

சென்னைப் பல்கலைக்கழகம்
தொலைதரக் கல்வி நிறுவனம்



B.A. Degree Course in
ECONOMICS
பொருளாதாரம்

Syllabus for Core Subjects

Non-Semester

(Effective from the Academic Year 2005 - 2006)

UNIVERSITY OF MADRAS
INSTITUTE OF DISTANCE EDUCATION
CHENNAI - 600 005

B.A. ECONOMICS
SCHEME OF EXAMINATION
FIRST YEAR

Paper	Subjects	Duration Hours	Max. Marks
	Core Courses - Main Subjects		
I	Indian Economy : Problems and Policies	3	100
II	Statistics for Economists	3	100
	Core Course - Allied Subject		
I	Principles of Commerce	3	100
SECOND YEAR			
	Core Courses - Main Subjects		
III	Micro Economics	3	100
IV	Monetary Economics	3	100
	Core Course - Allied Subject		
II	Rural Banking	3	100
THIRD YEAR			
	Core Courses - Main Subjects		
V	Macro Economics	3	100
VI	Fiscal Economics	3	100
VII	History of Economic Thought	3	100
VIII	Managerial Economics	3	100
	Application Oriented Subject		
	Environmental Economics	3	100

INSTITUTE OF DISTANCE EDUCATION

B.A. DEGREE COURSE IN ECONOMICS

SYLLABUS

FIRST YEAR

PAPER I - INDIAN ECONOMY - PROBLEMS AND POLICIES

Unit - I

Features of less developed and developing economies - Economic and non-Economic factors impeding Economic development - Concept of Economic growth and development - Factors determining Economic development.

Unit - II

Capital formation - Human and Physical - Savings and investment pattern during the plans - National Income - Methods, Trends, Limitation - Distribution - Recent trends in National Income.

Unit - III

Human resources - Population growth as a retarding factor - Population policy.

Unit - IV

Agriculture - Its contribution to economic development - Food problems - Methods of solving it - Measures to increase agricultural productivity - Land reforms - Green revolution - Agricultural inputs and agricultural credit - Evaluation of agricultural policy during plan period.

Unit - V

Role of technology - Its impact on Economic development.

Role of Industries in Economic development - Cottages, Small scale and Large scale (Cotton, Iron, Steel, Paper, Jute, Sugar and Tea) - Assessment of Industrial policy during the plan period. - Public sector - Privatization - (Industrial policy 1948, 1956, 1977, 1980, 1991 - Industrial licensing policy - Industrial Finance Development banking (IDBI, IFCA, ICICI, IRBI, SFC, SIDCS AND SIDBI)

Unit - VII

Agricultural Labour and Industrial Labour - Trade Unions and Labour unrest - Industrial Relations - Social security schemes - Unemployment and employment policy - Evaluation of Government policy.

Unit - VIII

Transport - Importance of Transport (Road, Railways, Shipping and Civil Aviation) to Economic growth- Evaluation of Government policy - Transport co-ordination.

Unit - IX

Planning in India - A brief resume of Indian's Five Year Plans - Ninth Plan performance - The Ninth Five Year Plan 1997-2002 objectives - Growth rate targets - Ninth plan outlay and investment - Sectoral development profile - Role of deficit financing - Effects of deficit financing - External assistance or foreign aid - Role of foreign aid in India's Economic development - Problems of foreign aid - Planning for self sufficiency.

Unit - X

Poverty in India - Poverty eradication programmes - Regional Development Disparities - Economic development and social changes - India's Foreign Trade and Balance of payments - Exim policy (2000) - 11th Finance Commission Report - New Textile policy (2000) - National Agricultural policy (2000) - GATT, WTO and India's Foreign trade - Government subsidies in India - Antyodaya Anna Yojana.

STUDY MATERIAL

1. Dhingara. I.C - Indian Economy
2. Dutt and Sundaram - Indian Economy
3. Jhingan. M.L - Economics of Development and Planning
4. Sankaran. S - Indian Economy
5. Five Year Plan - Government of India Publication
6. The Economic & Political Weekly
7. Economic Survey - Government of India.

