
**Deccan Education Society's
FERGUSSON COLLEGE (AUTONOMOUS),
PUNE**

**Syllabus
for**

S. Y. B. A. Economics

[Pattern 2019]

(B.A. Semester-III and Semester-IV)

From Academic Year

2020-21

Fergusson College (Autonomous), Pune

Structure of S.Y.B.A. – Faculty of Arts and Humanities

Under CBCS pattern (2019-20) *effective from June 2020*

Equivalence Syllabus for Department of Economics

SY BA	New CBCS Pattern	Old /Existing Pattern
Sem III	DSE 1A (4 credits) ECO 2301: Title: Micro Economics I	Special Paper 1 Title: Micro Economics I
	DSE 2A (4 credits) ECO 2302: Title: Macro Economics I	Special Paper 2 Title: Macro Economics I
	SEC 1A (3 credits) ECO 2303: Title: Banking and Financial Sector I	General Paper 2 Title: Banking and Financial Sector I
	SEC 2A (2 credits) (Value/Skill Based) ECO 2304: Title: Research Methods for Economics I	----

Note: SEC 1A is CC '1 or 2' (General paper for other department students)

SY BA	New CBCS Pattern	Old Existing Pattern
Sem IV	DSE 1B (4 credits) ECO 2401: Title: Micro Economics II	Special Paper 1 Title: Micro Economics II
	DSE 2B (4 credits) ECO 2402: Title: Macro Economics II	Special Paper 2 Title: Macro Economics II
	SEC 1B (3 credits) ECO 2403: Title: Banking and Financial Sector II	General Paper 2 Title: Banking and Financial Sector II
	SEC 2B (2 credits) (Value/Skill Based/ Field Work of SEC-1B) ECO 2404: Title: Research Methods for Economics II	----

Note: SEC 1B is CC-'1 or 2' (General paper for other department students)

S.Y. B.A. Semester III**Subject: Economics****DSE 1A - Special Paper 1 (EC02301): Paper title: Micro Economics I****[Credits-4]****Course Outcomes**

At the end of this course, students will be able to

- CO1** To understand the substantive as well as methodological content of the Consumer theory in Microeconomics.
- CO2** To understand the basic theoretical framework and its components of the consumer theory.
- CO3** To apply the basic theoretical framework and the components of consumer theory in day to day decision making.
- CO4** To remember the association between the Utility analysis and Demand curve, understand Demand analysis, Supply analysis and the introductory concepts of Producer's theory.

Unit	Details	Lectures
I	Introduction and Tools of Economics 1.1 Basic principles and themes of Economics with proper definitions. 1.2 Positive, Normative, Static, Dynamic Economics 1.3 Variables – Dependent, Independent, Endogenous, Exogenous 1.4 Tools of economics – Functions, Equations with types, Schedules, Graphs, Curves, Slopes, Budget line (sums) 1.5 Concept of goods and their types	[08]
II	Consumers Theory 2.1 Cardinal Approach – Features of Utility, Law of DMU, Total and Marginal Utility, Utility Function with Examples. 2.2 Ordinal Approach – Indifference Curve Analysis – Assumptions, Properties, Types, Indifference map, Concept of MRS 2.3 Utility Maximisation – ICs and Budget Constraints 2.4 Revealed Preference Theory 2.5 Income Effect – ICC, Engle curve for Normal and Inferior goods 2.6 Substitution Effect 2.7 Price Effect – PCC for Normal, Giffen goods, $PE = IE + SE$, Marshallian demand curve, 2.8 Law of Demand – Determinants, Assumptions, Schedule, Curve, Exceptions, Market demand, Demand function 2.9 Elasticity of Demand – Price with types, Income, Cross with sums.	[16]
III	Producers theory 3.1 Flow and Stock of goods 3.2 Law of supply – Determinants, Assumptions, Schedule, Graph, Exceptions (Backward bending supply curve), Market supply, Supply function 3.3 Elasticity of Supply – Price elasticity with Sums 3.4 Market equilibrium, Consumers and Producers surplus	[10]
IV	Production Theory	[14]

