

## **SEMESTER: 3**

### **Core-201: Micro Economics-1**

#### **Objective:**

The objective of this paper is to teach the students the basic concepts of consumer behavior and the firm's behavior.

#### **Outcome:**

After studying this paper the students will be able to understand how consumers and firms make decisions in the market.

#### **1) Indifference curve analysis**

Concept, schedule, diagram. Assumptions of Hicksian analysis: Marginal rate of substitution. Characteristics of indifference curves. Concept of price line and changes in location and shape. Consumer's equilibrium. Normal goods, inferior goods and Giffen goods. Price effect, income effect and substitution effect.

#### **2) Production function**

Meaning, short run and long run production functions. Law of variable proportions. Returnss to scale. Iso-quant and iso-cost curves and producer's equilibrium. Break-even analysis.

#### **3) Perfect competition and monopoly**

Meaning, characteristics, pure and perfect competition, short and long run equilibrium of firm and industry. Concept and characteristics of monopoly. Equilibrium of firm under monopoly, Price discrimination. Equilibrium of discriminating monopoly firm. Evils of monopoly. Concept of monopsony and bilateral monopoly.

#### **4) Imperfect competition**

Concept and characteristics of monopolistic competition. Equilibrium of firm in short and long run under monopolistic competition. Selling cost and its impact. Concept of duopoly. Oligopoly: concept and kinked demand curve.

#### **References:**

1. Introduction to Positive Economics – Richard Lipsey
2. Economics – Paul Samuelson
3. Micro Economics: Theory and Applications – D. N. Dwivedi
4. Principles of Economics – N.G. Mankiw
5. Economics: Principles and Policy-William J. Baumol & Alan S. Blinder
6. Advance Economic Theory-H.L. Ahuja
7. Microeconomics-Robert s. Pindyck & Daniel L. Rubinfeld
8. Koutsoyiannis A.: Modern microeconomics
9. Lipsey R.G. & k.A. Chrystal: principles of Economics

## **Core-202: Economy of Gujarat-1**

### **Objective:**

The main objective of this paper is to introduce the student to the basic understanding of the State level economy and measurement of various macro-economic variables at State level. The purpose is also to provide the students an analysis of the economy at a micro level (State level) in various sectors.

### **Outcome:**

After studying this paper the students will be able to better appreciate and understand the performance of the State vis-à-vis that of the National Economy. They will also get basic understanding of the State of Gujarat.

### **1. Introduction:**

Importance of study on regional economics, theory of regional development, Intra-state disparities: social, economic and regional. Profile of Gujarat in the background of Indian economy: present status of Gujarat in state domestic product, agriculture, industry, services, international trade, and natural resources endowment.

### **2. Profile of Gujarat**

Demographic profile of Gujarat since 1960: birth rate, death rate, infant mortality rate, fertility rate, longevity, gender ratio, maternal mortality, rate literacy rate, age composition, population in Gujarat, rural – urban distribution of population, Economic profile of Gujarat: state domestic product, composition and growth rate since 1960: agriculture, industries and services.

### **3. Agriculture:**

Agro-climatic zones of Gujarat, Land utilization, productivity and crop pattern. Irrigation: large, medium and small. Sardar Sarovar Dam and its role. Agricultural marketing in Gujarat.

### **4. Industry**

Industrial development of Gujarat since 1960: structural changes, diamond industry, textile industry, chemicals and pharmaceutical industry. Industrial investment in Gujarat. Public sector in Gujarat: performance and problems. Recent industrial policy.

### **References**

Various Websites of Government of Gujarat

-Gujarat Infrastructure Development Board

-Planning commission and CSO websites

-Government of Gujarat, Ministry of Agriculture & Industry

-Government of Gujarat, Ministry of Health

-Economy of Gujarat: Amul, Vibrant Gujarat Investor Summit, Vadodara Stock

Exchange, Gujarat State Petroleum Corporation.: General Books LLC

-The Rural Economy of Gujarat, Issue 2 of University of Mumbai Publications: Maganlal Bhagwanji Desai

-Socio Economic Review, Bureau of Economic & Statistics, Government of Gujarat

-Census of Gujarat

-Monthly review of the Gujarat Economy: CMIE

-Statistical Abstract of Gujarat State: Directorate of Economics & Statistics, GoG

## **Core-203: Economic Systems**

### **Objective:**

The objective of this paper is to introduce the students to the basic concepts and principles of various economic systems followed in different countries of the world.

### **Outcome:**

After studying this paper the students will be able to understand various economic systems followed in different countries vis-à-vis the democratic system adopted by India.

#### **1) Economic system**

Characteristics of economic system, meaning, emergence and downfall of: Feudalism and Mercantilism. Emergence of free trade and capitalism.

#### **2) Capitalism**

Meaning, history, spirit and nature of capitalism. Institutions of capitalism: market mechanism – rationality, economic man, competition and profit motive, private property and inheritance, consumer's sovereignty Strengths and weaknesses of capitalism.

