STATE MODEL SYLLABUS FOR UNDER GRADUATE COURSE IN ECONOMICS (Bachelor of Arts Examination)

UNDER CHOICE BASED CREDIT SYSTEM
## Course structure of UG Economics Honours

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<th>Semester</th>
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Core Paper I

INTRODUCTORY MICROECONOMICS

Introduction:
This course is designed to expose the students to the basic principles of microeconomic theory. The emphasis will be on thinking like an economist and the course will illustrate how microeconomic concepts can be applied to analyze real-life situations.

Unit I: Exploring the Subject Matter of Economics, Markets and Welfare
The Ten Principles of Economics: How people make decisions; Working of the economy as a whole; Thinking Like an Economist: The economist as Scientist – The scientific method: Observation, Theory and more observation; Role of Assumptions; Economic Models; Why economists disagree; Graphs in Economics

The Market Forces; Markets and Competition; The Demand and Supply curves – Market vs Individual curves, Shifts in Demand and Supply Curves; Market Equilibrium and changes there in; Price Elasticity of Demand – determinants and computation; Income and Cross Elasticity of
Demand; The Price Elasticity of Supply – determinants and computation; Consumer and Producer Surplus.

**Unit II: Theory of Consumer Choice**
The Budget Constraint; Preferences – representing preferences with indifference curves; Properties of Indifference Curves; Two extreme examples of indifference curves; Optimization – Equilibrium; Change in equilibrium due to changes in income, changes in price; Income and Substitution Effect; Derivation of Demand Curve; Three applications – Demand for Giffen goods, Wages and Labour Supply, Interest rate and Household saving.

**Unit III: The Firm and Market Structures**
Cost concepts; Production and Costs; The various measures of cost – Fixed and Variable cost, Average and Marginal cost; Cost curves and their shapes; Costs in the short run and in the long run; Economies and diseconomies of scale. Firms in Competitive Markets – What is a competitive market; Profit maximization and the competitive firm’s supply curve; The marginal cost curve and the firm’s supply decision; Firm’s short-run decision to shut down; Firm’s long-run decision to exit or enter a market; The supply curve in a competitive market – short run and long run.

**Unit IV: The Input Markets**
The Demand for Labour – The production function and the marginal product of labour; Value of the marginal product of labour and demand for labour; Shifts in labour demand curve; The supply of labour – the trade-off between work and leisure; Shifts in the labour supply curve; Equilibrium in the Labour Market; Other factors of production: Land and Capital; Linkages among factors of production.

**Text Book:**
- Principles of Economics, Gregory N Mankiw, 6e Cengage Learning India Private Limited, New Delhi

**Reference Book:**

**Core Paper II**

**MATHEMATICAL METHODS FOR ECONOMICS I**

**Introduction:**
This is the first of a compulsory two-course sequence. The objective of this sequence is to transmit the body of basic mathematics that enables the study of economic theory at the undergraduate level, specifically the courses on microeconomic theory, macroeconomic theory, statistics and econometrics set out in this syllabus. In this course, particular economic models are not the ends, but the means for illustrating the method of applying mathematical techniques to economic theory.
in general. The level of sophistication at which the material is to be taught is indicated by the contents of the prescribed textbook.

Unit I: Preliminaries and Functions of one Real Variable
Sets and set operations; Cartesian product; relations; functions and their properties; Number systems
Types of Functions- constant, polynomial, rational, exponential, logarithmic; Graphs and graphs of functions; Limit and Continuity of functions; Limit theorems.

Unit II: Derivative of a Function
Rate of change and derivative; Derivative and slope of a curve; Continuity and differentiability of a function; Rules of differentiation for a function of one variable; Application- Relationship between total, average and marginal functions.

Unit III: Functions of two or more Independent Variables
Partial differentiation techniques; Geometric interpretation of partial derivatives; Partial derivatives in Economics; Elasticity of a function – demand and cost elasticity, cross and partial elasticity.

Unit IV: Matrices and Determinants
Matrices: concept, types, matrix algebra, transpose, inverse, rank; Determinants: concept, properties, solving problems using properties of determinants, solution to a system of equations - Cramer’s rule and matrix inversion method.

Text Book:

Reference Book:

Core Paper III

INTRODUCTORY MACROECONOMICS

Introduction:
This course aims to introduce the students to the basic concepts of Macroeconomics. Macroeconomics deals with the aggregate economy. This course discusses the preliminary concepts associated with the determination and measurement of aggregate macroeconomic variable like savings, investment, GDP, money, inflation, and the balance of payments.

Unit I: Basic Concepts in Macroeconomics
Macro vs. Micro Economics; Limitations of Macroeconomics; Stock and Flow variables, Equilibrium and Disequilibrium, Partial and General Equilibrium Statics – Comparative Statics and
Dynamics; National Income Concepts – GDP, GNP, NDP and NNP at market price, factor cost, real and nominal; Disposable personal Income.

Unit II: Measurement of Macroeconomic Variables
Output, Income and Expenditure Approaches; Difficulties of Estimating National Income; National Income Identities in a simple 2-sector economy and with government and foreign trade sectors; Circular Flows of Income in 2, 3 and 4-sector economies; National Income and Economic Welfare; Green Accounting.

Unit III: Money and Changes in its Value
Evolution and Functions of Money, Quantity Theory of Money – Cash Transactions, Cash Balances and Keynesian Approaches, Value of Money and Index Number of Prices; Inflation – Meaning, Causes, and Anti-Inflationary Measures; Classical, Keynesian, Monetarist and Modern Theories of Inflation, Inflationary Gap, Deflation- Meaning, Causes, and Anti-Deflationary Measures, Depression and Stagflation; Inflation vs. Deflation.

Unit IV: Determination of National Income

Text Book:

Reference Book:

Core Paper IV

MATHEMATICAL METHODS FOR ECONOMICS II

Introduction:
This course is the second part of a compulsory two-course sequence. This part is to be taught in Semester II following the first part in Semester I. The objective of this sequence is to transmit the body of basic mathematics that enables the study of economic theory at the undergraduate level, specifically the courses on microeconomic theory, macroeconomic theory, statistics and econometrics set out in this Syllabus. In this course, particular economic models are not the ends, but the means for illustrating the method of applying mathematical techniques to economic theory.
in general. The level of sophistication at which the material is to be taught is indicated by the contents of the prescribed textbook.

Unit I: Linear models:
Input- Output Model: Basic concepts and structure of Leontief’s open and static Input-Output model; Solution for equilibrium output in a three industry model; The closed model.

Unit II: Second and Higher Order Derivatives and Integration:
Technique of higher order differentiation; Interpretation of second derivative; Second order derivative and curvature of a function; Concavity and convexity of functions; Points of inflection, Derivative of Implicit Function; Higher Order Partial Derivative.

Indefinite Integrals; Rules of Integration; Techniques of Integration: Substitution Rule, Integration by parts, and Partial Fractions; Definite Integral – Area Interpretation.

Unit III: Single and Multivariable Optimization:
Optimum values and extreme values; Relative maximum and minimum; Necessary versus sufficient conditions - First and Second derivative tests (using Hessian Determinants); Economic applications thereof, First and second order condition for extrema of multivariable functions; Convex functions and convex sets.

Unit IV: Optimization with Equality Constraints:
Effects of a constraint; Finding stationary value – Lagrange-Multiplier method (Two variable single constraint case only): First and second order condition; The Bordered Hessian determinant.

Text Book:

Reference Book:

Core Paper V

MICROECONOMICS I

Introduction:
The course is designed to provide a sound training in microeconomic theory to formally analyze the behavior of individual agents. Since students are already familiar with the quantitative techniques in the previous semesters, mathematical tools are used to facilitate understanding of the basic concepts; this course looks at the behavior of the consumer and the producer and also covers the behavior of a competitive firm.
Unit I: Consumer Theory I
Preferences and Utility, Axioms of Rational Choice, Utility, Trades and Substitutions, Indifference curves; Mathematics of Indifference curves, Utility functions for specific preferences, the many good case; Utility Maximization and choice: the 2-good case (graphical analysis), the n-good case, Indirect utility function, the Lump sum principle, Expenditure minimization, properties of expenditure function.

Unit II: Consumer Theory II
The Income and Substitution Effects: Demand function, changes in income, changes in a goods price- Direct and Indirect Approaches (Slutsky), the Individual’s Demand Curve, Compensated (Hicksian) demand curves and functions, demand elasticity, Consumer Surplus, Demand relationships among goods, the 2-good case, substitutes and complements, Net (Hicksian) substitutes, and Complements, Substitutability with many goods.

Unit III: Production Theory and Costs
Production Functions: Marginal productivity, Production with One Variable Input (labour) and with Two-Variable Inputs, Isoquant Maps and the Rate of Technical Substitution, Returns to Scale, Elasticity of Substitution, Some Simple Production Functions: Linear, Fixed Proportions, Cobb-Douglas; Technical Progress.
Definition of Cost and its properties, Cost minimizing input choices (Optimization principles, Expansion Path), Cost Functions and Shift in Cost Curves, Long-Run versus Short-Run Cost Curves.

Unit IV: Profit Maximization

Text Book:

Reference Books:

Core Paper VI
MACROECONOMICS I
Introduction:
This course introduces the students to formal modeling of a macro-economy in terms of analytical tools. It discusses various alternative theories of output and employment determination in a closed economy in the short run as well as medium run, and the role of policy in this context. It also introduces the students to various theoretical issues related to an open economy.

Unit I: Consumption and Investment
Consumption – Income Relationship, Propensities to Consume and the Fundamental Psychological Law of Consumption; Implications of Keynesian Consumption Function; Factors Influencing Consumption Function; Measures to Raise Consumption Function; Absolute, Relative, Permanent and Life – Cycle Hypotheses
Autonomous and Induced Investment, Residential and Inventory Investment, Determinants of Business Fixed Investment, Decision to Invest and MEC, Accelerator and MEI, Theories of Investment.

Unit II: Demand for and Supply of Money

Unit III: Aggregate Demand and Aggregate Supply
Derivation of Aggregate Demand and Aggregate Supply Curves in the IS-LM Framework; Nature and Shape of IS and LM curves; Interaction of IS and LM curves and Determination of Employment, Output, Prices and Investment; Changes in IS and LM curves and their Implications for Equilibrium.

Unit IV: Inflation, Unemployment and Expectations, and Trade Cycles

Text Book:

Reference Book:

Core Paper VII

STATISTICAL METHODS FOR ECONOMICS
Introduction:
This is a course on statistical methods for economics. It begins with some basic concepts and terminology that are fundamental to statistical analysis and inference. It is followed by a study and measure of relationship between variables, which are the core of economic analysis. This is followed by a basic discussion on index numbers and time series. The paper finally develops the notion of probability, followed by probability distributions of discrete and continuous random variables and introduces the most frequently used theoretical distribution, the Normal distribution.

Unit I: Data Collection and Measures of Central Tendency and Dispersion
Basic concepts: population and sample, parameter and statistics; Data Collection: primary and secondary data, methods of collection of primary data; Presentation of Data: frequency distribution; cumulative frequency; graphic and diagrammatic representation of data; Measures of Central Tendency: mean, median, mode, geometric mean, harmonic mean, their relative merits and demerits; Measures of Dispersion: absolute and relative - range, mean deviation, standard deviation, coefficient of variation, quartile deviation, their merits and demerits; Measures of skewness and kurtosis.

Unit II: Correlation and Regression Analysis
Correlation: scatter diagram, sample correlation coefficient - Karl Pearson’s correlation coefficient and its properties, probable error of correlation coefficient, Spearman’s rank correlation coefficient.
Two variable linear regression analysis - estimation of regression lines (Least square method) and regression coefficients - their interpretation and properties, standard error of estimate.

Unit III: Time Series and Index Number
Time Series: definition and components, measurement of trend- free hand method, methods of semi-average, moving average and method of least squares (equations of first and second degree only), measurement of seasonal component; Index Numbers: Concept, price relative, quantity relative and value relative; Laspeyer’s and Fisher’s index, family budget method, problems in construction and limitations of index numbers, test for ideal index number.

Unit IV: Probability Theory and Sampling
Probability: Basic concepts, addition and multiplication rules, conditional probability; Meaning of Sampling, Types of Sampling: Probability Sampling versus Non-Probability Sampling; Simple Random Sampling and its selection, Systematic Sampling, Multi-stage Sampling, Quota Sampling; Error: Sampling and Non-sampling.

Text books:

Reference Book:
Core Paper VIII

MICROECONOMICS II

Introduction:
This course is a sequel to Microeconomics I. The emphasis will be on giving conceptual clarity to the student coupled with the use of mathematical tools and reasoning. It covers Market, general equilibrium and welfare, imperfect markets and topics under information economics.

Unit I: Firm Supply and Equilibrium
Market Environments; Pure competition; Supply decision of a competitive firm and Exceptions; Inverse Supply Function; Profits and Producer’s Surplus; Long Run Supply Curve of a Firm; Long Run Average Costs; Short Run and Long Run Industry Supply; Industry Equilibrium in Short and Long Run; Meaning of Zero Profits; Economic Rent.

Unit II: General Equilibrium, Efficiency and Welfare
The Edge worth Box; Trade; Pareto Efficient Allocations; Existence of equilibrium and efficiency; The Welfare Theorems and their implications; The Firm; Production and the Welfare Theorems; Production possibilities, comparative advantage and Pareto efficiency.

Unit III: Market Imperfections: Monopoly and Oligopoly
Barriers to Entry, Profit Maximization and Output Choice, Monopoly and resource Allocation, Monopoly, Product Quality and Durability, Price Discrimination, Second Degree Price Discrimination through Price Schedules, Regulation of Monopoly, Dynamic Views of Monopoly. Monopolistic competition; Price output determination; excess capacity under monopolistic competition.

Unit IV: Game Theory
The Payoff Matrix of a Game; Nash Equilibrium; Mixed Strategies; The Prisoner’s Dilemma; Repeated Games; Enforcing a cartel; Sequential Games; A Game of entry deterrence. Oligopoly – Choosing a strategy; Quantity and price leadership; Simultaneous Quantity Setting; Example of Cournot Equilibrium; Simultaneous Price Setting; Collusion.

Text Book:

Reference Book:
Introduction:
This course is a sequel to Macroeconomics I. In this course, the students are introduced to the long run dynamic issues like growth and technical progress. It also provides the micro-foundations to the various aggregative concepts used in the previous course.

Unit I: Modeling Economic Growth
Accumulation of Capital in the basic Solow Model; supply and demand for goods, growth in the capital stock and the steady state, Golden rule level of capital: Comparing steady states, transition to the golden rule steady state with too much and too little capital, Population Growth, Technological Progress- Solow version, Beyond Solow Model and Endogenous Growth.

Unit II: Open Economy and Macroeconomic Policy
Balance of payments- concept; meaning of equilibrium and disequilibrium in balance of payments; Determination of foreign exchange rate- the balance of payments theory; Fixed versus flexible exchange rates; Short-run open economy model- the basic Mundell-Fleming model; Macroeconomic Policies – Fiscal policy, Crowding –out and Crowding – in; Monetary policy and instruments, the Transmission Mechanism; Effectiveness of macroeconomic policies in open and closed economies.

Unit III: Classical and Keynesian Macroeconomics Thoughts
Keynes versus classics: Classical macroeconomics, Employment and output determination, Say’s law, the quantity theory of money, Keynes’s General theory: Keynes’s main propositions; analysis of the labour market, Keynes’s critique of Say’s law and Quantity theory of money, the orthodox Keynesian school, underemployment equilibrium in the Keynesian model, the Phillips curve and orthodox Keynesian school.