	<p>4.1 Introduction to Iso-quants, MRTS, Iso-cost line, CobbDouglas Production function with sums</p> <p>4.2 Law of Variable Proportions</p> <p>4.3 Law of returns to scale</p> <p>4.4 Revenue Analysis – TR, AR, MR</p> <p>4.5 Cost Analysis – Types of costs (Total, Average, Marginal, Fixed, Variable, Sunk), Cost curves, Cost function – sums</p> <p>4.6 Short run and Long run cost and their relationship</p> <p>4.7 Profit Maximisation – TR-TC, MR=MC, Sums</p>	
--	--	--

Books-

1. Hal R. Varian, Intermediate Microeconomics: A Modern Approach, 8th edition, W.W. Norton and Company/Affiliated East-West Press (India), 2010. The workbook by Varian and Bergstrom could be used for problems
2. Robert Pindyck, Daniel Rubinfeld and Prem Mehta, Microeconomics, 7th Edition, Pearson.
3. Dominick Salvatore: Principles of Microeconomics, 5th edition
4. Edward Dowling, Theory and problems of Introduction to Mathematical Economics, 3rd Edition, Tata McGraw Hill.
5. Dr H. L. Ahuja: Modern Economics, 19th edition

मराठी संदर्भ :

1. सूक्ष्म अर्थशास्त्र, प्रा. राम देशमुख ,विद्या प्रकाशन ,नागपूर
2. सूक्ष्म आर्थिक विश्लेषण भाग १ व भाग 2, प्रा. डॉ. राजेंद्र रसाळ ,सक्सेस प्रकाशन पुणे
3. उच्चतर आर्थिक सिद्धांत, प्रा. कृष्णराव पाटील ,श्री मंगेश प्रकाशन ,नागपूर
4. सूक्ष्म अर्थशास्त्राचा सिद्धांत, पंकज टंडन, सागे पब्लिकेशन्स पुणे
5. मौद्रिक अर्थशास्त्र, प्रा. बोधनकर ,प्रा.मेधा कानेटकर ,साईनाथ प्रकाशन नागपूर
6. अंशलक्षी अर्थशास्त्र, डॉ. मुकुंदमहाजन, निरालीपब्लिकेशन पुणे

S.Y. B.A. Semester III**Subject: Economics****DSE 2A - Special Paper 2 (ECO2302): Paper title** Macro Economics I**[Credits-4]****Course Outcomes**

At the end of this course, students will be able to

- CO1** To understand the substantive as well as methodological content of Macroeconomics.
- CO2** To comprehend the basic theoretical framework underlying the field of macroeconomics and comprehend the components of macroeconomic framework
- CO3** To understand functioning of the economy as a whole by studying the component markets.
- CO4** To comprehend how the economy's total output of goods and services, quantity of money, employment of resources is determined and what causes these totals to fluctuate

Unit	Details	Lectures
I	Introduction 1.1 Economic Models and use of models in Macroeconomics. 1.2 Various components of an economic model - Accounting and behavioural relationships (Identities and equations); Ex-ante and Ex-post; Lag 1.3 Circular flow of Income – Two sectors Model, Three sectors Model, four Sectors model	[12]
II	The Goods Market 2.1 Consumption Function - Meaning, Psychological law of consumption, APC, MPC, Factors influencing consumption function 2.2 Saving - APS and MPS, Paradox of Saving 2.3 Investment- Meaning, Types, Gross and Net Investment, Autonomous and Induced investment; Investment Function- Concept and determinants; Marginal Efficiency of Capital 2.4 Aggregate expenditure in closed and open economy 2.5 Multiplier and accelerator 2.6 Derivation of IS Curve 2.7 Fiscal policy implications	[12]
III	Money Market 3.1 Money - Definition and Functions 3.2 Quantity Theory of Money 3.3 Cash Balance Approach 3.4 Friedman's Approach 3.5 RBI's several money measures. 3.6 Derivation of LM Curve 3.7 Monetary policy implications	[12]
IV	Labour Market	[12]

4.1	Say's Law of Market- Classical theory of employment, criticism by Keynes and Keynesian Theory of Employment	
4.2	Sticky wages and unemployment	
4.3	Less than full-employment equilibrium	

Books-

1. Blanchard, O. J., & Johnson, D. R. (2017). *Macroeconomics* (6e ed.). Boston: Pearson
2. DSouza, E. (2012). *Macroeconomics* (2nd ed.). Pearson Education.
3. Shapiro, E. (2013). *Macroeconomic Analysis*. Galgotia Publications.
4. Dornbusch, R., Fischer, S., & Startz, R. (2018). *Macroeconomics* (12th ed.). McGraw Hill Education.
5. Mankiw, G., & Taylor, M. (2017). *Macroeconomics* (4e ed.). Cengage.
6. Froyen, R. T. (2014). *Macroeconomics: theories and policies* (10e ed.). Pearson.
7. Abel, A. B., Bernanke, B., & Croushore, D. (2017). *Macroeconomics* (9th ed.). Pearson Education Limited.
8. देशमुख, राम (2011). *आधुनिक स्थूल अर्थशास्त्र* (1st ed.). विद्या प्रकाशन.
9. <https://data.worldbank.org/>
10. <https://www.rbi.org.in/>
11. <https://unctadstat.unctad.org/EN/>

Additional Reading List

- Dillard, D. (1960), *The Economics of John Maynard Keynes*, CrossbyLockwoodandSons,London.
- Day A.C.L. (1960) *Outline of Monetary Economics*, Oxford University Press, Oxford
- Higgins, B. (1963), *Economic Development: Principles, Problems and Policies*, Central Book Depot, Allahbad.
- Keynes, J.M. (1936), *The General Theory of Employment, Interest and Money*, Macmillan, London.
- Kindleberger, C.P. (1958), *Economic Development*, McGraw-Hill Book Company, New York.
- Lucas, R. (1981), *Studies in Business Cycle Theory*, MIT Press, Cambridge, Massachusetts.

S.Y. B.A. Semester III**Subject: Economics****SEC 1A - General Paper (ECO2303): Paper title Banking and Financial Sector I****[Credits-3]****Course Outcomes**

At the end of this course, students will be able to

- C01** To understand the history & present structure of Banking System in India.
C02 To understand structure of Co-op Banking in India.
C03 Be familiar with the Functioning of Banks.
C04 To be able to make Balance Sheet of bank by understanding it's components.
C05 To understand how bank manages liquidity, profitability & day to day functions.
C06 To be able to do calculation of EMI, Simple & Compound Interest.
C07 Be familiar with the New Technology in Banking Industry for making transactions & for using various banking facilities.

Unit	Details	Lectures
I	Introduction to Indian Banking System and Regulatory body 1.1 Evolution of Banking in India 1.2 Structure of Indian banking system 1.3 Functions and objectives of RBI 1.4 Money measures – M0, M1, M2, M3, M4 1.5 Credit control instruments – Quantitative, Qualitative	[12]
II	Functions of Banking System I 2.1 Functions of Commercial Banks – Primary and Secondary 2.2 Structure of Cooperative Banks	[08]
III	Functions of Banking System II 3.1 Components of the balance Sheet of a Commercial Bank 3.2 Liquidity, Profitability – Concepts, trade off, Factors determining liquidity and Profitability 3.3 Multiple Credit Creation – Process and Limitations 3.4 Interest – Simple, Compound, Nominal and Effective rate of Interest 3.5 EMI calculations	[12]
IV	New Technology in Banking 4.1 E-Banking – Need and Importance 4.2 Green Banking – Need and Importance 4.3 Instruments of Modern Banking – Tele Banking, Mobile Banking, Net Banking, ATM, Credit card, Debit card	[16]

	4.4 Methods of Remittances –Demand Drafts, Types of cheques, Letter of credit, Electronics Transferred funds – NEFT, RTGS, IMPS, E-Wallets, SWIFT, Block chain 4.5 Core Banking	
--	--	--

Books-

1. Reserve Bank of India, Report on Trend and Progress of Banking in India.
2. Reserve Bank of India, Report on Currency and Finance(Annual).
3. M. L. Jhingan (8th edition)
4. Vrinda Publications - Money, Banking, International trade and Public Finance
5. Suraj B Gupta; Chand Publications – Monetary Economics

