



St. Xavier's College – Autonomous Mumbai

Syllabus For 4th Semester Courses in **Economics** (June 2016 onwards)

Contents:

Theory Syllabus for Courses:

A.Eco.4.02 - Macroeconomic Analysis - II

A.Eco.4.03 - Indian Economy – II (only for 2016-17 Batch)

A.Eco.4.03 – Basic Introduction to Econometrics (w.e.f. June 2017)

A.Eco.4.AC.01 - Elementary Mathematical Techniques

SYBA**Course: A.ECO.4.02****TITLE: MACRO ECONOMICS ANALYSIS - II****Learning Objectives:**

1. Familiarise students with theoretical macroeconomic analysis
2. To introduce quantitative application of macroeconomic analysis

Number of Lectures: 45**UNIT I:****IS-LM analysis****[15 lectures]**

1. Derivation of IS and LM curves. Graphical derivation and mathematical treatment of the slope of IS and LM curves.
2. Product market equilibrium and money market equilibrium; Determination of equilibrium income and interest rate as intersection of IS and LM curves.
3. Factors affecting shift of IS curve and change in slope of IS curve
4. Factors affecting shift of LM curve and change in slope of LM curve.

UNIT II:**Fiscal and Monetary Policy****[15 lectures]**

1. Explanation of fiscal policy using IS-LM analysis. Slope of IS curve and effectiveness of fiscal policy.
2. