

Lesson Plan 2021-22 Odd semester of Economics

Department

Economics Core Course-I: ECO-A-CC-1-1-TH-TU

Introductory Microeconomics

Total Marks: 100 [Theory(Th) 65 + Tutorial(Tu) 15 + Internal Assessment 10+Attendance: 10]Total

Credits: [5(Th)+1(Tu)]=6 ,

No. of Lecture hours (Theory): 75, No. of Tutorial contact hours:15

[For Semester-I]

ECO-A-CC-1-1-TH

Unit 1: Exploring the subject matter of Economics

10 lecture hours

- 1.1 Scope and Method of Economics: Wants, Scarcity, Competing Ends and Choice - Defining Economics, Thinking like an economist: Basic Economics Questions, Microeconomics and Macroeconomics, Normative Economics and Positive Economics
- 1.2 Principles of Microeconomics – principles of individual decision making and principles of economic interactions – Introduce trade off, opportunity cost, efficiency, marginal changes and cost-benefit, trade, market economy, property rights, market failure, externality and market power.
- 1.3 Interdependence and the Gains from Trade- production possibilities frontier and increasing costs, absolute and comparative advantage, comparative advantage and gains from trade.
- 1.4 Reading and working with graphs

Unit 2: Demand and Supply: How Markets Work

10 lecture hours

- 2.1 Elementary theory of Demand: Determinants of household demand and market demand, movement along and shift of the demand curve
- 2.2 Elementary theory of Supply: factors influencing supply, the supply curve, movement along and shift of the supply curve
- 2.3 The Elementary theory of market price: Determination of equilibrium price in a competitive market.

- 2.4 Market Adjustment without Government (with illustrations): the effect of shifts in demand and supply, the excess demand function, existence, uniqueness and stability of equilibrium

Unit 3: Market and Adjustments

10 lecture hours

- 3.1 The Evolution of Market Economies, Price System and the Invisible Hand
- 3.2 The Decision-takers - households, firms and central authorities
- 3.3 The Concepts of Markets- individual market, separation of individual markets, interlinking of individual markets. Difference among markets- competitiveness, goods and factor markets, free and controlled markets. Market and non-market sectors, public and private sectors, economies- free market, command and mixed.
- 3.4 Different goods: Public goods, Private goods, Common resources and Natural Monopolies.

Unit 4: Market Sensitivity and Elasticity**12 lecture hours**

- 4.1 Importance of Elasticity in Choice-Decisions
- 4.2 Method of Calculation- Arc Elasticity, Point Elasticity-definition
- 4.3 Demand and supply Elasticities-types of elasticity and factors affecting elasticity, Demand Elasticity and Revenue, Long run and Short run elasticities of Demand and Supply
- 4.4 Income and Cross Price Elasticity
- 4.5 Applications: Case studies – OPEC and Oil Price, Illegal Drugs

Unit 5: Government Intervention**8 lecture hours**

- 5.1 The Economic Role of Government with respect to Market: (i) Price Ceiling, Price Floor and Market Adjustment (with short case studies of agricultural administered price, minimum wage and rent control); (ii) Black Market; (iii) Tax and market adjustment ; (iv) Elasticity and Tax incidence
- 5.2 Comparison of markets with and without government

Unit 6: Utilitarian Approach**25 lecture hours*****(Focus on intuitive explanation and diagrams. Learning to analyze without using calculus a must)***

- 6.1 The History of Utility Theory – From Cardinal to Ordinal Approach.
- 6.2 Utility in Cardinal Approach- Utility and choice, Total Utility and Marginal Utility, Utility and choice-maximization, marginal utility, theory of demand
- 6.3 Ordinal utility: Assumptions on preference ordering, indifference curve, marginal rate of substitution and convexity of IC, budget constraint, consumers' equilibrium-interior and corner, Derivation of Demand Curves from ICs, composite good convention. Application: Cash subsidy versus subsidy in kind
- 6.4 Price consumption curve, Income consumption curve and Engel curve. Price effect - Income and Substitution effect (Hicks and Slutsky), inferior goods and Giffen goods, Marshallian and compensated demand curves

**Economics Core Course II: ECO-A-CC-1-2-TH-TUMathematical
Methods in Economics-I**

Total Marks: 100 [Theory(Th) 65 + Tutorial(Tu) 15 + Internal Assessment 10+Attendance: 10]Total

Credits: $[5(Th)+1(Tu)]=6$,

No. of Lecture hours: 75, No. of Tutorial contact hours: 15

[For Semester-I]

ECO-A-CC-1-2-TH

1. Preliminaries

10 lectures hours

- Sets and set operations; functions and their properties; number systems.
- Convex sets; geometric properties of functions: convex functions, their characterizations, properties and applications; further geometric properties of functions: quasi-convex functions, quasi-concave functions, their characterizations, properties and applications.
- Limit and continuity-Different Limit Theorems with proof-concept of first principle.
- Uses of the concept of continuity.

