

DEPARTMENT OF ECONOMICS
DELHI SCHOOL OF ECONOMICS

NOTICE

The Academic Council at its meeting last week passed the Economics Department's proposals regarding four new GE courses and a new SEC course for B.A. (Programme), as well as one new DSE course and an interchange in the sequence of two existing DSE courses for B.A. Economics (Hons). The courses are given below to facilitate preparation of timetables and lectures. This is subject to official notification by the University.

The Commerce Department's proposal to allow B.Com. (Hons) students to take GE courses in Economics being offered by the Commerce Department (as we earlier discussed with Economics teachers in the colleges) was rejected by the Standing Committee of the Academic Council. Therefore, B.Com. (Hons) students who wish to take GE courses in Economics will have to take those offered by the Economics Department. Economics courses offered by the Commerce Department can be taken only by students of other departments. However, the following points are to be kept in mind:

- These courses are to be taught only by teachers with M.A. and NET/PhD in Economics, whether they are affiliated to the Commerce or Economics Departments of their respective colleges.
- Students of B.A. Economics (Hons) should be discouraged from taking GE Economics courses of the Commerce Department, which duplicate what is being done in their own Honours courses.

Head of Department

28 June 2017

GE Course I(a) for B.A./ B.Com. (P)
Principles of Microeconomics
(Vth Semester)

This course intends to expose the student to the basic principles in Microeconomic Theory and illustrate with applications. It covers the decision-making behaviour of consumers and producers, and the functioning of markets.

Course Outline

1. Introduction

- a. Problem of scarcity and choice: scarcity, choice and opportunity cost; production possibility frontier; economic systems.
- b. Demand and supply: law of demand, determinants of demand, shifts of demand versus movements along a demand curve, market demand, law of supply, determinants of supply, shifts of supply versus movements along a supply curve, market supply, market equilibrium.
- c. Applications of demand and supply: price rationing, price floors, consumer surplus, producer surplus.
- d. Elasticity: price elasticity of demand, calculating elasticity- percentage formula, the midpoint formula, elasticity along a straight line demand curve, elasticity and total revenue determinants of price elasticity, other elasticities.

2. Consumer Theory

Budget constraint, concept of utility, diminishing marginal utility, Diamond-water paradox, income and substitution effects; consumer choice: indifference curves, derivation of demand curve from indifference curve and budget constraint.

3. Production and Costs

- a. Production: behaviour of profit maximising firms, production process, production functions, law of variable proportions, choice of technology, isoquant and isocost lines, cost minimizing equilibrium condition.
- b. Costs: costs in the short run, costs in the long run, revenue and profit maximizations, minimizing losses, short run industry supply curve, economies and diseconomies of scale, long run adjustments.

4. Market Structures

a. Perfect Competition

Assumptions, demand and revenue; equilibrium of the firm in the short run and long run; long run industry supply curve: increasing, decreasing and constant cost industries; allocative efficiency under perfect competition.

b. Theory of a Monopoly Firm

Concept of imperfect competition; short run and long run price and output decisions of a monopoly firm; concept of a supply curve under monopoly; comparison of perfect competition and monopoly, social cost of monopoly, price discrimination; natural monopoly.

TEXT:

Case, Karl E. & Ray C. Fair, *Principles of Economics*, Pearson Education, 8th edition, 2007.

GE Course I(b) for BA/B.Com (P)
Issues in Economic Development
(Vth Semester)

This course is designed to introduce basic concepts and issues of economic development and globalization to students who do not necessarily have any background in economic theory.

I. Development and Underdevelopment – A Historical and General Perspective

1. Partha Dasgupta, *A Very Short Introduction to Economics*, pg 1-29 (Prologue & Ch 1)
2. Deepak Nayyar, *Catch Up: Developing Countries in the World Economy*, Ch 2, 4
3. Todaro and Smith, *Economic Development*, Ch 1 & Ch 2 (only the section on Characteristics of the Developing World: Diversity within Commonality)

II. Basic Issues in Growth and Development

4. G. Omkarnath (2013) *Economics: A Primer for India*, Orient Blackswan Ch 5
5. Amitava Krishna Dutt (2014), *Pathways to Economic Development*, Ch 1 & 6
6. Todaro and Smith, *Economic Development*, Ch 5 (for poverty and inequality)

