BACHELORS WITH ECONOMICS AS MAJOR
7th SEMESTER
ECO722J1: ECONOMICS _ ECONOMICS OF GROWTH

CREDITS: 3 + 1 = 4

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

Course Objectives: *This course aims to provide a concise yet comprehensive understanding of economic growth concepts, measurement techniques, and factors influencing growth. Students will explore economic growth models, including the Harrod-Domar, Robinson's, and Meade's models, addressing issues of instability and capital accumulation. The Solow model will be examined, emphasizing the impact of population, saving, and technology on economic growth, and covering topics such as the steady state and the golden rule of consumption. Overall, the course equips students with essential theoretical knowledge and analytical skills to grasp and evaluate economic growth dynamics.*

Learning Outcomes: *After completing this course, students are expected to:*
L01: *Grasp economic growth concepts, measurement methods, and factors shaping growth.*
L02: *Analyze instability in growth models like Harrod-Domar, Robinson's Golden Rule, and Meade's models.*
L03: *Understand Solow's model, assessing impacts of population, savings, technology, and long-term growth theories.*

Unit I: Concept and Measurement (1 Credit)
Economic growth: concept and measurement, factors affecting economic growth. Production-function approach to causes of growth; growth accounting; technological progress: meaning, nature and classification.

Unit II: Economic Growth I (1 Credit)
Harrod—Domar model: basic structure, problem of instability; Robinson's model-golden rule of capital accumulation; Meade's model.

Unit III: Economic Growth II (1 Credit)
Solow model: basic structure, impact of population, saving and technology; steady state and the golden rule of consumption; convergence hypotheses.

Unit IV: Tutorials (1 Credit)
- Population & economic growth in India
- Exercises related to finding the steady state
- Harrod & Domar model & India's first five-year plan.

Basic Readings:

1. Thirlwall, A. P. (2014), Growth and development, Palgrave MacMillan, U.K.
2. Jones, C.I, Introduction to Economic Growth, W. W Norton & Co. 2002
3. Todaro, M. P., & Smith, S. C. (2012). Economic development 11th edition.
4. Jhingan, M. (2012) Economics of Development and Planning. Vrinda Publications, Delhi.

Additional Readings:

1. Barro, Robert J. and Sala-i-Martin, Xavier. Economic Growth, Prentice Hall of India Private Limited, 2nd edition, 2007.
2. Jones, H.G, An Introduction to the Modern Theory of Economic Growth, Thomas Nelson, and Sons.
3. Acemoglu, Daron. (2009). *Introduction to Modern Economic Growth.* Princeton University Press: USA.

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

BACHELORS WITH ECONOMICS AS MAJOR
7th SEMESTER
ECO722J2: ECONOMICS _ MIROECONOMICS – II

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: *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 game theory, imperfect markets and topics under factor pricing, and market failure and uncertainty.*

Learning Outcomes. *After completing this course, students are expected to:*
L01: *Apply game theory concepts to analyze strategic decision-making, including dominant strategies and Nash equilibrium.*
L02: *Understand different market structures, focusing on oligopoly and monopolistic ccompetition, and analyze market equilibriums.*
L03: *Grasp factor pricing mechanisms, particularly the marginal productivity theory, and analyze efficient allocations in competitive markets.*
L04: *Identify market failures, analyze issues of asymmetric information and the principle-agent problem, and assess uncertainty and attitudes towards risk.*

Unit I: Game Theory (1 Credit)
Basic concepts- game and its types - Prisoner's dilemma; dominant strategy, Nash equilibrium, minimax and maximin strategies; mixed strategy; sequential games

Unit II: Imperfect Markets (1 Credit)
Oligopoly-quantity leadership; price leadership; models of oligopoly - Cournot, Betrand and Stackelberg; monopolistic competition – key characteristics; equilibrium in short run and long-run.

Unit III: Factor Pricing and Theory of Exchange (1 Credit)
Factor pricing in perfectly competitive markets; marginal productivity theory of input pricing; factor pricing in imperfectly competitive markets; Pareto optimal allocations – productive, allocative and mix; Pareto optimal allocation and competitive markets; fundamental theorems of welfare economics.

Unit IV: Market Failure and Uncertainty (1 Credit)
Market failure- concept; asymmetric information, adverse selection, principle-agent problem - moral hazard; uncertainty – assessing risk, attitudes towards risk – risk aversion, risk neutral and preference.

