

**Sri Dev Suman Uttarakhand Vishwavidyalaya, Badshahithaul  
(Tehri Garhwal)**

**Revised Course for Economics in Undergraduate Classes**

**(For Affiliated Colleges)**

**(w.e. f. 2019-2020 onwards)**

**B.A. Part-I**

<b>Paper-I Micro Economics</b>	<b>MM-100</b>
<b>Paper-II Structure and Problems of Indian Economy</b>	<b>MM-100</b>

**B.A. Part-II**

<b>Paper-I Macro Economic Theory and Public Finance</b>	<b>MM-100</b>
<b>Paper-II Money Banking and International Economics</b>	<b>MM-100</b>

**B.A. Part-III**

<b>Paper-I Basic Quantitative Methods for Economics</b>	<b>MM-100</b>
<b>Paper-II Economic Development and Planning</b>	<b>MM-100</b>

**Note**

**The question paper will consist of three parts**

- 1. There will be 10 compulsory objective type questions. Each question will carry 1 marks.**
- 2. There will be 7 short answer type questions. Out of which 5 question are to be attempted. Each question will carry 6 marks.**
- 3. There will be 6 questions of long answer type questions. Out of which 4 question are to be attempted. Each question will carry 15 marks.**

## **B. A. I Year**

### **Paper -I Micro Economics**

**Unit 1 - Introduction and Basic Concepts:** Definitions of Economics - Wealth, Welfare, Scarcity and Modern Definitions, Micro and Macro Economics: Positive and Normative Economics, Static and Dynamic Economics, Deductive and Inductive Methods. Equilibrium: Partial and General, Static and Dynamic equilibrium.

**Unit- 2: Theory of Demand:** Utility analysis of Demand, Total and Marginal Utility: Law of Diminishing Marginal Utility Law of Equi - Marginal Utility, Consumer's Equilibrium, Indifference Curves, Price Effect, Substitution Effect Hicks and Slutsky. Consumer's Surplus: Revealed Preference Theory, Law of Demand; Factors Influencing Demand, Elasticity of Demand; Price; Income and Cross elasticity, Elasticity of Supply.

**Unit 3: Theory of Production** Function: Short Run and Long Run, Cobb – Douglas and CES Production Function, Law of Variable Proportions; Returns to Scale: Economies of Scale, Iso-quant Analysis; Iso- Cost Line; Producer's Equilibrium. Optimum factor Combination and Product Mix. Concept of Cost: Total, average and marginal cost. Fixed and Variable Cost, Short Run and Long Run Cost Curves and opportunity cost.

**Unit -4 Theory of Product Pricing:** Market Structures and Revenue Curves; Forms of Market: Perfect and Imperfect Markets: Salient Features, Price and output determination of firm and industry. Perfect Competition. Monopoly and Price Discrimination. Monopolistic Competition: Price and output determination. Oligopoly: price and output determination, Kinked demand curve, Non collusive (Cournot, Sweezy), Collusive (Cartels, price leadership); Duopoly: Price and output determination.

**Unit- 5 Theory of Factor Pricing:** Theory of Distribution: Marginal Productivity Theory of Distribution, Rent: Ricardian and Modern Theory, Wage: Marginal Productivity and Modern Theories, Collective Bargaining, Interest: Neo - classical, Liquidity Preference Theory, IS - LM Model Profit: Innovation, Risk and Uncertainty Theories. Welfare Economics: Concept of Social Welfare, Pigouvian Welfare Economics, Pareto Optimally Criterion and Efficiency Conditions, Kaldor - Hicks criterion, Compensation principle, Bergson - Samuelson Social welfare function.

#### **RECOMMENDED READING: (LATEST EDITIONS):**

- N . Gregory Mankiw - Principles of Economics, Thompson press , New York .
- R . G . Lipsey and K . A . Chrystal - Economics, Oxford University Press , Oxford .
- Stonier and Hague : - A Text Book of Economic Theory , Longman Higher Education.
- H . L . Ahuja - Advanced Economic Theory , S . Chand , New Delhi .
- M . L . Seth - " Micro Economics " , Laxmi Narayana Agarwal.
- P . A . Samuelson & W . D . Nordhaus - Economics, Tata McGraw Hill , New Delhi .

