

Semester4th

Major/Minor Course

Subject: Economics

Title: **Principles of Macro Economics-II**

Code: ECO1422M

Credit: Theory 06 (Th: 04, Tu: 02)

Contact Hours: 64 Th and 32 Tu

CourseObjectives: This course is a sequel to Macroeconomics-I. The objective of this paper is to introduce the students to the basic principles of macroeconomics. This course will illustrate how economic concepts can be applied to analyze real-life situations. In this course, the students are also introduced to money and interest, theories of inflation, rate of interest, trade cycles and macroeconomic policies.

Course Outcomes:

- 1. Conceptual Proficiency:** Develop a deep understanding of general equilibrium and the ISLM model, gaining insights into closed economy dynamics and the interplay between product and money markets.
- 2. Inflation Analysis:** Define, categorize, and measure inflation while evaluating various inflation theories. Critically assess Philips curve and suggest strategies to manage inflation.
- 3. Trade Cycle Understanding:** Explore different trade cycle theories, including monetary, over-investment, and innovation perspectives. Learn methods to mitigate business cycle fluctuations.
- 4. Policy Evaluation:** Understand macroeconomic objectives like price stability, growth, employment, BOP, and exchange rates. Analyze the instruments and limitations of monetary and fiscal policies, and comprehend their interplay.

Unit-I: General Equilibrium

(16 hours)

General equilibrium; Equilibrium in the product and money markets in closed economy: IS and LM model; Elasticity of IS schedule and shifts in IS curve, Elasticity of LM schedule and shifts in LM curve, Changes in general equilibrium.

Unit-II: Inflation

(16 hours)

Inflation: Definition, types and measurement; Theories of inflation: Quantity theory approach to inflation, Demand-pull inflation, Inflationary-gap analysis and its shortcomings; Concepts of cost push and mark up inflation; Structural inflation; Philips curve and trade-off between inflation and unemployment, Short-run and long-run Philips curve.

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Unit-III: Trade Cycles

(16 hours)

Trade cycles: Meaning, types and phases; Theories of trade cycles: Monetary theory, Over-investment theory, Innovation theory, Samuelson theory, Hicks theory. Control of business cycles.

Unit-IV: Macroeconomic Policies

(16 hours)

Macro-Economic objectives: Price stability, Economic growth and employment, BOP and exchange rate stability; Macroeconomic policies: Monetary policy: Objectives and instruments; Fiscal policy: Objectives and instruments, Fiscal and monetary policy- mix and limitations.

Tutorials:

(2 credits)

1. **Analyzing business cycles:** Students choose a historical economic crisis (e.g., Great Depression) and research its causes, impacts on people and businesses, and the policies implemented to address it.
2. **Inflation Case Studies:** Provide real-world case studies of countries that have experienced different types of inflation. Have students analyze the causes, impacts, and measures taken to control inflation, fostering practical understanding.
3. **Inflation and Unemployment Trends:** Students should gather Indian inflation and unemployment data from the past decades. They graph the data to see if there's a relationship (Phillips Curve) between inflation and unemployment.
4. **Tracking Government Actions:** Students scan news articles from the past three months to identify instances where fiscal and monetary policies were used by the government. They examine how these policies were implemented, the intended goals (e.g., stimulating the economy, controlling inflation), and their outcomes.

References:

1. Ackley,G.: Macroeconomics: Theory and Policy, Macmillan, New York.
2. Andrew B. Abeland BenS. Bernanke: Macroeconomics, Pearson Education, Inc.
3. Besanke,D.A: Microeconomics, John Willy & Sons, Inc.
4. Branson,W.A.: Macroeconomic Theory and Policy, Harper& Row, New York
5. Chauhan,S.P.S.: Microeconomics, Advanced treatise, PHI.
6. Doglas, B.B.: Microeconomics, Tata McGraw-Hill, India.
7. Errol D'Souza: Macroeconomics, Pearson Education, New Delhi.
8. Gravel, H.: Microeconomics, Prentice Hall A Guide to Keynes, McGraw Hill.

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9. Heijdra, B.J. and F.V. Ploeg: Foundations of Modern Macroeconomics, Oxford University Press.
10. Keynes, J.M.: The General Theory of Employment, Interest and Money, Macmillan, London.
11. Shapiro, E.: Principles of Macroeconomics, Oxford University Press.
12. Stiglitz, J.E. and Carl: Macroeconomic Analysis, Galgotia Publication, New Delhi.
13. Soumen Sikdar: Principles of Macroeconomics, Oxford University Press.

