FACULTY OF ECONOMICS & BUSINESS

SYLLABUS
For
Bachelor of Arts/Bachelor of Science (Economics)
Semester III-IV
in
Economics (Honours)

(Under Credit Based Continuous Evaluation Grading System)
(12+3 System of Education)
Session: 2024–25

The Heritage Institution
Kanya Maha Vidyalaya, Jalandhar
(Autonomous)

Kanya Maha Vidyalaya, Jalandhar (Autonomous)

SCHEME AND CURRICULUM OF EXAMINATION OF

Bachelor of Arts/Bachelor of Science (Economics): – Semester III and IV Economics (Honours)

	Semester III									
Course Code	Course Name	Course Type	Hours Per Week L-T-P	Credits L-T-P	Total Credits	Marks				Examination time (in Hours)
						Total	Ext.		CA	
							L	P		
BARL-3609/ BECL-3607 (OPT-__)	Economics (Hons)	E	4-0-0	4-0-0	4	100	80	--	20	3

	Semester IV									
Course Code	Course Name	Course Type	Hours Per Week L-T-P	Credits L-T-P	Total Credits	Marks				Examination time(in Hours)
						Total	Ext.		CA	
							L	P		
BARL-4609/ BECL-4607 (OPT-__)	Economics (Hons)	E	4-0-0	4-0-0	4	100	80	--	20	3

E-Elective

Bachelor of Arts/Bachelor of Science (Economics): – Semester III and IV

Any one of the following options:

Sr. No.	Course Title
OPT-1	Money and Banking
OPT-2	Public Finance
OPT-3	History of Economic Thought
OPT-4	International Economics
OPT-5	Industrial Economics
OPT-6	Economics of Agriculture
OPT-7	Agriculture Marketing
OPT-8	Economics of Public Enterprises
OPT-9	Introduction to Econometrics

NOTE:-The student who wishes to opt for B.A. (Hons.) in Economics will take one option in each semester out of nine options not already opted for.

B.A. / B.Sc. (Eco.) (Economics Honours)

OPT-1: MONEY AND BANKING

Course outcomes:

After passing this course, students will be able to:

CO1: demonstrate an understanding of the nature of money and several key models and concepts of monetary economics.

CO2: understand the structure of interest rates and the interest rate policy of the banks.

CO3: understand the role of banks and non-banks in modern monetary economies and Financial Intermediation.

Co 4: understanding of monetary policy in influencing credit system and the role of international institutions in international monetary cooperation.

B.A. / B.Sc. (Eco.) (Economics Honours)

OPT-1: MONEY AND BANKING

Time: 3 Hours

L-T-P (Credits): 4-0-0
Max. Marks: 100
Theory: 80
CA: 20

Note: Instructions for the Paper–Setter:

Two questions, each carrying 16 marks, from each of the Units I-IV (i.e. a total of eight questions) are to be set. Candidates are required to attempt five questions, selecting at least one from each unit. The fifth question may be attempted from any unit.

UNIT–I

Money: Nature, Kinds, Functional, Near Money, Broader Definition of Money. Measures of Money Supply in India.

Demand for Money: Quantity and Cash Balance Theories of Money, Keynesian Theory of Money, Don Patinkin, Friedman and Gurley Shaw Approaches.

UNIT–II

Structure and Rate of Interest Approaches, Structure of Interest Rates and Interest Rate Policy in India.

IS and LM Functions. Neutrality of Money. Integration of Theory of Value and Theory of Money.

UNIT–III

Commercial Banks: Their Systems and Functions, Credit Creation and Structure of Commercial Banks in India.

Central Banking: Functions and Techniques of Monetary Management. Non–banking Financial Institutions: Role and Functions.

UNIT–IV

Monetary Policy in India: Objectives, Instruments and Limitations of Credit Control by the Policy in India.

International Monetary Co-operation: International Monetary Fund, International Bank for Reconstruction Developments, International Finance Corporation. International Development Association and Asian Development Bank.

Suggested Readings:

1. Luckett, D.G. (1976), *Money and Banking,* McGraw Hill, New York.
2. Thorn, R.S.(1976), *Introduction to Money and Banking*, Harper and Row, New York.
3. Gupta, S.B. (1997), *Monetary Planning in India*, Oxford University Press, Delhi.
4. Paul, R.R. (2018), *Monetary Economics*, Kalyani Publishers, New Delhi.

   Note: The latest editions of the books are recommended.

OPT-2: Public Finance

Course outcomes:

After passing this course, students will be able to:

CO1: analyze the functioning of modern public finance and classify public revenues and expenditures through the budget

CO2: understand the effects of public expenditure and public revenue on production, distribution, social overhead capital, stability and Innovation.

CO3: to understand the burden and significance of public debt and the role of major taxes in developing the economy.

CO4: to analyse the instruments and objectives of budgetary policy and the principles of fiscal federalism.

B.A. / B.Sc. (Eco.) (Economics Honors)

OPT-2: Public Finance

Time: 3 Hours

L-T-P (Credits): 4-0-0
Max. Marks: 100
Theory: 80
CA: 20

Note: Instructions for the Paper–Setter:

Two questions, each carrying 16 marks, from each of the Units I-IV (i.e. a total of eight questions) are to be set. Candidates are required to attempt five questions, selecting at least one from each unit. The fifth question may be attempted from any unit.

UNIT–I

Principles of Public Finance: Subjective and Objective Criteria. Theories of Public Expenditure: Wagner and Keynes. Theory of Social Goods: the distinction between public, private and merit goods. Canons of public expenditure; Classification of public expenditure: obligatory and optional expenditure, revenue and capital expenditure, development and non-development expenditure, plan and non-plan expenditure, productive and unproductive expenditure. Public expenditure and economic growth.

UNIT–II

Effects of public expenditure on production, distribution, social overhead capital, stability and Innovation. Criteria of Public Expenditure.
Theory of public revenue: Theories of Taxation Benefits Principle; Cost of Service Principle; Ability to Pay Theory; Principle of Equity. Effects of taxation.