III. Capabilities, Human Development and Sustainable Development

7. Amartya Sen, “Poverty as Capability Deprivation,” Chapter 4 in *Development as Freedom*, OUP, 2000.
8. Seetha Prabhu K on “Human Development Index” in Basu and Maertens (ed) *New Oxford Companion to Economics in India, 2012*
9. Paul Streeten, “The Meaning and Measure of Development” in Amitava K Dutt and Jaime Rose ed. *International Handbook of Development Economics*, Vol 1, Ch1, Edward Elgar, 2008
10. Partha Dasgupta, *A Very Short Introduction to Economics*, Ch 7 (pg 117-138)

IV. Globalisation and Development

11. Dani Rodrik, *The Globalization Paradox*, Ch 1 & Ch 7
12. Deepak Nayyar – “Globalisation & Development” in Ha Joon Chang ed *Rethinking Development Economics*
13. D. Narasimha Reddy – “Economic Globalisation, Past and Present – the Challenge to Labour” in Jomo & Jin ed. *Globalization and its Discontents, Revisited*.

GE Course 2(a) for BA / B.com (P)
Principles of Macroeconomics
(VIth Semester)

Course Description

This course introduces students to the basic concepts in Macroeconomics. Macroeconomics deals with the aggregate economy. In this course the students are introduced to the definition, measurement of the macroeconomic variables like GDP, consumption, savings, investment and balance of payments. The course also discusses various theories of determining GDP in the short run.

Course Outline

1. Introduction

What is macroeconomics? Macroeconomic issues in an economy.

2. National Income Accounting

Concepts of GDP and National Income; measurement of national income and related aggregates; nominal and real income; limitations of the GDP concept.

3. Determination of GDP

Actual and potential GDP; aggregate expenditure; consumption function; investment function; equilibrium GDP; concepts of MPS, APS, MPC, APC; autonomous expenditure; Concept of multiplier.

4. National Income Determination in an Open Economy with Government

Fiscal Policy: impact of changes in government expenditure and taxes; net exports function; net exports and equilibrium national income.

5. Money in a Modern Economy

Concept of money in a modern economy; monetary aggregates; demand for money; quantity theory of money; liquidity preference and rate of interest; money supply and credit creation; monetary policy.

Readings:

1. Case, Karl E. & Ray C. Fair, *Principles of Economics*, Pearson Education, Inc., 8th edition, 2007.
2. Sikdar, Shoumyen, *Principles of Macroeconomics*, 2nd Edition, Oxford University Press, India

GE Course 2(b) for BA/B.Com (P)
The Indian Economy since 1947
(VIth Semester)

This course will introduce students to the key concepts and issues of Post-Independence Indian Economic Development

I. Historical & General Overview

1. Bipan Chandra, "The Colonial Legacy" in Bimal Jalan (ed) *The Indian Economy: Problems and Prospects*, Viking; Penguin Books, India, 1992
2. Jean Dreze and Amartya Sen, *An Uncertain Glory: India and its Contradictions*, 2013, **Ch.1**

II. Growth and Structural Change

3. Jean Dreze and Amartya Sen, *An Uncertain Glory: India and its Contradictions*, 2013, **Ch. 2**
4. G. Omkarnath, "Liberalisation and Growth" in *Economics: A Primer for India*, Orient Blackswan, 2013, **Ch 7 pp 192-215**

III. The Indian Economy in a Comparative Perspective

5. Jean Dreze and Amartya Sen, *An Uncertain Glory: India and its Contradictions*, 2013, **Ch. 3**
6. Pranab Bardhan, *Awakening Giants, Feet of Clay: Assessing the Economic Rise of China and India*, OUP, 2010, **Ch. 2**

IV. Key Issues: Poverty, Inequality, Education, Health and Gender

7. Jean Dreze and Amartya Sen, *An Uncertain Glory: India and its Contradictions*, 2013, **Chapters 5,7,8** [For Education, Poverty and Inequality]
8. Indrani Gupta, "Health Indicators" in K. Basu and A. Maertens (eds), *New Oxford Companion to Economics in India, 2012* [Referred to as **NOCEI** hereafter]
9. Alka Basu, "Infant and Child Mortality" in NOCEI
10. Bina Agarwal, "Gender Inequality" in NOCEI