Tutorials (2 Credits)
- Explore the concept of Nash equilibrium through a real-world example
- Case study on oligopoly model (Cournot/Bertrand/Stackelberg)
- Pareto optimality in real world.
- Real-world examples of lemon market
- Explore dominant advertising strategies by corporates.
- example of barometric leadership in oligopoly - organization of the petroleum exporting countries (OPEC)
- Interdependence between product and factor market
- Real estate agency and principle-agent problem

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:

5. Nicholson W. (1992), Microeconomic Theory: Basic Principals and Extensions, TheDriden Press, USA.
6. Salvatore D., (2010), Microeconomics; Theory and Applications, Oxford University Press, New Delhi.
7. Varian H. R (2010), Microeconomic Analysis –EWP and WW Norton and Co, Inc, New York

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

BACHELORS WITH ECONOMICS AS MAJOR
7th SEMESTER

ECO722J3: ECONOMICS _ PUBLIC ECONOMICS

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 objective of the course is to develop an understanding of public sector, financial resources, role and functions of the Government in an economy, issues pertaining to public goods, different aspects of revenue and taxation, distribution of income, etc. Further, the existence of externalities, inequalities in the distribution of income and wealth etc., require political processes for their solution in a manner which combines individual freedom and justice. The course aims to facilitate an understanding of these issues.*

LEARNING OUTCOMES: *After completing this course, students are expected to:*
L01: *Identify critical key issues in public economics through the principles of public finance.*
L02: *Identify the tax principles that are relevant to economic development.*
L03: *Analyze the budget process.*
L04: *Be familiar with various aspects of public expenditure and debt.*

UNIT I: FUNDAMENTALS OF PUBLIC ECONOMICS (1 CREDIT)

Public Economics: conceptual framework; scope and schools of thought; market failure; externality theory; internalizing an externality; Coase theorem; merit goods.

UNIT II: PUBLIC GOODS (1 CREDIT)

Optimal provision of private and public goods; free riders problem; problems of allocating resources – preference revelation and aggregation; political economy- Lindahl pricing; Arrow's impossibility theorem; optimal fiscal federalism and Tibe-out model.

UNIT III: TAXATION (1 CREDIT)

Structure of public budget; classification of taxes; allocation of tax burden-benefit and ability to pay theories; direct and indirect taxes; measuring fairness of tax systems; incidence and shifting of tax burden, taxation and economic efficiency; dead weight loss and distortion; theory of optimal taxation.

UNIT IV: PUBLIC EXPENDITURE AND DEBT (1 CREDIT)

Public expenditure: meaning and importance; Wagner's hypothesis, Peacock-Wiseman hypothesis, Colin-Clarks critical limit theory, Pure theory of public expenditure; public debt: meaning, types, sources of internal and external debt; trends in India, FRBM Act.

TUTORIAL I (2 CREDITS)

- Preparing and understanding budgets
- Club goods
- Rent seeking
- Median voter theorem
- Indian tax system
- Understanding GST in India
- Reforms in public expenditure
- Fiscal federalism in India

BASIC READINGS

1. J. Gruber, (2016), Public Finance and Public Policy, MIT.
2. H. Rosen (2013), Public Finance. MIT Press.
3. J. E. Stiglitz (2015), Economics of Public Sector, Norton, New York.
4. B.P. Tyagi (1992), Public Finance, Jai Prakash Nath Co.
5. Hindriks, J., & Myles, G. D. (2013). Intermediate public economics. MIT press.
6. Musgrave and Musgrave (2005), Public Finance in Theory and Practice, Tata McGraw Hill, New Delhi.

ADDITIONAL READINGS:

1. Jha, R. (1998), Modern Public Economics, Routledge London.
2. H. Dalton (2009), Principles of Public Finance, Routledge.
3. Hindriks, J., & Myles, G. D. (2013). Intermediate Public Economics. MIT press.
4. J. Cullis and P. Jones (1998), Public Finance and Public Choice, Oxford University Press.

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

BACHELORS WITH ECONOMICS AS MINOR
7th SEMESTER

ECO722N: ECONOMICS _ ECONOMICS OF GROWTH

CREDITS: 3 + 1 = 4

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

Course Objectives: *This course aims to provide a concise yet comprehensive understanding of economic growth concepts, measurement techniques, and factors influencing growth. Students will explore economic growth models, including the Harrod-Domar, Robinson's, and Meade's models, addressing issues of instability and capital accumulation. The Solow model will be examined, emphasizing the impact of population, saving, and technology on economic growth, and covering topics such as the steady state and the golden rule of consumption. Overall, the course equips students with essential theoretical knowledge and analytical skills to grasp and evaluate economic growth dynamics.*

Learning Outcomes: *After completing this course, students are expected to:*
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L02: *Analyze instability in growth models like Harrod-Domar, Robinson's Golden Rule, and Meade's models.*
L03: *Understand Solow's model, assessing impacts of population, savings, technology, and long-term growth theories.*

Unit I: Concept and Measurement (1 Credit)
Economic growth: concept and measurement, factors affecting economic growth. Production-function approach to causes of growth; growth accounting; technological progress: meaning, nature and classification.

Unit II: Economic Growth I (1 Credit)
Harrod—Domar model: basic structure, problem of instability; Robinson's model-golden rule of capital accumulation; Meade's model.

Unit III: Economic Growth II (1 Credit)
Solow model: basic structure, impact of population, saving and technology; steady state and the golden rule of consumption; convergence hypotheses.

Unit IV: Tutorials (1 Credit)
- Population & economic growth in India
- Exercises related to finding the steady state
- Harrod & Domar model & India's first five-year plan.

Basic Readings:

1. Thirlwall, A. P. (2014), Growth and development, Palgrave MacMillan, U.K.
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