PAPER - II - STATISTICS FOR ECONOMISTS - I

Unit - I

Nature, significance and limitations of statistics - Collection, Classification and tabulation of data.

Unit - II

Diagrammatic and graphic representation - Bar diagrams - Pie diagrams - Histograms - Pictograms - cartograms - Frequency distribution - Frequency graphs - Ogives - Lorenz curve.

Unit - III

Measures of central tendency - Arithmetic mean - Median-Mode.

Unit - IV

Measures of dispersion - Range - Quartile Deviation - Mean Deviation Standard Deviation - Co-efficient of variation - Percentiles and deciles.

Unit - V

Skewness and Kurtosis - Pearsonian measures of skewness - Bowley's measure of skewness - Kurtosis.

Unit - VI

Sampling - Population and Sample - Types of Sampling - Simple, random and stratified sampling - Design of Questionnaire - Sampling errors - Sampling design.

Unit - VII

Correlation - Limits of coefficient of correlation - Calculation of co-efficient of correlation - Rank correlation of co-efficient.

Unit - VIII

Regression - Two variable linear regression - Meaning - Regression lines and regression co-efficient.

Unit - IX

Index numbers - Simple and weighted - Laspeyer's and Paache's Index numbers - Fishers Ideal Index Number - Marshall and Edgeworths Index numbers - Construction - Tests to be satisfied by an ideal Index number - Uses - Wholesale price index and consumer price index - Index of Industrial production.

Unit - X

Analysis of Time series - Four components - Measurement of secular Trend - Moving average Methods and Methods of least squares - Uses of Time series analysis.

STUDY MATERIAL

1. D.N. Elhance : Fundamental Statistics
2. S.P. Guptha : Statistical Methods
3. R.S.N. Pillai and
V. Bhagavathi : Statistics
4. R.G.D. Allen : Statistics for Economists -
Macmillan India

5. Crompton F.B. and Cowden. D.J. : Applied General Statistics
6. Hooda. R.P. : Introduction to Statistics
7. Hooda. R.P. : Statistics for Business and Economics - Macmillan India

ALLIED I - PRINCIPLES OF COMMERCE

Unit - I

Economics Basis of Commerce - Types of Business - Sole Proprietorship - Partnership - Joint Stock Company.

Unit - II

Office Organisation - Its Methods - Office Appliances.

Unit - III

Means of Instruments - Instrument of Credit - Its Uses.

Unit - IV

Banks Evaluation - Functions of Commercial Banks - Functions of Central Banks

Unit - V

Agents Rights - Agents duties - Agents Liabilities - Terminations.

Unit - VI

Its meaning and importance - Various Procedures - Shipping - Insurance.

Unit - VII

Types of Industries - Large and Scale Industries - Sources of Finance - Long Term Sources - Short Term Sources.

Unit - VIII

Its Functions and Importance - Allied Institutions for promotion of trade.

Unit - IX

Retail and Wholesale - Hire Purchase and Installment Trade - International Trade.

Unit - X

Marketing Functions - Marketing Mix - Advertising - Salesmanship - Media and Transport - Advantages and Disadvantages

SECOND YEAR

PAPER III - MICRO ECONOMICS - I

Unit - I

Economic Problems - Scarcity and choice - Definitions of Economics - Smith, Marshall, Lionel Robins, Samuelson.

Unit - II

Definition of Micro Economics - Wants - Utility - Value in use - Value in exchange - Demand - Demand schedule - Drawing demand curve from demand schedule - Supply - Supply schedule - Drawing supply curve from supply

schedule - Demand and supply equilibrium - Graphical representation.

Unit - III

Consumer behaviour - Cardinal & ordinal utility - Marshallian theory of Diminishing Marginal utility - Hick's indifference curve analysis - Consumer equilibrium using indifference curve analysis - Derivation of demand curve using Marshall's & Hick's approach.

Unit - IV

Determinants of demand - Causes of downward sloping demand curve - Income and substitution effect (concept only) - Revealed preference (concept only) - Construction of graph depicting Marshall's and Hick's analysis of consumer behaviour from a given schedule - Consumer surplus (concept only).

