

CIRCULAR:-

A reference is invited to the scheme of papers at the Bachelor of Arts (B.A.) and Bachelor of Science (B.Sc.) degree courses under the revised pattern vide this office Circular No.UG/159 of 2001 dated 4th May, 2001 and the Principals of the affiliated colleges in Arts and Science and Professor-cum-Director, Institute of Distance Education are hereby informed that the recommendation made by the Board of Studies in Economics at its meeting held on 2nd April, 2007 has been accepted by the Academic Council at its meeting held on 13th April, 2007 vide item No.4.28 and that in accordance therewith the syllabus in the subject of Economics Paper I at the F.Y.B.A./F.Y.B.Sc. and Paper II in the subject of Economics at the F.Y.B.Sc./S.Y.B.A. and Paper III in the subject of Economics at the S.Y.B.A. examination is revised as per Appendix and that the same will be brought into force with effect from the academic year 2007-2008 and 2008-2009.

MUMBAI-400 032
30th May, 2007

for I/c REGISTRAR

To,
The Principals of the affiliated colleges in Arts and Science and Professor-cum-Director, Institute of Distance Education.

A.C/4.28/13.04.2007

No.UG/ 249 of 2007 MUMBAI-400 032, 30th May, 2007

Copy forwarded with compliments to :-

- 1) The Dean, Faculty of Arts
- 2) The Dean, Faculty of Science
- 3) The Chairman, Board of Studies in Economics.

for I/c REGISTRAR

Copy to :-

The Director, Board of College and University Development, the Deputy Registrar (Eligibility and Migration Section), the Director of Students Welfare, the Executive Secretary to the Vice-Chancellor, the Personal Assistant to the Pro-Vice-Chancellor, the Registrar and the Assistant Registrar, Administrative sub-center, Ratnagiri for information.

The Officer on Special Duty and Controller of Examinations (10 copies), the Finance Accounts Officer (2 copies), Record Section (5 copies), Publications Section (5 copies), the Registrar, Enrolment, Eligibility and Migration Section (3 copies), the Deputy Registrar, Statistics (2 copies), the Deputy Registrar (Accounts Section), Vidyanagari (2 copies), the Deputy Registrar, Affiliation Section (2 copies), the Director, Institute of Distance Education, (10 copies) the University Computer Center (IDE Building), Vidyanagari, (2 copies) the Deputy Registrar (Cell), the Deputy Registrar, (PRO), the Assistant Registrar, Academic Authorities Unit (2 copies), the Assistant Registrar, Executive Authorities Unit (2 copies). They are requested to treat this taken report on the concerned resolution adopted by the Academic Council referred to in this Circular and that no separate Action Taken Report will be sent in this connection. the Assistant Registrar, Unit V (1 copy), the Receptionist (1 copy), the

UNIVERSITY OF MUMBAI



Revised Syllabus in the Subject of Economics

Paper-I at the F.Y.B.A./F.Y.B.Sc. Examinations

Paper-II at the F.Y.B.Sc./S.Y.B.A. Examinations

Paper-III at the S.Y.B.A. Examination

(With effect from the academic year 2007-2008 & 2008-2009)

(REVISED SYLLBUS)
ECONOMICS (PAPER-I)

ECONOMIC THEORY ^{Paper I} (MICRO ECONOMICS)
for
FYBA/FYBSc.

(To be Implemented from the academic year 2007-08)

SECTION - I.

Module 1: Introduction.

(05 lectures)

Meaning and Scope of Micro-economics - Ceteris Paribus Assumption - Concepts and Types of Equilibrium: Partial and General.

Module 2: Consumer's Behaviour.

(15 lectures)

Utility : Cardinal and Ordinal Approaches - Indifference curve: Consumer's Equilibrium; Income, Price and Substitution Effects; Giffen Paradox - Revealed Preference Hypothesis - Elasticity of Demand: Price, Income, Cross and Promotional - Consumer's Surplus - Engel Curve.

Module 3: Production and costs.

(15 lectures)

Production: short-run and long run - Law of Variable Proportions - Iso-quants, Iso-cost line and Producer's Equilibrium - Returns to Scale - Economies and Diseconomies of Scale - , Cobb-Douglas Production Function.

Module 4: Costs and Revenue.

(15 lectures)

Costs: short-run cost and long-run cost, Derivation of short-run cost curves and their relationship - derivation of long-run average cost curve and its features.

Revenue: Total Revenue, Average Revenue and Marginal Revenue: Relationship between AR and MR under different market structures; Relationship between AR, MR and Elasticity of Demand.

SECTION - II.

