BACHELORS WITH ECONOMICS AS MAJOR
5th SEMESTER

ECO522J1: ECONOMICS _ INTERNATIONAL TRADE

CREDITS: 3 + 1 = 4

Course Description: *This is a course of 04 credits (03 units of 01 credit each and a tutorial of 1 credit).*

Course Objectives: *This course is framed to provide the students a detailed understanding about the principles that tend to govern global trade. The course stresses mainly on the theoretical aspects of the subject. Beside trade theories, it deals with trade policy and the working and functions of important international organizations that have become relatively more relevant in the present era of globalization and liberalization.*

Learning Outcomes: *After completing this course, students are expected to:*

L01: Comprehend trade theories, theories of protection, trade strategies and role of global trading organizations and understand international trade and its role in shaping and improving economic performance of a country.

L02: Understand the economic implications of various instruments of trade policy and have in-depth knowledge about the contemporary relevance of various international institutions that promote free trade.

L03: Grasp the basic ideas of terms of trade, trade as engine of growth, and trade strategies adopted by India.

Unit I: Trade Theories (1 Credit)

International Economics - meaning, scope and importance; trade as an engine of growth; inter-regional and international trade; basis of international trade; the Mercantilist views on trade; the theories of absolute and comparative cost advantage; Haberler's theory of opportunity cost; Mill's theory of reciprocal demand.

Unit II: Free Trade and Protection (1 Credit)

Free trade and protection – arguments for and against; Instruments of trade policy— tariffs, quotas, export subsidies, voluntary export restraints. Optimum tariff, effective rate of protection; political economy of protection, GATT, WTO: Principles, functions and agreements, WTO and India; UNCTAD: functions and basic principles.

Unit III: Terms of Trade and Development (1 Credit)

Concepts and measurement of terms of trade; factors affecting terms of trade of a country; Prebisch-Singer thesis, globalization, income, wealth, and growth in the world economy, trade as engine of growth, import substitution and export promotion, trade strategies of India.

Tutorial (1 Credit)

- Gains from trade
- Trade equilibrium under different cost conditions
- Marshall- Edgeworth Offer curves
- Commercial policy of India

Basic Readings:

1. Cherunilam F.: International Economics (4th Edition) 2006 Tata McGraw-Hill Companies
2. Salvatore, D.: International Economics, John Wiley
3. Mannur, H. G (1999): International Economics, Vikas Publishing House, New Delhi
4. Carbaugh, R. J. (2008), International Economics, Cengage Learning, New Delhi

Additional Readings:

1. Krugman P. and Maurice O., International Economics: Theory and Policy, Pearson Education
2. Kindleberger C. P., International Economics, RD Irwin Inc.
3. Sawyer W. C. and Sprinkle R. L. International Economics, (Latest ed.) PHI Pvt. Ltd. N. Delhi
4. Sodersten BO & Reed Geoffrey: International Economics, 2003 McMillan Press Ltd.
5. Mithani, D. M.: International Economics, Himalaya Publishing House, New Delhi

Further Readings shall be as per the suggestions of the concerned teacher.

BACHELORS WITH ECONOMICS AS MAJOR
5th SEMESTER

ECO522J2: ECONOMICS _ MICROECONOMICS - I

CREDITS: 4 + 2 = 6

Course Description: This is a core course of 06 credits (04 units of 01 credit each and tutorials of 2 credits).

Course Objectives: *The course aims to enable students to understand the principles of consumer choice, including budget constraints and utility functions. It also focuses on demand analysis exploring using ordinal approach. Additionally, students will grasp the theory of production and costs, covering production functions and cost analysis in the short and long run. Finally, the course delves into market structures, including competitive markets, monopoly equilibrium, and the concept of natural monopoly.*

Learning Outcomes. *After completing this course, students are expected to:*

- ***LO1:*** *Analyse consumer choices and achieve equilibrium using budget constraints and utility concepts.*
- ***LO2:*** *Interpret indifference curves, assess price change effects, and apply compensating and equivalent variations.*
- ***LO3:*** *Comprehend production functions, cost theories, and evaluate profit and cost optimization in producer equilibrium.*
- ***LO4:*** *Examine competitive and monopoly market dynamics, including price discrimination, and understand dead-weight loss implications*

Unit 1: Consumer Choice (1 Credit)

Budget constraint – properties of a Budget set, changes in a budget line; Consumer Preferences – assumptions and examples; Preferences and Properties; Cardinal utility – constructing a utility function, Consumer Equilibrium.

Unit II: Demand Analysis (1 Credit)

Indifference Curve Analysis, Income-Consumption Curve and Price-consumption Curve, Effects of a Price Change –Income and Substitution Effects with a Normal/Inferior Good, Compensating Variation and Equivalent Variation, Slutsky Equation, Samuelson's revealed preference theory (Weak and Strong Axioms)

Unit III: Theory of Production and Costs (1 Credit)

Production functions - Cobb-Douglas and CES; Expansion path and Ridge Lines; Producer's Equilibrium - Profit maximization and Cost minimization; Costs –Traditional Theory of Cost - Short run and Long run; Modern Theory of Costs – Short Run and Long Run.

Unit IV: Market Structure (1 Credit)

Competitive Markets – Demand and Supply analysis; Short-run versus Long-run; Competitive Market Equilibrium; Monopoly- Market Equilibrium, Price discrimination – first, second and third degree; Natural Monopoly & Economies of Scale.

INTERNSHIP OR TUTORIALS (2 Credits)

- Introduce cardinal utility and guide students in constructing a utility function
- From Preference to Revealed Preference: A comparison
- Economic & Technical Efficiency of a Production Function
- Implications of dead-weight loss on social welfare and economic well-being.
- Demonstrate how changes in preferences impact the shape and slope of indifference curves
- Illustrate how revealed preferences help derive consumer demand
- Hypothetical Example of Cobb-Douglas Production Function
- Illustrate Price Discrimination in Auctioning

Basic Readings

1. Koutsoyiannis, A. (1979). Modern Microeconomics. Macmillan Education.
2. Perloff, J. M. (2015). Microeconomics: Theory and Applications with Calculus. Pearson.
3. Pindyck R.S., D. Rubinfeld and P. L. Mehta (2012), Microeconomics, Pearson Education, South Asia.
4. Varian H. R. (2010). Intermediate Microeconomics – A Modern Approach. EWP and WW Norton and Co, Inc.: New York

Additional Readings:

1. Salvatore, D. (2010), Microeconomics; Theory and Applications, Oxford University Press, New Delhi.
2. Varian H. R. (2010), Microeconomic Analysis –EWP and WW Norton and Co, Inc, New York
3. Samuelson, P., & Nordhaus, W. (1985). Principles of economics. McGraw-Hill, New York, any edition.

Further Readings shall be as per the suggestions of the concerned teacher.

BACHELORS WITH ECONOMICS AS MAJOR
5th SEMESTER

ECO522J3: ECONOMICS _ INDIAN FINANCIAL SYSTEM

CREDITS: 4 + 2 = 6

COURSE DESCRIPTION

This is a core course of 06 credits (01 credit for each unit with the last two units as tutorials). The course provides a comprehensive understanding of the Indian financial system, covering its fundamental components, banking and financial services, financial markets, and stock exchanges.

COURSE OBJECTIVE:

To acquaint students with understanding of working and functioning of Financial System and the role of Indian Financial System in development of different sectors of the economy

LEARNING OUTCOMES:

After completing this course, the student is expected to:

LO1: Understand the fundamental components of the financial system, including financial markets, institutions, instruments, and services.

LO2: Analyze the structure and functions of different types of banks and financial services, including commercial, cooperative, regional rural, investment, and payment banks, as well as services like merchant banking, underwriting, and venture capital.

LO3: Demonstrate a comprehensive understanding of money and capital markets, including their features, functions, and instruments such as treasury bills, commercial papers, equity shares, and debentures.

LO4: Critically evaluate the role and functions of stock exchanges in India, including major stock exchanges like BSE, NSE, and OTCEI, and understand the role of SEBI in regulating these exchanges.

UNIT I: FINANCIAL SYSTEM: INTRODUCTION

Meaning of Financial System; Components of Financial System—Financial Markets, Financial Institutions, Financial Instruments and Financial Services; Functions of Financial System;

UNIT II: BANKING SYSTEM AND FINANCIAL SERVICES

Types of Banks: Commercial Banks, Cooperative Banks, and Regional Rural Banks, Investment Banks, Payment Banks; Financial Services: Merchant Banking, Underwriting, Credit Rating; Venture Capital,

UNIT III: FINANCIAL MARKETS

Money Market—Features and Functions; Instrument of Money Market (Call Money, Notice Money, Treasury Bills, Commercial Papers, CDs); Capital Markets—Features and Functions; Instruments of Capital Market (Equity Shares, Preference Shares, Debentures, Bonds); Primary Capital and Secondary Capital Markets.