UNIT–III

Analysis of major taxes: income tax, expenditure tax, corporation tax, wealth tax, excise duties, sales tax, customs duties. The concept of taxable capacity, Taxation in a developing economy.
Fiscal incidence: theories of tax shifting, Concepts of impact and incidence. Measurement of incidence.
Public Debt: Role of Public Debt. Different forms of public debt. Significance and Burden of Public debt, Reduction of public debt, Debt management.

UNIT–IV

Budgetary Policy: Functional and economic classification of budgets and their uses. Performance budgets. Budget as an instrument of mobilization and canalization of resources and redistribution of income and wealth, Balance and unbalanced budgets.
Fiscal Federalism: Principles of federal finance. Development Financial: Functional Finance vs Development Finances, Mobilisation of financial resources for planned development. Centre-state financial relations. FRBM.

Suggested Readings:
1. Lekhi, R.K. and Singh,J. (2015) *Public finance* Kalyani Publisher.
2.Tyagi, B.P.(2015), *Public Finance* , Jai PrakashNath & Company, Meerut.
    Note: The latest editions of the books are recommended..

B.A./B.Sc.(Eco.) (Economics Honours)

OPT-3 (History of Economic Thought)

Course outcomes:

After passing this course, students will be able to:

CO1: understand key models and concepts of the history of economic thought.

CO2: produce simple appreciations of the history of economic thought texts.

CO3: understand the development of economic thought in the context of the evolving global
economy and from a historical perspective.

B.A./B.Sc. (Eco.) (Economics Honours)

OPT-3: History of Economic Thought

Time: 3 Hours

L-T-P (Credits): 4-0-0
Max. Marks: 100
Theory: 80
CA: 20

Note: Instructions for the Paper–Setter:

Two questions, each carrying 16 marks, from each of the Units I-IV (i.e. a total of eight questions) are to be set. Candidates are required to attempt five questions, selecting at least one from each unit. The fifth question may be attempted from any unit.

UNIT–I

Mercantilism: Main ideas and principles: Petty, Hume and Cantillon; Physiocracy: Natural Order, Net product and Tableau Economique.
The Classical School: Adam Smith and Ricardo – Value, Distribution, International Trade; J.S .Mill on Markets; Malthusian theory of population and gluts.

UNIT–II

The Socialists and the Historical School: Saint Simon; Sismondi and Proudhon – Critics of classicism; The German and the British Historical School.
Marxian Economics: Marxian philosophy; Theory of value and surplus value; theory of development and business cycles; Marx and underdeveloped economies.

UNIT–III

The Austrian and the Marginalist School: Gossen; J.B. Clark; Carl Merger; Jevoes; Wieser,Bohm–Bawerk and the marginalist revolution; Salient features of subjectivism and marginalism.
The Neo-classical School and Marshallian Economics: Wicksteed and Wicksell on theory of distribution and theory of capital; Marshallian value and distribution.

UNIT–IV

Institutional and Welfare economics: Vilfredo Pareto; Thorstein Veblen; Hobson; A.C. Pigouand K. Arrow.
Keynesian and Post Keynesian Economics: Consumption function; multiplier; theory of interest and investment; business cycles; Keynes vs classicals ; Patinkin and Friedman on quantity theory of money; Hayek and Hicks as business cycles; Kaldor and Joan Robinson on growth and distribution.

Suggested Readings:
1. Haney, History of Economic Thought, Surjeet Publicaions, Delhi.
2. Blaug, M., Economic Theory in Retrospect, Cambridge Uni. Press.
3. Schumpeter, J., History of Economic Analysis, George Allen &Unwin, London.
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Note: The latest editions of the books are recommended..

OPT-4: International Economics

Course outcomes:

After passing this course students will be able to:

CO1: understand the economic relationship between countries, covering trade and monetary issues.

CO2: understand the role of tariff, non-tariff barriers economic integration in influencing International trade.

CO3: understand the balance of payment problems and the exchange rate determination.

CO4: understand the critical aspects of current policies and environment, issues of international liquidity and review the financial crisis.

B.A. / B.Sc. (Eco.) (Economics Honours)

OPT-4: International Economics

Time: 3 Hours

L-T-P (Credits): 4-0-0
Max. Marks: 100
Theory: 80
CA: 20

Note: Instructions for the Paper–Setter:

Two questions, each carrying 16 marks, from each of the Units I-IV (i.e. a total of eight questions) are to be set. Candidates are required to attempt five questions, selecting at least one from each unit. The fifth question may be attempted from any unit.

UNIT–I

The Pure Theory of International Trade: Theories of Absolute Advantage, Comparative Advantage and Opportunity costs, Heckscher Ohlin Theory, Factor Price Equalization.
Gains from trade, their measurement and distribution. Terms of trade, Secular deterioration hypothesis.

UNIT–II

Commercial Policy: The theory of Tariffs, Optimum and effective rate of tariff. Non-tariff barriers to trade. Interrelationship between trade, aid and economic development. The forms of economic integration among nations, the theory of customs union.

UNIT–III

Meaning, concept and the Process of adjustment in the balance of payments. The concept of Foreign Trade multiplier.
Concept of equilibrium exchange rate, theories for determination of exchange rate, Fixed vs. Flexible exchange rate.

UNIT–IV

Current problems of Trade and finance of developing countries. Role of Multinational corporations in developing countries.
Problems of International liquidity, I.M.F., SDRs. Proposals for international monetary reforms. New international Economic order. Euro–dollar and Euro–currency market and developing countries. East Asia: Success and Crisis.

Suggested Readings:
1. Sodersten, B.O. (1991), International Economics, IInd Editions, Macmillan Press Ltd., London.
2. Salvatore, D.(1997), International Economics, New York, Macmillan, 1983.
3. Mithani, D.M. (2015), International Economics, Himalaya Publishing House, Delhi.
4. Aggarwal, M.R. (2002), International Institutions and Development in Developing Countries, Deep & Deep Publications, New Delhi.
   Note: The latest editions of the books are recommended.

B.A. /B.Sc. (Eco.) (Economics Honours)

OPT-5 Industrial Economics

Course outcomes:

After passing this course, students will be able to:

CO1: understand the some advanced concepts and theories of industrial structure, conduct and performance

CO2: understand the different sources of industrial finance and their significance in evaluating firms' performance.

