



**ST. PHILOMENA'S COLLEGE (AUTONOMOUS), MYSORE 570015**  
**A COLLEGE WITH POTENTIAL FOR EXCELLENCE (UGC)**

**SUBJECT: ECONOMICS**

**REVISED SYLLABUS FOR B.A, COURSE UNDER SEMESTER SCHEME**

**DURATION OF THE COURSE – THREE YEARS - SIX SEMESTERS**

**FROM THE ACADEMIC YEAR 2016-17 ONWARDS.**

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**I - SEMESTER - ECONOMICS**

**Paper – 1**

**PRINCIPLES OF MICRO ECONOMICS**

**MARKS THEORY – 80 + INTERNAL ASSESSMENT -20 = 100**

**6hrs/week = 84 hrs**

**OBJECTIVE OF THE PAPER:**

To introduce the basic concepts of Micro Economics so as to strengthen the students understanding of Economics. Make the students understand how day to day Economic problems can be solved.

**Unit 1:**

**8 Hrs**

**Introduction to Micro Economics:**

Why study Economics. Micro Economics- Meaning, Types, Scope, Importance and limitations, the problem of choice, Scarcity and efficiency. Basic problems of an economy- Production possibility curve.

**Unit 2:**

**18 Hrs**

**Theories of Consumer's Behavior:**

Cardinal Approach- Utility, Meaning, The law of diminishing Marginal Utility, the law of Equi-marginal utility, Consumer's Surplus- Limitations of Marshallian approach.

Ordinal Approach – Indifference Curves- meaning, Schedule, Map, Consumer's equilibrium, Price, income and substitution effects- Criticisms of the indifference curve approach- Revealed Preference theory.

**Unit 3 :**

**18 Hrs**

**Theory of demand and supply:**

Demand- Meaning, law Schedule, Demand Curve, Exceptions, factors influencing demand, increase and extension in demand and decrease and contraction in demand- Elasticity of demand, types and measurement of demand (Simple Calculations)

Supply-meaning, law, Schedule, supply curve, factors influencing supply, extension and contraction of supply, elasticity of supply.

**Unit 4:**

**18 Hrs**

**Production, Cost and Revenue analysis:**

a. Production function- the law of variable proportions, law of returns to scale

b. Cost- types- Real, Opportunity, Fixed, Variable, Marginal, Average and Total costs (simple calculations)- Short run and long run cost curves.

c. Revenue-types, marginal, average, total revenue curves.

**Unit 5:****22 Hrs****Market structure: Product and factor pricing**

- a. Pure competition and perfect competition- features, price and output determination, role of time element- Monopoly –features, price and output determination, Discriminating monopoly- monopolistic competition- features, product differentiation. Oligopoly- features, kinked demand curve, Collusive and non-collusive oligopoly, cartels and price leadership
- b. Marginal productivity theory of distribution-Modern theory of distribution-Keynesian theory of Interest(liquidity preference theory)

**Text Books**

1. Mc Connel R.Campbell and Stanley Bruc, Microeconomics, McGraw Hill Irwin, New York.
2. Samuelson P.A, **Economics**, Tata McGraw-Hill Publishing Company Limited, New Delhi
3. Mukherjee Sampat - **Modern Economic Theory**, New Age International Publishers, New Delhi
4. Sankaran S- Economic **Analysis**, Marghum Publications, Madras
5. Mithani D.M- **Modern Economic Analysis**, Himalaya Publishing House, Mumbai

**II – SEMESTER - ECONOMICS**  
**Paper – 2 - PRINCIPLES OF MACROECONOMICS**  
**MARKS THEORY – 80 + INTERNAL ASSESSMENT -20 = 100**

6hrs/week = 84 hrs

**OBJECTIVE OF THE PAPER:**

To make the students understand the working of an Economy, relate the Modern Macro Economic problems and how to tackle it.

**Unit 1: 20 Hrs**

**Introduction to Macro Economics**

Macro Economics- meaning, types, scope, importance and limitations.