Unit IV: Monetarist and New Classical Macroeconomic Thoughts
The orthodox monetarist school, the Quantity Theory of Money approach, the expectations augmented Phillips curve analysis, the orthodox monetarist school and stabilization policy. New Classical Economics: The influence of Robert e Lucas Jr, the structure of new classical models: the Rational Expectations hypothesis; and policy implications.

Text Book:
Core Paper X

Research Methodology

Introduction:
The course is to develop a research orientation among the students and to acquaint them with fundamentals of research methods. Specifically, the course aims at introducing them to the basic concepts used in research and to scientific social research methods and their approach. It includes discussions on sampling techniques, research designs and techniques of analysis.

Unit I: Basics of Research
Introduction to Research: Meaning, Objectives, Motivation, Types, Approaches, Significance, Research Process, Criteria of Good Research; Qualities of a Good Researcher, Research as a Career.

Unit II: Research Problem

Unit III: Issues in Research
Measurement in Research, Measurement Scales, Sources of Error in Measurement, Tests of Sound Measurement, Techniques of Measurement Tools, Scaling and Important Scaling Technique Research Ethics: codes and ethics, permissions to research, responsibilities, confidentiality, feedback, participatory research; Research Proposal and literature review: research proposal, review of literature, levels of analysis, using the library and internet, abstracting, word processing, plagiarism, Concept of IPR.

Unit IV: Actions in Research
English in report writing: words, sentences, paragraph, writing style; The Report: improving quality, sections, drawing conclusions, evaluation checklists, persistence; Common Citation Styles

Text Book:
Reference Books:

Core Paper XI
INDIAN ECONOMY I

Introduction:
Using appropriate analytical frameworks, this course reviews major trends in economic indicators and policy debates in India in the post-Independence period, with particular emphasis on paradigm shifts and turning points. Given the rapid changes taking place in India, the reading list will have to be updated annually.

Unit I: Basic Characteristics of Indian Economy as a Developing Economy
Indian Economy in the Pre-British Period; The Structure and Organization of Villages and Towns; Industries and Handicrafts in Pre-British India; Colonialism; Economic Consequences of British Rule; Decline of Handicrafts and Progressive Ruralization; The Land System and Commercialization of Agriculture; Industrial Transition; Colonial Exploitation and Impacts – Underdevelopment; Colonization and Modernization; State Policies and Economic Underdevelopment; The Current State of Indian Economy

Unit II: Population and Human Development
Population Growth and Economic Development – size, growth and future of population; Causes of rapid population growth; Population and economic development; Population policy; Demographic issues – Sex and Age Composition of population; Demographic Dividend; Urbanization and Migration; Human Resource Development – Indicators and importance of Human Resource Development; Education policy; Health and nutrition.

Unit III: National Income in India – The Growth Story and Current Challenges
Trends in national and per capita income; Changes in sectoral composition of national income; Regional disparities in Growth and Income; Savings and Investment and Economic Growth – The Linkage; Poverty – Estimation and Trends, Poverty Alleviation Programs – MGNREGA, NRLM, SJSRY; Inequality – Measures and trends in India; Unemployment – Nature, Estimates, Trends, Causes and Employment Policy.

Unit IV: Economic Planning in India
Rationale, Features, Objectives, Strategies, Achievements and Assessment of Planning in India; Eleventh Five Year Plan – Objectives, Targets and Achievements; Twelfth Five Year Plan – Vision and Strategy; From Planning to NITI – Transforming India’s Development Agenda.

Text Book:

Reference Books:
• Indian Economy Datt and Sundharam, GauravDatt and AshwaniMahajan, S Chand Publications, 7th Revised Edition
• Indian Economy Since Independence, ed by Uma Kapila, Academic Foundation, Revised Nineteenth Edition 2008-09
• Government of India (Current Year): Economic Survey, Ministry of Finance, New Delhi

Core Paper XII

DEVELOPMENT ECONOMICS I

Introduction:
This is the first part of a two-part course on economic development. The course begins with a discussion of alternative conceptions of development and their justification. It then proceeds to aggregate models of growth and cross-national comparisons of the growth experience that can help evaluate these models. The axiomatic basis for inequality measurement is used to develop measures of inequality and connections between growth and inequality are explored. The course ends by linking political institutions to growth and inequality by discussing the role of the state in economic development and the informational and incentive problems that affect state governance.

Unit I: Study of Economic Development
Development Economics as a subject; economic growth and economic development; Characteristics of underdeveloped countries — vicious cycle of poverty and cumulative causation; obstacles to economic development; measures of economic development — national and per capita income, basic needs approach, capabilities approach, three core values of development, PQLI, HDI, HPI, MDPI, GDI; capital formation and economic development.

Unit II: Theories of Economic Growth and Development
Classical theory, Marxian theory; Schumpeterian theory; Rostow’s stages of economic growth; Solow model and convergence with population growth and technical progress.

Unit III: Poverty, Inequality, Agriculture, Industry and Development
Measuring poverty: Head Count Ratio, Poverty Gap Ratio, Squared Poverty Ratio, FGT Ratio; Measuring Inequality — Lorenz curve and Kuznets’ inverted U hypothesis; Growth, poverty and inequality; Policy options — some basic considerations.
Agriculture, Industry and Economic Development: Role of agriculture; Transforming traditional agriculture; Barriers to agricultural development; Role of industrialization; Interdependence between agriculture and industries — A model of complementarities between agriculture and industry; terms of trade between agriculture and industry; functioning of markets in agrarian societies; interlinked agrarian markets.

Unit IV: Institutions and Economic Development:
Role of institutions in economic development; Characteristics of good institutions and quality of institutions; The pre-requisites of a sound institutional structure; Different measures of institutions – aggregate governance index, property rights and risk of expropriation; The role of democracy in economic development; Role of markets and market failure; Institutional and cultural requirements for operation of effective private markets; Market facilitating conditions; Limitations of markets in LDCs; Corruption and economic development – tackling the problem of corruption.

**Text book:**

**Reference Books:**

### Core Paper XIII

#### INDIAN ECONOMY II

**Introduction:**
This course examines sector-specific polices and their impact in shaping trends in key economic indicators in India. It highlights major policy debates and evaluates the Indian empirical evidence. Given the rapid changes taking place in the country, the reading list will have to be updated annually.

**Unit I: Agricultural Development in India**
Indian Agriculture: nature, importance, trends in agricultural production and productivity, factors determining production, land reforms, new agricultural strategies and green revolution, rural credit; Agricultural marketing and warehousing.

**Unit II: Industrial Development in India**

**Unit III: Tertiary Sector, HRD and the External Sector**
Tertiary Sector: growth and contribution of service sector to GDP of India, share of services in employment; Human development – concept, evolution, measurement; HRD: indication, importance, education in India, Indian educational policy; Health and Nutrition.
Foreign Trade: role, composition and direction of India’s foreign trade, trends of export and import in India, export promotion verses import substitution; Balance of Payments of India; India’s Trade Policies; Foreign Capital – FDI, Aid and MNCs.

**Unit IV: Indian Economy and Environment**

**Text Book:**

**Reference Books:**
- Indian Economy Datt and Sundharam, GauravDatt and AshwaniMahajan, S Chand Publications, 7th Revised Edition
- Government of India (Current Year): Economic Survey, Ministry of Finance, New Delhi

Core Paper XIV

**DEVELOPMENT ECONOMICS II**

**Introduction:**
This is the second unit of the economic development sequence. It begins with basic demographic concepts and their evolution during the process of development. The structure of markets and contracts is linked to the particular problems of enforcement experienced in poor countries. The governance of communities and organizations is studied and this is then linked to questions of sustainable growth. The course ends with reflections on the role of globalization and increased international dependence on the process of development.