CO3: understand the role and basic models of advertisement expenditure and profitability and the role of R&D expenditure and innovations in the working of firms.

CO4: understand the Industrial policy and development process in India.

B.A. /B.Sc. (Eco.) (Economics Honours)

OPT-5: Industrial Economics

Time: 3 Hours

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L-T-P (Credits): 4-0-0
Max. Marks: 100
Theory: 80
CA: 20

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Note: Instructions for the Paper–Setter:

Two questions, each carrying 16 marks, from each of the Units I-IV (i.e. a total of eight questions) are to be set. Candidates are required to attempt five questions, selecting at least one from each unit. The fifth question may be attempted from any unit.

UNIT–I

Nature and Scope of Industrial Economics: Framework and Problems; concepts and organisation of firm–ownership, control and objectives of the firm; optimum firm and conciliation of optima.
Market Structure: Meaning and Measurement; Sellers' concentration; Product differentiation; Entry condition and Economies of Scale; Market Structure, size and profitability.

UNIT–II

Market Conduct: Theories of industrial location – Weber and Sargent Florence; Factors affecting location. Product pricing – Theory and evidence; Investment expenditure: theory and methods of evaluating investment expenditure. Theories and evidence on mergers and diversification.
Market Performance: Growth of the firm and constraints; size, growth and profitability; Productivity and Capacity utilization – Concept and measurement.

UNIT–III

Industrial Finance: Short vs. long term, and internal vs. external sources of firm's finance; firm's financial and capital structure; Financial ratios; debt-equity ratio; Role of commercial and industrial development banks; firms' finance and capital markets.
Advertising Expenditure: Nature and type of advertising; models of optimum advertising allocations in firms; market structure, advertising expenditure and profitability; Effects of firm's advertising.

UNIT–IV

Innovation and R&D: Concepts, importance and measurement; market structure and innovation and R&D; Diffusion of industrial technologies; transfer of technology from lab to industry and commercialisation of innovations; international transfer of technology.
Industrial Structure and economic development; the process of industrialization—rationale, objectives, strategies, and policies; the employment implications of industrialization; public policy and industrialization; industrial development and policy in India.
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Suggested Readings:

1. Bains, J.S Industrial Organization, Cheltenham, U.K: *An Elgar critical Writing Reader*, 1996.
2. Barthwal R.R., *Industrial Economics: An Introductory Text*, Wiley Eastern, New Delhi.
3. Dutt and Sundaram (2016), *Indian economy,* S. Chand Publications, New Delhi.
4. Dhar P.K. (2016), *Indian Economy: Its Growth and Dimensions,* Kalyani Publications.

Note: The latest editions of the books are recommended..

OPT-6 Economics of Agriculture

Course outcomes:

After passing this course, students will be able to:

CO1: understand the nature, Scope and Role of agriculture in economic development

CO2: understand the various Models of agriculture economics.

CO3: analyse trends in production and productivity in the green revolution and post-green revolution era .

CO4: understand the concept of Agricultural Finance& Agricultural credit and also understand the concept of agriculture marketing, marketable surplus and surplus labour.

B.A. /B.Sc.(Eco.) (Economics Honours)

OPT –6: Economics Of Agriculture

Time: 3 Hours

L-T-P (Credits): 4-0-0
Max. Marks: 100
Theory: 80
CA: 20

Note: Instructions for the Paper–Setters:
Two questions, each carrying 16 marks, from each of Units I-IV (i.e. a total of eight Questions) are to be set. Candidates are required to attempt five questions, selecting at least one from each unit. The fifth question may be attempted from any unit.

UNIT–I
Economics of Agriculture: Its Nature & Scope; Need for separate study of Agricultural Economics; Role of agriculture in economic development. Nature and problems of agricultural development in developing economies. Inter-dependence of agriculture and industry, Resources in agriculture: Land, its characteristics, factors affecting productivity of land, Importance of land in agriculture; Labour and its characteristics, efficiency of labour; capital and its characteristics.

UNIT–II
Transforming traditional agriculture– Schultz's approach, 'The poor but efficient hypothesis', Doctrine of zero value of labour in agriculture, Market approach v/s command approach, Lewis, Ranis and Fei models, Mellor's and Boserup's theories of agriculture development. Terms of trade between agriculture and industry. Economic development and the declining importance of agriculture.

UNIT–III
Systems of farming, Land reforms: The theoretical issues, Farm size and productivity relationship, Risk and uncertainty in agriculture.
Agricultural price policy in India, New Agricultural Strategy and green revolution, Supply response in agriculture.

UNIT–IV
Problems of small farmers and agricultural labourers in India.Agricultural credit, Source of credit, Role of moneylenders, Problems of agricultural credit. Rural indebtedness.
Agricultural marketing, marketable surplus, surplus labour and its utilisation. Agricultural Taxation.

Suggested Readings:

1. Gupta, P.K. (2020), *Agricultural Economics*, Vrinda publications.
2. Lekhi, R.K. and Singh, J. (2018), *Agricultural Economics (An Indian Perspective*) Kalyani Publishers
3. Soni, R.N. and Malhotra. S (2015),: *Leading issues in Agricultural Economics.*

Note: The latest editions of the books are recommended..

OPT-7 Agricultural Marketing

Course outcomes:

After passing this course, students will be able to:

CO1: Describe different marketing activities and services that take place in agricultural commodities go from the farm gate to the plate.

CO2: Comment on agricultural trade, policies, trade barriers, and national organisations and agreements.

CO3: Explain the importance of commodity varieties and qualities, and marketing place and time.

CO4: Differentiate among the different market intermediaries.

OPT –7: Agricultural Marketing

Time: 3 Hours   **L-T-P (Credits): 4-0-0**
                                                                Max. Marks: 100
                                                                Theory: 80
                                                                CA: 20

Note: Instructions for the Paper–Setter:
Two questions, each carrying 16 marks, from each of the Units I-IV (i.e. a total of eight questions) are to be set. Candidates are required to attempt five questions, selecting at least one from each unit. The fifth question may be attempted from any unit.

UNIT–I
Definition and Scope of agricultural marketing, Marketed and marketable surplus, factors affecting marketable surplus, Size distribution of marketable surplus.
Nature of demand and supply of agricultural commodities, Process of agricultural marketing, Functions of marketing.