2. Functions of one real variable

10 lecture hours

- Continuous functions of different types and their graphs- quadratic, polynomial, power, exponential, and logarithmic.
- Concept of derivatives. Limits and derivatives. L' Hospital's rule .Graphical meaning of derivatives. Derivatives of first and second order and their properties; convex, concave and linear function.
- Application in economics- concept of marginal. Concept of elasticity. Concept of average function

3. Single variable optimization

10 lecture hours

- Local and global optima; Geometric characterizations; characterizations using calculus. Significance of first and second order conditions.
- Interpretation of necessary and sufficient conditions with examples.
- Applications in Economics- profit maximization and cost minimization.

4. Integration of functions

10 lecture hours

- Integration of different types of functions;
- Methods of Substitution and integration by parts.
- Applications in economics- obtaining total from the marginal.

5. Matrix Algebra

20 lecture hours

- Matrix: its elementary operations; different types of matrix.
- Rank of a matrix.
- Determinants and inverse of a square matrix.
- Solution of system of linear equations-Cramer's rule; Eigen values and Eigen vectors.
- System of nonlinear equations- Jacobian determinant and existence of solution.
- The concept of comparative statics
- Applications of Matrix Algebra in input-output analysis-the Leontief Static Open Model (LSOM) - the Hawkins-Simon conditions.

6. Game Theory

15 lecture hours

- Concept of a game, strategies and payoffs
- Zero-sum games- maxmin and minmax solutions
- Dominant Strategy Equilibrium
- Nash equilibrium
- Nash equilibrium in the context of some common games – Prisoners' Dilemma, Battle of Sexes, Matching Pennies

Core Course 1 (CC 1) BA/BSc (General) / Generic Elective Course I (GE -1) for BA/BSc Honours students [other than students having Economics (Honours)]/BA (General) Generic Elective Course I (GE-I) for students not having Economics as Core Course

Name of the Course: Introductory Microeconomics

Total Marks: 100 [Theory(Th) 65 + Tutorial(Tu) 15 + Internal Assessment 10+Attendance: 10]

Total Credits: [5(Th)+1(Tu)]=6 ,

No. of Lecture hours (Theory): 75, No. of Tutorial contact hours: 15

[For Semester-I]

ECO-G-CC-1-1-TH-TU/ ECO--GE-1-1-TH-TU/ECO-G-GE-1-1-TH-TU

ECO-G-CC-1-1-TH/ ECO--GE-1-1-TH /ECO-G-GE-1-1-TH

1. Exploring the subject matter of Economics

5 lecture hours

Why study economics? Scope and method of economics; the economic problem: scarcity and choice; the question of what to produce, how to produce and how to distribute output; science of economics; the basic competitive model; prices, property rights and

profits; incentives and information; rationing; opportunity sets; economic systems; reading and working with graphs.

2. Supply and Demand: How Markets Work, Markets and Welfare 6 lecture hours

Markets and competition; determinants of individual demand/supply; demand/supply schedule and demand/supply curve; law of demand and law of supply; market versus individual demand/supply; shifts in the demand/supply curve, demand and supply together; how prices allocate resources; elasticity of demand - own price, cross price and income elasticity of demand- total revenue, average revenue, marginal revenue and price elasticity of demand; elasticity and its application; controls on prices; taxes and the costs of taxation; consumer surplus; producer surplus and the efficiency of the markets.

3. The Households

18 lecture hours

- Utility maximization-the cardinal approach. Total utility and marginal utility-law of diminishing marginal utility-relation between law of demand and law of diminishing marginal utility
- Utility maximization-the ordinal approach. Consumption decision and the budget constraint, consumption and income/price changes, description of preferences (representing preferences with indifference curves); properties of indifference curves; consumer's optimum choice; the price consumption curve and the income consumption curve; derivation of the demand curve from price consumption curve; income and substitution effects.