Module 5: Theory of the Firm.

(10 lectures)

Objectives of a Firm: Profit, Sales and Growth Maximization - Break-Even Analysis - Analysis of Equilibrium of a firm - Pricing Methods in Practice: Marginal Cost and Full Cost Approaches.

Module 6: Perfect Competition.

Perfect Competition: Features; Short-run Equilibrium of the Firm and Industry; Derivation of the Supply curve of the Firm and Industry; Long Run Equilibrium of the Firm and Industry. (15 lectures)

Module 7: Monopoly.

Monopoly: Features, Short-run Equilibrium of the Monopolist under different cost conditions and Long-run Equilibrium of the Monopolist; Discriminating Monopoly, Equilibrium under Discriminating Monopoly, Dumping - Comparison between Perfect Competition and Monopoly with reference to Output and Price. (15 lectures)

Module 8: Monopolistic Competition and Oligopoly.

(10 lectures)

Monopolistic Competition: Features, Equilibrium in the Short-run and in the Long - run- Wastages under Monopolistic Competition - Features of Oligopoly.

Basic References:

1. Ahuja, H. L. (2005), Advanced Economic Theory, S. Chand and Company, New Delhi.
2. Dwivedi, D. N. (2003), Microeconomics: Theory and Applications; Pearson Education (Singapore) Pte. Ltd, Delhi.
3. Koutsoyiannis, A. (1980) Modern Microeconomics, The Macmillan Press Ltd, London.
4. Lipsey and Chrystal (2004), Economics, Oxford University Press.
5. Mansfield, E. (1997), Microeconomics, W. W. Norton and Company, New York.
6. Mankiw, N. G. (2002), Principles of Economics, Thomson Asia Pte. Ltd., Singapore.
7. Samuelson P. A. & W. D. Nordhaus (1998), Economics, Tata McGraw Hill, New Delhi.
8. Salvatore, D. (2003), Microeconomics, Oxford University Press.
9. Stonier A. W. & D. C. Hague (2004), A Textbook of Economic Theory, Pearson Education, Delhi.

(REVISED SYLLABUS)
ECONOMICS (PAPER-II)
MACRO ECONOMICS.
for
SYBA/FYBSc.

(To be implemented from the academic year 2007-08 for F.Y. B.Sc. & from the academic year 2008-09 for S.Y. B.A.)

SECTION - I.

Module 1: Introduction.

[12 Lectures]

Distinction between Micro Economics and Macro Economics; Circular Flow of Economic Activities; Concepts of National Income Aggregates: GNP, NNP, GDP, NDP; Per Capita Income, Personal Income and Disposal Income; Methods of Measurement of National Income (with special reference to India). Price Indices.

Module 2: Determination of Employment.

[12 Lectures]

Say's Law, Keynesian Concepts of Aggregate Demand, Aggregate Supply and Effective Demand; Consumption Function and Investment Multiplier; Investment Function; Savings and Investment: ex-ante and ex-post; Types of Inflation: Demand-pull and Cost-push inflation.

Module 3: Money.

[12 Lectures]

[a] Meaning and Functions of Money.
[b] Supply of Money; Constituents of Money supply; Determinants of Reserve Money and Money Supply; Velocity of Circulation of Money; Money Multiplier; Measures of Money Supply in India (including Liquidity Concepts).
[c] Demand for Money: Classical and Keynesian Approach.
[d] Value of Money: Quantity Theory of Money; Cash Transactions and Cash Balances Versions; Friedman's Quantity Theory of Money.

SECTION - II.

Module 4: Banking and Financial Markets.

[20 Lectures]

Commercial Banks: Functions, Multiple Credit Creation Process; Commercial Banking Developments in India since 1969.

Central Bank: Functions, Objectives and Instruments of Monetary Policy (with special reference to India.)

Money Market: Features of Indian Money Market; Instruments of Money market.

Capital Market: Primary Market and Secondary Market; Role of Capital Market in Economic Development; Securities and Exchange Board of India (SEBI).

Module 5: Public Finance and Fiscal Policy.

[16 Lectures]

Nature and Scope of Public finance; Sources of Public Revenue; Canons of Taxation; Direct and Indirect Taxes; Public Expenditure: Revenue Expenditure and Capital Expenditure; Public Debt; Concepts of Deficit; Federal Finance in India (with respect to latest available Report).