UNIT–II
Mobilisation of agricultural surplus, terms of trade between agriculture and industry, Problems to agricultural marketing, Measures to improve agricultural marketing.
Income & Price elasticities of agricultural commodities, cob–Webb model, Movement of the surplus to the markets, Public Distribution System.

UNIT–III
Structure and functioning of agricultural markets, Legal framework of agricultural marketing, marketing margin, Financing of Agricultural Marketing. Marketing efficiency, need for an efficient system of agricultural marketing, measures to improve marketing efficiency, Criteria for judging the efficiency of the system of agricultural marketing, the efficiency of agricultural marketing in India, and measures to improve the efficiency of agricultural marketing in India.

UNIT-IV
Food grains marketing system in India, Forward trading, State intervention in Food grains marketing.
Role of different agencies (F.C.I. state Agencies, State Department), Buffer stocks.
Role and importance of market intelligence, marketing of major–agricultural commodities in India (Foodgrain, commercial crops). MSP, Role of price policy, main elements of price policy.
Price expectations and price uncertainties, price stabilisation measures.

Suggested Readings:
1. Memoria, C.B.: Principles and Practice of Marketing in India.
2. Jain, S.C.: Principles and Practice of Agricultural Marketing in India.
3. Noore, J.R.Johl, S.S. &Khusro A.M.; Indian Foodgrains Marketing.
4. Piston, C.: Agricultural Economic– Policy.
5. Shephered, C.S.: Marketing Farm products–Economics Analysis.
    Note: The latest editions of the books are recommended.

B.A. /B.Sc. (Eco.) (Economics Honours)

OPT-8 Economics of Public Enterprises

Course outcomes:

After passing this course, students will be able to:

CO1:   understand the role of the public sector in economic development, objectives, scope and growth of the public sector in India.

CO2: compare the features, merits and demerits of different forms of public enterprises.

CO3: understand the management of public enterprises and personnel management in public enterprises.

B.A. /B.Sc. (Eco.) (Economics Honours)

OPT –8: Economics of Public Enterprises

Time: 3 Hours   **L-T-P (Credits): 4-0-0**
                                                                        Max. Marks: 100
                                                                        Theory: 80
                                                                        CA: 20

Note: Instructions for the Paper–Setter:
Two questions, each carrying 16 marks, from each of the Units I-IV (i.e. a total of eight questions) are to be set. Candidates are required to attempt five questions, selecting at least one from each unit. The fifth question may be attempted from any unit.

UNIT–I
Public Enterprises: Concepts, characteristics, difference between public and private enterprises.
Historical perspective of the public sector in India.
Role in socio-economic development and relation of public enterprises. Multiple objectives of public enterprises. Clash and complementarity in objectives.

UNIT–II
Growth of Public Enterprises in India: Role of public sector financial institutions in the financing of public enterprises. Sources of funds of public enterprises. Debt and equity.
Problems of management of working capital. Management of inventory, credit and cash financing of working capital.

UNIT–III
Pricing in Public Sector: Basis and types of pricing policies, machinery of price fixation. Marginal cost and full cost pricing, Discriminatory pricing. Role of B.L.C. and P.
Working of Public Enterprises in India – Accountability of public enterprises. Control, audit, annual reports, consumer organization, public accountability.

UNIT–IV
Efficiency and Performance Evaluation: Profitability of public enterprises. Causes of poor financial performance of public sector in India. Performance budgeting.
Industrial relations and its importance. Industrial relations policy. Industrial disputes – causes ,effects and machinery for settlement. Workers Participation in Management. Disinvestment in public enterprises – Rationale and scope.

Suggested Readings:
1. Jagdish Prakash, *Administration of Public Enterprises in India*, Himalaya Publishing House.
2. Khera, S.S., *Management and Control in Public Enterprises*.
3. Narain Laxmi: *Principles and Practice of Public Enterprises Management,* Ajanta Publications, New Delhi, 1981.

   Note: The latest editions of the books are recommended..

OPT-9 Econometrics

Course outcomes:

After passing this course, students will be able to:

CO1: understand the nature and methodology of econometrics.

CO2: understand the basic procedure of estimation of the model and problems associated with it.

CO3: to perform tests of significance and estimate distributed lag models, production functions and some important macroeconomic functions.

B.A. /B.Sc. (Eco.) (Economics Honours)

OPT–9: Introduction to Econometrics

Time: 3 Hours   **L-T-P (Credits): 4-0-0**
                                                                                Max. Marks: 100
                                                                                Theory: 80
                                                                                CA: 20

Note: Instructions for the Paper–Setter:
Two questions, each carrying 16 marks, from each of the Units I-IV (i.e. a total of eight questions) are to be set. Candidates are required to attempt five questions, selecting at least one from each unit. The fifth question may be attempted from any unit.

UNIT–I

Basic Estimation Theory: Definition and scope of econometrics. Relationship of econometrics with economic statistics and mathematical statistics, Different stages involved in an econometric research programme, Specifications and estimation of an econometric model, Sources and assumptions of disturbance terms.

Evaluation of the parameter estimates. Random variables and probability distribution. Basic facts about estimation. Unbiasedness, efficiency and consistency. Maximum likelihood estimation.

UNIT–II

Testing of Hypothesis: Basic concept. Type I and II errors. Simple and composite hypotheses. Z, t, chi-square and F tests.

Single Equation Models: Estimation and Problems: Simple linear regression model and the general linear model (in matrix form), testing the significance of individual coefficients and groups of coefficients through ANOVA–technique, Chow's test.

UNIT–III

Problems of heteroscedasticity, autocorrection and multicollinearity – their nature, consequences, detection and remedial measures.

Dummy variables: Concept and various uses. The dummy variable trap, Interpretation of slope and intercept Dummies.

UNIT–IV

Distributed Lagged models. Partial adjustment model, Koyck transformation. Statistical estimation of simple demand and supply functions.

Concept of production functions; statistical estimation of Cobb-Douglas and CES, production functions; some macroeconomic functions like consumption function, investment functions and the demand for money function.