Basic concepts of macro economics-Stocks, flow equilibrium - short term and long term

National Income- Concepts GNP, GDP, NNP, NDP, NI, PI, DPI, Measurement of National Income, Difficulties in its measurement (simple calculations)

**Unit 2: 12 Hrs**

**Classical theory of Employment**

Say's law of markets- wage–price flexibility- criticisms of the classical theory of employment.

**Unit 3: 20 Hrs**

**Keynesian theory of employment:**

Concept of effective demand and its determinants- equilibrium level of income and employment- consumption function-APC, MPC- Factors affecting the consumption function-Investment function- - Factors affecting investment function-Marginal efficiency of capital -Investment Multiplier- criticisms of the Keynesian theory of employment.

**Unit 4: 12 Hrs**

**New Classical Macro Economics:**

New classical macro economics – supply side economics and its Theoretical proposition – Rational Expectations and policy conclusions.

**Unit 5: 20 Hrs**

**Macro Economic policy:**

Business cycles, meaning, types, phases, control of Business cycle.

Inflation meaning and types, inflationary gap- Deflation meaning and Effects

Monetary and Fiscal policy- Objectives and Instruments

**Text Books:**

1. Samuelson P.A.- Economics- Tata McGraw-Hill publishing company limited, N. Delhi.
2. Mukherjee, Sampat,- Modern Economic Theory-, New Age International Publishers, New Delhi.
3. Mithani. D.M- Modern Economic Analysis- Himalayan Publishing House, Mumbai.
4. Rana & Verma- Macro Economic analysis- Vishal Publishing House
5. Vaish. M.C- Macroeconomic theory- Vishwa Prakashan, New Delhi.
6. G.Mankiw- Principles of Macro Economics.

**III - SEMESTER – ECONOMICS**  
**Paper – 3 - MATHEMATICS AND STATISTICS FOR ECONOMICS**  
**MARKS THEORY – 80 + INTERNAL ASSESSMENT -20 = 100**

**6hrs/week = 84 Hrs**

**OBJECTIVE OF THE PAPER:**

Mathematics and Statistics are important tools that is necessary for a student of economics. Basic Mathematics and Statistics are introduced for a better understanding of Economic concepts.

**Unit 1: 16 Hrs**

**Tools of economic analysis**

Nature and Scope of Mathematical Economics (a brief introduction) – Role of Mathematics in economic theory.

**Functions and Functional Relations:**

Linear and Non- linear Functions- Demand and supply functions- liquidity Preference Functions- Production Possibility Curves and indifference Curves as examples. Concept of sets: Meaning, types, union offsets and intersection of sets.

**Unit 2: 8 Hrs**

**Economic application of Linear Functions:**

Determination of Market Equilibrium price and quantity- Impact of specific tax and subsidy on market equilibrium.

**Unit 3: 18 Hrs**

**Derivatives of functions:**

Concept of Limit and Continuity. First Principle of differentiation relating to Algebraic Functions. Application of differential Calculus to Economics to derive Marginal Revenue and Marginal Cost Function and Total Revenue and Total Cost Functions- Elasticity of demand- Revenue/profit maximization and cost minimization.

**Unit 4: 16 Hrs**

**Introduction to Statistics and Sources of Data:**

Definition, importance of statistics in economics and its limitations- Primary and Secondary sources- Classification and Tabulation of data- Diagrammatic representation of data.

**Unit 5: 26 Hrs**

**Measures of central tendency, Dispersion and co-relation analysis:**

- a. Mean, Median, Mode, Geometric Mean and Harmonic Mean for grouped and ungrouped data.
- b. Range, Semi-Inter Quartile Range, Mean Deviation and Standard Deviation, Lorenz Curve.
- c. Co-relation analysis- Meaning, Types, measurement- Karl Pearson's Co-efficient of co-relation –Spearson's Rank co-relation.

