

**UNIVERSITY OF DELHI
DELHI SCHOOL OF ECONOMICS**

DEPARTMENT OF ECONOMICS

Minutes of Meeting

Subject: B.A. (Hons) Economics, First Semester (2011)

Course: 01 (Introductory Microeconomics)

Date of Meeting: Monday 25th July 2011, 3:00 pm

Venue: Department of Economics, Delhi School of Economics, University of Delhi

Convenors: Dr. Shreekant Gupta and Dr. Ram Singh

Attended by:

1. Mohini Aggarwal, Rajdhani College
2. Punam Tyagi, Kalindi College
3. Pooja Khanna, Daulat Ram College
4. Vishnu Kanta Purohit, Indraparstha College
5. Supritio Mishra, Shyam Lal College
6. Asha Tikku, Kamala Nehru College
7. Manjit Kaur, Shyama Prasad Mukherjee College
8. Anand Kumar, College of Vocational Studies
9. Rashmi Mittal, Dyal Singh College (Morning)
10. Ruchi Gupta, Dyal Singh College (Morning)
11. Basanti Nayak, Satyawati College (Morning)
12. Malabika Pal, Miranda House
13. Meeta Kumar, Miranda House
14. Leema Paliwal, St. Stephen's College
15. N. Manichandra Singh, Ram Lal Anand College (Evening)
16. Abdul Rasheed Ch., Hindu College
17. Jayashree Sahoo, Lady Shri Ram College
18. Kakali Barua, Lady Shri Ram College

The following texts were agreed upon:

1. **N. Gregory Mankiw (2007), *Economics: Principles and Applications*, 4th edition, India edition by South-Western, a part of Cengage Learning, Cengage Learning India Private Limited, ISBN-13:978-81-315-0577-9 (hereafter Mankiw, 2007, 4e).**
2. **Karl E. Case and Ray C. Fair (2007), *Principles of Economics*, 8th edition, Pearson Education Inc., ISBN 81-317-1587-6.(hereafter Case & Fair, 2007, 8e).**

3. **Joseph E. Stiglitz and Carl E. Walsh (2006), *Economics***, International Student Edition, 4th Edition, W.W. Norton & Company, Inc., New York, ISBN 0-393-92622-2. (hereafter Stiglitz & Walsh, 2006, 4e).

Topic wise Readings:

1. ***Exploring the subject matter of Economics:*** Why study economics? Scope and method of economics; The economic problem: Scarcity and choice; the question of what to produce, how to produce and how to distribute output; Science of economics; The basic competitive model; Prices, Property rights and Profits; Incentives and information; Rationing; Opportunity sets; Economic systems; Reading and working with graphs (*de-emphasise*)

Stiglitz & Walsh, 2006, 4e, Chapters 1 & 2—Ch. 1: Modern Economics, pp. 3-22; Ch. 2: Thinking like an Economist, pp. 25-46.

2. ***Supply and Demand: How Markets Work, Markets and Welfare:*** Markets and competition; Determinants of individual demand/supply; Demand/supply schedule and demand/supply curve; Market versus individual demand/supply; Shifts in the demand/supply curve, demand and supply together; How prices allocate resources; Elasticity and its application; Controls on prices; Taxes and the costs of taxation; Consumer surplus, producer surplus and the efficiency of the markets.

Mankiw, 2007, 4e, Chapters 4, 5, 6, 7 & 8—Ch. 4: The Market Forces of Supply and Demand, pp. 72-92; Ch. 5: Elasticity and its Application, pp. 93-112; Ch. 6: Supply, Demand, and Government Policies, pp. 113-131; Ch. 7: Consumers, Producers and the Efficiency of Markets, pp. 134-151; Ch. 8: Application: The Costs of Taxation, pp. 152-165.

3. ***The Households:*** The consumption decision—budget constraint, consumption and income/price changes, demand for all other goods and price changes; Description of preferences (representing preferences with indifference curves), properties of indifference curves, consumer's optimum choice; Income and substitution effects; Labour supply and savings decision—choice between leisure and consumption.

Mankiw, 2007, 4e, Chapter 21: The Theory of Consumer Choice, pp. 384-405.

4. ***The Firm and Perfect Market Structure:*** Behaviour of profit maximizing firms and the production process; Short run costs and output decisions; Costs and output in the long run.

Case & Fair, 2007, 8e, Chapters 7, 8 & 9—Ch. 7: The Production Process: The Behaviour of Profit-Maximizing Firms, pp. 143-164; Ch. 8: Short-Run Costs and Output Decisions, pp. 165-185; Ch. 9: Long-Run Costs and Output Decisions, pp. 187-210.

5. *Imperfect Market Structure:* Monopoly and anti-trust policy, government policies towards competition; Imperfect information.

Mankiw, 2007, 4e, Chapter 15—Ch.15: Monopoly, pp. 271-298.

Stiglitz & Walsh, 2006, 4e, Chapter 15: Imperfect Information in the Product Market, pp. 333-339.

6. *Input Markets:* Labour and land markets—basic concepts (derived demand, productivity of an input, marginal productivity of labour, marginal revenue product); demand for labour; input demand curves; shifts in input demand curves; competitive labour markets; and labour markets and public policy.