Suggested Readings:
Suggested Readings:
1. Gujarati, D.N (2002), *Basic Econometrics*, McGraw Hill, New Delhi.
2. Koutsoyiannis, A (2001), *Theory of Econometrics,* The Macmillan Press Ltd., London
        Note: The latest editions of the books are recommended..

FACULTY OF ECONOMICS & BUSINESS

SYLLABUS
For
Bachelor of Arts/Bachelor of Science (Economics)
Semester III-VI
in
Economics (Honours)

(Under   Continuous Evaluation System)
(12+3 System of Education)
Session: 2024–25

The Heritage Institution
Kanya Maha Vidyalaya, Jalandhar (Autonomous)

Kanya Maha Vidyalaya, Jalandhar (Autonomous)

SCHEME AND CURRICULUM OF EXAMINATION OF

Bachelor of Arts/Bachelor of Science (Economics): – Semester: V and VI

Economics (Honours)

Semester V							
Course Code	**Course Name**	**Course Type**	**Marks**				**Examination time (in Hours)**
			Total	**Ext.**		**CA**	
				L	**P**		
BARL-5609/ BECL-5607 (OPT-__)	Economics (Hons)	E	100	80	--	20	3

Semester VI							
Course Code	**Course Name**	**Course Type**	**Marks**				**Examination time (in Hours)**
			Total	**Ext.**		**CA**	
				L	**P**		
BARL-6609/ BECL-6607 (OPT-__)	Economics (Hons)	E	100	80	--	20	3

Kanya Maha Vidyalaya, Jalandhar (Autonomous)

SCHEME AND CURRICULUM OF EXAMINATION OF

Bachelor of Arts/Bachelor of Science (Economics): – Semester V and VI

Any one of the following options:

Sr. No.	Course Title
OPT-1	Money and Banking
OPT-2	Public Finance
OPT-3	History of Economic Thought
OPT-4	International Economics
OPT-5	Industrial Economics
OPT-6	Economics of Agriculture
OPT-7	Agriculture Marketing
OPT-8	Economics of Public Enterprises
OPT-9	Introduction to Econometrics

NOTE:-The student who wishes to opt for B.A. (Hons.) in Economics will take one option in each semester out of nine options not already opted for.

B.A. / B.Sc. (Eco.) (Economics Honours)

OPT-1: MONEY AND BANKING

Course outcomes:

After passing this course, students will be able to:

CO1: demonstrate an understanding of the nature of money and several key models and concepts of monetary economics.

CO2: understand the structure of interest rates and the interest rate policy of the banks.

CO3: understand the role of banks and non-banks in modern monetary economies and Financial Intermediation.

Co 4: understanding of monetary policy in influencing credit system and the role of international institutions in international monetary cooperation.

OPT–I: MONEY AND BANKING

Time: 3 Hours   **Max. Marks: 100**
Theory: 80
CA: 20

Note: Instructions for the Paper–Setter:

Two questions, each carrying 16 marks, from each of the Units I-IV (i.e. a total of eight questions) are to be set. Candidates are required to attempt five questions, selecting at least one from each unit. The fifth question may be attempted from any unit.

UNIT–I

Money: Nature, Kinds, Functional, Near Money, Broader Definition of Money. Measures of Money Supply in India.
Demand for Money: Quantity and Cash Balance Theories of Money, Keynesian Theory of Money, Don Patinkin, Friedman and Gurley Shaw Approaches.

UNIT–II

Structure and Rate of Interest Approaches, Structure of Interest Rates and Interest Rate Policy in India.
IS and LM Functions. Neutrality of Money. Integration of Theory of Value and Theory of Money.

UNIT–III

Commercial Banks: Their Systems and Functions, Credit Creation and Structure of Commercial Banks in India.
Central Banking: Functions and Techniques of Monetary Management. Non–banking Financial Institutions: Role and Functions.

UNIT–IV

Monetary Policy in India: Objectives, Instruments and Limitations of Credit Control by the Policy in India.
International Monetary Co-operation: International Monetary Fund, International Bank for Reconstruction Developments, International Finance Corporation. International Development Association and Asian Development Bank.

Suggested Readings:
1. Luckett, D.G. (1976), *Money and Banking,* McGraw Hill, New York.
2. Thorn, R.S.(1976), *Introduction to Money and Banking*, Harper and Row, New York.
3. Gupta, S.B. (1997), *Monetary Planning in India*, Oxford University Press, Delhi.
4. Paul, R.R. (2018), *Monetary Economics*, Kalyani Publishers, New Delhi.
    Note: The latest editions of the books are recommended.

B.A. / B.Sc. (Eco.) (Economics Honours)

OPT-2: Public Finance

Course outcomes:

After passing this course, students will be able to:

CO1: analyze the functioning of modern public finance and classify public revenues and expenditures through the budget

CO2: understand the effects of public expenditure and public revenue on production, distribution, social overhead capital, stability and Innovation.

CO3: to understand the burden and significance of public debt and the role of major taxes in developing the economy.

CO4: to analyse the instruments and objectives of budgetary policy and the principles of fiscal federalism.

B.A. / B.Sc. (Eco.) (Economics Honors)

OPT-2: Public Finance

Time: 3 Hours

Max. Marks: 100
Theory: 80
CA: 20

Note: Instructions for the Paper–Setter:

Two questions, each carrying 16 marks, from each of the Units I-IV (i.e. a total of eight questions) are to be set. Candidates are required to attempt five questions, selecting at least one from each unit. The fifth question may be attempted from any unit.

UNIT–I

Principles of Public Finance: Subjective and Objective Criteria. Theories of Public Expenditure: Wagner and Keynes. Theory of Social Goods: the distinction between public, private and merit goods. Canons of public expenditure; Classification of public expenditure: obligatory and optional expenditure, revenue and capital expenditure, development and non-development expenditure, plan and non-plan expenditure, productive and unproductive expenditure. Public expenditure and economic growth.

UNIT–II

Effects of public expenditure on production, distribution, social overhead capital, stability and Innovation. Criteria of Public Expenditure.

Theory of public revenue: Theories of Taxation Benefits Principle; Cost of Service Principle; Ability to Pay Theory; Principle of Equity. Effects of taxation.