**Text Books**

1. Veerachamy R - **Quantitative Methods for Economics**, New Age International (P) Limited Publishers, New Delhi.
2. Bose D - **An Introduction to Mathematical Economics**, Himalaya Publishing House, Mumbai.
3. Anderson David R, Dennis J, Sweeney and Thomas A. Williams, - **Statistics for Business and Economics**, Thomson South – Western, Singapore
4. Dr.C.K. Renukarya “ **Mathematics and Statistics for Economics**” Chetana Publication

**IV – SEMESTER- ECONOMICS**  
**Paper – 4 - INDIAN ECONOMY**  
**MARKS THEORY – 80 + INTERNAL ASSESSMENT -20 = 100**  
**6hrs/week = 84 hrs**

**OBJECTIVE OF THE PAPER:**

To understand the Economic problems that our country is facing, to understand its causes, provide solutions. To know the process of Economic development in India.

**Unit 1: 14 Hrs**

**Structure of the Indian Economy:**

Natural, Human resources and economic development- size and growth rate of population in India – population explosion- population policy.

National Income of India – National income estimates in India –Trends in National Income – Income Inequalities in India.

**Unit 2: 14 Hrs**

**Agriculture Sector in India:**

Role of agriculture in India's economic development- Cropping pattern in India- National Agriculture Policy- Food Security in India- agricultural Inputs- Agricultural Labour- Problems and Remedies- agricultural Marketing- Problems and remedies- Concept of Organic Farming.

**Unit 3: 16 Hrs**

**Industrial Sector in India:**

Importance of industrialization – Industrial policy since 1991 – problems of large scale industries – Role and problems of small scale industries- disinvestment – policies and issues, emergence of the IT industry.

**Unit 4: 20 Hrs**

**The Tertiary sector in India:**

a. Tertiary sector – Composition – its importance in Indian Economic development- Foreign Trade of India- Composition of India's foreign trade- Direction of India's foreign trade- India's Balance of Payments – impact of WTO on India's foreign trade- India's foreign exchange reserves.

b. The Reserve Bank of India its functions - reforms in the banking sector.

**Unit 5: 20 Hrs**

**a. Indian Fiscal System:**

Revenue and Expenditure of the central and state governments- public debt management- financial relations between center and state- parallel economy.

**b. Challenges to development:**

Poverty - Meaning, Types, Causes, Magnitude, and Poverty eradication programmes in India  
Unemployment in India-Meaning, Types, magnitude, Remedial measures to reduce unemployment.

**Text Books:**

1. Dutt Ruddar and Sundaram K.P.M -**Indian Economy**, S. Chand and Co New Delhi.
2. Misra S.k. and V.K. Puri - **Indian Economy**, Himalaya publishing house, mumbai.
3. Agarwal A.N - **Indian Economy-problems of development and planning**, Wishwa Prakashan, New Delhi.
4. Kapila and Umakapila “Indian Economy”

**V- SEMESTER – ECONOMICS**  
**Paper – 5 (Compulsory Paper)**  
**MARKS THEORY – 80 + INTERNAL ASSESSMENT -20 = 100**  
**MANAGERIAL ECONOMICS**

**3 Hrs/week=42Hrs**

**OBJECTIVE OF THE PAPER:**

It is a bridge between Economic theory and practical business problems. An understanding of Managerial Economics helps a students to take decisions in a modern firm or a business unit.

**Unit 1:** **4 Hrs**

**Introduction to Managerial Economics**

Meaning and definition of Managerial economics- nature and scope of managerial economics- relationship to other branches of learning-usefulness of managerial economics- Fundamental Concepts of Managerial Economics.

**Unit 2:** **10 Hrs**

**Demand forecasting:**

Meaning, objectives and determinants of demand forecasting: the concept of certainty, risk and uncertainty- factors affecting demand-methods-survey method and statistical methods-semi average, moving average and least square methods (with emphasis on problems)

**Unit 3:** **10 Hrs**

**Linear Programming:**

Meaning- Applications of Linear programming- Basic Concepts- Cost minimization and Profit maximization- Graphic Method- Procedure used in formulating and Solving Linear Programming Problem.

