

SRI VENKATESWARA UNIVERSITY - TIRUPATI

Program: B.A. Honours in **ECONOMICS (MAJOR)**

III- SEMESTER

(W.E.F. Academic Year 2024-25)

CORE 5- MACROECONOMICS

Course Objective : This course is to learn about basic concepts, principles and theories in Macroeconomics to understand the functioning of a macro economy.

Course Learning Outcomes:

After studying this course, the student shall be able to achieve the following outcomes:

- CO1:** Explain the functioning a macro economy with it's inter – linkages and measure and analyse the national income of the country
- CO2:** Analyse the Classical and Keynes theories of employment and its application in current Economy
- CO3:** Explain the importance of money and banking along with their functions Analyse RBI policies
- CO4:** Analyse causes and evaluate the measures to control inflation and trade cycles in the economy
- CO5:** Evaluate the macroeconomic policy targets

Unit-1: Introduction to Macro economics and National Income

- Macroeconomics : Definition, Scope and Importance; Macroeconomic Variable : Stock and Flow.
- National Income: Definition, Concepts, Importance
- Measurement of National Income and Difficulties

Unit-2: Theories of Employment, Consumption and Investment

- Classical Theory of Employment : Assumptions, Say's Law of Market .
- Consumption : Factors, Consumption Function, Keynes' Psychological Law of Consumption
- Investment : Types, Factors, Investment Function; Marginal Efficiency of Capital, Multiplier and Accelerator
- Keynesian Theory of Employment : Assumption, Concepts and Model.

Unit-3: Money and Banking

- Money: Definition, Types, Functions; RBI classification of Money
- Theories of Money: Fisher and Cambridge
- Banking : Definition, Types, Importance, Functions.
- Central Bank: Objectives, Functions, Monetary Policy

Unit-4: Inflation and Trade Cycles

- Inflation : Meaning, Types, Importance, Measurement
- Causes, Consequences and Controlling of Inflation
- Trade Cycles: Phases, Causes and Controlling Measures

Unit-5: Financial Market and Macroeconomic Policies

- Financial Markets: Types, Instruments, Functions
- Stock Market : Functions, Indices Sensex and Nifty
- Macroeconomic Policy : Targets, Indicators and Instruments; Fiscal Policy.
- Neo-classical and Keynesian Synthesis : IS-LM Basic Model

References:

1. Macro economic Analysis, Bilingual Text book, APSCHE
2. H. L. Ahuja, Advanced Economic Theory, S.Chand, 2004
3. P.N.Chopra, Macroeconomics, Kalyani Publishers, Ludhiana,2014.
4. D.M. Mithani, Macro Economic Analysis and Policy, Himalaya Publications, New Delhi
5. Telugu Academy Publications on Macroeconomics
6. Macroeconomics, Dr.Br.Ambedkar Open University Material
7. Macroeconomics, IGNOU Material

Suggested Activities:

Unit-1: Practical Exercise on national income measurement

Unit2: Group discussion on application of classical and Keynesian employment theories to current economics

Unit-3: Field visit to commercial bank and submit a report

Unit-4: Assignment on current measures to control inflation

Unit-5: Quizon financial markets and debate on monetary v s fiscal policy

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CORE 6 - ECONOMIC THOUGHT AND POLITICAL ECONOMY

Course Objective: This course is to learn about the philosophy and thoughts of various economists which are the basis for the evolution of economics as a discipline.

Course Learning Outcomes:

After studying this course, the student shall be able to achieve the following outcomes: **CO1:** Explain the Economic thoughts of Pre - classical, Classical and Socialist. **CO2:** Explain Neo-classical, Keynes and Post-Keynesian economic thoughts. **CO3:** Analyse the essence of institutional and behaviorists' economic thoughts.

CO4: Evaluate the contribution of Indian economists to the evolution of economic thought.

CO5: Analyze the political economy in relation to development.

Unit-1: Classical and Socialist Schools

- Pre-Classical School: Mercantilism, Physiocracy
- Classical School 1: Adam Smith, David Ricardo
- Socialist School: Karl Marx, Fabian Socialists

Unit-2: Neo-Classical and Keynesian Schools

- Neo Classical and Marginal Revolution School: Alfred Marshall.
- Keynesian School: John Maynard Keynes
- New Classical School
- New Keynesian School

Unit 3: Institutional and Behaviorist Schools

- Institutional School: Gunnar Mirdal, John Rawls
- New Institutional School 1: Ronald Coase, Frederick Hayek
- Behaviorist School: Herbert Simon, Richard Thaler

