



**JAI HIND COLLEGE
BASANTSING INSTITUTE OF SCIENCE
&
J.T.LALVANI COLLEGE OF COMMERCE
(AUTONOMOUS)**

"A" Road, Churchgate, Mumbai - 400 020, India.

**Affiliated to
University of Mumbai**

Program: B.A.

Proposed Course: Economics

Semester VI

**Credit Based Semester and Grading System (CBCS) with effect from the
academic year 2020-21**

T.Y.B.A. Economics Syllabus

Academic year 2020-2021

Semester VI			
Course Code	Course Title	Credits	Lectures /Week
AECO601	Advanced Macroeconomic Theory	5	4
AECO602	Growth and Development	5	4
AECO603	Indian Financial System	4.5	3
AECO604	Introduction to Econometrics-I	5	4
AECO605	International Economic Theory and Policy	5	4
AECO606	Introduction to Econometrics-II	4.5	3



Semester VI – Theory

Course: AEEO601	Advanced Macroeconomic Theory(Credits:5 Lectures/Week: 04)	
	<p>Objectives:</p> <ul style="list-style-type: none"> • To further build on the base of macroeconomic theory and its real-world application • Create an understanding and appreciation of macroeconomic policies. <p>Outcomes:</p> <ul style="list-style-type: none"> • The course is designed to provide advanced knowledge to students in macroeconomic theory and to enable them to understand effectiveness of monetary, fiscal and trade policies. 	
Unit I	<p>Aggregate Demand and Aggregate Supply Model</p> <ol style="list-style-type: none"> 1. Derivation of Aggregate Demand curve; Factors affecting the slope and shift of the curve; Aggregate Supply curve and factors affecting its slope 2. Relative Effectiveness of Monetary and Fiscal Policy depending upon the slope of AD and AS curves 3. Inflation-Unemployment Trade-off: Phillips Curve; Friedman's View and Long Run Phillips Curve; Natural Rate of Unemployment (NRU) 	16L
Unit II	<p>International Trade</p> <ol style="list-style-type: none"> 1. Classical Theory of International Trade, Haberler's Theory of Opportunity Cost 2. Terms of Trade: Gross, Net and Income 3. Law of Reciprocal demand and Offer Curves; Equilibrium Terms of Trade 	16L
Unit III	<p>Open Economy Macroeconomics</p> <ol style="list-style-type: none"> 1. Determination of Exchange Rate in Foreign Exchange Markets; Fixed and Flexible exchange rate; Nominal and Real exchange rate 2. Mundell- Fleming model – The Impossible Trinity 3. Currency crisis 	16L
Unit IV	<p>Public Economics</p> <ol style="list-style-type: none"> 1. Public Goods, Market Failure and the Role of the State - The Coase Theorem 2. Principles of taxation: Ability to pay principle and Benefits principle 3. Concept of impact, incidence and shifting of a tax; Demand-Supply theory of incidence; Excess burden of a tax 	12L
<p>References:</p> <ol style="list-style-type: none"> 1. Mankiw N Gregory, Macroeconomics, 6e New York, Worth Publishers 2. Dwivedi D N, (2008) Principles of Economics, New Delhi, Vikas Publishing House 3. Cherunilam Francis, (2009). International Economics, 5th Edition, Tata McGraw-Hill Education Private Limited, New Delhi 4. Jhingan, M.L., (2009). International Economics, , 6th Revised and Enlarged Edition, Vrinda Publications, New Delhi 		

Evaluation Scheme

- I. Continuous Assessment (C.A.) - 40 Marks**
- (i) C.A.-I : Test – 20 Marks of 30 minutes duration**
 - (ii) C.A.-II : Role Play on topics from Unit IV– 20 Marks**
- II. Semester End Examination (SEE)- 60 Marks**