UNIT–III

Analysis of major taxes: income tax, expenditure tax, corporation tax, wealth tax, excise duties, sales tax, customs duties. The concept of taxable capacity, Taxation in a developing economy.

Fiscal incidence: theories of tax shifting, Concepts of impact and incidence. Measurement of incidence.

Public Debt: Role of Public Debt. Different forms of public debt. Significance and Burden of Public debt, Reduction of public debt, Debt management.

UNIT–IV

Budgetary Policy: Functional and economic classification of budgets and their uses. Performance budgets. Budget as an instrument of mobilization and canalization of resources and redistribution of income and wealth, Balance and unbalanced budgets.

Fiscal Federalism: Principles of federal finance. Development Financial: Functional Finance vs Development Finances, Mobilisation of financial resources for planned development. Centre-state financial relations. FRBM.

Suggested Readings:
1. Lekhi, R.K. and Singh,J. (2015) *Public finance* Kalyani Publisher.
2.Tyagi, B.P.(2015), *Public Finance* , Jai PrakashNath & Company, Meerut.
   Note: The latest editions of the books are recommended..

B.A./B.Sc.(Eco.) (Economics Honours)

OPT-3 (History of Economic Thought)

Course outcomes:

After passing this course, students will be able to:

CO1: understand key models and concepts of the history of economic thought.

CO2: produce simple appreciations of the history of economic thought texts.

CO3: understand the development of economic thought in the context of the evolving global economy and from a historical perspective.

B.A./B.Sc. (Eco.) (Economics Honours)

OPT-3: History of Economic Thought

Time: 3 Hours   Max. Marks: 100
                                                                                                            Theory: 80
                                                                                                            CA: 20

Note: Instructions for the Paper–Setter:

Two questions, each carrying 16 marks, from each of the Units I-IV (i.e. a total of eight questions) are to be set. Candidates are required to attempt five questions, selecting at least one from each unit. The fifth question may be attempted from any unit.

UNIT–I

Mercantilism: Main ideas and principles: Petty, Hume and Cantillon; Physiocracy: Natural Order, Net product and Tableau Economique.
The Classical School: Adam Smith and Ricardo – Value, Distribution, International Trade; J.S .Mill on Markets; Malthusian theory of population and gluts.

UNIT–II

The Socialists and the Historical School: Saint Simon; Sismondi and Proudhon – Critics of classicism; The German and the British Historical School.
Marxian Economics: Marxian philosophy; Theory of value and surplus value; theory of development and business cycles; Marx and underdeveloped economies.

UNIT–III

The Austrian and the Marginalist School: Gossen; J.B. Clark; Carl Merger; Jevoes; Wieser,Bohm–Bawerk and the marginalist revolution; Salient features of subjectivism and marginalism.
The Neo-classical School and Marshallian Economics: Wicksteed and Wicksell on theory of distribution and theory of capital; Marshallian value and distribution.

UNIT–IV

Institutional and Welfare economics: Vilfredo Pareto; Thorstein Veblen; Hobson; A.C. Pigouand K. Arrow.
Keynesian and Post Keynesian Economics: Consumption function; multiplier; theory of interest and investment; business cycles; Keynes vs classicals ; Patinkin and Friedman on quantity theory of money; Hayek and Hicks as business cycles; Kaldor and Joan Robinson on growth and distribution.

Suggested Readings:
1. Haney, History of Economic Thought, Surjeet Publicaions, Delhi.
2. Blaug, M., Economic Theory in Retrospect, Cambridge Uni. Press.
3. Schumpeter, J., History of Economic Analysis, George Allen &Unwin, London.
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  Note: The latest editions of the books are recommended..

OPT-4: International Economics

Course outcomes:

After passing this course students will be able to:

CO1:understand the economic relationship between countries, covering trade and monetary issues.

CO2: understand the role of tariff, non-tariff barriers economic integration in influencing International trade.

CO3: understand the balance of payment problems and the exchange rate determination.

CO4: understand the critical aspects of current policies and environment, issues of international liquidity and review the financial crisis.

B.A. / B.Sc. (Eco.) (Economics Honours)

OPT-4: International Economics

Time: 3 Hours

Max. Marks: 100
Theory: 80
CA: 20

Note: Instructions for the Paper–Setter:

Two questions, each carrying 16 marks, from each of the Units I-IV (i.e. a total of eight questions) are to be set. Candidates are required to attempt five questions, selecting at least one from each unit. The fifth question may be attempted from any unit.

UNIT–I

The Pure Theory of International Trade: Theories of Absolute Advantage, Comparative Advantage and Opportunity costs, Heckscher Ohlin Theory, Factor Price Equalization.
Gains from trade, their measurement and distribution. Terms of trade, Secular deterioration hypothesis.

UNIT–II

Commercial Policy: The theory of Tariffs, Optimum and effective rate of tariff. Non-tariff barriers to trade. Interrelationship between trade, aid and economic development. The forms of economic integration among nations, the theory of customs union.

UNIT–III

Meaning, concept and the Process of adjustment in the balance of payments. The concept of Foreign Trade multiplier.
Concept of equilibrium exchange rate, theories for determination of exchange rate, Fixed vs. Flexible exchange rate.

UNIT–IV

Current problems of Trade and finance of developing countries. Role of Multinational corporations in developing countries.
Problems of International liquidity, I.M.F., SDRs. Proposals for international monetary reforms. New international Economic order. Euro–dollar and Euro–currency market and developing countries. East Asia: Success and Crisis.

Suggested Readings:
1. Sodersten, B.O. (1991), International Economics, IInd Editions, Macmillan Press Ltd., London.
2. Salvatore, D.(1997), International Economics, New York, Macmillan, 1983.
3. Mithani, D.M. (2015), International Economics, Himalaya Publishing House, Delhi.
4. Aggarwal, M.R. (2002), International Institutions and Development in Developing Countries, Deep & Deep Publications, New Delhi.
    Note: The latest editions of the books are recommended.

B.A. /B.Sc. (Eco.) (Economics Honours)

OPT-5 Industrial Economics

Course outcomes:

After passing this course, students will be able to:

CO1: understand the some advanced concepts and theories of industrial structure, conduct and performance

CO2: understand the different sources of industrial finance and their significance in evaluating firms' performance.

