

DEPARTMENT OF ECONOMICS
PRESIDENCY UNIVERSITY

Under Graduate Syllabus

General Education (GenEd)

FIRST SEMESTER

ECON 0131: Principles of Economics [50 marks; Credit 4]

The objective of this paper is to provide students with a basic knowledge of micro- and macro-economics. Minimum requirement for selecting this paper is school level Mathematics.

SECOND SEMESTER

ECON 0231: The Indian Economy [50 marks; Credit 4]

The course aims to provide knowledge of fundamental problems of the Indian economy, the evolution of planning process and policies since Independence, and the degree to which inclusive growth has been attained.

ECON 0232: Development Economics [50 marks; Credit 4]

The course aims at acquainting the students of the alternative theories of economic development - what it means, how to measure it, how to achieve it and how to sustain it. The theoretical discussion will be appropriately supplemented with empirical examples to substantiate and evaluate the claims of various development strategies and policies. Prior knowledge of mathematics beyond school level is not required but, passing ECON 0131 will be helpful in appreciating the course.

THIRD SEMESTER

ECON 0331: Basics of Environmental Economics [50 marks; Credit 4]

Beginning with an analysis of the environment-economy interaction, the paper seeks to examine the evolution of sustainable development and different issues like climate change, resource depletion and bio-diversity loss that have emerged around this concept.

FOURTH SEMESTER

ECON 0431: Elements of Financial Economics [50 marks; Credit 4]

The paper introduces basic elements of Financial Economics learning of which does not require knowledge of mathematics or statistics of plus-two level. Along with the overview of the theories of corporate finance and international finance, the paper provides the basic understanding of the functioning of the financial markets. The basic knowledge of Microeconomics and Macroeconomics is desirable but not essential to take up the course.

UNDERGRADUATE GENERAL EDUCATION (GENED) DETAILED COURSES

[Figures in extreme right indicate the number of contact hours]

FIRST SEMESTER

ECON 131: Principles of Economics

[50 marks; Credit 4]

Module 1	Getting Acquainted	16
	What is economics all about? Some typical questions economics tries to answer	
	Thinking like an economist – agreements and differences	
	Understanding markets – basics of demand and supply	
	Understanding governments – when markets do not deliver	
	The citizen and the consumer – are they different roles	
	Microeconomics – Understanding economic decisions and the objectives of economic institutions like a production firm or a household – the business daily	
	Macroeconomics – Understanding economy-wide interrelationships – the headline news	
	One global economy to transact in – one planet of resources to draw upon	
Module 2	Microeconomics – The Firm and the Household	24
Unit 1	Production and Costs	
Unit 2	Perfect Competition	
Unit 3	Monopoly and Monopolistic Competition	
Unit 4	Oligopoly	
Unit 5	The household’s decision problem	
	Tutorial/Seminar to review of what was covered and the “takeaways” from the course	
Module 3	Macroeconomics – The Nation as an Economic Unit	24
Unit 1	Measuring aggregate production	
Unit 2	The circular flow in the economy – injections and leakages	
Unit 3	Understanding the components of aggregate expenditure	
Unit 4	How prices behave?	
Unit 5	The government’s role – taxes and spending – public debt	
Unit 6	Money – why people demand it, and where does it come from	
Unit 7	Foreign exchange – the market for foreign currencies	
Unit 8	Open economy identities – capital flows	
Unit 9	Stabilizing Role of Policies	
Unit 10	Accumulating Capital – long run growth	
	Tutorial/Seminar to review of what was covered and the “takeaways” from the course	

Suggested readings:

N. Gregory Mankiw: Principles of Economics, Thomson

SECOND SEMESTER

ECON 231: The Indian Economy

[50 marks; Credit 4]

Module1	Contemporary Problems of Indian Economy	20
Unit 1	Headline News: Issues on Inflation, Sensex, Stock Market, RBI rules and regulations like Repo rate, Reverse repo rate, etc., Conflict between Informal-Formal Sectors, Different types of deficits like Revenue Deficit, Fiscal Deficit, and Current Account Deficit. Issues on Income Inequality, Gender Inequality, Adverse Sex Ratio, and Child Labour.	
Unit 2	Poverty- Unemployment, Education, Health and HDI; Comparison of HDI of India with other countries.	
Module 2	Development Strategies	24
Unit 1	Economic Reforms	
Unit 2	Indian Economy in Early Decades -Brief History of Planning	
Module 3	Poverty and Inequality	10
Module 4	Accountability, Quality of Governance and Corruption	10

Suggested readings:

1. Dreze and Sen: An Uncertain Glory: India and its Contradiction
2. RBI, Quarterly Review
3. Economic Surveys (2012, 2013)
4. World Bank Reports
5. Bimal Jalan (edited.): The Indian Economy: Problem and Prospects

ECON 232: Development Economics

[50 marks; Credit 4]