**Unit 4:** **12 Hrs**

**Pricing Policy and Profit Management:**

a. Meaning and Methods- Cost Plus or Mark-up Pricing- Multiple Product Pricing – Transfer Pricing – Skimming and Penetration Price policy.

b. Meaning of Profit- Accounting Profit and Economic Profit – Break-even Analysis- Problems Break-even quantity, Break-even Sales- Safety Margin.

**Unit 5:** **06 Hrs**

**Capital Budgeting:**

Meaning- Definition-Need for Capital Budgeting - Techniques- Pay-back Period, Net Present Value Method. Cost of capital-Weighted Average Cost of Capital.

**Text Books**

1. Salvatore Dominic -**Managerial Economics**, McGraw Hill, New York.
2. Seo K.K. -**Managerial Economics**- Surjeet publications, Delhi. 3.
- Peterson H. Craig and W. Cris Lewis -**Managerial Economics**, Pearson Education, Singapore.
4. Maheswari & Varshnay -**Managerial Economics**
5. Joel Dean -**Managerial Economics**

**V – SEMESTER – ECONOMICS**  
**MARKS THEORY – 80 + INTERNAL ASSESSMENT -20 = 100**  
**SUBJECT: ECONOMICS OF DEVELOPMENT**  
**Paper – 6 (Compulsory Paper)**

**3 Hrs/Week= 42 hrs**

**OBJECTIVE OF THE PAPER:**

An attempt is made in this paper to understand special Economic problems of all developing countries.

**Unit 1:**

**12 Hrs**

**Economic Development:**

Concept of development-definition-distinction between economic growth and development-sustainable development-characteristics of developing countries- measures of economic development: Gross National Product(GNP)- Per capita Income, Net Economic welfare, Physical quality of life index(PQLI), Human development Index(HDI) Gender Development Index(GDI) Gender Empowerment Measure(GEM), Human Poverty Index(HPI).

**Unit 2:**

**General Theories of Economic Growth:**

**12 Hrs**

Adam Smith's theory, David Ricardo's theory, T.R. Malthus's theory, Karl Marx's theory, Schumpeter's theory and Rostow's Growth theory.

**Unit 3:**

**Partial theories of Economic Development:**

**10 Hrs**

Labour surplus Model (Arthur Lewis)- Big push theory- Critical Minimum effort thesis- Balanced Vs Unbalanced Growth.

**Unit 4:**

**Factors in the Development Process:**

**8 Hrs**

Capital Accumulation-capital-output ratio- Technology and economic development- institutional factors- State and Markets- State Failure- Market Failure- rethinking on the Role of the state.

**Text Books**

1. Todoaro M.P- **Economic Development in the Third World**, Orient Longman, united Kingdom.
2. Benjamin Higgins- **Economic Development**, W.W. Norton and Company Inc. New York.
3. Taneja M.L. and R.M. Myer - **Economics of Development and Planning**. Shoban Lal Nagin Chand and Co. Delhi.
4. Mishra S.K. and V.K. Puri - **Economic Development and Planning**, Himalaya Publishing House, Mumbai
5. Thirlwall A.P- **Growth and Development- With Special Reference to Developing Economics**, Palgrave Macmillan, New York.

**V - SEMESTER- ECONOMICS**  
**Paper – 7 (Elective)**  
**ENVIRONMENTAL ECONOMICS**  
**MARKS THEORY – 80 + INTERNAL ASSESSMENT -20 = 100**

**3 Hrs/ week = 42Hrs**

**OBJECTIVE OF THE PAPER:**

An understanding of the Environment and its problems is an essential to a students here an attempt is made to understand local and global environmental problems.

**Unit 1 : 4 Hrs**

**Introduction**

Importance of the study of Environmental Economics – Relationship between Environment and Economic Development –Sustainable development and its importance – strategies of sustainable development

**Unit 2 : 12 Hrs**

**Pollution and Its Impact on the Environment**

Meaning and Definitions of Pollution, Air Pollution, Water Pollution, Noise Pollution: Causes, consequences, various methods to control pollution.