Unit - V

Price elasticity of demand - Definition - Formulae - Arc and point method - Derivation - Simple problems and shape of demand curve - Determinants of price elasticity of demand - Income and cross elasticity of demand (concept only) - Price elasticity of supply.

Unit - VI

Factors of production - Production - Shortrun and longrun production - Law of variable proportions - Laws of returns - Producer's equilibrium - Expansion paths (concept only) - Construction of graph explaining short run and long run production functions from given schedules.

Unit - VII

Cost - types - Accounting and Economic costs - Opportunity cost - Cost functions - Short run cost functions - Long run cost functions - Construction of cost curves from a given data set - Revenue functions - Total, average, marginal revenue curves under different market conditions - Conditions for equilibrium of firm - Relationship between, AR and MR.

Unit - VIII

Market Equilibrium - Element of time in price determination - Perfect competition - Characteristics - Equilibrium of firm under perfect competition - Monopoly - Characteristics equilibrium of firm - Price discrimination (concept and kinds only) - Monopolistic competition - Characteristics - Group equilibrium - Under utilization of capacity - Oligopoly - Kinked demand curve concept only.

Unit - IX

Functional and personal distribution of income - Macro economic theories of distribution - Simple exposition to Marx and Kaldor - Marginal productivity theory of factor pricing - Wages - Real and nominal - Modern theories of wages - Trade Union and collective bargaining.

Unit - X

Rent - Ricardian, Marshall and Modern theories of rent - Interest - Loanable fund theory - Keynes' liquidity preference theory IS - LM Model of interest determination - Profit - Modern theories of profit - Innovation - Risk Bearing - Uncertainty bearing.

STUDY MATERIAL

1. H.L. Ahuja - Principle of Micro Economics.
2. S. Sankaran - Economics Analysis
3. Hs. Agarwall - Micro Economics
4. M.L. Seeth - Principle of Economics
5. Storvier & Hanguie - A text book of Economics Theory
6. Watson D.S. - Price theory and It's uses.
7. Prichard A. Prilas - Micro Economics theory.
8. Lispey and Steiner - Economics

PAPER IV - MONETARY ECONOMICS - I

Unit - I

Money - Functions and classification- Greshams Law - Role of Money in Capitalist, Socialist and Mixed Economies.

Unit - II

Value of money - Index numbers - Fisher's equation - Cambridge equation - General evaluation of the quantity Theory of money.

Unit - III

Monetary standards - Paper currency - Systems of note issue - Gold Standard - Indian currency system - Development and problems.

Unit - IV

Factors influencing money supply - Money supply and price level - Keynesian approach - Neutrality of money - Classical Dichotomy - Real balance effect - Friedmans restatement of quantity theory.

Unit - V

Inflation - Causes, types and remedies - Inflationary trend in India - Trade Cycles - General Features.

Unit - VI

Commercial Banking - Types - Function - The process of credit creation - purpose and limitations - Liabilities and assets of banks.

Unit - VII

Nationalisation of banks - A Critical appraisal of the progress of commercial banking after nationalization - Recent reforms in banking sector in India.

Unit - VIII

Central Banking - Functions of a central bank - Quantitative and qualitative methods of credit control - Efficiency and limitations.

Unit - IX

Functions of Reserve Bank of India - Its role in agricultural and industrial development - RBI and credit control - Objectives and limitations - RBI and monetary policy.

Unit - X

Euro currency - Meaning and scope - Important features of the market - Origin and growth - An evaluation of the currency.

STUDY MATERIAL

1. Basu C.R. - Central Banking in an planned economy
2. Chandler L.V. - Economics of money and Banking
3. Clower (Ed) - Monetary theory
4. Crowther G. - An outline of money
5. Gupta G.P. - Monetary policy of the Reserve Bank of India
6. Gupta S.B. - Monetary Economics
7. Kurihara K. - Monetary Theory and Public Policy
8. Milton Friedman - Studies in quantity Theory of money
9. Seth M.L. - Money, Banking and International Trade
10. Sen S.N. - Central Banking in underdeveloped countries
11. Sankaran S. - Monetary Economics
12. Narendra Jadhav - Monetary Economics for India
13. Vaish M.C - Monetary Theory

ALLIED II - RURAL BANKING

Unit - I

Features of Rural Economy in India and Tamil Nadu - Size - Structure and issue - Relative importance of agricultural, Industry, trade and other activities.