V. Sectoral Performances and Issues in Contemporary Indian Economy – Agriculture, Industry, Services and Foreign Trade

11. Mahendra Dev, "Agricultural Development" in NOCEI
12. Maitreesh Ghatak, "Land Reforms" in NOCEI
13. R. Nagaraj, "Industrial Growth" in NOCEI
14. Pulin B. Nayak (2012), "Privatization" in NOCEI
15. Rupa Chanda, "Services led Growth" in NOCEI
16. Ashok Guha, "International Trade" in NOCEI

17. Partha Pratim Pal, “India and International Trade since the establishment of WTO” in *India and International Trade*, Oxford India Short Introduction Series (OISI), 2014.
Chapter 6

Skill Enhancement Course (SEC) III for B.A./B. Com(P)
DATA ANALYSIS

(Vth Semester)

Course Description:

This course introduces the student to collection and presentation of data. It also discusses how data can be summarized and analysed for drawing statistical inferences. The students will be introduced to important data sources that are available and will also be trained in the use of free statistical software to analyse data.

Course Outline:

1. Sources of data. Population census versus sample survey. Random sampling.
2. Univariate frequency distributions. Measures of central tendency: mean, median and mode; arithmetic, geometric and harmonic mean. Measures of dispersion, skewness and kurtosis.
3. Bivariate frequency distribution. Correlation and regression. Rank correlation.
4. Introduction to probability theory. Notions of random experiment, sample space, event, probability of an event. Conditional probability. Independence of events. Random variables and probability distributions. Binomial and normal distributions.
5. Estimation of population parameters from sample data. Unbiased estimators for population mean and variance.
6. Basics of index numbers: price and quantity index numbers.

Readings:

1. P.H. Karmel and M. Polasek (1978), *Applied Statistics for Economists*, 4th edition, Pitman.
2. M.R. Spiegel (2003), *Theory and Problems of Probability and Statistics* (Schaum Series)

India in the World Economy, c. 1500-1800 (VIth Semester)

Circa 1500, given its scale and depth, the Asian economy was, more or less, synonymous with the world economy. India, both geographically and economically, was at the centre of this early modern (1500 AD-1800 AD) world economy. However, dramatic change was about to come in this state of affairs. The opening of the “all water route” from Europe to India and the accidental “discovery” of the Americas during the early modern period, led to a paradigm shift in the world. Did this signify a complete break from the past or did India, China and other Asian economies continue their sway over the world economy even after, as some call it, ‘Vasco da Gama epoch’ began? This paper aims to focus on India’s role in the changing world economy during these challenging times

Unit 1: Introduction

C. 1500: The status and role of the Indian economy in the world production and exchange; trade routes (land based and water based); Financial networks.

Unit 2: Commodities and Networks: India in the World Trade, 1500-1800

The arrival and the impact of Portuguese ‘State of India’, The Dutch, English and French and other Minor East India Companies and European private traders on Asian production and international exchange.

Principal Commodities: necessities and luxuries, spices, textiles etc. and precious metals.

The changing Trade routes: Land based Trade, Coastal Trade, Intra-Asian Trade, Afro-Asian Trade, Inter-Continental and Inter-Oceanic Trade. The ‘new’ ‘all water route’ vs. the ‘old’ land based Eurasian route.

The Asian and African reaction (conflict and cooperation) towards the newcomers.

Emergence of an early modern world economy: The changing pattern of production, and exchange and India’s role in it.

Unit 3: Merchants, State, Financial Capital and Trade

Position of Indian merchant groups in international trade.

State, Diasporas and Networks: Asian and European merchants – interaction, cooperation, confrontation and exclusion. ‘Smuggling’ and ‘Piracy’.

Relationship between Merchants and States. Position of merchants in Asian States (maritime and land based) and European States in Asia.

Unit 4: Conclusion

Situating India in the early modern world economy.