4. The Firm and Perfect Market Structure

18 lecture hours

- Production function of a firm; total product, average product and marginal product; concept of isoquant ; returns to scale; behaviour of profit maximizing firms and the

production process; the cost function, short run costs and output decisions; costs and output in the long run.

- Features of a perfectly competitive market. Short run equilibrium under perfect competition. Supply curve of a firm. Long run equilibrium under perfect competition.

5. Imperfect Market Structure

8 lecture hours

Monopoly equilibrium- differences with perfect competition. Basic ideas of price-discriminating monopolist .

6. Input Markets

10 lecture hours

The labour market - basic concepts - derived demand, productivity of an input; marginal productivity of labour, marginal revenue product); the land market- concepts of rent and quasi rent.

GE 1.1 Chg Microeconomics I & Statistics (50+50) Marks: 100 Internal Assessment: 20 marks Semester-end Examinations: 80 marks Total 100 marks Marks shown against the units indicate marks for Semester–end Examinations Module I: Microeconomics I Internal Assessment: 10 marks Semester-end Examinations: 40 marks Total 50 marks

Unit: I Demand and Consumer behaviour Concept of demand, demand function, law of demand, derivation of individual and market demand curves, shifting of the demand curve; elasticity of demand. Consumer behaviour: Marshallian utility approach and Indifference Curve approach; utility maximization conditions . Income-Consumption Curve (ICC) and Price-Consumption Curve (PCC): Derivation of demand curve from PCC. [L-15/Marks:15]

Unit: II Production and Cost Production function: Short-run and Long-run; Relation among Total Product, Average Product and Marginal Product, Law of returns to a variable factor, Law of Returns to Scale; Concepts of Iso-quant and iso-cost line; Conditions for optimization (graphical approach). Cost: Accounting and Economic Costs; Social and Private Costs; Short-run and Long-run Costs; Relation between Average and Marginal Costs; Determination of LAC curve from SAC curves, LMC. [L-10/Marks:10]

Unit: III Perfect Competition Concept of Perfectly Competitive market: Assumptions, Profit maximization conditions; Related concepts of Total Revenue, Average Revenue and Marginal Revenue, Short-run and Longrun equilibrium of a firm; determination of short-run supply curve of a firm, measuring producer surplus under perfect competition, Stability analysis– Walrasian and Marshallian, demand supply analysis including impact of taxes and subsidy. [L-15/Marks – 15]

Economics Core Course V: ECO-A-CC-3-5-TH-TU Intermediate Microeconomics –I Total Marks: 100 [Theory(Th) 65 + Tutorial(Tu) 15 + Internal Assessment 10+Attendance: 10] Total Credits: [5(Th)+1(Tu)]=6 , No. of Lecture hours: 75, No. of Tutorial contact hours:15 [For Semester- III] ECO-A-CC-3-5-TH

Unit 1: Theories of Consumer Behaviour and Applications 17 lecture hours 1.1 Inter-temporal choice (saving and borrowing) 1.2 Revealed preference 1.3. Choice under uncertainty – utility function and expected utility, risk aversion and risk preference 1.4 Applications of Consumer Behaviour in Construction of Price Indices – Laspeyres and Paasche's indices

2. Unit 2: Production and Costs 20 lecture hours 2.1 Technology – general concept of Production Function, production with one and two variable inputs, total average and marginal products, short run and long run, returns to factor and returns to scale, Isoquants, marginal rate of technical substitution, isocost line and firm's equilibrium, elasticity of substitution 2.2 Types of production functions- Cobb-Douglas, fixed-coefficient and CES functions 2.3 Cost structure- implicit cost, explicit cost, accounting cost, sunk cost, economic cost, fixed cost, variable cost, total, average and marginal cost. Determinants of short run cost, cost curves, cost minimization and expansion path, short versus long run cost curves, economies of scale.

3. Unit 3: The Firm and Perfect Market Structure 20 lecture hours 3.1 Organization, Firms and Profit Maximization 3.2 Marginal Revenue, Marginal Cost and Profit Maximization 3.3 Perfect competition- short run competitive equilibrium of the firm, short run supply curve of firm and industry, Output choice and competitive equilibrium in long run, Economic rent and profit, long-run industry supply- constant, increasing and decreasing cost. Page 17 of 75 3.4 Consumer and Producer surplus, welfare and efficiency of competitive equilibrium. Government intervention and dead weight loss, Application- Minimum prices and price supports (price ceiling and price floors)

4. Unit 4: Input Market in Perfect Competition 18 lecture hours 4.1 Basic concepts- derived demand, productivity of an input, marginal product of an input, marginal revenue product 4.2 Marginal productivity theory of distribution 4.3 Labor market-supply of labor, competitive labor markets 4.4 Land markets and rent

Economics Core Course VI: ECO-A-CC-3-6-TH-TU Intermediate Macroeconomics-I Total Marks: 100 [Theory(Th) 65 + Tutorial(Tu) 15 + Internal Assessment 10+Attendance: 10] Total Credits: [5(Th)+1(Tu)]=6 , No. of Lecture hours: 75, No. of Tutorial contact hours: 15 [For Semester- III] ECO-A-CC-3-6-TH 1.