References:

1. Stonier A. W. & D. C. Hague (2000), A Textbook of Economic Theory, Pearson Education, Delhi.
2. Dwivedi, D. N. (2001), Macroeconomics: Theory and Policy, Tata McGra-Hill Publishing company Ltd, New Delhi.
3. McConnel, C. R. & H. C. Gupta (1984), Introduction to Macro Economics, Tata McGra-Hill Publishing company Ltd, New Delhi.
4. Gupta, S. B. (1994), Monetary Economics, S. Chand Company, Delhi.
5. Bhole, L.M. (1999), Financial Institutions and Markets, Tata McGraw Publishing Company, Delhi.
6. Musgrave, R. and P. Musgrave (1983), Public Finance: Theory and Practice, Singapore.
7. Hyman, D. N. (1973), The Economics of Governmental Activity, Holt Rinehart & Winston, New York.
8. Bagchi, A. (ed) (2005), Readings in Public Finance, Oxford University Press, New Delhi.
9. Pathak, B. V. (2003), Indian Financial System, Pearson Education, Delhi.
10. Datt, R. & K. P. M. Sundaram (2001), Indian Economy, S. Chand & Company Ltd., New Delhi.
11. Dhingra, I. C. (2001), The Indian Economy: Environment and Policy, S. Chand & Company Ltd., New Delhi.
12. Misra, S. K. & V. K. Puri (2001), Indian Economy: Its Development Experience, Himalaya Publishing House, Mumbai.

(REVISED SYLLBUS)
ECONOMICS (PAPER-III)

INDIAN ECONOMY.

for
S.Y.B. A.

(To be implemented from the academic year 2008-09)

(Preamble: Modules 1, 2 and 3(a) should be taught in the first term and
Modules 3(b), 4 and 5 should be taught in the second term.)

SECTION - I.

Module 1: Introduction.

[12 Lectures]

[a] Indian Economy in the Pre-British Period: Structure and Organization of Villages, Towns, Industries and Handicrafts; Economic consequences of the British Rule: The Theory of Drain - Pros and Cons; Case for Protection of Indian Industries.

[b] Salient Features of Indian Economy and Structural Changes in National Income since Independence; Government Measures to Alleviate Poverty and Income Inequality in India.

Module 2: Agriculture.

[12 Lectures]

Nature and Importance; Causes of Low Productivity; Land Reforms; New Agricultural Strategy and Green Revolution; Rural Credit; Agricultural Marketing; Agricultural Price Policy (including Food Security).

Module 3: Industry.

[12 Lectures]

[a]. Industrial Development Since Independence; Overview of Industrial Policy Resolutions of 1948 and 1956 and New Industrial Policy, 1991.

[b]. Role and Problems of Small Scale Industries; Government Policy towards Small Scale Industry; Role and Problems of Public Sector Enterprises in India; Disinvestment Policy.

Module 4: Population and Labour Markets.

[12 Lectures]

Features of India's Population, Population Policy; Features of Agricultural, Industrial and Tertiary Labour Markets; Unemployment Problem; Labour Market Segmentation; Role of Trade Unions; Impact of Liberalization on Employment (Exit Policy and Safety Net for Labour); Industrial Relations.

Module 5: External Sector.

[12 Lectures]

Analysis of trend in Exports and Imports; change in composition and direction of India's Foreign Trade; EXIM Policy; India's Balance of Payments Position in Recent Years.

Basic References:

1. Datt, R. & K. P. M. Sundaram (2001), Indian Economy, S. Chand & Company Ltd., New Delhi.
2. Dhingra, I. C. (2001), The Indian Economy: Environment and Policy, S. Chand & Company Ltd., New Delhi.
3. Dutt, R. C. (1950), The Economic History of India Under Early British Rule, Low Price Publications, Delhi.
4. Dumar, D. (ed) (1982), The Cambridge Economic History of India, Volume II, 1757-1970, Orient Longman Ltd, Hyderabad.
5. Misra, S. K. & V. K. Puri (2001), Indian Economy: Its Development Experience, Himalaya Publishing House, Mumbai.
6. Government of India, Economic Survey (Annual), Economic Division, Ministry of Finance, New Delhi.
7. Jalan, B. (1992), The Indian Economy: Problems and Prospects, Viking, New Delhi.
8. Jalan, B. (1996), India's Economic Policy: Preparing for the Twenty-first Century, Viking, New Delhi.
13. Datt, R. (ed) (2001), Second Generation Economic Reforms in India, Deep & Deep Publications, New Delhi.
14. Sinha, P. R. et.al. (2004), Industrial Relations, Trade Unions and Labour Legislations, Pearson Education, Delhi.
15. Kapila, R. & U. Kapila (ed)(2002), India's Economy in the 21st Century, Academic Foundation, New Delhi.