Indicative Reading List

1. Lakshmi Subramanian, 1999, *India's International Economy, 1500-1800*, **The Indian Historical Review**, vol. XXV, No. 2.
2. Om Prakash, 1998, **European Commercial Enterprise in Pre-Colonial India**, CUP, Cambridge, Ch. 1, 2, 3.
3. James D. Tracy, (ed.), **The Political Economy of Merchant Empires: State Power and World Trade, 1350-1750**, CUP, Cambridge, Ch. 8.
4. David Washbrook, 2007, *India in the Early Modern World Economy: Modes of Production, Reproduction and Exchange*, **Journal of Global History**, vol. 2, issue 01, pp. 87-111.
5. Scot C Levi, 2015, **Caravans: Indian Merchants on the Silk Road**, Penguin, Delhi, Ch. 4, 9.
6. Stephen F Dale, 1994, **Indian Merchants and Eurasian Trade, 1600-1750**, CUP, Cambridge, Ch. 1, 3, 6.
7. Giancarlo Casale, 2006, '*The Ottoman administration of the spice trade in the sixteenth century Red Sea and Persian Gulf*', **Journal of the Economic and Social History of the Orient**, 49/2, pp. 170-98.
8. Chris Nierstrasz, 2015, **Rivalry for Trade in Tea and Textiles, The English and the Dutch East India Companies 1700-1800**, palgrave Macmillan, Hampshire, Ch. 4, 5.
9. Giorgio Riello and Tirthankar Roy (ed.), 2009, **How India Clothed the World: The World of South Asian Textiles 1500-1850**, Lieden, Ch. 1, 2, 7.
10. Om Prakash, 2007, *From Negotiation to Coercion: Textile Manufacturing in India in the Eighteenth Century*, **Modern Asian Studies**, 41, 6, pp. 1331-1368.
11. Ashin Das Gupta, 1985, *The Indian merchants and the Western Indian Ocean: The Early Seventeenth Century*, **Modern Asian Studies**, 19, pp. 481-499 (Also available in Ashin Das Gupta, **The World of the Indian Ocean Merchant, 1500-1800**, Variorum, 1994, Hampshire, pp. 279-99.)
12. Teotonio R de Souza (ed.), 1985, **Indo-Portuguese History: Old Issues New Questions**, Concept, Delhi, Ch. 5.
13. Anthony Disney, 1989, *Smugglers and Smuggling in the Western Half of the Estado da India in the Late Sixteenth and Early Seventeenth Centuries*, **Indica** Vol. 26, Nos. 1 and 2, March-Sept 1989, pp.57-75.
14. Sanjay Subrahmanyam (ed.) 1994, **Money and the Markets in India 1100-1700**, OUP, Delhi, Ch. 6.
15. Deniss O Flynn, Arturo Giráldez and Richard von Glahn (eds.), 2003, **Global Connections and Monetary History, 1470-1800**, Ashgate, Aldershot, Ch 6.
16. P. Parthasarathy, 2011, **Why Europe Grew Rich and Asia did not: Global Economic Divergence, 1600-1850**, Cambridge, Ch. 2.
17. Tirthankar Roy, 2013, **An Economic History of Early Modern India**, Routledge, London, Macmillan. Ch. 1, 8.
18. Om Prakash (ed.), 2012, **The Trading World of the Indian Ocean, 1500-1800**, Pearson, Delhi, Ch. Introduction, 1, 4, 14, 17,
19. Lakshmi Subramanian, 2012, **Three Merchants of Bombay**, Penguin, Delhi. Ch. 1.

20. Pamela Nightingale, 1970, **Trade and Empire in Western India, 1784-1806**, CUP, Cambridge, Ch. 1, 8.
21. Kenneth Pomeranz, 2000, **The Great Divergence: China, Europe and the Making of the Modern World Economy**, PUP, Princeton & Oxford, Ch. 4.
22. Tirthankar Roy, 2012, **India in the World Economy, From Antiquity to the Present**, CUP, Cambridge, Ch. 1.

B.A. (Hons) Economics

Revised sequence of Discipline Specific Elective Courses

Group-I (Vth semester)

- (i) Economics of Health and Education
- (ii) Applied Econometrics
- (iii) Economic History of India (1857-1947)
- (iv) Topics in Microeconomics-I
- (v) Political Economy-I
- (vi) International Economics (Shifted)**
- (vii) Public Economics

Group-II (VIth semester)

- (viii) Political Economy-II
- (ix) Comparative Economic Development (1850-1950)
- (x) Financial Economics
- (xi) Topics in Microeconomics-II
- (xii) Environmental Economics
- (xiii) Money and Financial Markets (Shifted)**
- (xiv) Dissertation/Project
- (xv) *India in the World Economy 1500-1800 (New Course)***

Aditya Bhattacharjea

Head of Department