Semester VI – Theory

Course: AECO602	Growth and Development(Credits:5Lectures/Week: 04)	
	<p>Objectives:</p> <ul style="list-style-type: none"> • To introduce the students to basic development issues and concepts. • To encourage them to think about the diverse socio-economic aspects of developing economies, particularly India. <p>Outcomes:</p> <ul style="list-style-type: none"> • The course is designed to introduce the students to important economic concepts of welfare and development. • This helps the student to get sensitized to some of the contemporary as well as traditional development models, issues and debates, many of which are multidisciplinary in nature 	
Unit I	<p>Population and Human Resources</p> <ol style="list-style-type: none"> 1. Demographic Transition, Microeconomic Household Theory of Fertility 2. Approaches to Population Policy in developing and developed countries 3. Human capital and its role in development; Educational systems and development; Health systems and development; Gender bias in Education and Health 	16L
Unit II	<p>Structural Transformation</p> <ol style="list-style-type: none"> 1. Causes of urbanization, migration and development, Harris-Todaro model of development 2. Policies for the urban informal sector; Women in informal sector 3. The changing role of Agriculture in Indian economy, Policies for Rural development 	16L
Unit III	<p>International Aspects of Development</p> <ol style="list-style-type: none"> 1. Trade strategies for development: export promotion versus import substitution, Export led growth v/s domestic demand led growth 2. Financing of Balance of Payments deficits, Two Gap model 3. Role of Foreign capital inflows in development (Recent trends in India, Policy initiatives and challenges) 	16L
Unit IV	<p>Agencies of Development</p> <ol style="list-style-type: none"> 1. Voluntary sector as agencies of development (Case study of NGOs in enhancing health and education outcomes) 2. Changing role of development planning, Gender budgeting 3. Role of International agencies in Development-World Bank and IMF – structural adjustments and stabilization, WTO 	12L
<p>References:</p> <ol style="list-style-type: none"> 1. Jhingan M. L., Economics of Development and Planning 41/e, Vrinda Publication, New Delhi 2. Meier, Gerald M. and James E. Rauch (2006), Leading Is-sues in Economic Development, 8e. New Delhi: Oxford Univ. Press 3. Thirlwall, A.P. (2005), Growth and Development 8e. New York: Palgrave MacMillan 4. Todaro, Michael P. and Stephen C. Smith (2017), Economic Development, 8e. Delhi: Pearson Education 		