Mankiw, 2007, 4e, Chapter 18: The Markets for the Factors of Production, pp. 334-348.

The end-semester Exam.:

The exam will carry 75 marks and seven questions in all. Each question will be worth fifteen marks. The *first* question is to be compulsory. Besides, the students will be asked to answer *any* four out of the remaining six questions.

Department of Economics
University of Delhi

Minutes of Meeting

Subject: B. A. (Hons) Economics, Course 02: Mathematical Methods for Economics
Chairpersons: Abhijit Banerji and Sudhir A. Shah
Date of meeting: Tuesday, July 26, 2011

The following teachers from the Colleges attended the meeting:

Bhumika Hingorani - Daulat Ram College
Shalini Saksena - D. C. A. C.
Sandhya Varshney - Dyal Singh College
Sanjeev Kumar - Dyal Singh College
Sonam - Hansraj College
Niti Bhutani - Hindu College
Anindita Roy Saha - I. P. College
Indu Choudhary - Kalindi College
Rupa Basu Kamala Nehru College
Neelam Malhotra- L. S. R. College
Asha Kashyap - Lakhshmbai College
Sutapa Das - Miranda House
S. K. Taneja - Ramlal Anand College (Eve)
Aniruddha Prasad - Satyawati College
Manjul Singh - Satyawati College (Evening)
Ram Gati Singh - Shaheed Bhagat Singh College
Nidhi Gupta - Shri Ram College of Commerce
Geeta Golani - Shyama Prasad Mukerjee College
Smruti Bhera - Shyam Lal College
Surendra K. Sharma - Shyam Lal College (Eve)

Report: A New Common Minimum Program

There are no significant changes from previous years as this course is the first of two semester-length courses that replace the previous year-long Mathematical Methods course. The material of the original course is expected to be distributed across the two next courses. While the structure of the first of the semester long replacements is known, the other one is awaited.

Specific decisions pertaining to the new first semester course are:

1. The textbook (Sydsaeter and Hammond) is retained. Chapters 1 to 9 are to be covered, except Section 6.7.

2. The rough weights attached to the four sections mentioned in the new syllabus are: I (Preliminaries) has 10% weight, II (Single variable analysis) has 20% weight, III (Differential calculus of one variable) has 45% weight, IV (Optimization with one variable) has 25% weight. These weights are only indicative and not ironclad guarantees of the weights attached to these sections in examinations. The examinations should broadly reflect these weights, but may vary from them by as much as 10% points.

3. A concern was expressed that, assuming the remaining part of the old annual course will be taught in the second semester, the material will not be well-balanced across semesters. Specifically, it was felt that the currently framed first semester course is some-what light in comparison to the expected second semester course. Thus, re-balancing of the two courses needs to be addressed when the entire B. A. (Hons) Economics syllabus is drawn up.

4. This concern is particularly important as now the course is taught more intensively with five lectures a week instead of the previous four lectures a week.

5. It was felt that, keeping in view the expected requirements of the microeconomic and macroeconomic theory courses that will be framed, it would be useful to introduce some material that was previously excluded in the annual course. In particular, it was felt that exposure to elementary integration theory, ordinary differential equations, difference equations and dynamics is desirable.

6. Examinations and internal assessment for this course will be as *per* the pattern set by the University.

For the general philosophy underlying this course, I can do no better than selectively quote the 2005 Minutes.

Philosophy of the Course

(a) This is **not** a "Mathematical **Economics**" course, but a "**Mathematical Methods for Economics**" course. The intention is not to transmit any particular body of economic theory, but to transmit the body of basic mathematics that enables the creation of economic theory in general. In this course, particular economic models are not the ends, but the means for illustrating the method of applying mathematical techniques to economic theory in general. A pedagogical corollary of this attitude is that economic applications should be chosen as illustrations, not on the basis of their "importance" or "relevance" in economic doctrine, but on the basis of their appropriateness for illustrating particular aspects of mathematical techniques being taught in this course. (Of course, if pedagogical relevance and substantive doctrinal importance coincide in some application, then covering such a Pareto superior application is recommended.) Classroom instruction should stress the understanding and skill in the application of

mathematical theorems and techniques, rather than the mastering of any particular set of economic applications.

(b) Stress should be placed on learning mathematical theorems and techniques and **recognizing classes** of applications where particular theorems and techniques, or their combinations, are applicable and useful.

(c) The prescribed textbook defines the level of sophistication of material to be transmitted to students and the problems contained therein indicate the level of difficulty of questions that may be asked in examinations.

(d) There is no presumption that examination questions will/can be chosen only from the prescribed textbook. However, the examiner should ensure that the level of difficulty is at par with the difficulty of problems in the textbook; the evaluation of "difficulty" is best left to the prudence and academic judgement of the examiner within the institutional context of examination-setting.

(e) Instructors should feel free to draw upon any appropriate supplementary sources for problems and material that they feel is handled inadequately or poorly in the prescribed textbooks.

