

**U.G. 4<sup>th</sup> SEMESTER SYLLABUS  
DEPARTMENT OF ECONOMICS  
COTTON UNIVERSITY**

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**PAPER : ECO 401C**

**INTERMEDIATE MICROECONOMICS - II**

**(Credits: 3+0+2=5)**

**Unit 1. General Equilibrium Analysis (25)**

Equilibrium and efficiency under pure exchange; Walras law and tâtonnement, production and exchange; numeraire and money; Overall efficiency and welfare economics

**Unit 2. Efficiency and Welfare (20)**

Pareto optimality in consumption, production and in general; the efficiency of imperfect competition, external effect in consumption and production, public good, Lindahl equilibrium

**Unit 3. Market Failure: (15)**

Externalities; public goods and markets with asymmetric information

**Readings:**

- Henderson and Quandt,, Microeconomic Theory: A Mathematical Approach, McGraw-Hill Inc.
- Hal R. Varian, Intermediate Microeconomics, a Modern Approach, 8<sup>th</sup> edition, W.W. Norton and Company/Affiliated East-West Press (India), 2010. The workbook by Varian and Bergstrom could be used for problems.
- C. Snyder and W. Nicholson, Fundamentals of Microeconomics, Cengage Learning (India), 2010.

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**PAPER : ECO 402C**

**INTERMEDIATE MACROECONOMICS - II**

**(Credits: 3+0+2=5)**

**Course Description:** This course is a sequel to Intermediate Macroeconomics I. In this course, the students are introduced to the long run dynamic issues like growth and technical progress. It also provides the micro-foundations to the various aggregative concepts used in the previous course.

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**Unit 1. Economic Growth: (15)**

Harrod-Domar model; Solow model; golden rule; elements of endogenous growth

**Unit 2. Microeconomic Foundations: (15)**

- a. Consumption: Keynesian consumption function; Relative income; life-cycle and permanent income hypotheses
- b. Investment: determinants of fixed capital formation; residential investment and inventory investment.

**Unit 3. Fiscal and Monetary Policy: (15)**

Active or passive; monetary policy objectives and targets; rules versus discretion: time consistency; the government budget constraint; government debt and Ricardian equivalence.

**Unit 4. Schools of Macroeconomic Thoughts: (15)**

Classicals; Keynesians; New-Classicals and New-Keynesians

**Readings:**

- Dornbusch, Fischer and Startz, Macroeconomics, McGraw Hill, 11th edition, 2010.
- N. Gregory Mankiw. Macroeconomics, Worth Publishers, 7th edition, 2010.
- Olivier Blanchard, Macroeconomics, Pearson Education, Inc., 5th edition, 2009.
- Charles I. Jones, Introduction to Economic Growth, W.W. Norton & Company, 2<sup>nd</sup> edition, 2002.
- Andrew B. Abel and Ben S. Bernanke, Macroeconomics, Pearson Education, Inc 7th edition, 2011.
- Errol. D'Souza, Macroeconomics, Pearson Education, 2009.
- Robert J. Gordon, Macroeconomics, Prentice-Hall India Limited, 2011.
- John Sloman, Economics, Third Edition, Prentice Hall of India Private Limited, New Delhi, 2002

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**PAPER : ECO 403C**

**INTRODUCTORY ECONOMETRICS**

**(Credits: 3+0+2=5)**

**Course description:** This course provides a comprehensive introduction to basic econometric concepts and techniques. It covers statistical concepts of hypothesis testing, estimation and diagnostic testing of simple and multiple regression models. The course also covers the consequences of and tests for misspecification of regression models.

**Unit 1. Nature and Scope of Econometrics: (5)**

Econometrics: Introduction, definition, scope, methodology of econometrics, goals of econometrics; Econometrics and Mathematical Economics; Econometrics and Statistics.

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**Unit 2. Probability Distribution and Related concepts : (14)**

Concept of discrete and continuous random variable; mathematical expectation-basic concepts related to discrete random variable; addition and multiplication rule(proofs only), standard probability distribution: Binomial and Poisson Distribution-basic concepts; derivation of probability mass function, derivation of mean and variance (Simple numerical problems) Normal distribution-concepts, properties and uses.

**Unit 3. Simple Linear Regression Model: (12)**

Two variable case Estimation of model by method of ordinary least squares; properties of ordinary least squares; properties of the estimators; Gauss-Markov theorem; Goodness of fit – coefficient of determination and decomposition of the sum of squares.

