himalaya Publishing House, Mumbai.
Musgrave, R.A. and Musgrave, P.B: Public Finance in Theory and Practice, McGraw Hill, Tokyo.
Paul, R.R: Money, Banking and International Trade, Kalyani Publishers, New Delhi.
Seth, M.L: Money, Banking and International Trade, Lakshmi Narain Agarwal Publishers, Agra.
Singh, S.K: Public Finance in Theory and Practice, S. Chand & Co., New Delhi.
Sundharam, K.P.M., Andley, K.K: Public Finance – Theory and Finance, S. Chand & Co., New Delhi.
Govt. Of India, Economic Survey (Annual), New Delhi.
Reserve Bank of India: Report on Trends and Progress of Banking in India, Mumbai.

University of Jammu

Syllabus of Economics for the Examinations to be held from 2017, 2018 and 2019

Semester: VI

Course No: 601

Duration of Examination: 3 Hours

Title: Development Economics

Total Marks: 100

External Examination: 80

Internal Assessment: 20

PREAMBLE : Units incorporated in this paper would enable the students to know about theories of growth and development. Sectoral aspects of development, investment criteria, allocation of resources and interrelations of international aspects of development have been incorporated. The techniques of planning and its recent adaptations in the light of market dominated strategy and issues resulting to sustainable development are also find their due place in the contents of this paper.

UNIT: 1 Development and Economic Growth:

Distinction between economic growth and economic development; Factors affecting economic growth; Sustainable development; Development and underdevelopment- characteristics of underdevelopment, perpetuation of underdevelopment; Measurement of development; Human development indices-PQLI and HDI.

UNIT: II Theories of Economic Development:

Schumpeter's theory of economic development; Nurkse's theory of disguised unemployment;

Myrdal's theory of circular causation; Lewis's theory of unlimited supply of labour; Rostow's stages of economic growth.

UNIT III: Domestic and International Aspects of Economic Development:

Role of agriculture in economic development; Industrialization and economic development; Capital formation and economic development; Population growth and economic development; Role of international trade in economic development; Foreign Aid and economic development.

UNIT IV: Choice of techniques and Development planning:

Labour intensive techniques vs Capital intensive technique; Meaning of economic planning; Need for planning in under developed countries; Pre requisites of successful planning; Centralized and Decentralized planning; Capital-Output ratio- meaning and importance in planning.

7. **Note for Paper setting:** The question paper will contain two sections. In the first section, two questions from each unit i.e. 8 questions in total will be asked. The candidate will be required to answer any four questions of 6 marks each (choosing one question from each unit), word limit is not more than 250 words each. Second section will contain two questions from each unit i.e. 8 questions in total. The candidate will be required to answer one question from each unit i.e. a total of 4 questions. There will be internal choice with each unit. Each question will carry 14 marks and word limit is not more than 600 words.
8. The Distribution of the Internal Assessment of 20 marks will be as follows: There shall be a class test of 10 marks and two written assignments of 5 marks each.

Suggested Readings:

Aggarwal R.C. Economics of Development and Planning, Lakshmi Narain Aggarwal, Agra.
Bhagwati, J and Desai, P: India-Planning for Industrialisation, OUP, London.
Hayami, Y: Development Economics, Oxford University Press, New York.
Haggins, B: Economic Development, Norton, New York.
Jhingan, M.L: The Economics of Development and Planning, Vrinda Publications, Delhi.
Joshi, M.V: Environmental Economics, Atlantic Publisher & Distributors, New Delhi.
Kindleberger, C.P: Economic Development, McGraw Hill, New York.
Kumar, Pushpam(ed.): Economics of Environment and Development, Ane Books, New Delhi.
Lekhi, R.K: The Economics of Development and Planning, Kalyani Publishers, New Delhi.
Lekhi, R.K and Sujata Slathia: Development and Environmental Economics, Kalyani Publishers, Ludhiana.
Meier, G.M: Leading Issues in Economic Development, OUP, New Delhi.
Shankar, U. (ed): Environmental Economics, OUP, New Delhi.
Thirwal, A.P: Growth and Development, Macmillan, London.
Todaro, M.P: Development Planning-Models and methods, OUP, New Delhi