

Course Outcomes: Department of Economics

Economics, so said *Alfred Marshall*, is the study of mankind in the ordinary business of life. Not surprisingly, the discipline of Economics emerged to understand the changes happening in the 18th Century Western Society following the Industrial Revolution, as explained in the seminal writings of *Adam Smith* in his book, *The Wealth of Nations*.

Economics is a social science- it studies human behaviour. Customary to all disciplines, it has its unique concepts and way of thinking. However, it also requires an understanding of Mathematics, Statistics, Commerce, Political Science, Philosophy, Sociology, Psychology, Law, History and Management.

Thus, economics is a diverse field. The important areas of Economics are Industrial Organization, Economic Development, Econometrics, Finance, Labour Economics, Law and Economics, Public Economics, Environmental Economics, and History of Economic Thought.

A study of economics makes a person an informed and rational citizen. Briefly, following are the learning outcomes of economics:

1. The Language and Method of Economics

Students will learn economic terms and concepts that impact our daily lives and appear in popular press. Some of these examples are **scarcity, trade-offs, opportunity costs, markets, economy, specialization, monopolistic behaviour, monetary and fiscal policies, stock market trading, bank performance, inflation** and so on.

Students will also learn about the method of how economics- how economists think and how they make theories to understand and solve human issues.

2. Different Economic Systems and Schools

Students learn that there are differing views for solving economic problems. So, there are different schools for solving varying problems in Economics. Example, **governments and markets** are competing systems for providing goods and services to people. Similarly, **Classicals** and **Keynesians** are the differing schools of thought in Macroeconomics.

3. Analytical Reasoning and Data Analysis

Students will learn to identify, compile, interpret and analyse quantitative economic data using econometric methods like mean, median, mode and advanced regression analysis to assess economic relationships. This will be done through softwares like **Stata, EViews, Nlogit, SAS**.

They will also learn analytical techniques like optimization, equilibrium, comparative statics, economic incentives and so on to solve economic problems through diagrams, equations and explanations.

4. Understand functioning of important institutions

The course also explains the functioning of important institutions in India like Reserve Bank of India and Ministry of Finance (and also abroad) that shape monetary and fiscal policies. These policies address important issues like unemployment, inflation, economic growth, balance of payment and the like.

This will also help students to understand historical and daily economic issues as appearing in popular press and reports issued by above institutions.

5. Public policy analysis

Through economic tools at microeconomic and macroeconomic level, students will be able to understand the impact of government policies relating to taxation, price controls, subsidies, innovation and intellectual property, labour laws, efficiency and so on.

6. Research, Writing and Presentation skills

Students will learn to frame an economic question of public significance and learn to evaluate it using an appropriate research method. This involves methodology, literature survey, data collection, use of appropriate theory and econometric methods and presentation of results.

Equipped with these skills, a graduate student can progress to a diverse range of fields such as higher education, public policy analysis, stock market trading, media, corporate finance and banking, law, government services, environmental analysis and so on. Economics students are amongst the highest paid amongst all graduates.

A detailed description of the courses allotted under this Department are as follows:

Generic Elective Courses (For Honours Students)

1. Introductory Microeconomics (Semester I)

The course exposes students to the basic principles of microeconomic theory. It emphasises how economists think, how consumers and firms make decisions and interact in output and input markets, and how different market structures operate. The course also illustrates the practical use of these concepts to real life situations. The course requires a knowledge of mathematics at 12th level.

Key topics are scope and method of economics, functioning of markets, government policies relating to taxation, price ceiling and price floors, market efficiency, household decision making, firm behaviour, perfect competition and monopoly and land and labour markets.

2. Introductory Macroeconomics (Semester I)

The course exposes students to the basic concepts of macroeconomic theory. Macroeconomics studies economies as a whole. It looks into issues like why are some countries richer and grow faster than others, why do some countries have high inflation and what are its consequences, how do fluctuating exchange rates impact a country, why do all countries experience recessions and expansions, how are monetary and fiscal policies formulated and how they impact an economy and the like.

