

**Syllabus  
ECONOMICS  
(U.G. Course)  
Admitted Batch 2008 - 2009**



**May 2008  
A.P. State Council of Higher Education**

## **SUBJECT COMMITTEE**

1. Prof. K. Siva Prasad  
Andhra University Coordinator
2. Prof. S. Indrakanth  
Osmania University
3. Prof. G. Ramachandrudu  
Andhra University
4. Prof. K. Narasimhulu  
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5. Prof. MD. Iqbal Ali  
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6. Prof. M Koteswara Rao  
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9. Ch.S. Gopala Krishna Murthy  
Reader in Economics  
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### B.Sc./ B.A. Courses (Structure)

#### First Year

S.No.	Subject	Hrs per Week
1.	English language including communication skills	6
2.	Second Language	4
3.	Core 1 – I	6
4.	Core 2 – I	6
5.	Core 3 – I	6
6.	Foundation course	3
7.	Computer skills	2
	Total	33

#### Second Year

S.No.	Subject	Hrs per Week
1.	English language including communication skills	6
2.	Second Language	4
3.	Core 1 – II	6
4.	Core 2 – II	6
5.	Core 3 – II	6
6.	Environmental studies	4
7.	Computer skills	2
	Total	34

#### Third Year

S.No.	Subject	Hrs per Week
1.	Core 1 – III	5
2.	Core 1 – IV	5
3.	Core 2 – III	5
4.	Core 2 – IV	5
5.	Core 3 – III	5
6.	Core 3 – IV	5
7.	Foundation Course	3
	Total	33

**MINUTES OF THE MEETING OF THE SUBJECT COMMITTEE, ECONOMICS  
HELD IN ANDHRA UNIVERSITY DURING 25<sup>th</sup> -26<sup>th</sup> April 2008.**

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The subject committee thoroughly discussed the existing syllabi of all the papers of B.A. Economics and revised them. While finalizing the syllabus, the suggestions of the members who could not attend the meeting were also taken into account.

The committee resolved to suggest the new pattern as follows:

Paper – I	:	Micro Economics
Paper – II	:	Macro Economics
Paper – III	:	Indian Economy
Paper – IV-A	:	Public Finance and International Economics
Paper – IV-B	:	Quantitative Techniques

The syllabus, paper-wise, is accordingly recommended (enclosed).

It is further resolved to allot 80 marks for year-end examination and 20 marks for internal assessment in the form of organizing a field study / project work / assignment / viva-voce in case of Paper – III Indian Economy. Further, the component of Environment as existing in the earlier syllabus in Indian Economy is deleted in the new syllabus in view of a separate general paper on Environmental Studies in II year of B.A. In its place a module on Andhra Pradesh Economy is included.

Keeping in view of the changed economic environment, new topics have been introduced in model curriculum preparation. The teachers are to be oriented in this direction. Therefore the committee preparation. The teachers are to be oriented in this direction. Therefore the committee recommends organization of workshops for the college teachers in their respective University.

The Committee welcomes the decision of the Andhra Pradesh State Council of Higher Education (APSCHE) to introduce 4 hours per week computer skills for B.A. students.

Regarding the allotment of number of hours in each module equal weight age should be given to all the five modules.

In the preparation of question papers each module should be covered with internal choice as given in the model question paper.

**ANDHRA UNIVERSITY**  
**B.A. ECONOMICS**  
**I B.Sc. / B.A. Paper – I – Micro Economics**

**Module 1 : INTRODUCTION**

Nature, Definition and scope of Economics – Methodology in Economics – Micro and Macro, Static and Dynamic, Normative and Positive – Indicatives and Deductive Analysis – Partial and General Equilibrium – Choice as an economic problem.

**Module 2: CONSUMER BEHAVIOUR**

Utility Analysis – Cardinal and ordinal approaches – Law of Diminishing marginal utility, Law of Equi-marginal utility, Indifference curves – Properties of indifference curves – Price (Budget) line – Equilibrium of the consumer with the help of indifference curves. Demand Analysis – Law of demand – Elasticity of Demand – Price, Income and cross elasticities, Demand forecasting – Meaning and factors influencing demand forecasting – Consumer surplus – Engel curve.

**Module 3: THEORY OF PRODUCTION AND COSTS**

Objectives of a firm – Production function – Concept of Cobb-Douglas production function – Isoquant – Factor substitution - Law of variable proportions, law of Returns to Scale – Expansion path – Different Concepts – of Revenue and Costs and their interrelation – Equilibrium of the firm – Break – Even analysis.