CO3: understand the role and basic models of advertisement expenditure and profitability and the role of R&D expenditure and innovations in the working of firms.

CO4: understand the Industrial policy and development process in India.

OPT-5: Industrial Economics

Time: 3 Hours   **Max. Marks: 100**
                                                                                Theory: 80
                                                                                    CA: 20

Note: Instructions for the Paper–Setter:

Two questions, each carrying 16 marks, from each of the Units I-IV (i.e. a total of eight questions) are to be set. Candidates are required to attempt five questions, selecting at least one from each unit. The fifth question may be attempted from any unit.

UNIT–I

Nature and Scope of Industrial Economics: Framework and Problems; concepts and organisation of firm–ownership, control and objectives of the firm; optimum firm and conciliation of optima.
Market Structure: Meaning and Measurement; Sellers' concentration; Product differentiation; Entry condition and Economies of Scale; Market Structure, size and profitability.

UNIT–II

Market Conduct: Theories of industrial location – Weber and Sargent Florence; Factors affecting location. Product pricing – Theory and evidence; Investment expenditure: theory and methods of evaluating investment expenditure. Theories and evidence on mergers and diversification.
Market Performance: Growth of the firm and constraints; size, growth and profitability; Productivity and Capacity utilization – Concept and measurement.

UNIT–III

Industrial Finance: Short vs. long term, and internal vs. external sources of firm's finance; firm's financial and capital structure; Financial ratios; debt-equity ratio; Role of commercial and industrial development banks; firms' finance and capital markets.
Advertising Expenditure: Nature and type of advertising; models of optimum advertising allocations in firms; market structure, advertising expenditure and profitability; Effects of firm's advertising.

UNIT–IV

Innovation and R&D: Concepts, importance and measurement; market structure and innovation and R&D; Diffusion of industrial technologies; transfer of technology from lab to industry and commercialisation of innovations; international transfer of technology.
Industrial Structure and economic development; the process of industrialization—rationale, objectives, strategies, and policies; the employment implications of industrialization; public policy and industrialization; industrial development and policy in India.
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Suggested Readings:
1. Bains, J.S Industrial Organization, Cheltenham, U.K: *An Elgar critical Writing Reader*, 1996.
2. Barthwal R.R., *Industrial Economics: An Introductory Text*, Wiley Eastern, New Delhi.
3. Dutt and Sundaram (2016), *Indian economy,* S. Chand Publications, New Delhi.
4. Dhar P.K. (2016), *Indian Economy: Its Growth and Dimensions,* Kalyani Publications.

   Note: The latest editions of the books are recommended..

OPT-6 Economics of Agriculture

Course outcomes:

After passing this course, students will be able to:

CO1:understand the nature, Scope and Role of agriculture in economic development

CO2: understand the various Models of agriculture economics.

CO3: analyse trends in production and productivity in the green revolution and post-green revolution era .

CO4: understand the concept of Agricultural Finance& Agricultural credit and also understand the concept of agriculture marketing, marketable surplus and surplus labour.

B.A. /B.Sc.(Eco.) (Economics Honours)

OPT –6: Economics Of Agriculture

Time: 3 Hours   Max. Marks: 100
                                                                                              Theory: 80
                                                                                                   CA: 20

Note: Instructions for the Paper–Setters:
Two questions, each carrying 16 marks, from each of Units I-IV (i.e. a total of eight Questions) are to be set. Candidates are required to attempt five questions, selecting at least one from each unit. The fifth question may be attempted from any unit.

UNIT–I

Economics of Agriculture: Its Nature & Scope; Need for separate study of Agricultural Economics; Role of agriculture in economic development. Nature and problems of agricultural development in developing economies. Inter-dependence of agriculture and industry, Resources in agriculture: Land, its characteristics, factors affecting productivity of land, Importance of land in agriculture; Labour and its characteristics, efficiency of labour; capital and its characteristics.

UNIT–II

Transforming traditional agriculture– Schultz's approach, 'The poor but efficient hypothesis', Doctrine of zero value of labour in agriculture, Market approach v/s command approach, Lewis, Ranis and Fei models, Mellor's and Boserup's theories of agriculture development. Terms of trade between agriculture and industry. Economic development and the declining importance of agriculture.

UNIT–III

Systems of farming, Land reforms: The theoretical issues, Farm size and productivity relationship, Risk and uncertainty in agriculture.
Agricultural price policy in India, New Agricultural Strategy and green revolution, Supply response in agriculture.

UNIT–IV

Problems of small farmers and agricultural labourers in India.Agricultural credit, Source of credit, Role of moneylenders, Problems of agricultural credit. Rural indebtedness.
Agricultural marketing, marketable surplus, surplus labour and its utilisation. Agricultural Taxation.

Suggested Readings:

1. Gupta, P.K. (2020), *Agricultural Economics*, Vrinda publications.
2. Lekhi, R.K. and Singh, J. (2018), *Agricultural Economics (An Indian Perspective*) Kalyani Publishers
3. Soni, R.N. and Malhotra. S (2015),: *Leading issues in Agricultural Economics.*

   Note: The latest editions of the books are recommended..

B.A. /B.Sc. (Eco.) (Economics Honours)

OPT-7 Agricultural Marketing

Course outcomes:

After passing this course, students will be able to:

CO1: Describe different marketing activities and services that take place in agricultural commodities go from the farm gate to the plate.

CO2: Comment on agricultural trade, policies, trade barriers, and national organisations and agreements.

CO3: Explain the importance of commodity varieties and qualities, and marketing place and time.

CO4: Differentiate among the different market intermediaries.

OPT –7: Agricultural Marketing

Time: 3 Hours   **Max. Marks: 100**
                                                                                          Theory: 80
                                                                                          CA: 20

Note: Instructions for the Paper–Setter:

Two questions, each carrying 16 marks, from each of the Units I-IV (i.e. a total of eight questions) are to be set. Candidates are required to attempt five questions, selecting at least one from each unit. The fifth question may be attempted from any unit.

UNIT–I

Definition and Scope of agricultural marketing, Marketed and marketable surplus, factors affecting marketable surplus, Size distribution of marketable surplus.