Semester 4th

Major Course

Subject: Economics

Title: Indian Economy: Problems and Prospects-I

Code: ECOC2422M

Credit: Theory 06 (Th: 04, Tu: 02)

Contact Hours: 64 Th and 32 Tu

Course Objectives: The purpose of this course is to introduce the students of other disciplines to the progress and problems of various sectors of Indian economy. In this course, efforts have been made to cover important issues from past to present.

Course Outcomes: The students will be able to:

1. Develop ideas about the basic characteristics of Indian economy.
2. Be aware of basic issues like poverty, W1 employment and inequality in India
3. Understand progress and problems of agricultural sector and its pricing policies.
4. Examine the importance, trends and performance of industrial sectors especially small-scale industries.
5. Analyze new economic reforms and its impact on Indian economy.

Unit-I: Economic planning

(16 hours)

Economic planning: Meaning, Objectives and performance; NITI Aayog: Structure, objectives and working. Problems faced by Indian economy up to reforms. Background for new economic reforms of 1991; Features and appraisals of liberalization, globalization and privatization;

Unit-II: Basic issues of Indian Economy

(16 hours)

Demographic transition in Indian Context: Demographic Dividend. Poverty, estimation measures of poverty in India; Poverty alleviation programs and their effectiveness; Unemployment: types, and mitigation measures or schemes on unemployment, MGNREGA; Income inequality: Nature and causes.

Unit-III: Agriculture in Indian Economy

(16 hours)

Agriculture at the time of independence: Issues and challenges. Green revolution and new agriculture strategy; Food security and public distribution system; Agricultural linkages with industries. Agricultural credit (NABARD). Current challenges in Indian Agriculture.

Unit-IV: Industry and Service sector

(16 hours)

Industrial development scenario at the time of independence. IPR (1956). Evaluation of PSU's till 1990's. Performance, problems and prospects of industrial sector till 1990's.

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Industrial reforms (NEP). Micro Small and Medium enterprises: Role and problems.
Industrial financing: policies and schemes. Service sector: problems and perspectives.

Tutorials:

(2 credits)

- **Impact of Globalization:** Have students research and present case studies of local businesses that have been impacted by globalization. They can discuss how businesses adopt to international competition and changing market trends.
- **Pricing and Marketing of Apples in Kashmir:** Invite a local apple farmer or trader to the classroom to discuss pricing, marketing process of apples in Kashmir. Students can learn about the factors influencing apple prices, marketing channels and export – import dynamics. To reinforce their understanding, students can prepare a comprehensive report about the pricing and the market. They can also visit local fruit mandi.
- **MGNREGA Local Survey and Recommendation:** Divide students into teams and assign them in different areas in their town or suburb. Instruct them to conduct a survey to collect data about the implementation and impact of MGNREGA in those areas they can interview beneficiaries and assess the effectiveness of the program. Based on their findings, each team can suggest recommendations for enhancing MGNREGA efficiency.
- **Local Tourist Attractions and Its Economic Impact:** Assign students to research and prepare case studies on popular local tourist attractions. They can analyze how these attractions would attract visitors, generate revenue and contribute to the local economy. Students can create presentations or posters showcasing the economic impact of tourism on the town or suburb, including job creation, business opportunities and infrastructure development.

References:

1. Agarwal A.N: Indian Economy: Wishwa Prakashan.
2. Ahluwalia, I.J.and I.M.D.Little (Eds.): India's Economic Reforms and Development, (Essays in Honor of Manmohan Singh), Oxford University Press, New Delhi.
3. Bardhan, Pranab: Poverty Agrarian Structure and Political Economy in India. Selected Essays - Oxford University Press, New Delhi.
4. Brahmananda, P.R. & V.R. Panchmukhi (Eds.): Development Experience in the Indian Economy: Inter-State Perspective, Book well, Delhi.

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5. Duttand Mahajan: India Economy, S.Chand&CompanyLtd.
6. Jalan, B.: The Indian Economy- Problems and Prospects, Viking, New Delhi.
7. Kapila U; Indian Economy since Independence, Academic Foundation, New Delhi
8. Misra & Puri: Indian Economy, Himalaya Publishing House, New Delhi.
9. Panagariya, A.: India: The Emerging Giant. USA: OUP
10. Rangarajan C. : Indian Economy: Essays on Money and Finance, UBS Publishers and Distributors, New Delhi.
11. India's Economic Reforms, 1991-2001, Oxford University Press, New Delhi.