**Unit I: Population and Development**
Demographic concepts: birth and death rates, age structure, fertility and its determinants, the Malthusian population trap and the microeconomic household theory of fertility; costs and benefits of population growth and the model of low level equilibrium trap; rural-urban migration – the Harris Todaro migration model and policy implications.

**Unit II: Dualism and Economic Development**
Dualism – geographic, social and technological; the theory of cumulative causation (Myrdal); the regional inequalities in the context of economic development; the inverted U relationship; international inequality and the centre periphery thesis; dependency, exploitation and unequal exchange; the dualistic development thesis and its implications.
Unit III: Environment and Development
Basic issues of environment and development – Development and environment inter-linkage; Poverty, environmental degradation and externalities; common property resources, renewable and non-renewable resources; concept of sustainable development; basics of climate change.

Unit IV: International Trade and Economic Development and Financing Economic Development
Trade and economic development; export led growth; terms of trade and economic growth – the Prebisch Singer Hypothesis; trade strategies for development – import substitution vs. export promotion; international commodity agreements; trade vs aid. Saving, capital formation and economic development; financial sector and economic development; taxation, public borrowing and economic development; inflation, foreign finance, investment and foreign aid – controversies and opportunities.

Text Book:

Reference Book:

DSE Group I
Discipline Specific Elective Paper-1

ECONOMIC HISTORY OF INDIA 1857-1947

Introduction:
This course analyses key aspects of Indian economic development during the second half of British colonial rule. In doing so, it investigates the place of the Indian economy in the wider colonial context, and the mechanisms that linked economic development in India to the compulsions of colonial rule. This course links directly to the course on India's economic development after independence in 1947.

Unit I: Introduction: Colonial India: Background and Introduction and Macro trends;
Overview of colonial economy, National Income; population; occupational structure.

Unit II: Agriculture
Agrarian structure and land relations; agricultural markets and institutions – credit, commerce and technology; trends in performance and productivity; famines.

Unit III: Railways and Industry
Railways; the de-industrialization debate; evolution of entrepreneurial and industrial structure; nature of industrialization in the interwar period; constraints to industrial breakthrough; labor relations.
Unit IV: Economy and State in the Imperial Context
The imperial priorities and the Indian economy; drain of wealth; international trade, capital flows and the colonial economy – changes and continuities; government and fiscal policy.

Text Book:

Discipline Specific Elective Paper-2
INTRODUCTORY ECONOMETRICS

Introduction:
This course provides a comprehensive introduction to basic econometric concepts and techniques. It covers statistical concepts of hypothesis testing, estimation and diagnostic testing of simple and multiple regression models. The course also covers the consequences of and tests for misspecification of regression models.

Unit I: Introduction
Definition, Nature and scope of econometrics; Theoretical Probability Distributions: Binomial, Poisson and Normal distributions: their properties
Theory of Estimation: Estimation of parameters; properties of estimators – small sample and asymptotic properties; point and interval estimation.

Unit II: Hypothesis Testing
Testing of hypotheses: defining statistical hypotheses; Simple and composite hypotheses; Null and alternative hypothesis; Type I and Type II errors, Critical region; Neyman-Pearson lemma; Power of a test; Test statistics: z, chi square, t and F.

Unit III: Linear Regression Analysis
Two variable linear regression model – Assumptions; Least square estimates, Variance and covariance between Least square estimates; BLUE properties; Standard errors of estimates; Co-efficient of determination; Inference in a two variable linear regression model; ANOVA; Forecasting. Introduction to multiple regression models.

Unit IV: Violation of Classical Assumptions
Heteroscedasticity, Multicollinearity and Auto-correlation: Meaning, consequences, tests and remedies.

Text Book:
Discipline Specific Elective Paper-3

ODISHA ECONOMY

Introduction:
Using appropriate analytical frameworks, this course reviews major trends in economic indicators and policy debates in Odisha in pre- and post-Independence period, with particular emphasis on paradigm shifts and turning points. Given the rapid changes taking place in Odisha, the reading list will have to be updated annually.

Unit I: Odisha Economy before 1947

Unit II: Macro Economy of Odisha
A macro glance of Odisha economy: aggregate income, broad sectoral decomposition, performance of districts, employment, child labour and bonded labour, employment programmes, consumption expenditure, cost of living; Odisha State public finances (Chapter 14 and 15 of Ref 1; & Chapter 2 and 9 of Ref 2).

Unit III: Agriculture, Industry, Infrastructure and Environment in Odisha
Agriculture: land ownership and land tenure, agricultural wages and rural unemployment, production and productivity of major crops, agricultural inputs, agricultural policy; Animal Husbandry; Fisheries (Chapter 1 to 3 of Ref 1; & Chapter 3 of Ref 2)
Industry: Investment, industrial policy, and the growth of large industries, mining and quarrying; Construction; tertiary sector: tourism, transport and power; Water Resources, Forest Resources (Chapter 4 to 8 of Ref 1; & Chapter 4 & 5 of Ref 2).

Unit IV: Social Sector in Odisha
Poverty: income poverty and inequality; health sector: outcomes, infrastructure, finance, public health, NRHM; education: Literacy, Primary education, secondary education, higher education, SSA; human development (Chapter 9 to 13 of Ref 1; & Chapter 7 & 8 of Ref 2).

Text Book:

Reference Book:
• GoO (2018): 80 Years Odisha Budget: Commemorative Volume, Department of Finance, Bhubaneswar.

Discipline Specific Elective Paper-4

MONEY, BANKING AND FINANCIAL MARKET

Introduction:
This course exposes students to the theory and functioning of the monetary and financial sectors of the economy. It highlights the organization, structure and role of financial markets and institutions. It also discusses interest rates, monetary management and instruments of monetary control. Financial and banking sector reforms and monetary policy with special reference to India are also covered.

Unit I: Money
Definition and functions of money; Types of money: legal tender money and bank money, near money; Value of money and index number; construction of index number; WPI, CPI, PPI, GDP deflator, Cost of living index

Demand for money- Classical and Keynesian approaches, Patinkin and the Real Balance Effect; Friedman’s Quantity theory of money. Supply of Money- Measures of money supply: M1,M2, M3 and M4; High powered money and money multiplier.

Unit II: Commercial Banking
Meaning and types; Functions of commercial banks; the process of credit creation and its limitations; Balance sheet and portfolio management, Banking sector reforms in India; Lessons from Global Financial Crisis and Policy Response in India.

Unit III: Central Banking
Functions of a central bank; Quantitative and qualitative methods of credit control; Central Bank’s Supervision and prudential measures for Financial stability; current monetary policy of India, liquidity adjustment facility (LAF) through Repo and reverse repo operation, MSF.

Unit IV: Financial Markets
Introduction:
Public economics is the study of government policy from the points of view of economic efficiency and equity. The paper deals with the nature of government intervention and its implications for allocation, distribution and stabilization. Inherently, this study involves a formal analysis of government taxation and expenditures. The subject encompasses a host of topics including public goods, market failures and externalities.

Unit I: Introduction to Public Finance and Public Budgets
Public Finance: meaning and scope, distinction between public and private finance; public good verses private good; Principle of maximum social advantage; Market failure and role of government; Public Budget: kinds of budget, economic and functional classification of the budget; Balanced and unbalanced budget; Balanced budget multiplier; Budget as an instrument of economic policy.

Unit II: Public Expenditure
Meaning, classification, principles, cannons and effects, causes of growth of public expenditure, Wagner’s law of increasing state activities, Peacock-Wiseman hypotheses.

Unit III: Public Revenue
Sources of Public Revenue; Taxation - meaning, cannons and classification of taxes, impact and incidence of taxes, division of tax burden, the benefit and ability to pay approaches, taxable capacity, effects of taxation, characteristics of a good tax system, major trends in tax revenue of central and state governments in India.