Nature of demand and supply of agricultural commodities, Process of agricultural marketing, Functions of marketing.

UNIT–II

Mobilisation of agricultural surplus, terms of trade between agriculture and industry, Problems to agricultural marketing, Measures to improve agricultural marketing.

Income & Price elasticities of agricultural commodities, cob–Webb model, Movement of the surplus to the markets, Public Distribution System.

UNIT–III

Structure and functioning of agricultural markets, Legal framework of agricultural marketing, marketing margin, Financing of Agricultural Marketing. Marketing efficiency, need for an efficient system of agricultural marketing, measures to improve marketing efficiency, Criteria for judging the efficiency of the system of agricultural marketing, the efficiency of agricultural marketing in India, and measures to improve the efficiency of agricultural marketing in India.

UNIT-IV

Food grains marketing system in India, Forward trading, State intervention in Food grains marketing. Role of different agencies (F.C.I. state Agencies, State Department), Buffer stocks.

Role and importance of market intelligence, marketing of major–agricultural commodities in India (Foodgrain, commercial crops). MSP, Role of price policy, main elements of price policy.

Price expectations and price uncertainties, price stabilisation measures.

Suggested Readings:

1. Memoria, C.B.: Principles and Practice of Marketing in India.
2. Jain, S.C.: Principles and Practice of Agricultural Marketing in India.
3. Noore, J.R.Johl, S.S. &Khusro A.M.; Indian Foodgrains Marketing.
4. Piston, C.: Agricultural Economic– Policy.
5. Shephered, C.S.: Marketing Farm products–Economics Analysis.

Note: The latest editions of the books are recommended.

OPT-8 Economics of Public Enterprises

Course outcomes:

After passing this course, students will be able to:

CO1: understand the role of the public sector in economic development, objectives, scope and growth of the public sector in India.

CO2: compare the features, merits and demerits of different forms of public enterprises.

CO3: understand the management of public enterprises and personnel management in public enterprises.

OPT –8: Economics of Public Enterprises

Time: 3 Hours   Max. Marks: 100
Theory: 80
CA: 20

Note: Instructions for the Paper–Setter:

Two questions, each carrying 16 marks, from each of the Units I-IV (i.e. a total of eight questions) are to be set. Candidates are required to attempt five questions, selecting at least one from each unit. The fifth question may be attempted from any unit.

UNIT–I

Public Enterprises: Concepts, characteristics, difference between public and private enterprises. Historical perspective of the public sector in India.

Role in socio-economic development and relation of public enterprises. Multiple objectives of public enterprises. Clash and complementarity in objectives.

UNIT–II

Growth of Public Enterprises in India: Role of public sector financial institutions in the financing of public enterprises. Sources of funds of public enterprises. Debt and equity.

Problems of management of working capital. Management of inventory, credit and cash financing of working capital.

UNIT–III

Pricing in Public Sector: Basis and types of pricing policies, machinery of price fixation. Marginal cost and full cost pricing, Discriminatory pricing. Role of B.L.C. and P.

Working of Public Enterprises in India – Accountability of public enterprises. Control, audit, annual reports, consumer organization, public accountability.

UNIT–IV

Efficiency and Performance Evaluation: Profitability of public enterprises. Causes of poor financial performance of public sector in India. Performance budgeting.

Industrial relations and its importance. Industrial relations policy. Industrial disputes – causes ,effects and machinery for settlement. Workers Participation in Management. Disinvestment in public enterprises – Rationale and scope.

Suggested Readings:

1. Jagdish Prakash, *Administration of Public Enterprises in India*, Himalaya Publishing House.
2. Khera, S.S., *Management and Control in Public Enterprises*.
3. Narain Laxmi: *Principles and Practice of Public Enterprises Management,* Ajanta Publications, New Delhi, 1981.

 Note: The latest editions of the books are recommended..

OPT-9 Econometrics

Course outcomes:

After passing this course, students will be able to:

CO1: understand the nature and methodology of econometrics.

CO2: understand the basic procedure of estimation of the model and problems associated with it.

CO3: to perform tests of significance and estimate distributed lag models, production functions and some important macroeconomic functions.

B.A. /B.Sc. (Eco.) (Economics Honours)

OPT–9: Introduction to Econometrics

Time: 3 Hours   Max. Marks: 100
                                                                                     Theory: 80
                                                                                          CA: 20

Note: Instructions for the Paper–Setter:
Two questions, each carrying 16 marks, from each of the Units I-IV (i.e. a total of eight questions) are to be set. Candidates are required to attempt five questions, selecting at least one from each unit. The fifth question may be attempted from any unit.

UNIT–I

Basic Estimation Theory: Definition and scope of econometrics. Relationship of econometrics with economic statistics and mathematical statistics, Different stages involved in an econometric research programme, Specifications and estimation of an econometric model, Sources and assumptions of disturbance terms.

Evaluation of the parameter estimates. Random variables and probability distribution. Basic facts about estimation. Unbiasedness, efficiency and consistency. Maximum likelihood estimation.

UNIT–II

Testing of Hypothesis: Basic concept. Type I and II errors. Simple and composite hypotheses. Z, t, chi-square and F tests.

Single Equation Models: Estimation and Problems: Simple linear regression model and the general linear model (in matrix form), testing the significance of individual coefficients and groups of coefficients through ANOVA–technique, Chow's test.

UNIT–III

Problems of heteroscedasticity, autocorrection and multicollinearity – their nature, consequences, detection and remedial measures.

Dummy variables: Concept and various uses. The dummy variable trap, Interpretation of slope and intercept Dummies.

UNIT–IV

Distributed Lagged models. Partial adjustment model, Koyck transformation. Statistical estimation of simple demand and supply functions.

Concept of production functions; statistical estimation of Cobb-Douglas and CES, production functions; some macroeconomic functions like consumption function, investment functions and the demand for money function.

Suggested Readings:
Suggested Readings:
1. Gujarati, D.N (2002), *Basic Econometrics*, McGraw Hill, New Delhi.
2. Koutsoyiannis, A (2001), *Theory of Econometrics,* The Macmillan Press Ltd., London
        Note: The latest editions of the books are recommended..