S.Y. B.A. Semester III**Subject: Economics**

SEC 2A - Value / Skill Based Paper (ECO2304): Paper title Research Methods for
Economics I

[Credits-2]**Course Outcomes**

At the end of this course, students will be able to

- CO1** To understand various types of research
CO2 To grasp the tools of research
CO3 To understand scientific writing
CO4 To understand practices associated with research

Unit	Details	Lectures
I	Introduction 1.1 What is research 1.2 Overview of research processes 1.3 Qualitative and quantitative research 1.4 Choice of a topic 1.5 Developing a research proposal Index Number—Meaning, Construction, Importance and Limitations, Significance of base change.	04
	Consumption, Saving and Investment Tools for Research 2.1 Literature survey - finding, critically evaluating and describing the relevant economic literature 2.2 Experimental skills 2.3 Data analysis - finding relevant economic data sources and collecting economic data, analyzing these data using appropriate qualitative, statistical and econometric techniques 2.4 Design of Experiments	10
	Writing the Research 3.1 Technical writing (use of Microsoft Word, Excel) 3.2 Technical Presentations (use of Microsoft Excel PowerPoint) 3.3 Clearly and meaningfully summarizing, tabulating and explaining the findings 3.4 Bibliography, citation and referencing	06
	Output and Employment Good Practices in Research 4.1 Intellectual Property 4.2 Ethics in Research	04

Books-

- Marc Blaug: The Methodology of Economics or How Economists Explain. Published by the Press Syndicate of the University of Cambridge 1992 (reprint 2006).
- New Directions in Economic Methodology. Edited by Roger E. Backhouse. Publisher: Routledge, New York. 1994. (e-book: <http://www.questia.com/read/103852508?title=New%20Directions%20in%20Economic%20Methodology>).
- Research Methodology in Applied Economics. By Don E. Ethridge. WileyBlackwell 2004.

4. C. R. Kothari, Research Methodology – Methods & Techniques, New Age international.
5. W. Goddard, S. Melville, Research Methodology – An Introduction, JUTA
6. Bickman, L. J., and D. J. Rog, eds. Handbook of Applied Social Research Methods. Thousand Oaks: Sage, 1998.

S.Y. B.A. Semester IV**Subject: Economics****DSE 1B - Special Paper 1 (EC02401): Paper title** Micro Economics II**[Credits-4]****Course Outcomes**

At the end of this course, students will be able to

- CO1** To understand the substantive as well as methodological content of the theory of production and distribution in Microeconomics.
- CO2** To understand the market analysis framework and firm's behaviour in the different market structures in the economy.
- CO3** To understand the principles behind factor pricing.
- CO4** To understand the introductory concepts in welfare analysis and also to remember the content of Microeconomics during the real-world decision making.

Unit	Details	Lectures
I	Perfect Markets 1.1 Perfect Competition- Features, $P = AR = MR$ 1.2 Short run equilibrium – Profit maximization, Super normal, Normal, Subnormal, shut down, Sums 1.3 Long run equilibrium 1.4 Supply curve – Firm and Industry	[12]
II	Imperfect Competitive 2.1 i. Monopoly –Characteristics, Types and Sources of Monopoly ii. Price Discrimination – First, Second and Third iii. Equilibrium – Monopolist's Output decision, Deadweight loss in Monopoly, 2.2 i. Monopolistic Competition – Characteristics, Selling cost concept ii. Short run, Long run Equilibrium 2.3 Oligopoly – Characteristics, Cartel theory 2.4 Duopoly – Characteristics, Cournot Model, Bertrand Model 2.5 Game theory – Players, Strategies, Nash equilibrium, Prisoner's Dilemma	[14]
III	Factor Pricing 3.1 The Marginal Productivity theory of distribution 3.2 Rent – Ricardian theory of Rent, Modern theory of Rent, Quasi Rent 3.3 Wages – Modern theory of wage, backward banding labor supply curve, Exploitation, collective bargaining 3.4 Interest – Loanable funds theory, Keynesian Liquidity preference theory 3.5 Profit – Risk theory, Uncertainty theory, Innovation theory, Dynamic theory	[14]
IV	Introduction to Welfare Economics 4.1 Social Welfare Functions – Pigouvian Function 4.2 Pareto Optimality Theorem through Edgeworth Box	[08]