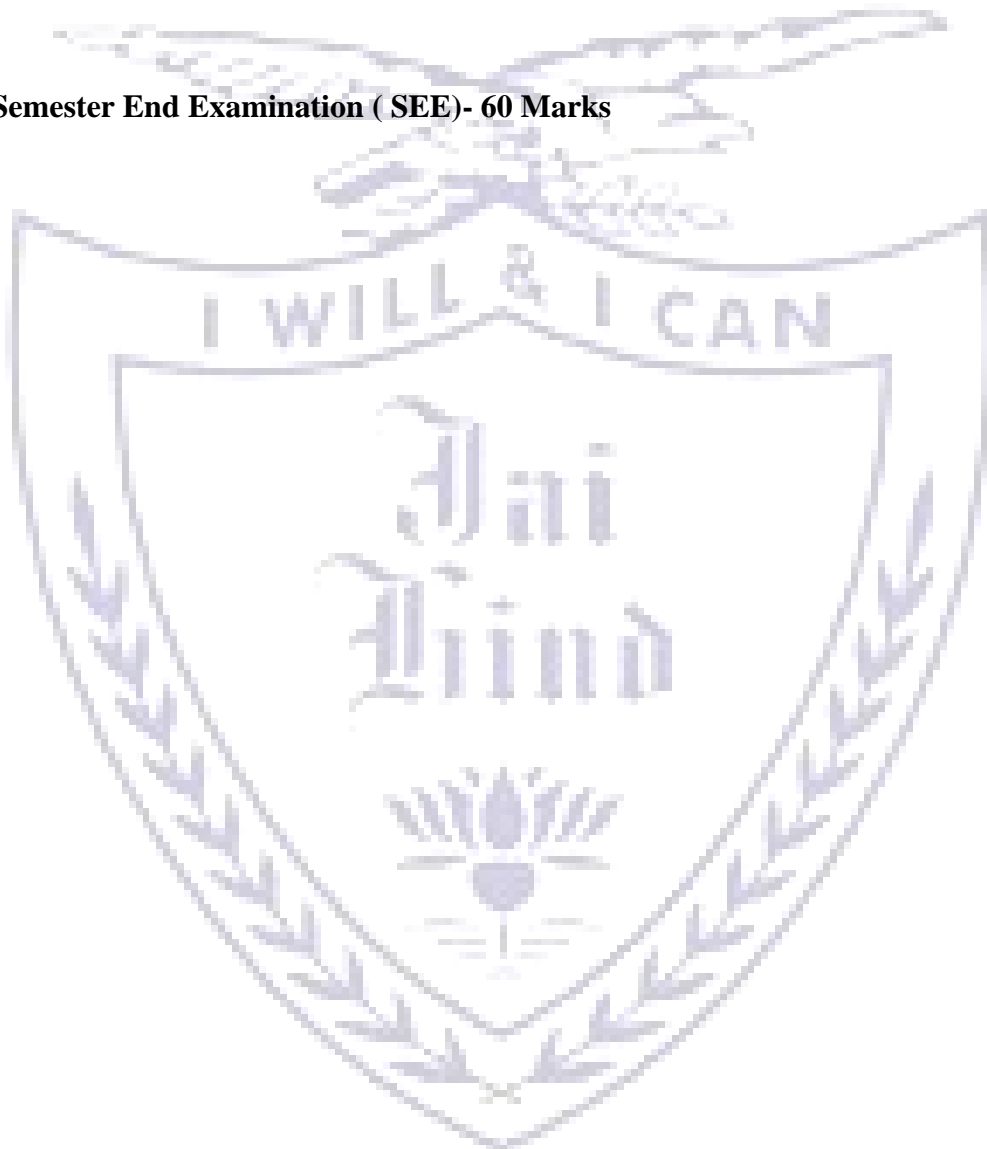
Evaluation Scheme

I. Continuous Assessment (C.A.) - 40 Marks

C.A.-I : Test (MCQ) – 20 Marks of 30 minutes duration

C.A.-II : Research project and presentation from Unit IV.

II. Semester End Examination (SEE)- 60 Marks



Semester VI – Theory

Course: AECO603	Indian Financial system(Credits:4.5 Lectures/Week: 03)	
	Objectives: <ul style="list-style-type: none"> • To introduce the students to structure of the Indian money and capital market in India • To familiarize them with the role of financial markets, institutions and instruments Outcomes: <ul style="list-style-type: none"> • Indian financial system is a course which provides a primary level understanding of the working of financial segments in the country. • It discusses the role of monetary policy on the components of the financial system. 	
Unit I	Money Market <ol style="list-style-type: none"> 1. Structure of financial market: organized and unorganized 2. Meaning and components of the organized money market, Instruments of Money market - treasury bills, commercial bills, certificate of deposits, commercial papers; call and notice market, discount market, collateralized borrowing and lending obligation 3. Features of Indian money market 	13L
Unit II	Capital market and Foreign exchange market <ol style="list-style-type: none"> 1. Structure of Indian capital market, recent development in primary and secondary markets; Overview of debt market in India 2. Linkage between money market and capital market 3. Foreign exchange market- constituents, function and growth 	13L
Unit III	The Derivatives market in India <ol style="list-style-type: none"> 1. Meaning of derivatives, participants in derivative market- hedgers, arbitragers, speculators 2. Significance and types of financial derivatives-Futures, Options and Swaps, Forwards 3. Pricing of Derivatives- Futures, Options, Trading of Derivatives in India 	13L
Unit IV	Financial Services and Regulations <ol style="list-style-type: none"> 1. Financial services: Insurance, Mutual Funds, Lease finance, Merchant Banking, Credit Rating, Micro-financing 2. Regulation of financial systems; role of RBI, SEBI, IRDA, NABARD 	6L
References: <ol style="list-style-type: none"> 1. Bhole L. M. (2008): Financial Institutions and Markets, Growth and Innovation, Tata McGraw-Hill, New Delhi. 2. Bodie, Z. et. el. (2009), Financial Economics, Pearson Ed-ucation, New Delhi. 3. Pathak Bharati (2008): The Indian Financial System –Markets, Institutions, and Services, (2nd Edition), Pearson Education, New Delhi. 4. RBI Working Papers 		