**Module 4: MARKET STRUCTURE**

Market forms – Perfect and Imperfect markets. Price Determination and Equilibrium of a firm and industry under perfect competition – Monopoly – Price determination under monopoly – Price discrimination – Monopolistic competition – Price determination. Oligopoly (Kinked demand curve).

**Module 5: FACTOR PRICING**

Marginal productivity theory of distribution – Theories of wage determination – Wages and collective bargaining: Minimum Wage – Rent – Scarcity rent, Differential rent – Quasi rent. Interest – Classical, Neo-Classical and Keynesian theories – Profit – Dynamic, Innovations, Risk and Uncertainty theories.

## REFERENCE:

1. R.G. Lipsey and K.A. Chrysal – “ECONOMICS” Oxford University Press, 10/e 2004.
2. P.A. Samuelson & W.D. Nordhaus – “ECONOMICS” Tata mc.Graw Hill, 18/e, 2005.
3. N.Gregory Mankiw – “Principles of Economics”, Thompson, 4/e, 2007.
4. H.L. Ahuja – “Advanced Economic Theory”, S Chand, 2004.
5. M.L.Seth-“Micro Economics”, Laxmi Narayana Agarwal, 2007.
6. D.M. Mithani & G.K. Murthy – “Fundamentals of Business Economics”, Himalaya Publishing, 2007.
7. Telugu Academy Publications
8. AUSDE – Study Material
9. Bilas, A.-“Micro Economic Theory”, International Student Edition, Mc. Graw Hill, 1971.

**ANDHRA UNIVERSITY**  
**B.A. ECONOMICS**  
**II B.Sc. / B.A. PAPER – II MACRO ECONOMICS**

**Module 1: NATIONAL INCOME**

Meaning, Definition and importance of Macro Economics – National Income: Meaning, Definitions: National Income, GNP & NNP, GDP & NDP, Personal Income (PI), Disposable Income (Di), Per Capita Income (PCI), Real National Income (RNI) – Methods of Estimation of National Income (NI) – Measurement of National Income in India.

**Module 2: THEORIES OF EMPLOYMENT**

Classical theory of employment – Say’s law of markets – Keynesian theory of employment – Consumption function – APC, MPC, factors influencing consumption function – Investment function – MEC and Rate and Rate of Interest and the concept of Multiplier – Accelerator – Applicability of the Keynesian theory to the developing countries.

**Module 3: MONEY AND THEORIES OF MONEY**

Meaning, functions and classification of Money–Gresham’s law – R.B.I. Classification of Money – M1, M2, M3, M4 Theories of Money – Fisher’s quantity theory of Money, Cambridge approach (Marshall, Pigou, Robertson and Keynes).

**Module 4: TRADE CYCLE AND INFLATION**

Trade cycles – Meaning and definition – Phases of a trade cycle – Inflation – Definition – Types of Inflation – Causes and effects of inflation – Measures to control inflation.

**Module 5: BANKING, STOCK MARKET AND INSURANCE**

Functions of Commercial banks – The process of credit creation – Concept of Non Banking Finance Companies (NBFCs) – Concept of SEBI Stock Market – Meaning, functions and importance of Stock Market – Primary and Secondary Markets, Concepts of (a) Shares (b) Debentures, Insurance – Types of Insurance – Life Insurance and General Insurance – Functions of the Reserve bank of India – Methods of credit control – Quantitative and Qualitative Methods.

**References:**

1. G.Ackley – “Macro Economics Theory and Policy” Collier Macmillan, 1978.
2. E.Shapiro – “Macro Economic Analysis” Galgotia Publications, 1999.
3. Central Statistical Organizations – “National Accounts Statistics”.
4. R.Dornbush, S. Fisher and R. Startz – “Macro Economics”, Tata Mc. Graw Hill, 9/e, 2004.
5. M.L. Seth – “Macro Economics” Lakshmi Narayana Agarwal, 2006.
6. K.P.M. Sundaram – “Money, banking & International Trade” Sultan Chand, 2006.
7. Dillard, D – “The Economics of John Maynard Keynes”, Crossby Lockwood & Sons.
8. Telugu Academy Publications.
9. AUSDE – Study Material.
10. M.N. Mishra & S B Mishra – “Insurance Principles & practice” S Chand 2007.
11. Bharati V. Pathak “The Indian Financial System, Market, Institutions & Services”, Perarson 2008.