Module 1	Meaning of Economic Development Distinction between economic development and economic growth – per capita GDP and HDI.	09
Module 2	Economic Systems Meaning of economic system; Institutions based on Tradition, Command, and Market; Capitalist and Socialist Systems; Mixed economies	08
Module 3	Vicious Circle of Underdevelopment The role of critical minimum effort and expectations	08
Module 4	Development Planning Unit 1 Importance of Planning; types of Planning – imperative and indicative Planning; the institutions and instruments of Planning. Unit 2 Balance among primary, secondary and tertiary sectors – the balanced vs. unbalanced growth theory.	10
Module 5	Population, Capital and Technology Unit 1 Population and economic development – the interplay of the two. Unit 2 The role of physical and human capital in economic development – problem of capital formation, technological progress and choice of technique in a less developed economy - role of institution building and incentive designing in economic growth and development.	14
Module 6	Foreign Investment FDI as against portfolio investment; Role of foreign investment in filling the resource gap and technological gap – the role of MNCs in the developing countries.	08
Module 7	Sustainable Development Meaning, importance, and basic issues.	08

Suggested readings:

Grossman, G: Economic Systems (Prentice Hall)
Gill, R.T: Economic Development: Past and Present (Prentice Hall)
Todaro, M.P: Economic Development in the Third World (Longman)
Ray, D: Development Economics (OUP)
Myint, H: The Economics of the Developing Countries (B.I. Publications)
Dasgupta, P: A Short Introduction to Economics (OUP)
Salvatore, D. and Dowling, E: Development Economics (Schaum's Outline Series in Economics, McGraw-Hill)
UNDP: Human Development Reports (Different Years)

THIRD SEMESTER

ECON 331: Basics of Environmental Economics

[50 marks; Credit 4]

Module 1	Introduction	12
Unit 1	Economy and the Environment Interactions Perspectives from economics and ecology, carrying capacity Ecological footprint	
Unit 2	How markets function and why markets fail	
Module 2	How to tackle environmental pollution	22
Unit 1	Controlling Pollution: Determining the Optimal Level	
Unit 2	Command and Control: Emission Standards and Effluent Charges	
Unit 3	Market Instruments: Transferable Credits	
Unit 4	Environmental Regulations in India	
Module 3	Valuation of Environmental Goods and Services	08
Unit 1	Contingent Valuation Methods	
Unit 2	Environmental Projects: measuring Costs and Benefits	
Module 4	Sustainable Development	08
Unit 1	Are there Limits to Growth?	
Unit 2	Sustainable Development: Weak and Strong Definitions	
Unit 3	What is to be sustained?	
Unit 4	Introducing inter-temporal choice	
Unit 5	Measuring Sustainable Development	
Module 5	Biodiversity and Eco-system Services	04
Unit 1	Why is bio-diversity important to preserve?	
Unit 2	The evidence of over-stressed ecosystems	
Module 6	Complexity of Climate Change	04
Unit 1	What is Climate Change?	
Unit 2	Political Economy of Mitigation and Adaptation	
Module 7	Green Accounting and Alternative Indicators of Sustainability	02
Unit 1	How to measure depreciation of natural capital?	
Unit 2	Indicators and Footprints	

Module 8	Economy-Environment-Ethics	04
Unit 1	Alternative Schools of Thought	
Unit 2	Environmental Ethics	

Suggested readings:

Ahmed Hussen : Principles of Environmental Economics and Sustainability – An integrated economic and ecological approach Third Edition Routledge London and New York 2013

Molly Scott Cato: Environment and Economy Routledge Introduction to Environment Series Routledge London and New York 2011

Additional Readings (Optional):

Ramprasad Sengupta: Ecology and Economics: An Approach to Sustainable Development OUP 2004

Partha Dasgupta: Human Well-Being and the Natural Environment OUP 2001

FOURTH SEMESTER

ECON 431: Elements of Financial Economics

[50 marks; Credit 4]

Module 1	Theories of Corporate Finance	30
Unit 1	<i>Introduction</i> - Corporate Finance, Corporate Firm and its goals: basic concepts and ideas	
Unit 2	<i>Corporate Financial Reporting</i> - Overview of financial statement analysis, Structure of Financial Statements: Balance Sheet, Income Statement, Statement of Cash Flow, Financial Ratios and Financial Statement Analysis	
Unit 3	<i>Capital Budgeting Decision of firms</i> - Introduction to risk, return and opportunity cost of capital: measuring portfolio risk, diversification and risk, limits to diversification, Capital Asset Pricing Model	
Unit 4	<i>Theories of Capital Structure</i> - capital structure and the pie theory, Maximizing firm value versus maximizing stockholders' interest, Financial Leverage and Firm Value –Modigliani and Miller Propositions.	

Suggested readings:

Sharpe, W.F, Alexander, G.J. and Bailey, J.F. (2000), Investments, Prentice Hall of India Pvt. Ltd., 5th Edition.

Module 2	Introduction to financial markets	10
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Introduction to stock market, bond market and money market, their functions

Suggested readings:

Bhole, L.M. and Mahakud, J. (2009), Financial Institutions and Markets: Structure, Growth and Innovations, Tata McGraw-Hill Education, 5th Edition.

Module 3 Elements of International Finance

- Unit 1 The foreign exchange market, participants, characteristics and operations
- Unit 2 The Spot market- organization of the interbank spot market, direct, indirect and cross rates, Bid-ask spread, triangular arbitrage
- Unit 3 Foreign Exchange Exposure and Risk Management – concepts only
- Unit 4 Introduction to currency derivative - brief description of forward, futures and options market operations
- Unit 5 Multinational corporations – origin, growth and operations

Suggested readings:

Levi, M.D. (2005), International Finance, Routledge
Shapiro, A.C. (2003), Multinational Financial Management, John Wiley and Sons, Inc. 7th Edition.