Unit IV: Public Debt
Sources, effects, debt burden – Classical/ Ricardian views, Keynesian and post-Keynesian views; shifting - intergenerational equity, methods of debt redemption, debt management, tax verses debt.
Text Books:

Reference Book:

DSE Group II
Discipline Specific Elective Paper- 1

Environmental Economics

Introduction:
This course introduces the students to the basics of environmental economics to understand the fundamentals of environmental concerns and develop insights into valuation of environment.

Unit I: Economy and Environment
Nature and Scope of Environmental Economics- Environment and Economy interaction; Environment as a public good- Serious environmental problems of Developing Countries – Air pollution, water pollution and deforestation. Global environmental problems, trade and environment, International Cooperation for Environmental Protections, Montreal and other protocols.

Unit II: The Economics of Pollution and Climate change
Pollution as externality, The market Approach to optimal pollution, Property rights and market bargain theorems, Coase theorem; Pigouvian Taxation, Subsidies and optimal pollution; Climate change – concept, causes, effects and management.

Unit III: Valuation of Environmental Damage
Methods and difficulties of environmental valuation, Economic value, Use value, Option value, Existence value; Direct and Indirect Valuation of Environmental Goods: The hedonic price approach, Contingent valuation, Travel cost approach.

Unit IV: Natural Resources and Sustainable Development
Natural resources- Renewable and exhaustible; Tragedy of commons, People’s Participation in the management of common property resources; Sustainable Development Concepts, Sustainability rules, Indicators of sustainability, Solow/Hartwick, Natural capital stock, Safe Minimum Standard.

Text Book:

Reference Book:
- Kolstad, C.D (1999); Environmental Economics Oxford University Press, New Delhi
Discipline Specific Elective Paper-2

INTERNATIONAL ECONOMICS

Introduction:
This course introduces the students to international trade and finance to understand the theories of international trade and develop insights into trade policy and balance of payments. The course also develops insight into international financial system and the trade policy of India.

UNIT I: Importance of Trade and Trade Theories
Importance of the study of International Economics; Inter-regional and international trade; Theories of Trade—absolute advantage (Adam Smith), comparative advantage (David Ricardo) and opportunity cost (Haberler); Heckscher-Ohlin theory of trade — its main features, assumptions and limitations (Leontief Paradox) Factor Price Equalization theorem.

UNIT II: Trade Policy and International Economic Institutions
Concepts of terms of trade and their importance; Doctrine of reciprocal demand – Offer curve technique; Gains from trade ; Trade as an Engine of Growth and Concept of immiserizing growth, Tariffs and quotas – their impact in partial equilibrium analysis; General Equilibrium analysis of tariff and the concept of optimum tariff, Functions of IMF (Conditional Clause), Role of IMF in international liquidity, Reforms for the emergence of international monetary system; World Bank and WTO; Their achievements and failures; Their Role from the point of view of India.

UNIT III: Exchange Rate
Concept and Types of Exchange Rate (bilateral vs. trade-weighted exchange rate, cross exchange rate, spot, forward, futures), Demand for and Supply of foreign exchange, Exchange Rate Determination: Mint Parity Theory, Purchasing-Power Parity Theory, Fixed versus Flexible exchange rate.

UNIT IV: Balance of Trade and Payments
Concepts and components of balance of trade and balance of payments; Disequilibrium in balance of payments; Various measures to correct deficit in BOPs (Expenditure switching and expenditure reducing policies, Direct control), Depreciation Vs. Devaluation; Elasticity approach to devaluation, Foreign trade multiplier- Concept and implications.

Text Book:

Reference Books:
Discipline Specific Elective Paper-3

AGRICULTURAL ECONOMICS

Course description
This course introduces students to the significance of agriculture in the Indian economy and helps to understand the role agriculture in economic development. It is designed to develop insights into changing agricultural practices in India and assess the significance of agriculture in the era of liberalization.

UNIT I: Agriculture and Economic Growth
Role of Agriculture in Economic Development, sectoral changes and agriculture, agriculture in rural development, farm and non-farm employment issues, inter-linkages between agriculture and industry; empirical evidence of inter-dependence between agriculture and industry; Schultz’s hypothesis on traditional agriculture – its criticisms; Mechanization of Indian Agriculture; Case for and against farm mechanization; Green revolution and trends of mechanization in India.

UNIT II: Agricultural Price and Marketing
Agricultural price policy for a developing economy – objectives and effectiveness of agricultural price policy, elements of agricultural price policy, features of an ideal agricultural price policy, agricultural price policy in India and public distribution system
Agricultural marketing – need and criteria for assessing efficiency, agricultural marketing system in India, development of a national agricultural marketing platform.

UNIT III: Risk and Uncertainty in Agriculture
Difference between risk and uncertainty, types of uncertainty in agriculture, measures for mitigating risk and uncertainty in agriculture, new agricultural insurance scheme of India
Rural credit in India, importance and estimates, agencies for rural credit, review of progress of institutional finance in rural India since independence.

UNIT IV: Agriculture in India
Agriculture in Indian Planning, Globalization and Indian agriculture, Case for and against privatization of agriculture, WTO and India’s trade in agricultural commodities.

Text Book

Reference Book:
Discipline Specific Elective Paper-4

HISTORY OF ECONOMIC THOUGHT

Introduction:
This course provides a perspective to our intellectual history, development of economic thought and helps relate this thought to the current thinking. It introduces the students to the philosophers and economists who developed economic reasoning and modeling of economic activities. It also helps create critical abilities and attitudes.

UNIT I: Introduction and Early Economic Thought
Mercantilism-main characteristics, Thomas Mur’s views ; Physiocracy- main features, Tableau Economique, taxation; Early Classicism: Adam Smith- Theory of Value, Division of labour, capital accumulation, distribution, views on trade and economic progress; David Ricardo-theory of value, theory of rent, distribution, ideas on international trade and development.

UNIT II: Classicism Vs Marxism
Thomas Malthus- population theory, glut theory; Karl Marx-dynamic of social change, theory of value, surplus value, theory of profit, crisis of capitalism, Johns Stuart Mill- ideas on value, distribution, views as a synthesizer.

UNIT III: The Marginalists’ Revolution
Economic ideas of Jevons, Walras and Menger, Bohm-Bowerk, Wicksell ; Marshall – Role of time element in price determination, ideas on consumer surplus, Marshal as a synthesizer.

UNIT IV: Indian Economic Thought
Main themes of Kautilya’s Arthasashtra; Modern Economic Ideas: Dada Bhai Naoroji, M.K. Gandhi, village swaraj, non-violence, machines and labour, cottage industries; Comparison of Indian Economic thought with western Economic thought.

Text Book

Reference Book:
• Roll, Eric, History of Economic Thought, Faber and Faber Ltd.

**DSE Paper –4**

**DISSERTATION / RESEARCH PROJECT**

*(College can give this choice only for students with above 60% aggregate marks)*

**Introduction**: The project is intended to establish the connection between Economics as confined to the textbooks and class rooms and Economics at play in the ground. It is expected to give an empirical content to the subject. Economics is defined as the study of mankind in the ordinary business of life. It studies individual as well as group behavior.

Project work at the undergraduate level is an in-depth study on a topic chosen by the student. The objective of the project work for the students at undergraduate level is to expose students to the social and real world contexts in which the subjects taught in the classroom have applications. Therefore, the topic must be related to the field of study the student is enrolled. It is undertaken with the guidance of a faculty supervisor, and involves a prolonged period of investigation and writing. The supervisor is supposed to help the student and mentor him/her throughout, from selection of the topic to submission of the project report.

The project output will be a project report written on the topic, chosen by the student and approved by the guide, in about 10000 words.

The process of project preparation typically comprises of an investigation of a particular topic, based on the application of philosophical and theoretical knowledge available in the already existing scientific literature and other published sources of information. The student may use already available data (texts, documents, artworks or existing data sets) or she may go for collection of data from the field. The final report should ideally have the following sections.