1. Income Determination in the Short-run (Part-II) : The IS-LM Model 14 lecture hours
 - IS-LM Model - equilibrium, stability and comparative statics. Crowding out .Effects of fiscal and monetary policies.
2. Aggregate Demand and Aggregate Supply- the Complete Keynesian Model 14 lecture hours
 - Derivation of aggregate demand curve. • Derivation of aggregate supply curves both in the presence and absence of wage rigidity. • Equilibrium, stability, and comparative statics-effects of monetary and fiscal policies. Effects of wage cut. • Unemployment equilibrium and its causes- possible solutions including real balance effect.

3. Keynes vs. Classics 10 lecture hours • Keynesian vs classical system. • Hybrid models under Classical/Keynesian framework. • Friedman's restatement of classical ideas
4. Money Supply, Monetary Policy and Government Budgetary Operations 17 lecture hours • Measures of money supply with special reference to India (M1, M2, M3 and M4) • Balance sheet view of money supplied by the banking sector as a whole • High powered money – definition • Balance sheet of Reserve Bank of India and High powered money • Balance sheet of Commercial banks and basic ideas of money multiplier theory. • Deposit multiplier, currency multiplier, reserve multiplier, credit multiplier and money multiplier in the context of the theory of money supply • Interest sensitivity of money supply and the slope of the LM curve. • Monetary policy – Open Market Operations, Statutory Liquidity Ratio, Bank rate, variable reserve ratio, repo rate. • Government Budget Deficit and Deficit Financing-Indian illustration. Deficit financing and monetary policy.
5. Inflation, Unemployment and Expectations 20 lecture hours • The concept of Inflationary Gap. • Demand pull vs. Cost push inflation • Mark-up inflation • The concept of stagflation • Central Bank's role in controlling inflation: Monetary policy. • Inflation and unemployment trade-off. • Four models of aggregate supply: The Sticky-Wage Model, The Worker-Misperception Model, The Imperfect Information Model and The Sticky-Price Model. • Deriving the Phillips Curve from Aggregate Supply Curve. • Short run and long- run Phillips curve – role of adaptive expectations and rational expectations. • Disinflation, Sacrifice Ratio and policy ineffectiveness.

Economics Core Course VII: ECO-A-CC-3-7-TH-TU Statistical Methods for Economics Total Marks: 100 [Theory(Th) 65 + Tutorial(Tu) 15 + Internal Assessment 10+Attendance: 10] Total Credits: [5(Th)+1(Tu)]=6 , No. of Lecture hours: 75, No. of Tutorial contact hours: 15 [For Semester III] ECO-A-CC-3-7-TH

1. Introduction and Overview 6 lecture hours • Subject-matter - the distinction between population and sample [1 lecture hour] • Representation of data- graphical (line diagram, bar diagram, pie chart) and tabular method [2 lecture hours] • Frequency Distribution [3 lecture hours]
2. Descriptive Statistics 13 lecture hours • Measures of central tendency(arithmetic mean, geometric mean, harmonic mean, median and mode, and their properties, Quartiles, Deciles and Percentiles) [3 lecture hours] • Dispersion(range, quartile deviation, mean deviation, standard deviation, coefficient of variation, coefficient of mean deviation, coefficient of quartile deviation, Lorenz curve and Gini coefficient) [4 lecture hours] • Moments, Skewness

and Kurtosis (definition, computation) [2 lecture hours] • Correlation and Regression (definition, computation, properties) [4 lecture hours]

3. Elementary Probability Theory 10 lecture hours • Sample spaces and events (concepts and definitions using set theory) [2 lecture hours] • Axiomatic definition of probability and properties, theorem of total probability [3 lecture hours] • Conditional probability, theorem of compound probability [3 lecture hours] • Bayes' theorem and its applications. [2 lecture hours]