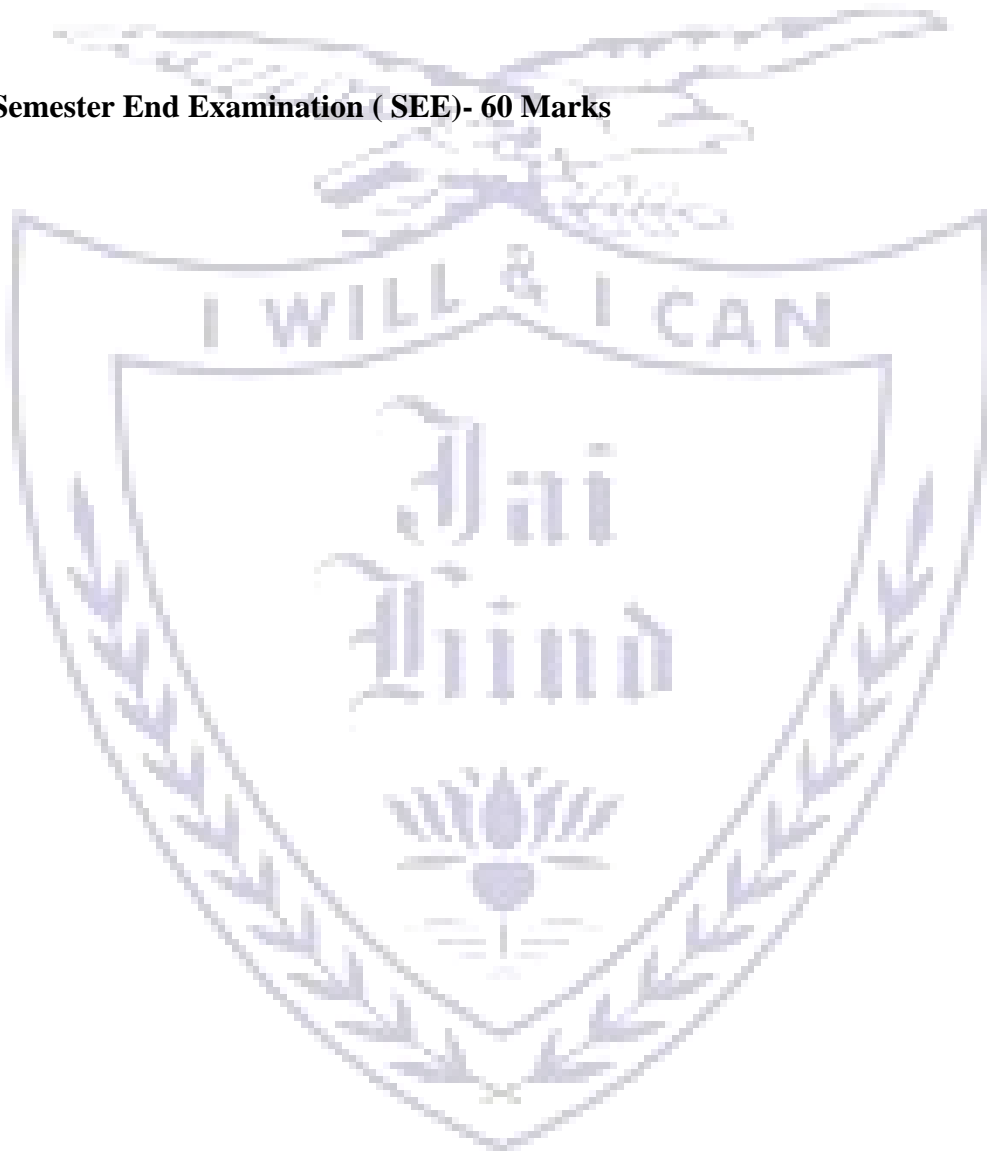
Evaluation Scheme

I. Continuous Assessment (C.A.) - 40 Marks

C.A.-I : Test (MCQ) – 20 Marks of 30 minutes duration

C.A.-II : Research project and presentation from Unit IV.

II. Semester End Examination (SEE)- 60 Marks



Semester VI – Theory

Course: AECO604	Introduction to Econometrics-I (Credits : 5 Lectures/Week: 4)	
	<p>Objectives:</p> <ul style="list-style-type: none"> • To initiate the learning of advanced quantitative skills • To develop capability to analyze data for empirical research <p>Outcomes: The objective of this course is to impart a basic understanding of econometrics. The student will be able to appreciate the theoretical basis of the subject. At the same time, it will enhance the student's ability to apply the theoretical techniques to the problems of the real world.</p>	
Unit I	<p>Idea of a Random Variable</p> <ol style="list-style-type: none"> 1. Concept of a random variable: Discrete and continuous 2. Expected values of a random variable 3. Variance of a random variable 4. Discrete random variables: Bernoulli, Binomial, Poisson 5. Continuous random variables: The normal distribution 	20L
Unit II	<p>Statistical Inference</p> <ol style="list-style-type: none"> 1. Point and interval estimation 2. The Z distribution 3. The Null and Alternate hypotheses and significance testing for mean using Z distribution when population variance is known 4. The chi-square distribution and testing for sample variance with known population variance 5. The F distribution and comparing sample variances 6. The t distribution and hypothesis tests when population variance is unknown 	20L
Unit III	<p>Forecasting</p> <ol style="list-style-type: none"> 1. Forecasting with a) moving averages b) linear trend c) exponential trend- CAGR 2. Forecasting with linear regression 3. Classical time series decomposition 4. Measures of forecast performance: Mean Square Error and Root Mean Square Error 5. Limitations of econometric forecasts 	20L
<p>References:</p> <ol style="list-style-type: none"> 1. Gujarati Damodar (2009), Basic Econometrics, Fifth Edition, McGraw Hill Education India Private 2. Hatekar Neeraj (2009), Econometrics: The First Principles A Friendly Introduction. 3. Kapoor V. K. (2011), Operations Research Problems & Solutions, Sultan Chand & sons. 4. Lipschutz (Schaum Series), Theory and Problems of Statistics. 		