1. Abstract (in about 500 words) containing a summary of the entire report.
2. Introduction of the topic, arguments for choosing such a topic and the key investigation propositions.
3. A review of the existing knowledge on the topic
4. Information on the data and data treatment tools used in the study
5. An analysis of data and findings
6. Conclusions
7. References
A good research project requires sincere efforts and honest dedication from students. Moreover, it requires an engagement of the student with an issue under probe for a fairly long period of time compared to their preparations of subjects for the examination.

A successful completion of the project report has several positive learning outcomes for the student. It empowers the student with the life skill of patience and persistence. It also helps the student to locate her theoretical understandings in the context of socio-economic and political realities.

**Generic Elective Paper I**

**INDIAN ECONOMY**

**Introduction:** This paper introduces the students to the essentials of Indian economy with an intention of understanding the basic feature of the Indian economy and its planning process. It also aids in developing an insight into the agricultural and industrial development of India. The students will understand the problems and policies relating to the agricultural and industrial sectors of India and current challenges of Indian economy.

**Unit I: Introduction to Indian Economy and Current Challenges**
Colonialism & British Rule: Exploitation and under-development in India; Basic features of India Economy; Indian Economy as a developing economy; Demographic trends in India - Size and growth of population, Occupational structure, Sex composition, Age structure and demographic dividend; Causes of population growth and population policy; The problem of unemployment and recent policies for employment generation; The problem of inequality in income distribution and its causes, Policies to address inequality.

**Unit II: Indian Agriculture**
Role of Agriculture in Indian Economy; Cause of low productivity, Green Revolution and Land Reforms, Agricultural Finance-Sources and Problems; Agricultural Marketing in India.

**Unit III: Industrial Development in India**

**Unit IV: Service Sector in India**
Growth & Contribution to GDP; Composition and relative importance of service sector; Factors determining growth of the sector; ICT and IT – Spread and Policy; Sustainability of services led growth.

**Text Book:**
Generic Elective Paper II

INDIAN ECONOMY II

Introduction: This paper is the part II of Indian economy deals with the external sector, financial markets in India, Indian Public Finances and Economic Reforms. This paper also throws some light on current challenges of Indian Economy.

Unit I: External Sector in India
Trends, Composition & Direction in exports from and imports of India; Problems of Balance of Payment: Causes of deficit in BOP & measures to correct it; Trade Policy- Export Promotion Vs Import Substitution; Foreign Trade Policy of India; WTO and India.

Unit II: Financial Markets in India
Commercial Banking in India- Nationalization of Banks; Lead bank scheme and branch expansion; RBI - Functions, Monetary Policy; Development Banking- IFCI,IDBI, SIDBI and NABARD

Unit III: Indian Public Finance
Public Expenditure-Growth and Composition, Causes of Growth of Public Expenditure in India: Tax Revenue of Central and State Governments; Concept of VAT; Deficit Financing in India-Revenue, Budget, Fiscal and Primary Deficits; Purpose and Effects of Deficit Financing; India’s Fiscal Policy-Objectives.

Unit IV: Current Challenges Facing Indian Economy
Inflation – Causes, Consequences and Anti-inflationary Policy; Poverty – Poverty line and Estimates, Major Poverty Alleviation Programmes; Environmental Degradation – Growth and Environment; Population Growth and Environment; Environment Policy; Economic Reforms-Globalization, Macroeconomic Stabilization, Structural Reforms, and their impact on the Indian Economy; Foreign capital and MNCs-Role and consequences.

Text Book:

Reference Book
Generic Elective Paper III

INTRODUCTORY MICROECONOMICS

Introduction:
This course is designed to expose the students to the basic principles of microeconomic theory. The emphasis will be on thinking like an economist and the course will illustrate how microeconomic concepts can be applied to analyze real-life situation.

Unit I: Exploring the Subject Matter of Economics, Markets and Welfare
The Ten Principles of Economics: How people make decisions; Working of the economy as a whole; Thinking Like an Economist: The economist as Scientist – The scientific method: Observation, Theory and more observation; Role of assumptions; Economic Models; Why economists disagree; Graphs in Economics.

The market forces; Markets and competition; The demand and supply curves – Market vs. individual curves, Shifts in demand and supply curves; Market equilibrium and changes there in; Price elasticity of demand – determinants and computation; Income and cross elasticity of demand; The price elasticity of supply – determinants and Computation; Consumer and Producer Surplus.

Unit II: Theory of Consumer Choice
The Budget Constraint; Preferences – representing preferences with indifference curves; Properties of indifference curves; Two extreme examples of indifference curves; Optimization – Equilibrium; Change in equilibrium due to changes in income, changes in price; Income and substitution effect; Derivation of demand curve; Three applications – Demand for Giffen goods, Wages and Labour Supply, Interest rate and Household saving.

Unit III: The Firm and Market Structures
Cost concepts; Production and costs; The various measures of cost – Fixed and variable cost, average and marginal cost; Cost curves and their shapes; Costs in the short run and in the long run; Economies and diseconomies of scale. Firms in competitive markets – What is a competitive market; Profit maximization and the competitive firm’s supply curve; The marginal cost curve and the firm’s supply decision; Firm’s short-run decision to shut down; Firm’s long-run decision to exit or enter a market; The supply curve in a competitive market – short run and long run.

Unit IV: The Input Markets
The demand for labour – The production function and the marginal product of labour; Value of the marginal product of labour and demand for labour; Shifts in labour demand curve; The supply of labour – the trade-off between work and leisure; Shifts in the labour supply curve; Equilibrium in the labour market; Other factors of production: Land and capital; Linkages among factors of production.

Text Book:
• Principles of Economics, Gregory N Mankiw, 6e Cengage Learning India Private Limited, New Delhi.
Reference Book:


Generic Elective Paper IV

INTRODUCTORY MACROECONOMICS

Introduction:
This course aims to introduce the students to the basic concepts of Macroeconomics. Macroeconomics deals with the aggregate economy. This course discusses the preliminary concepts associated with the determination and measurement of aggregate macroeconomic variable like savings, investment, GDP, money, inflation, and the balance of payments.

Unit I: Basic Concepts in Macroeconomics
Macro vs. Micro Economics; Limitations of Macroeconomics; Stock and Flow variables, Equilibrium and Disequilibrium, Partial and General Equilibrium Statics – Comparative Statics and Dynamics; National Income Concepts – GDP, GNP, NDP and NNP at market price, factor cost, real and nominal; Disposable personal Income.

Unit II: Measurement of Macroeconomic Variables
Output, Income and Expenditure Approaches; Difficulties of Estimating National Income; National Income Identities in a simple 2-sector economy and with government and foreign trade sectors; Circular Flows of Income in 2, 3 and 4-sector; economies; National Income and Economic Welfare; Green Accounting.

Unit III: Money and Changes in its Value

Unit IV: Determination of National Income

Text Book:

**Reference Book:**
<table>
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<tr>
<th>Semester</th>
<th>Course</th>
<th>Course Name</th>
<th>Credits</th>
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<td>I</td>
<td>DSC-I</td>
<td>Principles of Microeconomics I</td>
<td>06</td>
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<tr>
<td>II</td>
<td>DSC-II</td>
<td>Principles of Microeconomics II</td>
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<td>DSC-IV</td>
<td>Principles of Macroeconomics II</td>
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| V        | DSE-I  | 1. Economic Development and Policy in India  
2. Economic History of India 1857-1947 | 06      | 100         |
| VI       | DSE-II | 1. Odisha Economy  
2. Money and Banking | 06      | 100         |

**Total** 30 600
ECONOMICS Papers for PASS students

Discipline Specific Core – 4 papers
Discipline Specific Elective – 2 papers

Marks per paper – Mid term: 20 marks, End term: 80 marks, Total– 100 marks
Credit per paper– 6
Teaching hours per paper– 50 hours + 10 hours tutorial

Discipline Specific Core Paper I

PRINCIPLES OF MICROECONOMICS- I

Introduction:
This course is designed to expose the students to the basic principles of microeconomic theory. The emphasis will be on thinking like an economist and the course will illustrate how microeconomic concepts can be applied to analyze real-life situations.