**ANDHRA UNIVERSITY**  
**B.A. ECONOMICS**

**III B.Sc / B.A. PAPER – III – INDIAN ECONOMY**

**NOTE: In this paper organizing a field study, or project work or assignment or Viva-Voca with a weightage of 20 marks is recommended. The theory paper should consist of 80 marks only.**

**Module 1: CONCEPTS OF DEVELOPMENT:**

Meaning of Economic growth and development – Measures of Economics Development – GNP, PCL, PQLI and HDI, Factors influencing Economic development – Sustainable development – Balanced and unbalanced growth – Choice of Techniques Labour intensive and capital intensive methods.

**Module 2: STRUCTURE OF THE INDIAN ECONOMY**

Basic features – Natural Resources – Land, Water and Forest resources, Basic demographic features – Size and growth of the population – Age and sex composition Rural and Urban population – Occupational distribution – Population policy, National income in India – Trends and Composition – Poverty, Inequalities and unemployment Causes and consequences – Current Five Year Plan – Objectives, Mobilization and Allocation of Resources – New Economic Reforms – Liberalization, Privatization and Globalization in India – Inclusive Growth.

**Module 3: INDIAN AGRICULTURE**

Nature and importance, Trends in agricultural Production and Productivity: factors determining productivity. Rural Credit – Micro Finance and Self Help Groups (SHGs) Agricultural price policy, Crop insurance, Agricultural Infrastructure and food security. (1) Agricultural Marketing in India, (2) Inspect of Land, informs in India, (3) Provision of Agricultural credit to the tenants.

**Module 4: INDIAN INDUSTRY AND SERVICES**

Structure and Growth of Indian Industry-Industrial policies of 1956 and 1991, Growth and problems of Small Scale Industry. Foreign Exchanges Management Act (FEMA): Disinvestment Policy in India – Foreign Direct Investment – Growing important of Service Sector in India – Banking Insurance, Information Technology, Education and Health.

## **Module 5: ANDHRA PRADESH STATE ECONOMY**

GSDP – Sectoral Contribution and Trends; Human Resources – Population Trends, Regional differentials – Demographic Dividend, Agricultural Sector – Land use and Cropping pattern = Impact of land reforms in A.P. Income and employment in Agricultural sector. Industrial Sector – Small Scale industries, Investment and employment in industrial sector, SEZs; Service Sector – Growth of income and employment in the service sector, Information, Technology (IT).

### **REFERENCES:**

1. Dhingra, I.C.- “Indian Economy”, Sultan Chand, 2007.
2. Rudder Dutta and K.P.M. Sundaram – “Indian Economy”, S Chand & Co, 2008.
3. G.M. Meier – “Leading issues in Economic Development”, Oxford University Press, New York, 3/e.
4. M.P. Todaro – “Economic Development”, Longman, 6/e, 1996.
5. Reserve Bank of India – Handbook of Statistics on Indian Economy (Latest).
6. S.K. Misra & V.K. Puri – “Indian Economy”, Himalayan Publishing House, 2006.
7. R.S. Rao, V Hanumantha Rao & N Venu Gopal (Ed.) – Fifty Years of Andhra Pradesh (1956-2006), Centre for Documentation, Research and Communications, Hyderabad, 2007.
8. Telugu Academy Publications.
9. United Nations, “World Development Report”, Oxford, 1990-2008, Different editions.
10. AUSDE, Study Material

**ANDHRA UNIVERSITY**  
**B.A. ECONOMICS**  
**III B.Sc / B.A. PAPER – IV(a) PUBLIC FINANCE AND INTERNATIONAL**  
**ECONOMICS (OPTIONAL)**

**Module 1: PUBLIC FINANCE AND TAXATION**

Meaning and scope of public finance: Distinction between public and private finance. Principle of Maximum Social Advantage – Public goods vs Private goods – Sources of Public Revenue – (a) Taxes (b) Administrative Revenues (c) Commercial Revenues (d) Gifts and grants (e) Deficit Finance – Concept of fiscal deficit – Canons of taxation – (Adam Smith & Modern) – Impact, shifting and Incidence of Taxation, Effects of taxation - The concept of Value added Tax (VAT). Taxes – direct and indirect merits and demerits, Methods of taxations – Progressive proportional regressive and digressive.

**Module 2: PUBLIC EXPENDITURE AND PUBLIC DEBT**

Meaning and Classification of public expenditure – Wagner's Law – Peacock – Wiseman – Reasons for the growth of public expenditure – Wagner's law – Peacock – Wiseman hypothesis – Public Debt – Classification of Public debt – Methods of debt redemption – Causes and effects of the growth of India's Public Debt.