## **B. A. I Year**

### **Paper -II Structure and Problems of Indian Economy**

**Unit -1 Indian Economy** –A historical perspective; salient features of Indian economy; national income of India; Natural resources: land, water and forest resources, Demographic features: population, growth and rural – urban distribution, occupational distribution. Poverty and unemployment in Indian. Major programmes for poverty alleviation and employment. Human Development and Human Development Index and Sustainable Development Goals.

**Unit-2 Indian Agriculture:** Nature, role and importance of agriculture. Trend in agriculture production and productivity. Agricultural holdings and land reforms. Agriculture mechanization. Marketing of agriculture produce, Agricultural price policy, and rural indebtedness. Co - operative movement in India. Public distribution system and food security.

**Unit-3 Industrial Growth in India** - Structure, performance and problems; public and private sector, Large scale industries: present position and problems. Performance of major industries - Sugar, Iron, Steel, Jute and Cotton Textile Industries. Cottage and small scale industries. Industrial finance, industrial sickness in India. Industrial Labour, relation and social security , Industrial Policy of India and new MSME Policy.

**Unit 4- Social and Infrastructure Development-** Role of Infrastructure in economic development, Development of transport and communication facilities, Private sector participation, Irrigation, power, Energy and Infrastructure development. Progress of Health and Education. National Health Policy, New Education Policy of India.

**Unit-5 India's Foreign Trade:** Role of Foreign Trade in the Economic Development, India's Foreign Trade; Trends in Value, Composition and Direction, Position of Balance of Payments of India, Export Promotion and Import Substitution in India, Export and Import Policy of India, Role of MNC in Economic Development of India. Economic Reforms. Competitiveness of Indian Trade and Industry: Special Economic Zones. W.T. O. and Indian Economy. Foreign Direct Investment.

#### **SUGGESTED READINGS: (LATEST EDITIONS )**

Agrawal , A . N . : Indian Economy , Wishwa Prakashan , Newage International ( P ) Limited , New Delhi .

Government of India- Economic Survey ( various issues )

M . P . Todaro - Economic Development , Longman , London .

Misra , S . K . & V . K . Puri : Indian Economy , Himalaya Publishing House , Mumbai .

Reserve Bank of India - Hand book of Statistics on Indian Economy ( Latest ) .

Dutt , R . ( ed . ) : Second Generation Economic Reforms in India , S . Chand , New Delhi

## B.A II YEAR

### Paper -I Macro Economic Theory and Public Finance

**Unit – 1 Introduction and Basic Concept :** Meaning, nature, scope, importance and limitations; types of Macro Economics; Basic concepts of macro economics. Definitions of National Income, , Different Forms of National Income, Methods of Measuring National income. Circular flow of Income in Two, Three and Four Sector Economies.

**Unit – 2 Determination of Income and Employment:** Classical Theory of Employment, Say's Law of Market and its implications, Keynesian Theory of Income and Employment-Aggregate demand and supply functions. The Principle of effective demand. Consumption Function: Keynes psychological law of consumption; short - run and long - run consumption function; Empirical evidence on consumption function; income - consumption relationship - absolute income, relative income, life cycle and permanent income hypotheses.

**Unit - 3: Investment function:** Types of Investment, Determination of Level of Investment, Long and Short run shifts in investment functions, Marginal Efficiency of Capital (MEC), Theories of Investment: Classical and Keynesian Theory of Investment (Marginal Efficiency of Investment) , Saving Investment Equality. Investment Multiplier: Concept, Relationship between Multiplier, MPC and MPS, Comparative, Static and Dynamic Process, Working and limitations of Multiplier. Multiplier in UDCS , Employment Multiplier , Principle of Accelerator.

**Unit - 4: Public Finance:** Meaning, Nature, Scope, Role and Importance; Principle of Maximum Social Advantage; Public Expenditure: meaning, Scope, Justification, Aims and Objectives, Classification, Principles and Importance, Effects of Public Expenditure. Public Revenue: Meaning, Sources and Classification;

**Unit - 4: Public Revenue and Public Debt:** Taxation: Meaning, Characteristics, Objectives; Canons and Elements of a good tax system; Kinds of Taxes; Principle of Taxation; Impact, Incidence and Shifting of Taxes; Taxable Capacity; Effects of Taxation. Public Debt: Meaning, Objectives and Sources; Effects and Burden of Public Debt; Methods of Debt Redemption; Role of Public Debt in Developing Countries; Management of Public Debt; Deficit Financing; Fiscal Policy.

#### **SUGGESTED READINGS: ( LATEST EDITIONS ) :**

- Ackley , G , " Macroeconomics : Theory and Policy , Macmillan , New York .  
Lipsey R . G . and K . A . Chrystal " Principles of Economics " , Oxford University Press  
M . L . Seth - " Macro Economics " . Lakshmi Narayana Agarwal , Agra .  
Mithani , D . M . Macro Economics , Himalaya Publishing House , Mumbai .  
Paul Samuelson and Nordhaus , " Economics, Tata Hill Publishing Company , New Dehli .

## B.A II YEAR

### Paper -II Money, Banking and International Economics

**Unit 1 Money:** Meaning, Functions, Classification and Significance, Role of Money in Capitalistic, Socialistic and Mixed Economies, Meaning and Types of Monetary Standards, Gold Standard, Bi - Metalism, Paper Standard and Principles of Note Issue, Grasham Law.

**Unit -2 Supply of and Demand for Money:** Components of Money supply in India. Quantity Theory of Money: Fisher's, Cambridge and Milton Friedman Approach. Keynesian Theory of Money and Prices. Inflation: Types, Causes and Effects; Measures to Control Inflation, Inflationary Gap, Phillips Curve and Rational Expectations.

**Unit -3 Money and Capital Markets:**Types and Functions of Commercial Banks, Process of Credit Creation. Major Developments in Commercial Banking in India since Nationalization and During Post Economic Reforms. Money and Capital Markets in India, Recent Financial Sector Reforms in India. Central Bank: Objectives, Functions and Limitations with Special Reference to RBI, Supply of Money: Concept, Components and Aggregates; Money Multiplier, Quantitative and Qualitative Methods of Credit Control, Monetary Policy of India.

**Unit -4 Interregional and International Trade:** Theories of Absolute Advantage, Comparative Advantage and Opportunity Cost; Heckscher -Ohlin Theory of Trade and its Main Features, Assumptions and Limitations; Gains from Trade and their Distribution; Concepts of Terms of Trade; Reciprocal Demand and its Importance and Limitations.

**Unit -5 Rate of Exchange:** Theories of Exchange Rate Determination; Fixed Vs Flexible Rates; Balance of Trade and Balance of Payment; Equilibrium and Disequilibrium in Balance of Payments; Measures to Correct Disequilibrium in Balance of Payments .Free Trade Vs Protection; IMF and IBRD; India's Foreign Trade: Recent Changes in its Composition, Direction; Foreign Exchange Reserve Components.

#### **SUGGESTED READINGS: ( LATEST EDITIONS )**

1. Lester V. Chandler: The Economics of Money and Banking
2. Crowther, G.: An Outline of Money
3. Sethi, T. T.: Money, Banking and International Trade
4. Gupta, S. B.: Monetary Economics
5. Mithani, D. M.: Modern Public Finance
6. Kenan, P. B.: The International Economy

**B.A III YEAR**  
**Paper -I Basic Quantitative Methods for Economics**

**Unit -1 Introduction and Basic Concepts:** Meaning, Scope, Importance and Limitations of Statistics; Collection of Data: Primary and Secondary, Census and Sampling Methods of Data Collection.

**Unit -2 Classification and Tabulation of Data.** Diagrammatic (One and Two dimensional diagrams) and Graphical Representation (Histogram) of Data.

**Unit -3 Measures of Central Tendency:** Arithmetic Mean, Median, Mode, Geometric Mean and Harmonic Mean.

**Unit-4 Measures of Dispersion:** Range, Quartile Deviation, Mean Deviation, Standard Deviation, Co-efficient of Variation; Co-efficient of Skewness: Karl Pearson's and Bowley's Methods; Simple Correlation: Karl Pearson's method; Association of Attributes: Yule's Coefficient of Association.

**Unit-5 Matrices :** Equation of a Straight Line; Elementary knowledge of Differential Calculus; Basic Concepts of Determinants and Matrices, Simple operations on Matrices.