Unit4:Indian Political Thought

- Ancient Thought: Kautilya a
- ModernThought1:Dadabhai Nauroji, R.C. Dutt; M.N. Roy
- ModernThought2:Gandhi,Nehru, Ambedkar
- Contemporary Thought: AmrtyaSen ,Rao-Manmohan

Unit5-Political Economy and Development

- Nexus between Politics and Economy ; Basic Features of Political Economy
- Political Ideologies for Development: Economic Liberalism, Economic Nationalism, Marxism
- RoleofPoliticalInstitutionsforDevelopment:PoliticalParties,Parliament
- Role of Non-political Institutions for Development: Bureaucracy, Regulatory Bodies, Judiciary

REFERENCES:

1. Lokanathan (2018) :History of Economic Thought, S. Chand &Co Ltd,New Delhi
2. Hajela,T.N:HistoryofEconomicThought,Ane's BooksPvtLtd.,New Delhi
3. R.R.Paul:HistoryofEconomicThought,KalyaniPublishers,New Delhi
4. GideandRist:HistoryofEconomicDoctrines,DigitalLibraryofIndia, 2015.274711
5. Roll.E.(1973):A historyofEconomicThoughts,Father,London.
6. GhoshB.N. AndGhosh Roma. AShortHistoryof EconomicDoctrines.
7. Lange,O.,“PoliticalEconomy”,Vol.1,1963
8. Open Source Online Materials & Videos: IGNOU, e-PG Pathasala , SWAYM, Khan Academy etc.

SUGGESTED ACTIVITIES:

Unit-1:StudentSeminarsonevolutionofimportanteconomic doctrines

Unit2:Groupdiscussionsondifferentschoolsofeconomicthoughtandtheirrelevance today

Unit3:PreparationofComparativechartsofvariousfamouseconomicthoughts

Unit-4: Poster presentations on the economic ideology of Indian thinkers

Unit-5:ProjectonpoliticaleconomyofcurrentIndian economy

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CORE 7 - DEVELOPMENT ECONOMICS

Course Objectives: This course is to learn about basic concepts, principles and theories in development economics and apply them to analyse the issues in current economy

Course Learning Outcomes:

After studying this paper, the students shall be able to achieve the following outcomes:

- CO1:** Explain concepts of economic growth and development, measure them, identify their factors.
- CO2:** Analyse the developmental issues of poverty, unemployment, inequality and sustainable development and suggest measures
- CO3:** Comprehend the various theories of growth and development
- CO4:** Examine and suggest various developmental strategies suitable to developing countries
- CO5:** Explain the role of institutions, planning in economic development

Unit-1: Introduction to Economic Growth and Development

- Economic Growth and Development: Meaning, Differences, Importance,
- Measurements of Growth and Development
- Factors and Obstacles of Economic Growth and Development; Kuznets' Characteristics of Modern Economic Growth
- World Bank and IMF Classification of Countries based on level of Development

Unit2: Developmental Issues

- Poverty: Meaning, Types, Causes and Solutions; Vicious Circle of Poverty
- Un employment : Meaning, Types, Causes and Solutions
- Inequalities: Meaning, Types, Causes and Solutions
- Sustainable Development and SDGs

Unit-3: Theories of Growth and Development

- Classical Theory of Development.
- Rostow's Stages of Economic Growth
- Neo-Classical Models of Economic Growth: Harrod-Domar Model, Solow Model

Unit-4:Strategies of Economic Development

- Capitalist, Socialist and Mixed Economy Strategies
- Big Push Strategy ; Balanced and Unbalanced Growth Strategies
- Mahala Nobis Strategy; Export Promotion and Foreign Capital Strategy
- Endogenous Growth Strategy; Human Capital–Capability Strategy

Unit-5: Institutions for Economic Development

- Role Institutions in Economic Development
- Basic Features of New Institutional Economics
- Economic Planning: Concept, Objectives, Role in Economic Development; Economic Federalism
- Role of International Institutions in Development: World Bank, IMF

REFERENCES:

1. Ray, D.(2009),***Development Economics***, Princeton University Press.
2. Todaro M.P. and Stephen, C., Smith(2014),***Economic Development***, Pearson, 12 Ed..
3. M.L. Jhingan, The Economics of Development and Planning, Vrinda Publications,
4. Hayami and Godo: Development Economics, Oxford Publication.
5. Sen,A.,(1999),***Development as Freedom***, Oxford University Press.
6. ThirlwallA.P.,(2005),***GrowthandDevelopment***,PalgraveMacmillan;8thEdition.
7. Chenery,HollisandT.N.Srinivasan,
(1998),***HandbookofDevelopmentEconomics***, Elsevier.
8. Basu,Kaushik(2000)
AnalyticalDevelopmentEconomics:TheLessdeveloped Economy: Revisited, Oxford University Press, India.
9. Development Economics, Telugu Academy
10. Open Source Online Materials & Videos: IGNOU, e-PG Pathasala, SWAYM, Khan Academy etc.