**Module 3: THEORIES OF INTERNATIONAL TRADE**

Inter – regional and International Trade – Importance of International Trade – Inter – industry trade – Intra – industry trade - Theories of International Trade – Theory of absolute advantage – Theory of Comparative costs and Heckscher-Ohlin theory. Terms of Trade – Gross Barter and Net Barter and Income terms of trade.

**Module 4: PROTECTION AND BALANCE OF PAYMENTS**

Tariffs – Meaning and Definition of Tariffs – Types of Tariffs – Tariffs and their effects – Concept of Optimum Tariff – Balance of Payments – Disequilibrium in Balance of Payments – Measures to correct Disequilibrium – Depreciation.

**Module 5: FOREIGN TRADE IN INDIA**

Recent trends in the composition and Direction of India's foreign trade – Recent EXIM policy – changing role of IMF, IBRD – WTO – Impact of India – Concept of outsourcing.

## **REFERENCES:**

1. B.P. Tyagi – “Public Finance”, Jai Prakash Nath, 2004.
2. H.D. Bhatia – “Public Finance”, Vikas Publishing House, 2006.
3. B.O. Soderston – “International Economics”, Macmillan, 1995.
4. C.P. Kindle Berger – ‘International Economics’
5. J.Bhagawathi – “International Trade – Selected Reading”, Cambridge University Press.
6. D.M. Mithani & G.K. Murty – “Fundamentals of Business Economics”, Himalaya Publishing House, 2007.
7. Telugu Academy Publications.
8. AUSDE – Study Material.

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**B.A. ECONOMICS**  
**III B.Sc. / B.A. PAPER-IV(b) QUANTITATIVE THECNQUES (OPTIONAL)**

**Module 1: MATRIX ALGEBRA**

Matrices – Addition, Subtraction, Multiplication and equality of Matrices – Minors, Co-factors of a matrix – Determinants – Properties – Inverse of a matrix – Solution of simultaneous equations by matrix – Inverse method and Cramer’s rule – Depiction of inter industry relationship by matrices.

**Module 2: CALCULUS**

Definition of a function – Differentiation of a Function: Maxima and Minima, Elasticities, Equilibrium of a consumer and a firm, Inter relationships among total, marginal and average cost and revenues: Constrained optimization problem: Integration of a function, Consumer and producer surplus.

**Module 3: CENTRAL TENDENCY AND DISPERSION**

Primary and Secondary Data – Graphic and diagrammatic representation of data, Techniques of data collection, Sampling and Census Methods. Measures of Central Tendency – Mean, Median, Mode, Geometric mean and Harmonic Mean. Measures of Dispersion, Range, Quartile Deviation, Mean Deviation, Standard Deviation, Coefficient of Variation, concept of Skewness.

**Module 4: CORRELATION AND REGRESSION**

Simple Correlation, Coefficient of Correlation: Karl Pearson and Spearman, Regression analysis – Estimation of regression line in a bivariate distribution – Ordinary Least Squares (OLS) Method – Interpretation of regression coefficients – Demand forecasting.

**Module 5: TIME SERIES AND INDEX NUMBERS**

Time series analysis–Concept and Components – Determination of Trend, Simple and Compound Growth Rates – Index numbers: concept, price relative, quantity relative, value relative, Laspeyer’s Paasche’s and Fisher’s. Time Reversal Test and Factor Reversal Test – Constructing Wholesale Price Index and Consumer Price Index.

## REFERENCES:

1. K Sydsater & P.J.Hammond – ‘Mathematics for Economic Analysis’, Pearson Education, Delhi, 2002.
2. A.C. Chiang – ‘Fundamental Methods of Mathematical Economics’, Mc Graw Hill, 1984.
3. Yamane Taro – ‘Mathematics for Economics’, Prentice Hall of India, New Delhi, 1988, 2/e.
4. A. Mizrahi and M. Sallivan – ‘Mathematics for Business and Social Sciences – Applied Approach’, John Wiley, 1985.
5. S.P. Gupta & V.K. Kapoor – ‘Fundamentals of Mathematical Statistics’, S. Chand & Co., 2005.
6. Stephen Bernstein & Ruth Bernstein – ‘theory & Problems of Elements of Statistics’, Schaum’s Outlines Series, Tata Mc Graw Hill, 2005.
7. E. Dowling – ‘Mathematical Economics’, Schaum’s Outline Series, 2007.