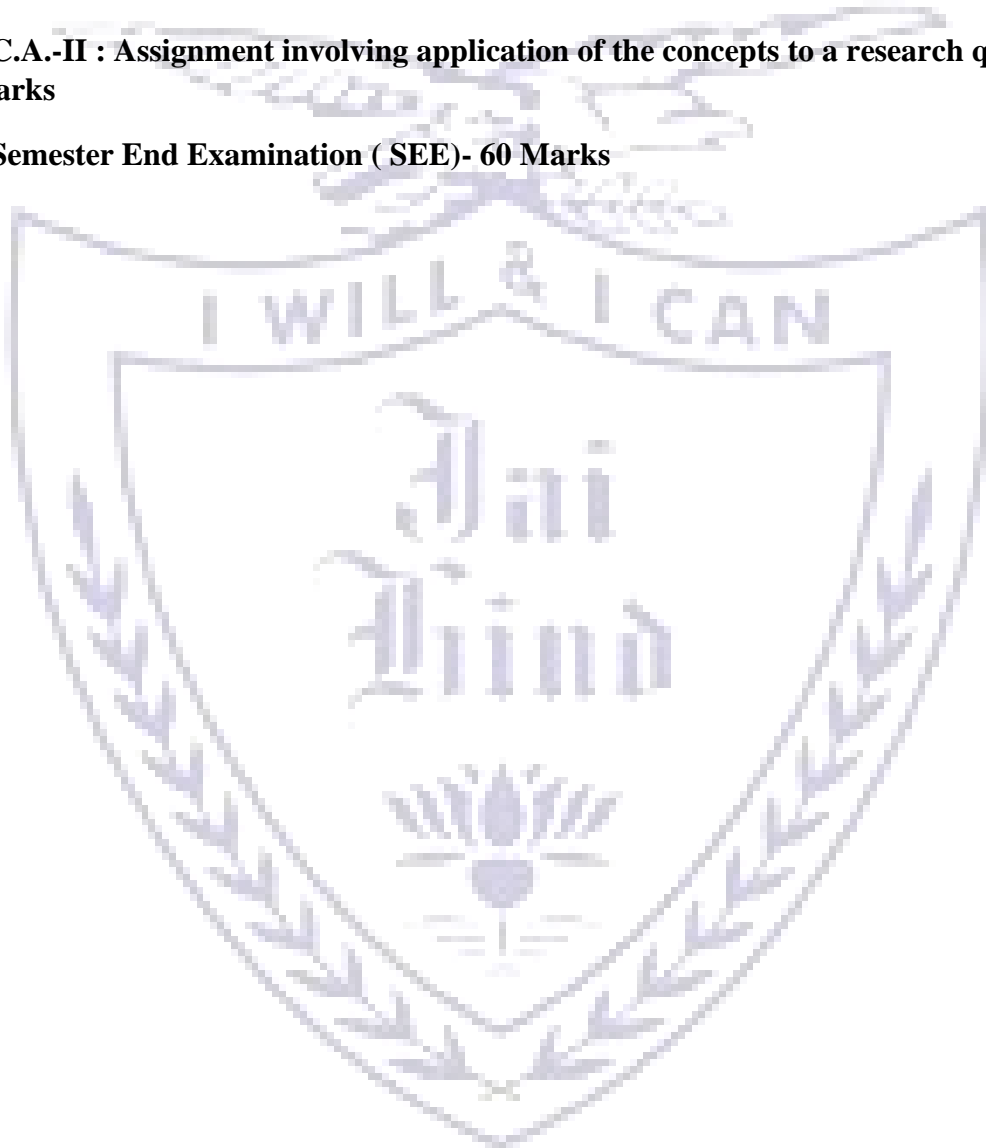
Evaluation Scheme

I. Continuous Assessment (C.A.) - 40 Marks

(i) C.A.-I : Test – 20 Marks of 30 minutes duration

(ii) C.A.-II : Assignment involving application of the concepts to a research question – 20 Marks