Pollution and Externalities: Types of Externalities – Divergence between social cost and private cost.

**Unit 3: 4 Hrs**

**Population and Environment**

Trends in Global Population – Impact of population growth on environment – Urbanization and problems associated with it.

**Unit 4 : 14 Hrs**

**Local and Global Environmental Problems:**

Municipal Solid Waste, Economics of recycling, People's participation in controlling local environmental problems- Global warming, Green House Effect, Depletion, climate change, Ozone Depilation, Threat to Bio-diversity, conflicts between consumerism and environment

**Unit 5 : 8 Hrs**

**Nature of Environmental Problems and Policies in India**

India's Environmental problems, role of Pollution Control Board, Department of Ministry of Environment, Constitutional provisions for Environmental Protecting.

**Text Books:**

1. Turner R Kerry, David Pearce & Ian Bateman, - **Environmental Economics – an Elementary Introduction**, The Johns Hopkins University Press, Baltimore.
2. Sankaran S- **Environmental Economics**, Margham Publications, Madras
3. Eugene T -**Environmental Economics**, Vrinda Publications (P) Ltd., New Delhi
4. Karpagam, **Environmental Economics**
5. Rajalakshmi and Dulasi Brinda, **Environmental Economics**



**V - SEMESTER- ECONOMICS**  
**Paper – 7 (Elective)**  
**SUBJECT: INDUSTRIAL ECONOMICS**  
**MARKS THEORY – 80 + INTERNAL ASSESSMENT -20 = 100**  
**3 Hrs/Week = 42 Hrs**

**OBJECTIVE OF THE PAPER:**

Industries is one of the largest sectors in the Indian Economy. An understanding of Industrial Economics will help a student in understanding the role and contribution of industries in economic development of a country.

**Unit 1:** **6 Hrs**

**Introduction:**

Definition and Subject-matter-Evolution and Development of Industrial economics-objectives and methods.

**Unit 2:** **12 Hrs**

**Theory of the Firm:**

Concept of firm, features and objectives-Size of firm, Optimum firm and its determinants-Growth of firm, determinants of growth –theories of growth of firm (Downie's theory Penrose's theory and Morris theory)

**Unit 3:** **10 Hrs**

**Industrial Organization:**

Concept of Industrial Organisation- different forms of industrial organization, proprietorship, partnership, joint stock companies, holding companies and industrial co-operative organisation-corporation – Choice of organizational form

**Unit 4:** **8 Hrs**

**Industrial Location:**

Concept of Industrial Location, determinants of location, dynamics of industrial location-theories of industrial location (Weber's theory and sergeant Florence's theory) - Industrial location policy, objectives and importance.

**Unit 5:** **6 Hrs**

**Industrial Productivity and efficiency:**

Concept of Industrial productivity- Measurement total factor and single factor productivity-Determinants of productivity-Importance of productivity-efficiency concept-Determinants of economic efficiency.

**Text Books:**

1. Bharatwal R.R- Industrial Economics
2. Divine A.J. and others - An introduction to Industrial Economics
3. Hay D.A. and Morris D.J - Industrial Economics
4. Francis Cherunilam - Industrial Economics
5. Singh and Sadhu - Industrial Economics

**V – SEMESTER - ECONOMICS**  
**Paper – 7 (Elective)**  
**INTRODUCTION TO ECONOMETRICS**  
**MARKS THEORY – 80 + INTERNAL ASSESSMENT -20 = 100**

**3 Hrs/Week = 42Hrs**

**OBJECTIVE OF THE PAPER:**

Econometrics is subject which includes the study of Economics with the help of Mathematics and Statistics. An understanding of Economics today essentially use the tools of Mathematics and Statistics. Present day Economic model building is essentially Mathematical in character. This paper prepares a student towards that end.

**Unit 1 :**

**6 Hrs**

**The Nature and Scope of Econometrics:**

Meaning of Econometrics – Relationship between Econometrics and Statistics, Econometrics and Mathematical Economics, and Econometrics and Economics. The Methodology of Econometrics – Types of Econometrics.