4. Probability Distributions 18 lecture hours • Random variable(discrete and continuous) [1 lecture hour] • Probability distributions (pmf, pdf. Distribution functions) [2 lecture hours] • Expected values of random variables (mean,variance, raw moment, central moment, moment generating functions) [3 lecture hours] • Properties of commonly used discrete and continuous distributions: Binomial -(derivation of pmf, mean,variance, moments, moment generating functions, problems) [3 lecture hours] Poisson - (derivation of pmf, mean, variance, moments, moment generating functions, problems) [3 lecture hours] Normal - (derivation of pdf, mean, variance, moments, moment generating functions, problems) [3 lecture hours] • Joint distribution functions of random variables (discrete and continuous) - joint pdf (pmf), marginal pdf (pmf), conditional pdf (pmf) [3 lecture hours]

5. Sampling 14 lecture hours • Principal steps in a sample survey (concepts of population, sample, parameter, statistic) [2 lecture hours] • Methods of sampling SRSWR, SRSWOR(use of random sampling numbers) [2 lecture hours] Stratified sampling (basic concepts only) [1 lecture hour] Multi-staged sampling (basic concepts only) [1 lecture hour] • Sampling distribution of sample mean and sample proportion Mean and standard error both in SRSWR and SRSWOR [4 lecture hours] Standard normal, chi-square, Student's t and F distributions – definitions, important properties (mean and variance) [4 lecture hours]

6. Statistical inference 14 lecture hours • Point estimation-Properties of a good estimator; [4 lecture hours] • Basic principles of Ordinary Least Square, [2 lecture hours] Maximum Likelihood Method [1 lecture hour] Method of Moments; [1 lecture hour] • Interval estimation.[2 lecture hours] • Testing of hypothesis (basic concepts of null hypothesis, alternative hypothesis, type I and Type II errors, power of a test, p-value) [4 lecture hours]

Tutorial(Tu) 15 + Internal Assessment 10+Attendance: 10] Total Credits: [5(Th)+1(Tu)]=6 , No. of Lecture hours (Theory): 75, No. of Tutorial contact hours: 15 [For Semester-III] ECO-G-CC-3-3-TH-TU/ ECO--GE-3-3-TH-TU ECO-G-CC-3-3-TH / ECO--GE-3-3-TH 1.

1. Meaning of Economic Development

25 lecture hours

Meaning of economic development; growth vs. development; concept of human development and its measurement, population and human development; education and health sectors in India; features and causes of underdevelopment of the Indian economy; growth and development of Indian economy under different policy regimes.

2.

Poverty ,

Inequality and Development

20 lecture hours

Basic issues of poverty and inequality; basic ideas about measurement of poverty and inequality- the poverty line; trends and policies to eradicate poverty and income inequality in India



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3. Development of the Dual Economy and Development Strategies 15 lecture hours

- Surplus labour and disguised unemployment-basic concepts; the Lewis model of economic development with unlimited supply of labour.
- Balanced and unbalanced growth as development strategies

4. International Organizations and Economic Development 15 lecture hours

- Functions of IMF and World Bank and their roles in economic development
- The World Trade Organization (WTO) and its functions. India and the WTO

CC3.2 Ch Indian Financial System Full Marks:100 Internal Assessment: 20 marks Semester-end Examinations: 80 marks Total 100 marks Marks shown against the units indicate marks for Semester-end Examinations

Unit:I Financial System and Its Components Meaning, Significance and Role of the Financial System; Components of the Financial System; The structure of Indian Financial System. [L-10/Marks:10]

Unit:II Financial Markets (a) Money Market: Functions and Instruments; Role of Central Bank; Indian Money Market: An Overview, Call Money Market, Treasury Bills Market, Commercial Paper (CP) Market, Certificate of Deposit (CD) Market; Concepts- Repo, Reverse Repo; Recent trends in the Indian money market. [L-10/Marks 10] (b) Capital Market: Functions and Instruments; Primary and Secondary Markets- Functions and inter-relationship, Methods of New Issues; Indian debt market and equity market; Market Intermediaries- Brokers, Sub-Brokers; Role of Stock Exchanges in India; Recent trends in the Indian capital market. [L-20/Marks:20]

Unit: III Financial Institutions Commercial banking: Functions of Commercial Banks, Credit creation by commercial banks and its limitations; Reserve bank of India: Functions, Credit Control and Monetary Policy; Development Financial Institutions in India: NABARD, EXIM Bank, SIDBI; Life Insurance and General Insurance Companies in India: Functions; Mutual Funds: Concept of Mutual Fund, Types of Mutual