#### **3) Socialism**

Main features of socialism: public ownership of property and means of production, centralized planning and equality. Emergence of communism. Contribution of Karl Marx: theory of surplus. Failure of communism.

#### **4) Gandhian Economic Thought**

Basic features of Gandhian economic thought: simplicity, morality, human approach, self-dependence, respect for labour, decentralization, village industry, use of machines, principle of trusteeship, gram swaraj, sarvodaya. Relevance of Gandhian economic thought.

### **References:**

- 1) A Text book of Economic System-S. M. Israney
- 2) Economic Systems: Analysis & Comparison-Vaclav Holesovsky
- 3) Economic Systems: George N. Halm
- 4) The Economic System: Roger Weiss
- 5) The Economic System: Eleanor Doyle
- 6) Sarvodaya: M. K. Gandhi
- 7) Hind Swaraj: M. K. Gandhi
- 8) Cent Percent Swadeshi: M. K. Gandhi
- 9) Capitalism, Socialism & Democracy: Joseph A. Shumpeter

**First Subsidiary**  
**Elective-201: Micro Economics-1**

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**2) Production function**

Meaning, short run and long run production functions. Law of variable proportions. Returns to scale. Iso-quant and iso-cost curves and producer's equilibrium. Break-even analysis.

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Meaning, characteristics, pure and perfect competition, short and long run equilibrium of firm and industry. Concept and characteristics of monopoly. Equilibrium of firm under monopoly, Price discrimination. Equilibrium of discriminating monopoly firm. Evils of monopoly. Concept of monopsony and bilateral monopoly.

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7. Microeconomics-Robert s. Pindyck & Daniel L. Rubinfeld
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9. Lipsey R.G. & k.A. Chrystal: principles of Economics

## **Elective-202: Economy of Gujarat-1**

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### **3. Agriculture:**

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### **4. Industry**

Industrial development of Gujarat since 1960: structural changes, diamond industry, textile industry, chemicals and pharmaceutical industry. Industrial investment in Gujarat. Public sector in Gujarat: performance and problems. Recent industrial policy.

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- Gujarat Infrastructure Development Board
- Planning commission and CSO websites
- Government of Gujarat, Ministry of Agriculture & Industry
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- Economy of Gujarat: Amul, Vibrant Gujarat Investor Summit, Vadodara Stock Exchange, Gujarat State Petroleum Corporation.: General Books LLC
- The Rural Economy of Gujarat, Issue 2 of University of Mumbai Publications: Maganial Bhagwanji Desai
- Socio Economic Review, Bureau of Economic & Statistics, Government of Gujarat
- Census of Gujarat
- Monthly review of the Gujarat Economy: CMIE
- Statistical Abstract of Gujarat State: Directorate of Economics & Statistics, Gov. of Gujarat

## **SEMESTER: 4**

### **Core-211: Micro Economics-2**

#### **Objective:**

The objective of this paper is to teach the students how prices of various factors of production are decided and the role of information in decision making. The students will also be introduced to the basic premises of normative economics-welfare economics.

#### **Outcome:**

After studying this paper the students will be able to understand how prices of factors of production are determined in a competitive market. They will also get a basic understanding of the premises on which the normative economics have developed.

#### **1) Factor pricing-1**

Concepts of productivity: Total, average and marginal productivity, Marginal productivity theory of distribution. Euler's theorem and Product exhaustion problem or adding up problem. Collective bargaining theory. Wage determination in perfect competition and monopoly. Ricardian and modern theory of rent and quasi rent.

#### **2) Factor pricing-2**

Definition of interest. Concepts: Prime lending rate, natural and market rate of interest, bank rate, repo rate and reverse repo rate. Theories of interest: classical theory, loanable fund theory and Keynesian liquidity preference theory. Concepts of profit: gross, net, normal and super normal profit. Knight's theory of uncertainty and risk. Schumpeter's theory of innovation. Clark's theory of dynamic changes.

#### **3) Welfare economics**

Concept of general and economic welfare. Value judgment. Pigou's welfare economics. Pareto's concept of welfare and optimality. Welfare effect of direct and indirect taxes, Subsidies versus Lump-sum income grant, Bergson's social welfare function.

#### **4) Information Economics**

Meaning. Value of information. Information and price mechanism. Information asymmetry: signaling and screening. Information goods: bundling. Contract theory. Adverse selection. Moral Hazard. Single crossing condition. Basic concept of game theory: two-persons-zero-sum game.

#### **References:**

- 1) Introduction to Positive Economics – Richard Lipsey
- 2) Economics – Paul Samuelson
- 3) Elementary Economics – Dewett and Verma
- 4) Elementary Economics – K. P. M. Sundaram
- 5) Micro Economics: Theory and Applications – D. N. Dwivedi
- 6) Principles of Economics – N.G.Mankiw
- 7) Economics: Principles and Policy-William J. Baumol & Alan S. Blinder
- 8) Advance Economic Theory-H.L. Ahuja
- 9) Economics of Information:Samuel A. Wolpert & Joyce Friedman Wolpart

## **Core-212: Economy of Gujarat-2**

### **Objective:**

The main objective of this paper is to introduce the student to the basic understanding of how the resources are generated and disbursed at the state and local level, the cooperative movement in Gujarat and specific issues related to socio-economic development in the Gujarat state.

### **Outcome:**

After studying this paper the students will be able to better appreciate and understand the process of revenue generation and distribution at the micro level, the role of cooperative movement in the economic development of the state and the socioeconomic issues at the state level.

### **1. Infrastructure:**

Trends and policies on infrastructure: Water, energy, transport, Ports, telecommunications, education and health.

### **2. Cooperative movement in Gujarat:**

Various cooperatives: milk, water, credit and marketing. Their role in development of the State. Urban cooperative banks in Gujarat. State's support to cooperatives and its policy towards cooperative societies.

### **3. State finances:**

Overview of budgets of Government of Gujarat: trends in income and expenditure of government of Gujarat, share of Union Government. Main features of planning in Gujarat and its critical appraisal. FRBM Act and its major provisions.

### **4. Specific Issues:**

Backwardness: Indicators of I. G. Patel Committee and Cawlagi Committee Reports on backwardness of talukas and their conclusions. Poverty and unemployment, economically backward areas in Gujarat. Industrial labour and agricultural labour. Air, water and land pollution in Gujarat.

### **References**

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-Economy of Gujarat: Amul, Vibrant Gujarat Investor Summit, Vadodara Stock

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-Statistical Abstract of Gujarat State: Directorate of Economics & Statistics, GoG

## **Core-213: Economics of Development**

### **Objective:**

The main objective of this paper is to introduce the student the meaning, concept and issues related to sustainable development and the role of governance and human rights in the process of economic development.

### **Outcome:**

After studying this paper the students will be able to better appreciate and understand the importance and role of governance and human rights in the economic development of a country.

#### **1) Sustainable Development**

Concept and components of sustainable development: economic, social and environmental components, sustainable development and its relationship with natural resources, Brundtland Commission Report: Agenda-21, Indicators of sustainable development.

#### **2) Governance and Development**

Difference between administration, management and governance. Accountability: meaning and actors. Participation: meaning, principles, structure, types, strategy, barriers and threats. Transparency: meaning and relation to corruption. Participatory development.

#### **3. Human Rights and Development**

Concept. Universal Declaration of Human Rights and characteristics of human rights. Right to development: declarations of 1966, 1969 and 1986. Fundamental Rights and Directive Principles of the State in Indian Constitution and their relative importance. Measures suggested to achieve human rights for all.

#### **4. Common Property Resources**

Concept and definition. Characteristics of private property and common property. Problems related with common property: land, water and forest.

### **References:**

- 1) Economics of Development: Michel P. Todaro
- 2) Leading issues in Economic Development: Meier G.M.
- 3) Development & Planning-Theory & Practice: Mishra & Puri
- 4) Economic Development & Planning: M.L. Jhingan
- 5) Economic Development: Michael P. Todaro & Stephen C. Smith
- 6) Environmental Economics: Hanley & Others
- 7) Environmental Economics: U. Shanker
- 8) Managing Common Pool Resources: Kartar Singh
- 9) Environmental & Natural resources Economics-Theory & Policy: Steven C. Hackett & Michael C. Moore
- 10) Our Common Future: Brundtland Commission Report, 1987-UNEP
- 11) The Theory of Economic Development: Joseph Schumpeter

## **First Subsidiary**

### **Elective-211: Micro Economics-2**

#### **Objective:**

The objective of this paper is to teach the students how prices of various factors of production are decided and the role of information in decision making. The students will also be introduced to the basic premises of normative economics-welfare economics.

#### **Outcome:**

After studying this paper the students will be able to understand how prices of factors of production are determined in a competitive market. They will also get a basic understanding of the premises on which the normative economics have developed.

#### **1. Factor pricing-1**

Concepts of productivity: Total, average and marginal productivity, Marginal productivity theory of distribution. Euler's theorem and Product exhaustion problem or adding up problem. Collective bargaining theory. Wage determination in perfect competition and monopoly. Ricardian and modern theory of rent and quasi rent.

#### **2. Factor pricing-2**

Definition of interest. Concepts: Prime lending rate, natural and market rate of interest, bank rate, repo rate and reverse repo rate. Theories of interest: classical theory, loanable fund theory and Keynesian liquidity preference theory. Concepts of profit: gross, net, normal and super normal profit. Knight's theory of uncertainty and risk. Schumpeter's theory of innovation. Clark's theory of dynamic changes.

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- 8) Advance Economic Theory-H.L. Ahuja
- 9) Economics of Information:Samuel A. Wolpert & Joyce Friedman Wolpart

## **Elective-212: Economy of Gujarat-2**

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