Unit - II

Backwardness of Indian agriculture - Production pattern in villages - Land tenure and methods of production - Low yield per acre - Cause for Backwardness - Effects of Backwardness - Suggestions.

Unit - III

Rural povety - Meaning - Extent of rural poverty - Causes and consequences - Eradication of poverty - Remedies - Eradication of rural poverty during five year plan.

Unit - IV

Rural indebtedness - Causes - Consequences - Suggestions to solve the problem of rural indebtedness - Steps taken to solve the problem.

Unit - V

Saving pattern in rural India - Causes for low saving in rural sector - Measures promote rural savings - Mode of savings in rural India.

Unit - VI

Sources of rural credit - Non-Institutional sources - Money-lending - Friend and relatives - Government Sources.

Unit - VII

Institutional sources - Co-operative credit Agencies - Structure of co-operation credit in India - Weakness of co-operative credit agencies - Taccavi loans - Need transfer of taccavi funds to co-operatives - Suggestions to improve the working co-operative credit agencies.

Unit - VIII

State Bank of India - Before and after nationalization - Commercial Bank and agricultural finance - Weakness - Land development Bank - Lead Bank Scheme - Connection with S.F.D.A. and M.F.A.L.A.

Unit - IX

Agricultural Refinance Corporation - Origin and structure - Management - Critical appraisal - Reserve Bank of India - Its role as an apex body - Agricultural credit department - Direct and indirect lending approvals.

Unit - X

Measures taken under 20 points Programme in rural Banking - Recent trends in Rural Banking.

STUDY MATERIAL

1. All India Rural Credit Survey Committee Report.
2. All India Rural Credit Review Committee Report.
3. S.N. Ghosal - Agricultural financing in India.
4. Dr. S.G. Jain - Indian Rural Economics
5. Dr. S.G. Jain - Economic Institutions of Rural uplift.
6. John W. Meller - The Economics of Agricultural Development.
7. Mamoriah - Agricultural problems of India.

THIRD YEAR

PAPER V - MACRO ECONOMICS

Unit - I

Nature and scope of macro Economics - Micro and Macro Economics - Circular flow of income - Two Sector model.

Unit - II

National income - GNP - NNP - Personal Income - Disposable Income - Real Income - Per capita Income - Measurement - Uses - Social Accounting.

Unit - III

Classical Theory of Employment and Income - Say's Law of market.

Unit - IV

Consumption Function - Meaning - Keynes's Psychological Law of consumption - Theories of consumption function.

Unit - V

Investment Function - Meaning - Types - Determinants of Investment - MEC - Keynesian model of income and employment determination.

Unit - VI

Multiplier - Static and dynamic multipliers - Induced investment and accelerator - The interaction principle - Basics of Income and Employment multiplier.

Unit - VII

Money in the Keynesian Model - Demand for money in the Keynesian theory - Liquidity trap - Keynesian Revolution and its application to less developed countries.

Unit - VIII

Monetary theory in relation to underemployment and full employment - Integration of monetary and output theories - Patinkin.

Unit - IX

Post Keynesian macro analysis - General equilibrium of monetary and real sector - Contribution of Hicks, Hanson - ISLM - Diagram.

Unit - X

Objectives and importance of Macro Economic policy.

STUDY MATERIAL

1. Broo man : Macro Economics
2. Derberg and Mc. Dougal : Macro Economics
3. Dillard D. : Macro Economics
4. Shapiro. E : Macro Economics Analysis.
5. Gupta R.D : Introduction of post Keynesian Economics.
6. Jhingam M.L. : Macro Economic Theory
7. Vaish M.C. : Macro Economic Theory
8. Sankaran. S : Macro Economics

PAPER VI - FISCAL ECONOMICS - I

Unit - I

Definition, Meaning and Scope of public finance - Distinction between private and public finance - Public goods verses private goods - Principle of maximum social advantage.