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Funds(open ended and close ended); Role of Mutual Funds in Indian capital market; Non-Banking Financial Companies (NBFCs):Definition, Functions, Regulations of RBI over NBFCs. [L-20/Marks:20]

Unit: IV Financial Services Merchant Banks: Functions and Role, SEBI Regulations; Credit Rating: Objectives and Limitations, SEBI Regulations; Credit Rating Institutions and their functions. [L-10/Marks:10]

Unit: V Investors' Protection Concept of investors' protection; Grievances regarding new issue market and Stock Exchange transactions, and the Grievance Redressal Mechanism; Role of SEBI, judiciary and the media. [L-10/Marks:10]

Economics Core Course XI: ECO-A-CC-5-11-TH-TU International Economics Total Marks: 100 [Theory(Th) 65 + Tutorial(Tu) 15 + Internal Assessment 10+Attendance: 10] Total Credits: [5(Th)+1(Tu)]=6 , No. of Lecture hours: 75, No. of Tutorial contact hours:15 [Semester V] ECO-A-CC-5-11-TH

1. Absolute and Comparative Advantages of Trade 9 lecture hours

- Adam Smith's theory of absolute advantage. • David Ricardo's theory of comparative advantage. • Arbitrage as the basis and direction of trade; fundamental sources of cross-country price differences and arbitrage-concept of comparative advantage; externalities, regulation and perverse comparative advantage
- One factor economy, production possibility frontier, relative demand and relative supply, terms of trade, trade in the Ricardian world, determination of intermediate TOT, complete vs incomplete specialization, complete specialization and gains from trade.

2. The Building Blocks of Trade Theory 14 lecture hours

- The concept of community indifference curve-Justification and properties. • The need for trade indifference curves, derivation of trade indifference curves, properties of trade indifference map, Offer

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curves and its properties. Three important elasticities- the elasticity of offer curves, the elasticity of demand for imports, the elasticity of supply of exports. International equilibrium and offer curves, terms of trade (TOT) and stability, the Marshall-Lerner condition, • Gains from Trade (GFT) theorem, illustration of GFT, decomposition of GFT, substitution possibilities and magnitude of GFT

Production structure for neo-classical trade models, role of constant returns to scale, the concept of unit isoquants, duality in the production structure, significance of the envelope condition in trade models

3. Factor Endowment and Trade (Heckscher-Ohlin-Samuelson Model) 15 lecture hours

- Heckscher-Ohlin (HO) theorem and price vs physical definitions of relative factor abundance. • Role of homotheticity of tastes in the context of physical definition • Factor Intensity Reversal in the context of price and physical definitions and invalidity of HO Theorem. • Factor intensity ranking, one-to-one correspondence between commodity price ratio & factor price ratio (Stolper-Samuelson theorem), One to one correspondence between endowment ratio and production proportion (Rybczynski theorem) . • The Factor Price Equalization Theorem. Factor price equalization and complete specialization. • Incomplete Specialization, Factor price equalization and Factor Intensity Reversal • Empirical studies- Leontief Paradox.

4. Applications of Neo-classical Trade Models for developing countries 10 lecture hours

- Jones (1965) Heckscher-Ohlin type 2x2(two factors-two commodities) full employment model for small open developing economies. Basic structure –significance of the assumption of constant returns to scale- the decomposability property- the capital intensity condition in physical and value terms- Implications of Stolper-Samuelson and Rybczynski theorems- the price and output magnification effects. • Jones (1971) 3x2(three factors-two commodities) specific-factor model. Basic structure- significance of the assumption of constant returns to scale- the indecomposability property. Implications of price magnification effects in specific factor model.

5. Trade Policy 12 lecture hours • Partial Equilibrium Analysis of Tariff - cost-benefit, Quota, Quota- Tariff equivalence & nonequivalence, monopoly effects of quota, subsidy and voluntary export restraint. • General Equilibrium Analysis- distinction between large and small economy, welfare effects of a tariff on small country and large country. Tariff ridden offer curve, Tariff war, Optimum tariff for large economy, Metzler's Paradox.

6. Open Economy Macroeconomics and Balance of Payments 15 lecture hours • Determination of equilibrium income in open economy. Foreign Trade Multiplier with & without repercussion effects.