**Unit 2 :**

**20 Hrs**

**Statistical Inference**

Basics of Probability and Statistics, Summation, Notation, Properties of Summation Operation, Random Variable, Probability, Random Variables and Probability distribution function, Characteristics of probability distribution. Some important probability distributions, Normal distributions, The chi square distributions 't' distribution and F distribution, relationship among t, F and  $X_2$  and Normal Distribution – estimation and hypothesis testing – The meaning of Statistical Inference, Point Estimation and Interval Estimation, Properties of Point Estimation. Hypothesis Testing – The Confidence interval approach Types – I and Type II errors. The Test of significance approach to hypothesis testing.

**Unit 3 :**

**4 Hrs**

**Sampling Theory**

Concepts of Population and Sample. Sources of Statistical Error. Sampling, Design, Sampling Techniques.

**Unit 4:**

**14 Hrs**

**Data Analysis**

Time series Data, Section Data and Pooling Data, Sources of Data – Primary and Secondary Sources. Importance of Time Series and Cross Section Data for Econometrics Measurement.

**Text Books:**

1. Damodar Gujarati - Essentials of Econometrics, Mc Graw Hill International Edition Economic Series.
2. Sonia Taylor - Business Statistics, Palgrave, Macmillan Press, New York.
3. Suresh K Ghosh- Econometrics – Theory and Application, Prentice Hall of India Private Limited, New Delhi.

**VI - SEMESTER- ECONOMICS**  
**Paper – 8 (Compulsory Paper)**  
**PUBLIC FINANCE**  
**MARKS THEORY – 80 + INTERNAL ASSESSMENT -20 = 100**  
**3 Hrs / Week = 42 hrs**

**OBJECTIVE OF THE PAPER:**

This subject attempts to make the students to understand the basic concepts in Public Finance. Understand and evaluate budget, theories of Public Revenue, Expenditure and Debt which helps in understanding the working of modern government.

**Unit 1:** **4 Hrs**

**Introduction:**

Introduction to public Finance- Distinction between public finance and public economics- importance of the study of public finance.

**Unit 2:** **4 Hrs**

**Principles of Public Finance:**

Principal of Maximum social Advantage – Test of Social Advantage- Principle of allocation of resources- Social welfare functions of Modern Government- Distinction between public and private goods- Externalities.

**Unit 3:** **6 Hrs**

**Public Expenditure:**

Principles of Public expenditure- Wagner's law of increasing state activities- the critical limit hypothesis – kinds of public expenditure and canons of expenditure

**Unit 4:** **12 Hrs**

**Public Revenue:**

Public revenue-sources of public revenue- tax revenue – types- direct and indirect taxation- proportional, progressive and regressive taxes- specific and ad valorem tax(concept) .  
Canons of taxation- principles of taxation-benefit principle-ability to pay principle-impact and incidence and shifting of taxation-effects of taxation-Characteristics of a good tax system.

**Unit 5:** **16 Hrs**

**Public Debt, Deficit Financing and Budget:**

- a. Public Debt-causes – limits to raising public debt-burden of debt- debt redemption
- b. Deficit financing: Meaning, objectives and techniques of Deficit Financing
- c. Classification of budgets-programme and performance budget-Budgetary Deficits-Primary, Revenue and Fiscal Deficits-Zero based budget.

**Text books**

1. Musgrave R.A. and Musgrave-**Public Finance in Theory and Practice**
2. Ulrich Holley - **Public Finance in Theory and Practice**
3. Bhatia H.L. - **Public Finance**
4. Sundaram K.P.M. and K.K. Andley - **Public Finance**
5. Singh S.K- **Public Finance in Theory and Practice**
6. Agarwal R.C, **Public Finance Theory and Practice**
7. Omprakash “Public **Economics**” Vishal Publications

**VI - SEMESTER – ECONOMICS**  
**Paper – 9 Compulsory Paper)**  
**INTERNATIONAL ECONOMICS**  
**MARKS THEORY – 80 + INTERNAL ASSESSMENT -20 = 100**

**3 Hrs/week = 42 Hrs**

**OBJECTIVE OF THE PAPER:**

Most modern government face the problems of Balance of Payments, Foreign Exchange, Terms of Trade, Tariff, an attempt here is made to understand these concepts and its role in Economic development of a country.