Books-

1. Hal R. Varian, Intermediate Microeconomics: A Modern Approach, 8th edition, W.W. Norton and Company/Affiliated East-West Press (India), 2010. The workbook by Varian and Bergstrom could be used for problems
2. Robert Pindyck, Daniel Rubinfeld and Prem Mehta, Microeconomics, 7th Edition, Pearson.
3. Dominick Salvatore: Principles of Microeconomics, 5th edition
4. Edward Dowling, Theory and problems of Introduction to Mathematical Economics, 3rd Edition, Tata McGraw Hill.
5. Dr H. L. Ahuja: Modern Economics, 19th edition

मराठी संदर्भ :

1. सूक्ष्म अर्थशास्त्र, प्रा. राम देशमुख ,विद्या प्रकाशन ,नागपूर
2. सूक्ष्म आर्थिक विश्लेषण भाग १ व भाग 2, प्रा. डॉ. राजेंद्र रसाळ ,सक्सेस प्रकाशन पुणे
3. उच्चतर आर्थिक सिद्धांत, प्रा. कृष्णराव पाटील ,श्री मंगेश प्रकाशन ,नागपूर
4. सूक्ष्म अर्थशास्त्राचा सिद्धांत, पंकज टंडन, सागे पब्लिकेशन्स पुणे
5. मौद्रिक अर्थशास्त्र, प्रा. बोधनकर ,प्रा.मेधा कानेटकर ,साईनाथ प्रकाशन नागपूर
6. अंशलक्षी अर्थशास्त्र, डॉ. मुकुंदमहाजन, निरालीपब्लिकेशन पुणे

S.Y. B.A. Semester IV**Subject: Economics****DSE 2B - Special Paper 2 (EC02402): Paper title** Macro Economics II**[Credits-4]****Course Outcomes**

At the end of this course, students will be able to

- CO1** To synthesize the component markets and build the AD-AS model
- CO2** To comprehend policy implications in the Macroeconomy
- CO3** To understand measures and consequences of inflation, to understand the relation between inflation and unemployment
- CO4** To comprehend the cyclical movement of output and to understand the influences of opening up of an economy on the Macroeconomic framework.

Unit	Details	Lectures
I	The Macro Economy 1.1 Derivation of AD curve from goods and money market 1.2 Derivation of AS curve from labour market 1.3 AD-AS model and implications of policies Impact and interaction of fiscal and monetary policies	[12]
II	Inflation and Deflation 2.1 Inflation- Meaning and Causes 2.2 Demand Pull and Cost Push Inflation 2.3 Consequences of Inflation 2.4 Deflation- Meaning, Causes and Consequences 2.5 Measuring inflation 2.6 Index Number – Meaning, Construction, Importance and Limitations, Significance of base change.	[06]
III	Business Cycles and Growth 3.1 Meaning and Features of Business Cycles 3.2 Phases of Business Cycles 3.3 Control of Business Cycles- Monetary and Fiscal Controls 3.4 Samuelson's Model 3.5 Solow's Growth Model	[12]
IV	Post Keynesian Development 4.1 Elements of Monetarism 4.2 Stagflation 4.3 Philips Curve 4.4 New Policy Option- Market Policy, Income and Price Policy 4.5 Supply Side Economics- As a response to the Problems of Stagflation 4.6 Introduction to Neo-Classical Macroeconomics 4.7 Introduction to Rational Expectations	[10]
V	Open Economy Macroeconomics 5.1 Balance of Payments 5.2 Exchange rates 5.3 Mundell-Fleming Model	[08]