Unit - II

Principles of public expenditure - Classification - Causes and effects of public expenditure with reference to India.

Unit - III

Public revenue sources - Distinction between tax revenue and non tax Revenue - Trend in revenue - Taxation - Meaning - Sources of taxation - Classification of taxes - Canons - Theories of taxation - Impact and incidence of taxation - Effects of taxation.

Unit - IV

Individual taxes - (with reference to India) Income Tax - Expenditure tax - Wealth tax - Property tax - Estate duty - Gift tax - Death duty - Customs duty - Excise duty - Sales tax - Value added tax.

Unit - V

Characteristics of a good tax System - Taxable capacity - Factors determining taxable capacity - Limits - Measurement of taxable capacity.

Unit - VI

Public Debt - Sources - Effects of public debt - Public debt of Central Government - Management of public debt.

Unit - VII

Deficit financing - Meaning - Objectives - Role of deficit financing in Indian plans - Effects on prices, production and distribution.

Unit - VIII

Federal finance - Principles - Analysis of division of revenue, expenditure other powers between union, State and local Governments - Finance commission - Analysis of latest finance commission recommendation.

Unit - IX

Local finance - Sources of finance to local bodies.

Unit - X

Fiscal policy - Objectives and instruments of fiscal policy in a developing economy - economy with reference to India - Analysis of central budgets.

STUDY MATERIAL

1. Bhargava R.N. - Indian public finance.
2. Bhatia - Public finance.
3. Chelliah. R - Fiscal policy in under developed countries.
4. Dalton. H - Principles of public finance.
5. U.K. Hicks - Public finance.
6. Musgrave and Musgrave - Theory and practice of public finance.
7. Sankaran. S - Fiscal Economics.
8. Sundaram K.P.M. - Fiscal Economics.

9. K.P.M. Sundaram and K.K. Andley - Public Finance Theory and Practice.
10. Edited by M. Govinda rao - Development, Poverty and Fiscal Policy.
11. Sampat Mukherjee - Simple Analytics of Public Finance.

PAPER VII - HISTORY OF ECONOMIC THOUGHT

Unit - I

Nature and significance of the History of Economic thought - Mercantilism - Physiocracy.

Unit - II

Classical school - A. Smith - T.R. Malthus - D. Ricardo - J.S. Mill - J.B. Say.

Unit - III

Role of Socialism - Karl Marx - Different Schools of Socialism, utopian - Christian - Fabian - Syndicalism - Guild Socialism.

Unit - IV

Historical School - List - Veblen and institutional school - Marginal school and Austrians.

Unit - V

Alfred Marshall - J.A. Schumpeter.

Unit - VI

Keynes and Keynesian Revolution - Limitations.

Unit - VII

Welfare Economics - Pigou - Hicks - Pareto.

Unit - VIII

Nobel Laureates since 1985.

Unit - IX

Indian Economic Thought - D. Naoroji - Ranade - Gokhale - M.K. Gandhi - B.R. Ambedkar.

Unit - X

Indian Economic Thought - Rajaji - Nehru - V.K.R.V. Rao - Gandhi - Indira Gandhi - E.V.R. Periyar- Anna.

STUDY MATERIAL

1. E. Roll - History of Economic Thought.
2. A. Grey - Development of Economic Doctrines.
3. L.H. Haney - History of Economic Thought.
4. Dr. Shanmuga Sundaram - Indian Economic Thought Development and policies.
5. V.B. Singh - From Naoroji to Nehru.
6. Srivatsava - History of Economic Thought
7. T.N. Hajela - History of Economic Thought
8. Sankaran. S - A History of Economic Thought

PAPER VIII - MANAGERIAL ECONOMICS

Unit - I

Definition, Scope and method of managerial economics - demand analysis - importance of elasticity measures : prices, income and cross elasticity.

Unit - II

Estimating demand - Forecasting techniques.

Unit - III

Production functions and optimising objectives - Cost, cost output relationships, cost control and reduction.