Economics Core Course XII: ECO-A-CC-5-12-TH-TU Indian Economy Total Marks: 100 [Theory (Th) 65 + Tutorial Based Term Paper (Tu) 15 + Internal Assessment 10+Attendance: 10] Total Credits:

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[5(Th)+1(Tu)]=6, No. of Lecture hours: 75, No. of Tutorial Based Term Paper contact hours: 15 [Semester V] ECO-A-CC-5-12-TH

1. Economic Development since Independence 20 lecture hours • Growth and development under different policy regimes (from planning to market based development) - Objectives, achievements and failures of Planning [4 lecture hours] - Economic crisis during the late 1980s [3 lecture hours]
- Economic Reforms –Critical Analysis [3 lecture hours] • Structural changes in the post-reforms period [5 lecture hours] • Regional variation of growth and development [5 lecture hours]
2. Population and Human Development 15 lecture hours • Demographic trends and issues [6 lecture hours] • Education and health: Basic problems and Government measures, Right to Education (RTE) Act 2009 [9 lecture hours]
3. Growth and Distribution 20 lecture hours • Trends in GDP and per capita GDP [5 lecture hours] • Growth, poverty and inequality [5 lecture hours] • Youth unemployment (School Transition to Work) [5 lecture hours] • Policy perspectives in growth and distribution [5 lecture hours]
4. Economic Reforms in India 20 lecture hours
• Banking sector reforms [5 lecture hours] • Reforms in tax policy [5 lecture hours] • Reforms in the external sector [5 lecture hours] • Reforms in Labour market [5 lecture hours]

Discipline Specific Elective – A(1): ECO-A-DSE-5-A(1)-TH-P Applied Econometrics [AE] Total Marks: 100
[Theory (Th) 50+ Practical (P) 30 + Internal Assessment 10 + Attendance: 10] Total Credits: [4(Th)+2(P)]=6 ,
No. of Lecture hours: 60, No. of Practical hours: 60/No. Of Practical classes: 30 [Semester –V] ECO-A-DSE-5- A(1) –TH

1. Steps in empirical research 10 lecture hours 1.1 Use of econometric models in empirical research – some basic concepts [5 lecture hours] 1.2 The basic commands in Stata / R [5 lecture hours]
2. Regression Diagnostics and Specification 20 lecture hours 2.1 Misspecification [4 lecture hours] 2.2 Functional forms [4 lecture hours] 2.3 Model selection [4 lecture hours] 2.4 Application with Stata / R [8 lecture hours]
3. Application of Regression Analysis 30 lecture hours 3.1 Cross section analysis – Linear regression model with two regressors (by using survey data like NSSO with Stata / R) [6 lecture hours] 3.2 Time series analysis (very preliminary level) – Basic concepts of time series, Estimating linear trend (by using NAS with Stata / R) [12 lecture hours] 3.3 Panel data analysis – basic concepts of fixed effects model; random effects model – (Application with Indian Official Statistics using Stata / R) [12 lecture hours]

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Discipline Specific Elective-B(1): ECO-A-DSE-5-B(1)-TH-TU Financial Economics [FE] Total Marks: 100
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No. of Lecture hours: 75, No. of Tutorial contact hours: 15 [Semester-V] ECO-A-DSE-5-B(1)-TH

1. Investment Theory and Portfolio Analysis 35 lecture hours

- Deterministic cash-flow streams: Basic theory of interest; discounting and present value; internal rate of return; evaluation criteria; fixed-income securities; bond prices and yields; interest rate sensitivity and duration; immunisation; the term structure of interest rates; yield curves; spot rates and forward rates.
- Single-period random cash flows: Random asset returns; portfolios of assets; portfolio mean and variance; feasible combinations of mean and variance; mean-variance portfolio analysis: the Markowitz model and the two-fund theorem; risk-free assets and the one-fund theorem.
- CAPM: The capital market line; the capital asset pricing model; the beta of an asset and of a portfolio; security market line; use of the CAPM model in investment analysis and as a pricing formula.

2. Options and Derivatives 20 lecture hours

- Introduction to derivatives and options; forward and futures contracts; options; other derivatives; forward and future prices; stock index futures; interest rate futures; the use of futures for hedging; duration-based hedging strategies; option markets; call and put options; factors affecting option prices; put-call parity; option trading strategies: spreads; straddles; strips and straps; strangles; the principle of arbitrage; discrete processes and the binomial tree model; risk-neutral valuation.

3. Corporate Finance 20 lecture hours

- Patterns of corporate financing: common stock; debt; preferences; convertibles; Capital structure and the cost of capital; corporate debt and dividend policy; the Modigliani- Miller theorem.