**Unit-1:**

**8 Hrs**

**Introduction and Theories of International Trade**

Importance of International Economics –distinction between Internal and International Trade – Need for the study.

Theories of Absolute Cost Advantage and Comparative Cost – Hecksher-Ohlin Theory – Leontief Paradox

**Unit-2:**

**12 Hrs**

**Terms of Trade**

Various concepts of Terms of Trade- Concept of Reciprocal Demand- Factors Affecting Terms of Trade- Deterioration in Terms of Trade-Gains from trade.

**Unit-3:**

**8 Hrs**

**Trade and Commercial Policy.**

Free Trade Vs Protectionist Policy – Relative Merits and Demerits –Tariffs: Types and effects of tariffs-Quotas: Its effects on trade- Multinational Corporations and trade-Trade Liberalization- World Trade Organisation (WTO) and its functions.

**Unit 4:**

**6 Hrs**

**Balance of Payments:**

Concepts of balance of trade and balance of payments-Disequilibrium in the balance of payments- various measures to correct disequilibrium in the balance of payments.

**Unit 5:**

**8 Hrs**

**International Monetary system and International Economic co-operation:**

Functions of International Monetary Fund (IMF) and International Bank for Reconstruction Development (IBRD) - New International Economic Order (NIEO) Economic co-operation among developing countries – South Asian Association for Regional Co-operation (SAARC)

**Text Books**

1. Salvatore Dominick -**International Economics**, John Wiley & sons, Inc.
2. Mithani D.M - **International Economics**, Himalaya Publishing House, Mumbai.
3. Mannur H.G- **International Economics**, Vikas Publishing House Pvt.Ltd., New Delhi
4. M L Jhinghan - **Internation Economics**

**VI- SEMESTER- ECONOMICS**  
**Paper – 10 ( Elective )**  
**SUBJECT: BANKING THEORY AND PRACTICE**  
**MARKS THEORY – 80 + INTERNAL ASSESSMENT -20 = 100**  
**3 Hrs / Week = 42 hrs**

**OBJECTIVE OF THE PAPER:**

An attempt is made in this paper to understand the working of a modern bank, money and capital market. This paper attempts to make the student understand the basic Banking structure functioning and impact of modern financial institutions on Economic development of a country.

**Unit 1:** **4 Hrs**

**Introduction**

Origin of Banking-Role and importance of Banks in economic development

**Unit 2:** **16 Hrs**

**Commercial Banking- Theory and Practice**

The structure and functions of commercial banking: Branch Banking- Unit Banking, Chain Banking, Correspondent Banks - instruments used in the operation of bank accounts -Cheques, drafts, pass-book and Discounting Bills of Exchange – Credit Creation- bank customer relationship- - Balance Sheet of a bank.

**Unit 3:** **8 Hrs**

**Co-operative Banks, Development Banks and Non-Bank Financial Institutions**

Co-operative banks and their structure- non-bank financial institutions- Meaning, Types – UTI, IFCI, SFC and their role in economic development.

**Unit 4:** **8 Hrs**

**Money Market and Capital Market:**

Credit and the financial structure-financial markets: money markets: Characteristics and Constituents – Capital markets- Characteristics and Constituents- Unregulated credit markets- Credit Instruments- Problems of Monetary Management in Underdeveloped money market.