Unit I: Exploring the subject matter of Economics, Markets and Welfare
The Ten Principles of Economics: How people make decisions; Working of the economy as a whole; Thinking Like an Economist: The economist as Scientist – The scientific method: Observation, Theory and more observation; Role of assumptions; Economic Models; Why economists disagree; Graphs in Economics.

The market forces; Markets and competition; The demand and supply curves – Market vs individual curves, Shifts in demand and supply curves; Market equilibrium and changes there in; Price elasticity of demand – determinants and computation; Income and cross elasticity of demand; The price elasticity of supply – determinants and Computation; Consumer and Producer Surplus.

Unit II: Theory of Consumer Choice
The Budget Constraint; Preferences – representing preferences with indifference curves; Properties of indifference curves; Two extreme examples of indifference curves; Optimization – Equilibrium; Change in equilibrium due to changes in income, changes in price; Income and substitution effect; Derivation of demand curve; Three applications – Demand for Giffen goods, wages and labour supply, Interest rate and household saving.

Unit III: The Firm and Market Structures
Cost concepts; Production and costs; The various measures of cost – Fixed and variable cost, average and marginal cost; Cost curves and their shapes; Costs in the short run and in the long run; Economies and diseconomies of scale. Firms in competitive markets – What is a competitive market; Profit maximization and the competitive firm’s supply curve; The marginal cost curve and the firm’s supply decision; Firm’s short-run decision to shut down; Firm’s long-run decision to exit or enter a market; The supply curve in a competitive market – short run and long run.
Unit IV: The Input Markets
The demand for labour – The production function and the marginal product of labour; Value of the marginal product of labour and demand for labour; Shifts in labour demand curve; The supply of labour – the trade-off between work and leisure; Shifts in the labour supply curve; Equilibrium in the labour market; Other factors of production: Land and capital; Linkages among factors of production.

Text Book:
- Principles of Economics, Gregory N Mankiw, 6e Cengage Learning India Private Limited, New Delhi

Reference Book:

Discipline Specific Core Paper II

PRINCIPLES OF MICROECONOMICS II

Introduction:
The course is designed to provide a sound training in microeconomic theory to formally analyze the behavior of individual agents. Since students are already familiar with the quantitative techniques in the previous semesters, mathematical tools are used to facilitate understanding of the basic concepts; this course looks at the behavior of the consumer and the producer and also covers the behavior of a competitive firm.

Unit I: Consumer Theory I
Preferences and Utility, Axioms of Rational Choice, Utility, Trades and Substitutions, Indifference curves; Mathematics of Indifference curves, Utility functions for specific preferences, the many good case; Utility Maximization and choice: the 2-good case (graphical analysis), the n-good case, Indirect utility function, the Lump sum principle, Expenditure minimization, properties of expenditure function.

Unit II: Consumer Theory II
The income and substitution effects: Demand function, changes in income, changes in a goods price- Direct and Indirect Approaches (Slutsky), the Individual’s Demand Curve, Compensated (Hicksian) demand curves and functions, demand elasticity, Consumer Surplus, Demand relationships among goods, the 2-good case, substitutes and complements, Net (Hicksian) substitutes, and Complements, Substitutability with many goods.

Unit III: Production Theory and Costs
Production Functions: Marginal productivity, Production with One Variable Input (labour) and with Two-Variable Inputs, Isoquant Maps and the Rate of Technical Substitution, Returns to Scale, Elasticity of Substitution, Some Simple Production Functions: Linear, Fixed Proportions, Cobb-Douglas; Technical Progress.
Definition of Cost and its properties, Cost minimizing input choices (Optimisation principles, expansion path), Cost Functions and Shift in Cost Curves, Long-Run versus Short-Run Cost Curves.

Unit IV: Profit Maximization

Text Book:

Reference Books:

Discipline Specific Core Paper III

PRINCIPLES OF MACROECONOMICS I

Introduction:
This course aims to introduce the students to the basic concepts of Macroeconomics. Macroeconomics deals with the aggregate economy. This course discusses the preliminary concepts associated with the determination and measurement of aggregate macroeconomic variable like savings, investment, GDP, money, inflation, and the balance of payments.

Unit I: Basic Concepts in Macroeconomics
Macro vs. Micro Economics; Limitations of Macroeconomics; Stock and Flow variables, Equilibrium and Disequilibrium, Partial and General Equilibrium Statics – Comparative Statics and Dynamics; National Income Concepts – GDP, GNP, NDP and NNP at market price, factor cost, real and nominal; Disposable personal Income.

Unit II: Measurement of Macroeconomic Variables
Output, Income and Expenditure Approaches; Difficulties of Estimating National Income; National Income Identities in a simple 2-sector economy and with government and foreign trade sectors; Circular Flows of Income in 2, 3 and 4-sector economies; National Income and Economic Welfare; Green Accounting.

Unit III: Money and Changes in its Value
Evolution and Functions of Money, Quantity Theory of Money – Cash Transactions, Cash Balances and Keynesian Approaches, Value of Money and Index Number of Prices
Inflation – Meaning, Causes, and Anti-Inflationary Measures; Classical, Keynesian, Monetarist and Modern Theories of Inflation, Inflationary Gap, Deflation- Meaning, Causes, and Anti-Deflationary Measurers, Depression and Stagflation; Inflation vs. Deflation.

**Unit IV: Determination of National Income**

**Text Book:**

**Reference Book:**

**Discipline Specific Core Paper IV**

**PRINCIPLES OF MACROECONOMICS II**

**Introduction:**
This course introduces the students to formal modeling of a macro-economy in terms of analytical tools. It discusses various alternative theories of output and employment determination in a closed economy in the short run as well as medium run, and the role of policy in this context. It also introduces the students to various theoretical issues related to an open economy.

**Unit I: Consumption and Investment**
Consumption – Income Relationship, Propensities to Consume and the Fundamental Psychological Law of Consumption; Implications of Keynesian Consumption Function; Factors Influencing Consumption Function; Measures to Raise Consumption Function; Absolute, Relative, Permanent and Life – Cycle Hypotheses
Autonomous and Induced Investment, Residential and Inventory Investment, Determinants of Business Fixed Investment, Decision to Invest and MEC, Accelerator and MEI, Theories of Investment.

**Unit II: Demand for and Supply of Money**
Unit III: Aggregate Demand and Aggregate Supply
Derivation of Aggregate Demand and Aggregate Supply Curves in the IS-LM Framework; Nature and Shape of IS and LM curves; Interaction of IS and LM curves and Determination of Employment, Output, Prices and Investment; Changes in IS and LM curves and their Implications for Equilibrium.

Unit IV: Inflation, Unemployment and Expectations, and Trade Cycles

Text Book:

Reference Book:

Discipline Specific Elective Paper I
DSE Group I
*(A student has to choose any one from group I under DSE-I)*

1. ECONOMIC DEVELOPMENT AND POLICY IN INDIA

Introduction: This paper introduces the students to the essentials of Indian economy with an intention of understanding the basic feature of the Indian economy and its planning process. It also aids in developing an insight into the agricultural and industrial development of India. The students will understand the problems and policies relating to the agricultural and industrial sectors of India and current challenges of Indian economy.

Unit I: Introduction to Indian Economy and Current Challenges
Colonialism & British Rule: Exploitation and under-development in India; Basic features of India Economy; Indian Economy as a developing economy; Demographic trends in India - Size and growth of population, Occupational structure, Sex composition, Age structure and demographic dividend; Causes of population growth and population policy; The problem of unemployment and recent policies for employment generation; the problem of inequality in income distribution and its causes, Policies to address inequality.