Key topics in this course are: Introduction to macroeconomics and national income accounting (measurement of GDP and other aggregates); Money -what it is, how is it created, tools of monetary policy; Inflation- Meaning and costs of inflation, hyperinflation; and the closed economy in the short run- Classical and Keynesian Systems, IS-LM model, fiscal and monetary policy multipliers.

3. Indian Economy-I and II (Semester III and IV)

The course on Indian Economy examines issues relating to the evolution and performance on all aspects of the Indian economy. It is based on the concepts of development economics. The course is fairly exhaustive and is useful for increasing the general awareness of students on issues affecting the Indian Economy. The course is spread over two semesters.

Indian Economy I: India's economic development since independence; Population and Economic Development in India; Growth and Distributional issues (poverty, inequality and unemployment); and International Comparisons (India with other countries).

Indian Economy II: Macroeconomic Policies and their impact (Fiscal Policy, Financial and Monetary Policies, Trade and Investment Policy and Labour Regulation); Policies and Performance in Agriculture; Policies and performance in Industry; and Trends and performance in Services.

Courses for B.A (Programme) and BCom (Programme)

1. Principles of Microeconomics-I and II.

The courses are broadly similar in content to the General Elective Course at the Honours Level except for the addition of a few more topics. However, it is simplified to meet the requirements of Programme students.

Principles of Microeconomics -I (Core paper B.A. (Programme) Semester I, Generic Elective Course I(a) BCom (Programme) Semester V):

Problems of scarcity and choice, Demand and Supply, Applications of Demand and Supply, Elasticity, Consumer Theory, Production and Costs, Perfect Competition.

Principles of Microeconomics -II (Core paper B.A. (Programme) Semester II):

Market Structures- Monopoly, Monopolistic Competition, Oligopoly, Contestable Markets, Game Theory, Role of Government; **Consumer and Producer Theory:** Market efficiency, market failure, public goods, imperfect information, externalities, marginal cost pricing, adverse selection, social choice, government inefficiency; Income distribution and factor pricing; and International trade – Theories of absolute and comparative advantage, trade barriers and free trade/protectionism.

2. Principles of Macroeconomics – I and II.

The courses are again broadly similar in content to the General Elective Course at the Honours Level. However, it is simplified to meet the requirements of Programme students and contains some extra topics.

Principles of Macroeconomics -I (Core paper B.A. (Programme) Semester III, Generic Elective Course I(b)- BCom (Programme) Semester VI):

Introduction, National Income Accounting, Determination of GDP, National Income Determination with Government in an open economy, Money in a modern economy.

Principles of Macroeconomics -II (Core Paper B.A. (Programme) Semester IV):

IS-LM analysis, GDP and Price level in the long run and short run, Inflation and Unemployment, Balance of Payments and Exchange Rates.

3. Economic Development and Policy in India – I and II (Discipline Specific Elective- B.A. (Programme) Semester V and VI)

The courses are again broadly similar in content to the Generic Elective Courses at the Honours Level.

Economic Development and Policy in India – I:

Issues in growth, development and sustainability, Factors in development, Population and Economic Development, Employment, Indian Development Experience (Evaluation of growth, inequality, poverty and competitiveness, pre and post reform era; savings and investment; mobilization of internal and external finance; monetary and fiscal policies; 15th finance commission issues).

Economic Development and Policy in India – II:

Agriculture (Policies and performance, production and productivity, credit, labour, markets and pricing, land reforms, regional variations), Industry (policies and performance, production trends, small scale industries, public sector, foreign investment), Trade (trends and policies of balance of trade and balance of payments, India and the world trade organization).

4. Optional Generic Elective Courses 2 (a) and 2(b) for BCom Programme (Semesters V and VI)

The courses are broadly similar in content to the Generic Elective Courses at the Honours Level.

G.E. 1(b) Issues in Economic Development:

Development and Underdevelopment – A historical and general perspective; Basic issues in growth and development; Capabilities, human development and sustainable development; Globalization and development.

G.E. 1(b) Issues in Economic Development:

Historical and General Overview; Growth and Structural Change; The Indian Economy in a Comparative Perspective; Key Issues: Poverty, Inequality, Education, Health and Gender; Structural Performance and Issues in Contemporary Indian Economy- Agriculture, Industry, Services and Foreign Trade.