Unit - IV

Pricing methods - Full cost pricing, target pricing, going rate pricing - differential pricing - specific pricing, pricing a new product - pricing by manufacturers and pricing by retailers - price regulations - dual pricing - mark-up-resale price maintenance.

Unit - V

Linear Programming - graphical methods - simplex methods.

Unit - VI

Profit and profit management - Accounting profit and economic profit measurement - profit-planning and forecasting : Break even point.

Unit - VII

Capital Budgeting - Cost of capital - Capital management and financial policy.

Unit - VIII

Project profitability - methods of appraising project profitability.

Unit - IX

Decision Theory - Subject matter some proposed decision rules - Geometric interpretation of the decision rules - axiomatization - Newmann Morgenstern utility and Bayes criterion.

Unit - X

Game Theory - Taking account of competitive decisions - The zero-sum 2 persons game - maximum and minimax strategies - equilibrium points (saddle).

BOOKS FOR STUDY

1. Davies & Hughes : Managerial Economics
2. Dean, Joel : Managerial Economics
3. Hague, D.C. : Managerial Economics
4. Mote, Paul and Gupta : Managerial Economics - concept and cases.
5. Savage and Small : Introduction to Managerial Economics
6. Spencer, M.H. : Managerial Economics - Text, Problems, Short cases.
7. Stokes, C.J. : Economics for Managers.
8. Varshney & Maheswari : Managerial Economics
9. Boumal William, J : Economic Theory and Operation Analysis.

APPLICATION ORIENTED SUBJECT - ENVIRONMENTAL ECONOMICS

Unit - I

Economics and Environment - Definition and role of Environmental Economics - Scope and Significance of Environmental Economics - Ecology and its system - Relationship between the Environment and the Economic System - Environment as a Resource - Environmental Quality.

Unit - II

Resources - Concept and Definition - Classification of Resources - Renewal and Non-Renewable Resources - Definition and Meaning of Conservation Resources - Material Substitution - Product Life Extension - Recycling.

Unit - III

Energy - Definition - Sources of Energy and their Classification - Renewal and Non Renewable Source of Energy - Conventional and Non-Conventional Energy Resources - Direct and Indirect Energy - Atomic Energy - Energy Scenario in India.

Unit - IV

Water Pollution - Meaning - River Water Pollutions in India - Control of War Pollution - Marine Pollution - causes and extent of Marine Pollution - Air Pollution - Sources and their Effects - Pollution by Automobiles - Acid Rain - Air Pollution in India.

Unit - V

Forest and Environmental Quality - Benevolent role of the forest - Deforestation in India - Effects of deforestation - CHIPKO Movement - Social forestry.

Unit - VI

Population and Urbanisation - Malthusian Prediction - Demographic - Transition Effects of Over Population - Urbanisation - Problem, impact - Trend in Urbanisation.

Unit - VII

Pollution as an Economic Problem - Pollution Control - L - Moral suation - Direct Control - Regulation - Fiscal Technique - Effluent Charges - Subsidies Compared.

Unit - VIII

Global Warming - Ozone Depletion - Green House Effect - Effect of Global Warming Contribution of India Towards Warming - Programmes in India.

Unit - IX

Environmental Awareness - Environmental Education - Education Through Environmental Movements - Environmental Protection - Tiwari Committee's Findings the Environment (Protection) Act, 1986 - The Forest Conservation Act.

Unit - X

International Environmental Policy - Transfrontier Pollution - International Investments - Stockholm Conference on Human Environment - Recommendations - United Nations Conference on Environment and Development at Rio De Janeiro Agenda 21, June (1992) - An Assessment.

STUDY MATERIAL

1. S. W. Pearu - Environmental Economics
J. Sereca and
2. K. Taussig - Environmental Economics
3. A.V. - Economics of the Environmental
4. Hjalte Lindgren -
and Stand - Environmental Policy and Welfare
Economics
5. Paul - The Economics Theory of Pollution
Control
6. Bandopadhyay - India's Environmental Crisis and
responses
7. gam. M - Environmental Economics. A text
book
8. Sankaran - Environmental Economics.