Unit II: Indian Agriculture
Role of agriculture in Indian Economy; Cause of low productivity, Green Revolution and Land Reforms, Agricultural Finance-Sources and Problems; Agricultural Marketing in India
Unit III: Industrial Development in India

Unit IV: Service Sector in India
Growth & Contribution to GDP; Composition and relative importance of service sector; Factors determining growth of the sector; ICT and IT – Spread and Policy; Sustainability of services led growth.

Text Book:

Reference Book

Discipline Specific Elective Paper I

2. ECONOMIC HISTORY OF INDIA 1857-1947

Introduction:
This course analyses key aspects of Indian economic development during the second half of British colonial rule. In doing so, it investigates the place of the Indian economy in the wider colonial context, and the mechanisms that linked economic development in India to the compulsions of colonial rule. This course links directly to the course on India's economic development after independence in 1947.

Unit I: Colonial India: Background and Introduction
Overview of colonial economy, Macro trends in national Income; population; occupational structure.

Unit II: Agriculture
Agrarian structure and land relations; agricultural markets and institutions – credit, commerce and technology; trends in performance and productivity; famines.

Unit III: Railways and Industry
Railways; the de-industrialization debate; evolution of entrepreneurial and industrial structure; nature of industrialization in the interwar period; constraints to industrial breakthrough; labor relations.

Unit IV: Economy and State in the Imperial Context
The imperial priorities and the Indian economy; drain of wealth; international trade, capital flows and the colonial economy – changes and continuities; government and fiscal policy.
Text Book:


**Discipline Specific Elective Paper II**

**DSE Group II**

*(A student has to choose any one from group II under DSE - 2)*

1. ODISHA ECONOMY

**Introduction**

Using appropriate analytical frameworks, this course reviews major trends in economic indicators and policy debates in Odisha in pre- and post-Independence period, with particular emphasis on paradigm shifts and turning points. Given the rapid changes taking place in Odisha, the reading list will have to be updated annually.

**Unit I: Odisha Economy before 1947**


**Unit II: Macro Economy of Odisha**

A macro glance of Odisha economy: aggregate income, broad sectoral decomposition, performance of districts, employment, child labour and bonded labour, employment programmes, consumption expenditure, cost of living; Odisha State public finances (Chapter 14 and 15 of Ref 1; & Chapter 2 and 9 of Ref 2).

**Unit III: Agriculture, Industry, Infrastructure and Environment in Odisha**

Agriculture: land ownership and land tenure, agricultural wages and rural unemployment, production and productivity of major crops, agricultural inputs, agricultural policy; Animal Husbandry; Fisheries (Chapter 1 to 3 of Ref 1; & Chapter 3 of Ref 2)

Industry: Investment, industrial policy, and the growth of large industries, mining and quarrying; Construction; tertiary sector: tourism, transport and power; Water Resources, Forest Resources (Chapter 4 to 8 of Ref 1; & Chapter 4 & 5 of Ref 2).

**Unit IV: Social Sector in Odisha**
Poverty: income poverty and inequality; health sector: outcomes, infrastructure, finance, public health, NRHM; education: Literacy, Primary education, secondary education, higher education, SSA; human development (Chapter 9 to 13 of Ref 1; & Chapter 7 & 8 of Ref 2)

Text Book:


Reference Book:

3. GoO (2018): 80 Years Odisha Budget: Commemorative Volume, Department of Finance, Bhubaneswar

Discipline Specific Elective Paper II

2. MONEY AND BANKING

Introduction: This paper intends to explain the ideas and institutions concerning money and banking. It will help the students to understand the meaning, functions and theories of money the working of different types of banks in an economy.

Unit I: Money
Money: Meaning, functions and classification; Gresham’s law; Monetary standards: Metallic and paper systems of note issue; Value of money: (Uses and limitations of index number); Construction of price index number – its limitations.

Unit II: Quantity theory of money
Quantity theory of money - Cash transaction approach, cash balance approach, Keynesian approach; Inflation: meaning, types, causes – demand pull and cost push, effects, measures to control inflation, Trade-off between inflation and unemployment; Stagflation and deflation: meaning; Phillip’s curve.

Unit III: Banking
Banking: meaning and types; Commercial banks: evolution, functions, the process of credit creation and its limitations, liabilities and assets of banks; A critical appraisal of the progress of commercial banking in India after nationalization; Recent reforms in banking sector in India.
Unit IV: Central Bank
Central Bank: Functions, Quantitative and qualitative methods of credit control - bank rate policy, open market operations, variable reserve ratio and selective methods; Relative efficacy of quantitative and qualitative methods of credit control.
Reserve Bank of India: Role and functions; Repo rate and reverse repo rate; Components of money supply in India; Objectives and limitations of monetary policy with special reference to India

Text Book:

Reference Book:
- Reserve Bank of India – The Reserve Bank of India, functions and working, Bombay, 1983.

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SKILL ENHANCEMENT COURSES (SECC II)
Optional for SECC II paper
Total Marks- 100

Skill Enhancement Courses (SECC II Option-I)
DATA ANALYSIS AND COMPUTER APPLICATION

Introduction:
The purpose of this course is to introduce basic computer skills to students at UG level in non-technical subjects. After completion of this course, the students are expected to acquire some basic knowledge about computers and to develop some basic skills in using computers for data storage, compilation, analysis and presentation.

Unit I: Introduction to Computers and Networks
Introduction to computer- Components of Computer System, concepts of Hardware and Software, Classifications of computers; Concepts of data processing, Basic data types, Storage of data/Information as files, operating system and The User Interface (windows, Linux), Windows Setting- Control Panels, Accessories (windows)
Basic of Computer networks- LAN and WAN, Internet, Service on Internet; WWW and Web Browsers, Web Browsing software, Surfing the Internet, Chatting on Internet, Email-Basic of electronic mail, Using Emails, Document handling in Email.

Unit II: Basic Word Processing
Introduction to Word Processing, Opening Word Processing Package, Opening and closing documents, Using a Document/Help Wizard, Text Creation and Manipulation, Formatting the Text,
Handling Multiple Documents, Table Manipulation, Printing, saving documents in different formats.

**Unit III: Spreadsheets and Basic Data Analysis**
Spread Sheet, Elements of Electronics Spread Sheet, Application/usage of Electronic Spread Sheet, Manipulation of cells, Formulas and functions; Spread sheets for Small accountings- maintaining invoices/budgets, basic practical data analysis works (Maintaining daily and monthly sales reports).

**Unit IV: Basic Presentations**
Basics- Difference between presentation and document, Using Power Point, Creation of Presentation, Preparation of Slides, Selection of type of Slides, Importing text from word documents, Providing aesthetics- Slide Designs, Slide Manipulation and Slide Show, Presentation of the Slides.

**Text Book:**
- C.S. French "Data Processing and Information Technology", BPB Publications 1998

**Reference Books:**

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**Skill Enhancement Courses (SECC II)**

**FINANCIAL ECONOMICS**

**Introduction:**
This course intends to explain the ideas on financial system in India. It will help the students to enhance their knowledge on concepts like financial institutions, instruments and markets, their functioning and usage in real world.

**Unit I: Financial System**
The structure of the financial system- Functions of the financial sector-Indicators of financial development; Financial System and Economic Development; financial inclusion: concept and its evolution; policy initiatives on financial inclusion.

**Unit II: Interest Rate Policy**
Theories of interest rate determination-Level of interest rates-Long period and short period rates-Administered interest rates; Deregulation of interest rates; financial sector reforms in India.

**Unit III: Money and Capital Market**
Money Market: features; objectives; and importance of money market; composition of money market; money market institutions and instruments; features and problems of Indian money market.
Capital market: composition; Primary and secondary market for securities. Functions of new issue and secondary market; organizations of stock exchanges in India; defects in Indian stock exchange; SEBI; its objectives and functions.
Unit IV: Non-Banking Financial Companies
Non-Banking Financial Companies: Hire purchase Companies-Venture Capital Companies. Insurance Sector: objectives, functions, life insurance and general insurance; IRDA and its role and functions in financial markets.

Text Book:

Reference Books: