

U.G. 3rd SEMESTER SYLLABUS
DEPARTMENT OF ECONOMICS
COTTON UNIVERSITY

PAPER : ECO 301C

INTERMEDIATE MICROECONOMICS-I

(Credits: 3+0+2=5)

Unit 1. The Firm and Perfect Market Structure: (10)

Behaviour of profit maximizing firms and the production process; short run costs and output decisions; costs and output in the long run; Short run and long run supply.

Unit 2. Imperfect Market Structure (25)

Monopoly: Equilibrium under monopoly, the multi-plant monopolist; price discriminating monopolist: application to international trade (dumping); Natural monopoly: peak load pricing two-part tariff, Regulation of monopoly and anti-trust policy; government policies towards competition; imperfect competition. Oligopoly: collusive oligopoly: cartels and price leadership models: Non-collusive oligopoly: the Cournot model.

Unit 3. Input Markets (25)

Labour and land markets - basic concepts derived demand, productivity of an input, marginal productivity of labour, marginal revenue product under conditions of perfect and imperfect competition; Euler's theorem. Demand for labour; input demand curves; shifts in input demand curves; competitive labour markets; bilateral monopoly; labour markets and public policy; Trade unions, Minimum wages - efficiency considerations.

Readings:

- Karl E. Case and Ray C. Fair, Principles of Economics, Pearson Education Inc., 8th Edition, 2007.
- Rubinfeld and Pindyck, Microeconomics, Pearson
- N. Gregory Mankiw, Economics: Principles and Applications, India edition by South Western, a part of Cengage Learning, Cengage Learning India Private Limited, 4th edition, 2007.

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INTERMEDIATE MACROECONOMICS-I

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Course Description: This is a sequel to Principles of Macroeconomics–I. It analyses various theories of Determination of National Income in greater detail. It also introduces students to concept of inflation, its relationship with unemployment and some basic concepts in an open economy.

Unit 1. IS-LM Analysis (12)

Derivations of the IS and LM equations; IS-LM and aggregate demand; shifts in the AD curve.

Unit 2. GDP and Price Level in Short Run and Long Run (15)

Aggregate demand and aggregate supply; multiplier Analysis with AD curve and changes in price levels; aggregate supply in the SR and LR

Unit 3. Inflation and Unemployment: (15)

Concept of inflation; determinants of inflation (demand pull, cost push, structural factors); relationship between inflation and unemployment: Phillips Curve in short run and long run (Natural Rate of unemployment); concept of business cycle

Unit 4. Balance of Payments and Exchange Rate: (18)

Balance of payments: current account and capital account; market for foreign exchange; determination of exchange rate.

Readings:

- Eugene Diulio, Theory and Problems on Macroeconomics 3rd edition, Schaum's Outline Series,
- N. Gregory Mankiw. *Macroeconomics*, Worth Publishers, 7th edition, 2010
- Dornbusch, Fischer and Startz, *Macroeconomics*, McGraw Hill, 11th edition, 2010
- Sodersten Bo, *International Economics*, Second Edition, Macmilan, 1989
- Olivier Blanchard, *Macroeconomics*, Pearson Education, Inc., 5th edition, 2009
- Errol D'Souza, *Macroeconomics*, Pearson Education, 2009.

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- John Sloman, *Economics*, Third Edition, Prentice Hall of India Private Limited, New Delhi, 2002

PAPER : ECO 303C

STATISTICAL METHODS FOR ECONOMICS

(Credits: 3+0+2=5)

Unit 1. Introduction and Overview: (10)

Distinction between Populations and Samples and between population parameters and sample statistics: Sample Vs Complete enumeration; measures of central tendency: arithmetic mean, median, mode and geometric mean; measures of dispersion: Standard deviation, quartile deviation and mean deviation.

Unit 2. Elementary Probability Theory: (12)

Meaning and related concepts; sample spaces and events: different approaches to probability: classical approach, statistical approach and axiomatic approach; conditional probability and independence of events; theorems on probability-addition and multiplication (simple numerical problems);

Unit 3. Correlation: (11)

Correlation: meaning, types, methods of studying correlation: scatter diagram, Karl Pearson's coefficient of correlation; properties of correlation coefficient; Interpretation of correlation; coefficient of determination; rank correlation.

Unit 4. Regression : (10)

Meaning, linear and non-linear regression (concept only) regression lines, regression coefficients, properties of regression coefficients

Unit 5. Time Series Analysis Time series: (10)

Meaning, components, fitting of a trend: least square method and moving average method.

Unit 6. Index Numbers (11)

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Concept of an Index number; Laspeyres', Paasche's and Fisher's Index number; Time reversal, factor reversal and circular tests; Problems in the construction of an index number; Consumer's Price index number-concept and constructions: wholesale Price Index number(concept only) Uses of Index number.

Readings:

- Jay L. Devore, *Probability and Statistics for Engineers*, Cengage learning, 2010
- John E Freund, *Mathematical Statistics*, Prentice Hall, 1992
- Richard J Larsen and Morris L. Marx, *An Introduction to Mathematical Statics*.
- D. Salvator: *Mathematics and Statistics*, Schaum's Series Tata McGraw Hill.
- S.P. Gupta *Statistical Methods*, Sultan Chand and Sons.
- S.C. Gupta and V.K. Kapoor, *Fundamentals of Applied Statistics* Sultan Chand and Sons
- Murray R Spiegel, Larry J. Stephens(2007), *Schaum's Outline of Statistics* McGraw Hill Professional.
- Dominick Salvator, Derrick Reagle(2001) *Schaum's Outline of Statistics and Econometrics*. McGraw Hill Professional

GENERIC ELECTIVE -3

PAPER : ECO 304G

BANKING, TRADE AND PUBLIC FINANCE

(Credits: 3+0+2=5)

Unit 1: Banking : (10)

Commercial and central banking: Meaning, functions; credit creation by commercial banks; Objectives and functions of the central bank, methods of credit control, monetary policy; Promotional role of the central bank in developing economies

Unit 2: Basis of trade: (6)

Absolute and comparative Advantage; sources of comparative advantage; the terms of trade; factors affecting the terms of trade; Gains from trade

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Unit 3: Overview of fiscal functions: (7)

Allocation, distribution and stabilization; concept of equity and efficiency, taxation; canons of taxation, types of taxation incidence of taxation

Unit 4: public expenditure and debt: (7)

Public expenditure: causes of growth and effects, theories of public expenditure; public debt: types of debt and debt redemption

Recommended Readings:

1. D.M. Mithani. *Money Banking International Trade*, Himalaya
2. Dornbusch, Fischer & Startz (2005) *Macro Economics*, Tata McGraw-Hill Education
3. H.G. Mannur (2015). *International economics*, Vikas Publishing
4. Karl. E. Case and Ray C. Fair (2006), *Principles of Economics* 6th edition, Pearson Printice
5. N. Gregory Mankiw (2007), *Principles of Economics* 6 Edn., Thompson
6. R. Musgrave and R. Musgrave (2017). *Public finance in theory and practice*, Paperback
7. Robert. S. Pindyck and D. I. Rubinfeld (2012), *Micro Economics*, Pearson Education
8. S.B. Gupta (2010). *Monetary Economics: Institutions, Theory & Policy*, Paperback