Discipline Specific Elective Course [Economics] (DSE -A) BA/BSc (General) Name of the Course: Money and Banking (MB) Total Marks: 100 [Theory(Th) 65+ Tutorial(Tu) 15 + Internal Assessment 10+Attendance:

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10] Total Credits: $[5(\text{Th})+1(\text{Tu})]=6$, No. of Lecture hours (Theory): 75, No. of Tutorial contact hours: 15
[For Semester-V] ECO-G-DSE-5-1A/2A-TH-TU Page 66 of 75 ECO-G-DSE-5-1A/2A-TH

1. Money Supply and Banking System with reference to India: definition of money supply in the Indian context (M1, M2, M3 and M4) , Balance sheet of the banking sector and accounting of money supply; balance sheet of the Reserve Bank of India and the accounting interpretation of High powered money; definition of high powered money; the money multiplier theory and balance sheet of commercial banks, sterilization by Central Banks. Indian banking system-changing role and structure; Indian banking sector reforms. **25 lecture hours**

2. Financial Institutions and Financial Markets 22 lecture hours

• Role of financial markets and institutions in economic development- Indian examples • Money and capital markets: organization, structure and reforms in India; role of financial derivatives and other innovations.

3. Interest Rates 12 lecture hours

Determination; sources of interest rate differentials; theories of term structure of interest rates; interest rates in India.

4. Central Banking and Monetary Policy 16 lecture hours

Instruments of monetary control with special reference to India; concepts of statutory liquidity ratio(SLR), cash reserve ratio(CRR) and repo rate as instruments of monetary control; monetary management in an open economy; current monetary policy of India, demonetization and its impact on the Indian economy.

Skill Enhancement Course [Economics] -A Group (SEC-A) BA/BSc (General) Name of the Course:
Elementary Rural Development (ERD) Total Marks: 100 [Theory(Th) 80 + Internal Assessment
10+Attendance: 10] Total Credits: 2, No. of Lecture hours: 30 ECO-G-SEC-3-1A-TH/ECO-G-SEC-5-
2A-TH [For Semester III or Semester V]

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1. Basic Issues in Rural Development 12 lecture hours

• Rural Development vs. Agricultural Development • Decentralized Planning and Participatory Development-the role of Panchayats • Panchayat and Rural Development in West Bengal • Role of NGOs in Rural Development

2. Rural Credit and Self Help Groups (SHGs) 12 lecture hours

• Constraints of micro-enterprises in rural areas • The rural non farm sector –credit needs for rural non farm sector. • Concept of micro credit and the role of Grameen Bank • Need for SHG for formation-features of SHG • SHGs in India

3. Selected Government Programmes and Rural Development 6 lecture hours

• Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) • Mid-day Meal • Pradhan Mantri Gram Sadak Yojana (PMGSY)

DSE 5.1 A Macroeconomics and Advanced Business Mathematics (50+50) Full Marks – 100 Internal Assessment: 20 marks Semester-end Examinations: 80 marks Total 100 marks Marks shown against the units indicate marks for Semester–end Examinations Module I Macroeconomics Internal Assessment: 10 marks Semester-end Examinations: 40 marks Total 50 marks

Unit – I: Introduction Concepts and variables of Macroeconomics. [L 2 / Marks:2]

Unit – II: National Income Accounting Concepts and measurement of National Income (numerical examples preferred); Circular flow of income – Real and Nominal GDP – Implicit deflator. [L 6 / Marks:6]

Unit – III: Determination of Equilibrium Level of National Income Simple Keynesian Model; Consumption, saving and investment functions – National income determination; Investment multiplier, Government expenditure multiplier, Tax multiplier, Balanced Budget multiplier. [L 10 / Marks:10]

Unit – IV: Commodity market and Money market equilibrium Concept of demand for Money: Liquidity Preference Approach; Derivation of IS and LM curves – Shifts of IS and LM curves-equilibrium in IS-LM model – Effectiveness of monetary and fiscal policies. [L 10 / Marks:10]

Unit – V: Money, Inflation and Unemployment Concept of supply of money; Measures of money supply – High powered money – Money multiplier. Concept of Inflation – Demand-pull and Cost-push theories of

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inflation – Monetary and fiscal policies to control inflation; Unemployment: Voluntary and Involuntary, Frictional and Natural Rate of Unemployment (Concepts only). [L 12 / Marks:12]

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