UNIT IV: STOCK EXCHANGES

Meaning, Functions and Players in Stock Exchange; Stock Exchanges in India—BSE, NSE, OTCEI; Major Stock Indices in India; Role and Function of SEBI.

TUTORIALS (2 CREDITS)

- Use appropriate formulas and calculations for interest rate, discount, and maturity amounts based on: (a) Call money investment, (b) Notice money investment (c) Treasury Bills (d) Commercial Papers (e) Certificate of deposits.
- The sale and purchase mechanisms of (a) Equity Shares (b) Preference Shares (c) Debentures (d) Bonds.
- Listing and trading mechanisms involved in Bombay Stock Exchange (BSE).
- The roles and responsibilities of different trading participants in the BSE, such as: (a) Brokers, (b) Sub-Brokers, (c) Jobbers.

BASIC READING:

Mishkin, Frederic S. (2019). *The Economics of Money, Banking, and Financial Markets*. 12th edition, Pearson.
Pathak, Bharati V. (2018). The Indian Financial System: Markets, Institutions and Services, 5/e. Pearson.
Bhole, L. M. (2009). Financial Institutions and Markets. Tata McGraw Hill Comp: New Delhi.
Khan, M. Y. (2015). Indian Financial System. Tata McGraw Hill: New Delhi.

ADDITIONAL READINGS:

Bhasin, N. (2009). Monetary Banking and Financial Developments in India. New Century Publications: New Delhi.
Gordon E. and K Natarajan. (2009). Financial Markets and Institutions, Himalayan Publishing House: New Delhi.
Reddy Y. V. (2001). Monetary and Financial Sector Reforms in India. UBS Publishers and Distributors Ltd.: New Delhi.
Machiraju, M. R. (1999). Indian Financial System, Vikas Publishing House, New Delhi.

Note: *Further Readings are available with concerned teacher

BACHELORS WITH ECONOMICS AS MINOR
5th SEMESTER
ECO522N: ECONOMICS _ INTERNATIONAL TRADE

CREDITS: 3 + 1 = 4

Course Description: *This is a course of 04 credits (03 units of 01 credit each and a tutorial of 1 credit).*

Course Objectives: *This course is framed to provide the students a detailed understanding about the principles that tend to govern global trade. The course stresses mainly on the theoretical aspects of the subject. Beside trade theories, it deals with trade policy and the working and functions of important international organizations that have become relatively more relevant in the present era of globalization and liberalization.*

Learning Outcomes: *After completing this course, students are expected to:*

LO1: *Comprehend trade theories, theories of protection, trade strategies and role of global trading organizations and understand international trade and its role in shaping and improving economic performance of a country.*

LO2: *Understand the economic implications of various instruments of trade policy and have in-depth knowledge about the contemporary relevance of various international institutions that promote free trade.*

LO3: *Grasp the basic ideas of terms of trade, trade as engine of growth, and trade strategies adopted by India.*

Unit I: Trade Theories (1 Credit)

International Economics - meaning, scope and importance; trade as an engine of growth; inter-regional and international trade; basis of international trade; the Mercantilist views on trade; the theories of absolute and comparative cost advantage; Haberler's theory of opportunity cost; Mill's theory of reciprocal demand.

Unit II: Free Trade and Protection (1 Credit)

Free trade and protection – arguments for and against; Instruments of trade policy— tariffs, quotas, export subsidies, voluntary export restraints. Optimum tariff, effective rate of protection; political economy of protection, GATT, WTO: Principles, functions and agreements, WTO and India; UNCTAD: functions and basic principles.

Unit III: Terms of Trade and Development (1 Credit)

Concepts and measurement of terms of trade; factors affecting terms of trade of a country; Prebisch-Singer thesis, globalization, income, wealth, and growth in the world economy, trade as engine of growth, import substitution and export promotion, trade strategies of India.

Tutorial (1 Credit)

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