**SUGGESTED READINGS: ( LATEST EDITIONS )**

1. Mehta,B.C.&G.M.K.Madnani:Elementary Mathematics in Economics
2. Mehta, B. C. & G.M.K.Madnani:Arthashastra mein Prarambhik Ganit
3. Zaneeruddin, Quazi & V.K.Khanna: Mathematics in Commerce and Economics
4. Kumar Ram & Harshvardhan:Arthshastra mein Prarambhik Ganit ka Prayog
5. Mittal,S.N.&S.K.Mittal:Arthshastra mein Ganitka Prayog
6. Gupta, S.C.:Fundamentals of Statistics
7. Singhal, Mohan:Elements of Statistics
8. Yamane,Taro:Mathematics for Economicst.
9. Allen,R.G.D.:Mathematical Analysis for Economists

**B.A III YEAR**  
**Paper -II Economics of Development and Planning**

**Unit -1 Economic Development and Economic Growth:** Concept and Definitions of Economic Growth and Economic Development. Differences between Economic Growth and Economic Development, Characteristics of Economic Development, Factors Affecting Economic Growth, Characteristics of Under Developed Countries, Measuring Economic Development: Per Capita Income, Human Development Index, and Physical Quality of Life Index.

**Unit-2 Theories of Development:** Karl Marx Theory, Schumpeter's Theory, Keynes Theory of Economic Development, Restow's Theory of Stages of Economic Growth. Rosentain Rodan's Big Push Theory, Harvey Leibenstein's critical Minimum Effort Theory, Nurkse Theory of Economic Development.

**Unit-3 Economic Planning :**Meaning, Need and Objects of Economic Planning, Types of Economic Planning: Democratic, Decentralized and Indicative Planning: Strategies and Policies for a successful Planning. Requisites for successful planning, planning in third world countries. Mobilization of Resources, People's Participation in Planning. Objectives, Strategy and Evaluation of Indian Planning. , Achievements and Failures, Planning Machinery at the Center, State and local levels. Problems in Plan implementation, Niti Aayog, Mobilization of Resources, In Indian Five - Year Plans, Detailed Study of Last Two Five Year Plans. .

**Unit 4 Techniques of Planning** - Labor Intensive vs. Capital Intensive Technology, Investment Criteria, Cost - Benefit Analysis, Capital - Output Ratio, Input Output Analysis. Role of Monetary, Fiscal and Price Policies in Economic Development, Foreign Trade and Economic Development. External Resources: Foreign Capital and MNCs in India, Foreign Trade as an Engine of Economic Growth and Welfare Implications.

**Unit- 5 Regional Development:** Concepts, Meaning and Importance of Regional Development; indicators of regional development, problems of regional development; Regional Disparities; Concepts and Indicators; Causes of Economic Backwardness and Regional Imbalances; Uttarakhand Economy: Geographical Features, Natural Resources, Land and Irrigation, Forest Resources; Energy Resources; Agriculture, Horticulture; Demographic Profile, Employment and Unemployment, 'Poverty, Migration, Women in the Rural Economy; Industrial Development; Tourism; Prospects and Policies for Development of the Economy of Uttarakhand

**SUGGESTED READINGS : ( LATEST EDITIONS )**

Adelman , I , Theories of Economics Growth and Development ,  
Barro . R . and X . Salal - Martin . Economics Growth . McGrawHIII , New York .

Chakravarti . s . Alternative Approaches to the Theory of Economic Growing Oxford University Press , New Delhi .

Dhar , T . N . and S . P . Gupta : Uttaranchal : A Study .

Hoover , E . M . : An Introduction to Regional Economics , West University , West Virginia .

Kindleberger , C . P . Economics Development , McGraw Hill , New York .

Lekhi , R . N . " Economics of Development and Planning ' , ' M . LJhingan : Economics of Development & Planning , Vrinda Publications , New Delhi .

Mishra S . K . and V . K . Puri Economics Development and Planning . Himalaya Publishing House , Mumbai .

Myer and Taneja ' Economics Development and Planning . Kalyani Publishers , Mumbai .

Richardson , H . W . : Regional Economics , Weldenfeld and Nicolson , London .

Seth , M . L . : Economic Planning : Theory and Practice , Lakshmi Narayan Agrawal , Agra .

Stanford University Press , Stanford .

Thirlwal , A . P , Growth and Development , Macmillan.

Todaro , M . P . and S . C . Smith , Economics of Development , Unwin Press , London

Sati M C – Uttarakhand Statehood –Dimensions of Development 2001, Indus Publication New Delhi

# **DEPARTMENT OF ECONOMICS**

**SRI DEV SUMAN UTTARAKHAND UNIVERSITY**

**BADSHAHITHAUL, (TEHRI GARHWAL)**



**Syllabus**

**For**

**BACHELOR OF ARTS (B.A.)**

**ECONOMICS –(Yearly Course)**

**(Effective from 2019-20 and onwards)**

**B.O.S held on 10.02.2020**