II. Semester End Examination (SEE)- 60 Marks



Semester VI – Theory

Course: AEEO605	International Economic Theory and Policy (Credits : 5; Lectures/Week: 04)	
	<p>Objectives:</p> <ul style="list-style-type: none"> • To introduce the students to International Monetary Theories • To briefly introduce students to Policies related to International Trade • To acquaint students with concept of Balance of Payment & related issues <p>Outcomes: International Economics is an important branch of Economics, which deals with trade theories and policies. Through this course the students will secure a complete knowledge of BOP, Economic Integration and International Organizations and their role in economic growth.</p>	
Unit I	<p>Balance of Payments</p> <ol style="list-style-type: none"> 1. Structure of BOP; Disequilibrium: Types and Causes 2. Adjustment mechanism of BOP 3. Marshall-Lerner condition; Expenditure switching policies 	16L
Unit II	<p>Foreign Exchange Market</p> <ol style="list-style-type: none"> 1. Introduction to Foreign Exchange Market 2. Exchange Rate Theories: Purchasing Power Parity Theory; Balance of Payments Theory 3. Exchange Rate Management in India 	16L
Unit III	<p>Economic Integration</p> <ol style="list-style-type: none"> 1. Various forms and objectives of Economic Integration 2. Theory of Customs Union: Trade Creation & Trade Diversion 3. Cartels; Trade Blocs 	16L
Unit IV	<p>International Economic Organizations</p> <ol style="list-style-type: none"> 1. IMF: Financing Facilities and Policies, SDR, Conditionality 2. WTO: Functions, Objectives and Principles, Agreements 3. World Bank and ADB 	12L
<p>References:</p> <ol style="list-style-type: none"> 1) Cherunilam Francis, (2009). International Economics, 5th Edition, Tata McGraw-Hill Education Private Limited, New Delhi 2) Jayati Ghosh, (ed.) (2015). Economics- vol. 2 India and the International Economy, ICSSR Research Surveys and Explorations, Oxford University Press, New Delhi. 3) Jhingan, M.L.,(2009). International Economics, 6th Revised and Enlarged Edition, Vrinda Publications, New Delhi 4) Krugman R Paul, Maurice Obstfeld, (2009). International Economics Theory and Policy, 8th Edition, Pearson. 5) Salvatore, Dominick, (2008). International Economics, 8th Edition, Wiley India 6) Sodersten, Bo and Geoffery Reed, (2006). International Economics, 3rd Edition 		