**Unit 5:** **6 Hrs**

**The Central Banking**

Functions of Central bank- Role of Central Banks in developing countries

**Text books**

1. Panikkar K.K- **Banking theory and systems**
2. Shekar K.C - **Banking theory and practice**
3. Shekar K C and Lekshmy Shekhar - **Banking Theory and Practice**. Vikas Publishing House Pvt.Ltd., New Delhi

**VI - SEMESTER - ECONOMICS**  
**Paper – 10 (Elective)**  
**LABOUR ECONOMICS**  
**MARKS THEORY – 80 + INTERNAL ASSESSMENT -20 = 100**  
**3 Hrs / Week = 42 hrs**

**OBJECTIVE OF THE PAPER**

**TO make the students understand the basic concepts of Labor Economics.**

**Unit 1: 6 Hrs**

**Introduction**

Labour Economics- Concept and definition-Nature, Scope and importance-Labour as a unique factor of production.

**Unit 2: 10 Hrs**

**Labour Market:**

Concept of labour Market and its features-differences between labour market and commodity market- labour market imperfections and factors contributing to imperfections-determinants of the supply and the demand for labour-organized and unorganized labour.

**Unit 3: 10 Hrs**

**Wage:**

Wage concept and definitions-wage and development- theories of wages, classical, marginal productivity and collective bargaining theories of wage- wage differentials- wage policy, objectives and importance.

**Unit 4: 10 Hrs**

**Labour productivity:**

Concept of labour productivity-measurement and importance of labour productivity- Determinants –causes for low labour productivity and measures to increased labour productivity-technology and labour productivity

**Unit 5: 6 Hrs**

**State and Labour:**

Need for state intervention in labour matters-methods of intervention – labour social security and labour welfare measures- labour policy, objectives and importance- emerging perception on state intervention.

**Text Books:**

1. Bhagoliwal T.N- **Economics of Labour and Industrial relations**, Sahitya Bhavan.
2. McConnel C.R. and S.L. Brue - **Contemporary Labour Economics**, McGraw Hill, New York.
3. Mittal and SanjayPrakash Sharma- **Labour Economics**, RSBA Jaipur.

**VI - SEMESTER - ECONOMICS**  
**Paper – 10 (Elective)**  
**BASIC ECONOMETRICS**  
**MARKS THEORY – 80 + INTERNAL ASSESSMENT -20 = 100**  
**3 Hrs/Week = 42 Hrs**

**OBJECTIVE OF THE PAPER**

**This paper aims at introducing advanced Econometrics.**

**Unit 1 : 10 Hrs**

**The Linear Regression**

Basic ideas of Linear Regression Model – Two Variable Model. Population Regression function (PRF). Sample Regression Function (SRF). Classical Linear Regression Model; Method of Ordinary Least Square (OLS) Properties OLD Method, Gouss – Markor Theorem. Hypothesis Testing – Test of goodness of fit R<sup>2</sup> and corrected R<sup>2</sup>. Normality tests and standard error test.

**Unit 2 : 12 Hrs**

**Multiple Regression Analysis**

Estimation and Hypothesis testing - Assumption of Multiple Linear Regression Model, three variable Linear Regression Model, Partial Regression Co-efficient. Estimation of parameters of Multiple Regression, Determination of R<sup>2</sup> and standard error,- comparing two or more R<sup>2</sup> values and adjusted R<sup>2</sup>. Introduction to Matrix approach to estimation of parameters of more than three variables.

**Unit 3: 8 Hrs**

**Maximum Likelihood Estimators**

Properties of Maximum Likelihood Estimates

**Unit 4 : 12 Hrs**

**Special Problems in single Equation Linear Models**

Multicollinearity – Nature of Multicollinearity, consequences of multicollinearity, remedial measures.

Heterocedasticity – Nature, consequences, detection and Remedial measures

Auto-Correlation – Nature of the problem, consequences, Remedial measures.

**Text Books:**

1. Damodar Gujarati, **Basic Econometrics**, McGraw Hill International Student
2. Damodar Gujarati, **Essentials of Econometrics**, McGraw Hill International Edition – Economic Series, Irwin – Mc Graw Hill
3. Koutsoyiannis, **A Theory of Econometrics**, Palgrave, Delhi
4. Suresh K Ghosh, **Econometrics – Theory and Application**, Prentice Hall of India Private Limited, New Delhi