Suggested Activities:

Unit-1:Group discussions on factors of economic growth and development

Unit2:Assignments on developmental issues like poverty,
unemployment and their programs

Unit3:Prepare comparative flow charts of various theories of economic
growth or development

Unit4:Project on application of any theory of economic growth or
development to the current economic Problem

Unit5:Seminar on role of institutions in economic development and
prepare a plan for development of local area

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CORE-8 PUBLIC ECONOMICS

Course Objective: This course aims to provide an understanding of public economics principles, theories, and policies, enabling students to analyse and evaluate issues in government revenue, expenditure and debt management.

Course Learning Outcomes:

On successful completion of this course, the students will be able to achieve the following course learning outcomes

- CO1:** Explain and illustrate the basic concepts and principle of public finance
- CO2:** Discuss various sources of public revenue, different theories of taxation, tax systems and Incidence of taxation
- CO3:** Analyse various principles, theories, practices of public expenditure with reference to public expenditure practices in India
- CO4:** Explain the concept of debt burden and its effect, budget concepts and deficits with reference to Indian economy.
- CO5:** Examine the importance of fiscal policy, fiscal federalism and discuss the role of finance commission with reference to India.

Unit1: Introduction to Public Finance and Market Failure

- Meaning, Nature, Scope, Importance of Public Finance; Public vs Private Finance
- Principle of Maximum Social Advantage
- Problems of Market Failure, Externalities and Free Riding and Solutions.

Unit2: Public Revenue

- Sources of Revenue: Tax and Non-tax; Canons of Taxation
- Theories of Taxation : Socio-Political Theory, Benefit Received Theory.
- Tax Systems: Progressive, Proportional, Regressive; Types of Taxes: Direct and Indirect
- Incidence and Effects of Taxation; Shares of Tax and Non-Tax Revenues in India.

Unit3:Public Expenditure

- Principles of Public Expenditure(PE);Classification and Effects of PE
- TheoriesofPE:Wagner’sLaw,Peacock-Wiseman,Colin-ClarksCriticalLimit Theory
- Determinants of PE ; Criteria for Public Investment
- Trends and patterns of Public Expenditure in India; Reforms in public Expenditure in India.

Unit4:Public Debt and Budget

- Public Debt(PD):Meaning, Types, Sources ; Effects and Burden of P
- Shifting and Redemption of PD; Public Debt Management in India
- Budget:Meaning,Importance,Types;BasicConceptsandDeficitsinBudget
- Fiscal Discipline and Consolidation, FRBM Act; Brief Analysis of a Recent Budget in India.

Unit5:Fiscal Policy and Fiscal Federalism

- Fiscal Policy: Meaning, Objectives and Functions
- Fiscal Federalism in India and Constitutional Provisions
- Recent Finance Commission : Objectives and Recommendations
- Issues and Challenges of Fiscal Federalism and State Governments Finances in India.

REFERENCE BOOKS:

1. Musgrave, R. A. & Musgrave, P. B. (2004), *Public Finance in Theory andPractice*. Fifth edition, TATA McGraw-Hill
2. Tyagi,B.P.,“PublicFinance”,JaiPrakashNathCo., 1992.
3. BhatiaH.L.,“PublicFinance”,VikasPublishingHousePvt.Ltd.,1984.
4. Dalton,H.,“PrinciplesofPublicFinance”,Routledge,1stEdition,2009.
5. Stiglitz,J. E(2000), *Economics of the Public Sector*. WWNorton
6. Rangarajan,C.andD.K.Srivastava (2011),*FederalismandFiscal Transfers in India*. Oxford University Press, New Delhi.
7. OpenSourceOnlineMaterials&Videos:IGNOU,e-PGPathasala,EconomicSurvey, SWAYM, Khan Academy etc.

ACTIVITIES SUGGESTED:

Unit 1: Assignment on importance of public finance and role of government in an economy

Unit 2: Make poster presentation of Indian tax system with revenue details from recent budget.

Unit 3: Organize debates on the growth of public expenditure in India and its management.

Unit 4: Assignments on the management of deficits and public debt and watch budget presentation and make analysis.

Unit 5: Quiz sessions on there commendation sufferance commissions with justification for changes in criteria/ quantum of devolution.