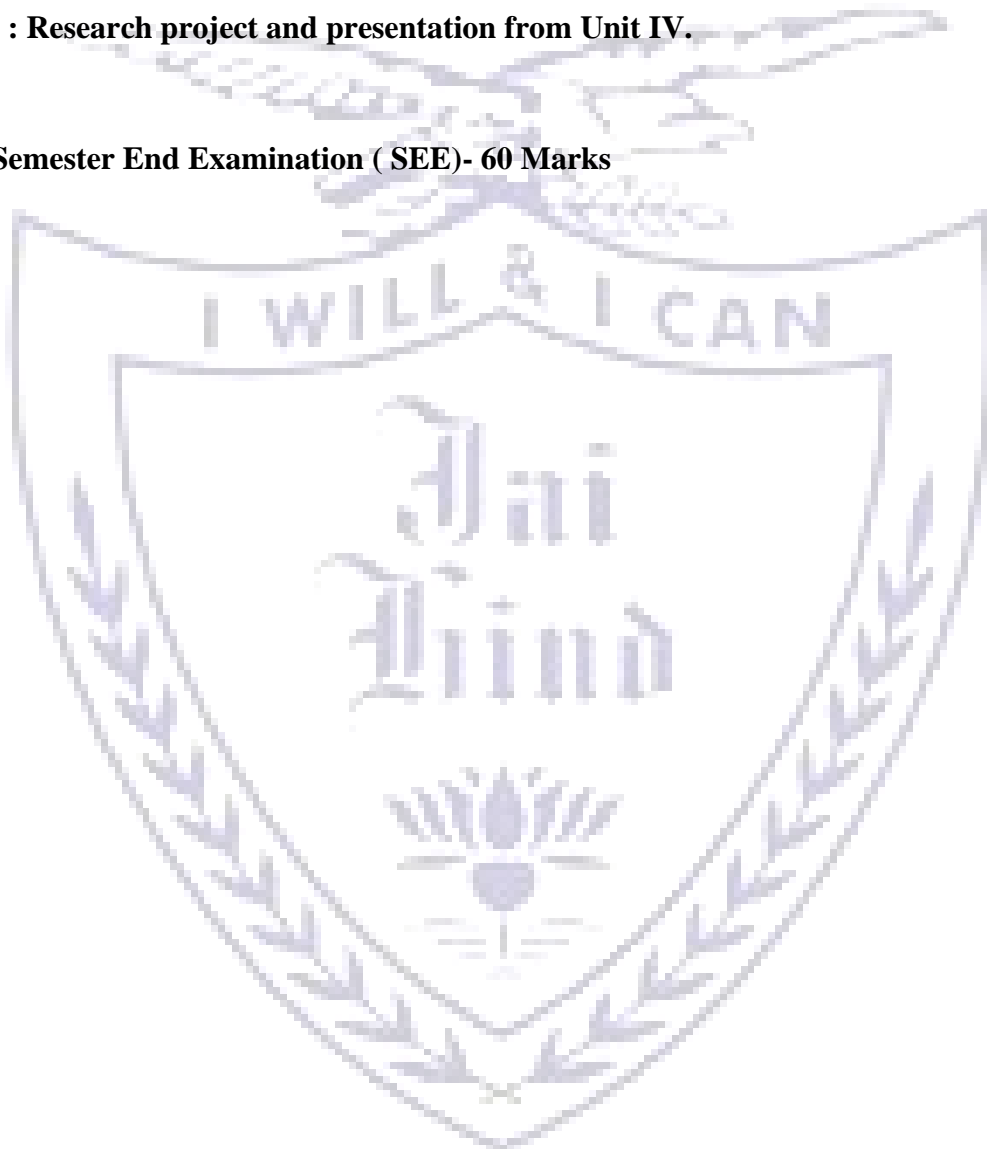
Evaluation Scheme

I. Continuous Assessment (C.A.) - 40 Marks

C.A.-I : Test (MCQ) – 20 Marks of 30 minutes duration

C.A.-II : Research project and presentation from Unit IV.

II. Semester End Examination (SEE)- 60 Marks



Semester VI – Theory

Course: AEEO606	Introduction to Econometrics-II (Credits : 4.5, Lectures/Week: 03)	
	<p>Objectives:</p> <ul style="list-style-type: none"> • To initiate the learning of advanced quantitative skills • To develop capability to analyse data for empirical research <p>Outcomes: The objective of this course is to impart a basic understanding of econometrics. The student will be able to appreciate the theoretical basis of the subject. At the same time, it will enhance the student's ability to apply the theoretical techniques to the problems of the real world.</p>	
Unit I	<p>Regression Analysis</p> <ol style="list-style-type: none"> 1. Two variable regression model 2. The concept of the Population Regression Function 3. Classical assumptions of regression 4. Derivation of the OLS estimators and their variance 5. Properties of OLS estimators under classical assumptions, Gauss-Markov Theorem (without proof) 6. Tests of Hypothesis, confidence intervals for OLS estimators 7. Measures of goodness of fit: R square and its limitations, adjusted R square and its Limitations 	15L
Unit II	<p>Econometric Model Specification</p> <ol style="list-style-type: none"> 1. Identification: Structural and reduced form 2. Omitted Variables Bias 3. Errors in measurement 4. Endogeneity and Bias 	15L
Unit III	<p>Failure of Classical Assumptions</p> <ol style="list-style-type: none"> 1. Multi-collinearity and its implications 2. Auto-correlation: Consequences and Durbin-Watson test 3. Heteroskedasticity: Consequences and the Goldfeld -Quandt test 	15L
<p>References:</p> <ol style="list-style-type: none"> 1. Gujarati Damodar, Basic Econometrics. 2. Hatekar Neeraj (2009), Econometrics: The First Principles A Friendly Introduction. 3. Kapoor V. K. (2011), Operations Research Problems & Solutions, Sultan Chand & sons. 4. Lipschutz (Schaum Series), Theory and Problems of Statistics. 		

Evaluation Scheme

I. Continuous Assessment (C.A.) - 40 Marks

(i) **C.A.-I : Test – 20 Marks of 30 minutes duration**

(ii) **C.A.-II : Assignments from each unit and surprise class test – 20 Marks**

II. Semester End Examination (SEE)- 60 Marks