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Major Course

Subject: Economics

Title **Public Economics**

Code: ECOC3422M

Credit: Theory 06 (Th: 04, Tu: 02)

Contact Hours: 64 Th and 32 T

Course Objectives: The objective of the course is to develop an understanding of public sector financial resources. Role and functions of the government have been changing with the passage of time. There are vast array of fiscal institutions-tax systems, expenditure programs, budgetary procedures, stabilization instruments, debt issues, levels of Government, etc., which raises a spectrum of issues arising from the operation of these Institutions. Further, the existence of externalities, concern for adjustment in the distribution of income and wealth, etc. require political processes for their solution in a manner which combines individual freedom and justice.

Course Outcomes: This course aims to:

1. **Theoretical Understanding:** Students will grasp key theoretical and empirical concepts in public economics.
2. **Government Intervention Analysis:** Students will assess the impact of government interventions on allocation, distribution, and stabilization in economies.
3. **Budget Structure Knowledge:** Students will understand public budget frameworks, taxation principles, and tax burden allocation.
4. **Fiscal Policy Evaluation:** Students will analyze the effects of tax policies, public spending, and public debt on economic performance and growth.

Unit-I: Public Economics and Public Goods

(16 hours)

Introduction to public economics, Fiscal functions-Allocation, distribution and stabilization; Theory of social goods, Social goods and market failure. Externalities-Problems and solutions.

Unit-II: Public Budget and Public Revenue

(16 hours)

Structure of public budget; Classification of taxes, Principles of taxation-Benefit principle (Bowen and Lindahl model), Ability to pay principle; Impact, incidence and shifting of tax burden; Laffer curve; Dead weight loss and distortion.

Unit-III: Public Expenditure and Public Debt

(16 hours)

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Public expenditure- Meaning and classification; Wagner's hypothesis, Peacock- Wiseman hypothesis, Effects of public expenditure. Public debt- Sources and its impact on economic growth; Burden of public debt; Debt redemption-Sources and implications of deficit financing.

Unit-IV: Indian Public Finance

(16 hours)

Major taxes in India; Goods and services tax (GST) in India-Concept and structure; Major tax reforms in India; Evaluation of Indian tax structure. Public debt in India- Growth, problems and issues; Consolidation and corrective measures- FRBM Act; Fiscal federalism in India, Major issues in center and state financial relationship; Finance Commissions- Evaluation of its functioning.

Tutorials:

(2 credits)

1. Exploring GST Transition in Jammu and Kashmir (Uncover the Practical Implications and Unique Aspects of J&K's GST Shift)
2. Education as a merit good: An analysis (Explore the Concept of Merit Goods and How Education Fits Within this Category)
3. Activity: Unveiling J&K Budget: Analyzing Revenue and Expenditure (Foster Analytical Skills by Scrutinizing J&K's Budget for Revenue Sources and Expenditure Allocation, Enhancing Practical Understanding of Public Finance.)
4. Case Study Analysis: Environmental Externalities (Analyze Real-life Cases of Environmental Externalities and Their Economic Impacts)

References:

1. Aronson, J, Richard: Public Finance, McGraw Hill Publications.
2. Bagchi, Amrish(Ed.): Readings in Public Finance, Oxford University Press.
3. BhatiaH.L.: Public Finance, Vikas Publishing House Pvt.Ltd. New Delhi.
4. Datt,R. and K.P.M. Sundram: Indian Economy, S.Chand & Company Ltd.
5. Eckstein, Otto. : Public Finance, Prentice-Hall.
6. Govt. of India: Economic Survey (Latest).
7. Harvey Rosen: Public Finance, McGraw Hill Publications.
8. Hulman, A.L.: Public Finance and Public Policy, Cambridge University Press.

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9. JhaR.: Modern Public Economics, Rutledge London.
10. Joseph E .Stigliz: Economics of the Public Sector, W.W. Norton & Company.
11. Mishra, B.: Economics of Public Finance, MacMillan Publication.
12. Mishra & Puri: Indian Economy, Himalaya Publishing House, New Delhi.
13. Musgrave, Richard A.: Public Finance in Theory &Practice, McGraw Hill Publication.