**Unit 4. Statistical concepts- An overview (11)**

Sampling techniques: Simple random sampling- with replacement and without replacement; stratified sampling; systematic sampling; sampling errors and non-sampling errors; large samples and small samples; concepts of sampling distribution and standard error of statistics: maximum likelihood method (concept only).

**Unit 5.Theory of Estimation and testing of Hypothesis (14)**

Characteristics of a good estimator; test of significance: meaning; null hypothesis; alternative hypothesis; point estimation and interval estimation: confidence interval, level of significance, power of a test, one-tailed test, two-tailed test, type-I error and type II error. Large sample test: test of significance for a single mean, test of significance for difference of means. Student's t distribution: definition, properties: test for single mean and test for difference of means.

**Unit 6. Violation of Classical Assumptions (8)**

Meaning and causes: Autocorrelation, heteroscedasticity and multicollinearity.

**Readings**

1. William G. Cochran, Sampling Techniques, Jhon Wiley,2007
2. John E Freund, Mathematical Statistics, Prentice Hall, 1992.
3. Richard J. Larsen and Morris L. Marx, An Introduction to Mathematical Statistics and its Application, Prentice hall, 2011.
4. D.N. Gujarati and D.C. Porter, Essential of Econometrics, McGraw Hill, 4th edition, International Edition,2009
5. Christopher Dougherty, Introduction to Econometrics, Oxford University Press, 3rd edition, Indian edition, 2007.
6. Jan Kmenta,Elements of Econometrics, Indian, Khosla Publishing House, 2nd edition, 2008.

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**GENERIC ELECTIVE - 4**

**PAPER : ECO 404G**

**INDIAN ECONOMY**

**Credits: 3+0+2=5**

**Unit -1: Overview of Indian economy: (7)**

Indian economy since independence, Major features of Indian economy, National income: trends and composition; poverty: causes, extent and policy measures

**Unit 2: Agriculture: (9)**

Role, agricultural performance, problems and prospects; Agricultural technology, land reform, credit reform, price policy, emerging perspectives after reform

**Unit 3: Industry: (7)**

Small scale industry: Problems and prospects; Industrial environment at independence; Industrial policy of India; Industrial performance and policies after reform

**Unit 4: Economy of Assam: (7)**

Problems and prospects of Assam's economy; economic and social indices; Natural resources: forests, mineral and water; trade and tourism with neighbouring countries: problems and prospects; DONER and NEC; NEDFI, SIDBI

**Readings:**

- Shankar Acharya, 2010, —Macroeconomic Performance and Policies 2000-8, in Shankar Acharya and Rakesh Mohan, editors, *India's Economy: Performances and Challenges: Development and Participation*, Oxford University Press.
- Rakesh Mohan, 2010, —India's Financial Sector and Monetary Policy Reforms, in Shankar Acharya and Rakesh Mohan, editors, *India's Economy: Performances and Challenges: Development and Participation*, Oxford University Press.
- Pulapre Balakrishnan, Ramesh Golait and Pankaj Kumar, 2008, —Agricultural Growth in India Since 1991, *RBI DEAP Study no. 27*.
- Kunal Sen, 2010, —Trade, Foreign Direct Investment and Industrial Transformation in India, in Premachandra Athukorala, editor, *The Rise of Asia*, Routledge.
- A. Ahsan, C. Pages and T. Roy, 2008, —Legislation, Enforcement and
  - Adjudication in Indian Labour Markets: Origins, Consequences and the Way Forward, in D. Mazumdar and S. Sarkar, editors, *Globalization, Labour Markets and Inequality in India*, Routledge.
- Dipak Mazumdar and Sandeep Sarkar, 2009, —The Employment Problem in India and the Phenomenon of the \_Missing Middle, *Indian Journal of Labour Economics*.

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- J. Dennis Rajakumar, 2011, —Size and Growth of Private Corporate Sector in Indian Manufacturing, *Economic and Political Weekly*, April.
- Ramesh Chand, 2010, Understanding the Nature and Causes of Food Inflation, 5 *Economic and Political Weekly*, February.
- Bishwanath Goldar, 2011, Organised Manufacturing Employment: Continuing the Debate, *Economic and Political Weekly*, April.
- Kaushik Basu and A. Maertens, eds, 2013. *The New Oxford Companion to Economics in India*, Oxford University Press.

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