(f) Proofs of propositions that are relatively straightforward may be asked in the examinations. However, questions should not be such as to allow mere regurgitation of theorems proved in the textbook and memorized by the students. Ideal questions should test the student's ability to **understand and correctly apply** theorems proved in the textbooks rather than merely reproduce their proofs.

(g) Examiners should avoid questions whose solution involve mere memorization of formulae and computation.

(h) Questions may require students to apply techniques learned in this course to applications drawn from economic theory. However, such questions should be framed with great care. Such questions should explicitly state the **mathematical structure** required to derive the answer, not leave it implicit, assuming that students will be aware of the economic model in question and the assumptions underlying it. The examiner may assume that students are **mathematically** sophisticated at a level indicated by this course, but there should be no presumption of economic sophistication or knowledge of economic doctrine beyond what is taught in the Principles course.

(i) Economic applications available in the textbooks and covered in class should not be assumed to be an exhaustive list of potential applications that may be used for framing examination questions.

(j) There should be no presumption that a particular pattern or style of the examination will be replicated from year to year. The examiner shall have latitude to make academically prudent changes subject to the above-mentioned weightage guidelines.

Department of Economics
Delhi School of Economics
Minutes of the Meeting

Subject: B.A. (Hons.) Economics

Date: 27.7.2011

Minutes of the course meeting for **Paper number 03** “Statistical Methods in Economics I”

Convenors: J.V. Meenakshi and Param Jit

Purpose: To determine course readings and marks distribution for the semester-long course

The following members present:

1. Malini Sharma, Daulat Ram College
2. Archana Jain, DCAC
3. Kamlesh Gupta, IP College
4. Ratika Datta, PGDAV College
5. Sangya Ranjan, Satyawati (Eve.)
6. Stuti Gupta, Shyam Lal (Eve.)
7. Ajay Gupta, Shyam Lal (Eve.)
8. Ravish, Hindu College
9. Kamlesh Aggarwal, SPM College
10. Chandra Goswami, Dyal Singh College
11. Gurpinder Kaur, SBSC
12. Harish Dhawan, Ram Lal Anand (Eve.)
13. N. Raghunathan, St. Stephen’s College
14. Bijoyata Yonzon, Janaki Devi Memorial College
15. Devika S. Tewari, Lady Shri Ram College
16. V.A. Rama Raju, Sri Venkateswara College
17. Ashish Taru Deb, College of Vocational Studies

As noted in the syllabus passed by the Academic Council, the semester system would entail the following contact hours and scheme of assessment:

Contact Hours: Each course will have 5 lectures and 1 tutorial (per group) per week The size of a tutorial group will be 8-10 students

Assessment: Each paper will carry 100 marks of which the End Semester Examination will be 75 marks and the Internal Assessment will be worth 25 marks. Internal Assessment will comprise 2 Class Tests of 10 marks each and 5 marks for Attendance.

The topic-wise reading list (with marks distribution in parentheses) is as follows:

Topic I: *Elementary Distribution Theory (18 marks)*

Univariate frequency distributions, measures of location (excluding harmonic mean), dispersion, first four central and non-central moments; skewness and kurtosis.

Readings: K&P: Ch 3, W: Ch 3 Sp: Chs. 3,4, 5

Topic II: *Elementary Probability Theory (18 marks)*

Concepts of sample space and events, probability of an event; addition and multiplication theorems; conditional probability and independence of events; Bayes rule.

Readings: K&P: Ch 4; W: Chs 4, 5 6; Sp: Chs 6 & 7

Topic III: *Probability distributions (27 marks)*

Concept of a random variable, joint, marginal and conditional distributions; mean and variance of a random variable; covariance and correlation; independence of random variables; uniform, binomial and normal distributions.

Readings: K&P: Ch. 4; W: Chs 4, 5, 6, 11.7; Sp: Chs 6 & 7

Topic IV: *Index Numbers (12 marks)*

Concept of an index number, Laspeyres, Paasche's and Fisher's index numbers; time reversal, factor reversal and circular tests; chain base index; problems in constructing index numbers; splicing, base shifting; and use of index numbers for deflating other series.

Readings: K&P: Ch 11 (excl 11.9-11.2) ; W: Ch 13.7-13.8; Sp: Ch 19

Readings

1. K&P: P.H. Karmel and M. Polasek (1978), *Applied Statistics for Economists*, 4th edition, Pitman.
2. W: Allen Webster (1997), *Applied Statistics for Business and Economics: An Essential Version*, 3rd edition, McGraw-Hill.
3. Sp: M.R. Spiegel (2003), *Theory and Problems of Probability and Statistics*

The format of the End Semester Examination will be as follows:

- One 18-mark question from Topic I, with 4 parts of 6 marks each, student to attempt 3 out of 4 parts
- One 18-mark question from Topic II, with 4 parts of 6 marks each, student to attempt 3 out of 4 parts;
- Two questions from Topic III, one 15-mark question with four parts of 5 marks each, student to attempt 3 out of 4, and one 12-mark question with 3 parts of 6 marks each, student to attempt 2 out of 3; and
- One 12-mark question from Topic IV, with 3 parts of 6 marks each, student to attempt 2 out of 3 parts.