Books-

1. Blanchard, O. J., & Johnson, D. R. (2017). *Macroeconomics* (6e ed.). Boston: Pearson
2. DSouza, E. (2012). *Macroeconomics* (2nd ed.). Pearson Education.
3. Shapiro, E. (2013). *Macroeconomic Analysis*. Galgotia Publications.
4. Dornbusch, R., Fischer, S., & Startz, R. (2018). *Macroeconomics* (12th ed.). McGraw Hill Education.
5. Mankiw, G., & Taylor, M. (2017). *Macroeconomics* (4e ed.). Cengage.
6. Froyen, R. T. (2014). *Macroeconomics: theories and policies* (10e ed.). Pearson.
7. Abel, A. B., Bernanke, B., & Croushore, D. (2017). *Macroeconomics* (9th ed.). Pearson Education Limited.
8. Samuelson, P. (1939). Interactions between the Multiplier Analysis and the Principle of Acceleration. *The Review of Economics and Statistics*, 21(2), 75-78. doi:10.2307/1927758 Stable URL: <http://www.jstor.org/stable/1927758>
9. देशमुख, राम (2011). *आधुनिक स्थूल अर्थशास्त्र* (1st ed.). विद्या प्रकाशन.
10. <https://www.rbi.org.in/>

Additional Reading List

- Dillard, D. (1960), *The Economics of John Maynard Keynes*, CrossbyLockwoodandSons,London.
- Day A.C.L. (1960) *Outline of Monetary Economics*, Oxford University Press,Oxford
- Higgins, B. (1963), *Economic Development: Principles, Problems and Policies*,Central Book Depot, Allahbad.
- Keynes, J.M. (1936), *The General Theory of Employment, Interest and Money*,Macmillan, London.
- Kindleberger, C.P. (1958), *Economic Development*, McGraw-Hill Book Company,New York.
- Lucas, R. (1981), *Studies in Business Cycle Theory*, MIT Press, Cambridge,Massachusetts.

S.Y. B.A. Semester IV**Subject: Economics****SEC 1B - General Paper (EC02403): Paper title Banking and Financial Sector II****[Credits-3]****Course Outcomes**

At the end of this course, students will be able to

- CO1** To comprehend Money Market from Indian Financial Markets.
CO2 To get familiar with Structure & Activities of NBFC's.
CO3 To understand thoroughly Mutual Funds & it's types and Stock Market in India.
CO4 To be able to make investment, to play the role of advisor to investors investing in Mutual Funds & Stock Market.
CO5 To understand the Functions of Reserve Bank of India.

Unit	Details	Lectures
I	Banking sector reforms 1.1 Narsimhan committee 1 and Narsimhan committee 2 1.2 Urjit Patel committee 1.3 Nachiket Mor committee 1.4 Bimal Jalan committee	[12]
II	Money Market and NBFCs 2.1 Features and functions of money market 2.2 Instruments of money market – Call money market, T-bills, Commercial papers 2.3 Types of NBFCs 2.3 Challenges before NBFCs	[12]
III	Stock Market 3.1 Primary and Secondary markets 3.2 Characteristics and Features of Equities 3.3 Types of shares 3.3.1. Ordinary Shares 3.3.2 Preference Shares 3.3.3 bonus share 3.4 Initial Public Offer IPO 3.4.1 Follow up Public Offer 3.5 Types of Debentures 3.6 Stock exchanges - NSE and BSE 3.6.1 NIFTY	[12]

	3.6.2 SENSEX 3.7 Demat account 3.8 Mutual Funds and its types	
IV	Contemporary issues in Financial system 4.1 NPAs: Types, Reasons and Remedies 4.2 Disinvestments 4.3 Mergers and acquisitions 4.4 Autonomy of RBI	[12]

Books-

1. Reserve Bank of India, Report on Trend and Progress of Banking in India.
2. Reserve Bank of India, Report on Currency and Finance (Annual).
3. Day, A.C.L. (1960), Outline of Monetary Economics, Oxford University Press, Oxford.
4. De Kock, M.H.(1960), Central Banking, Staples Press, London.
5. Due J.F.(1963), Government Finance, Irwin, Homewood.
6. Harris, C.L.(1961), Money and Banking, Allyn and Bacon, London.

S.Y. B.A. Semester IV**Subject: Economics****SEC 2B - Value / Skill Based Paper (ECO2404): Paper title** Research Methods for
Economics II**[Credits-2]****Course Outcomes**

At the end of this course, students will be able to

CO1 To conduct and write a research work

Unit	Details	Lectures
I	Research project based on learnings from the course on Research Methods in Economics I	24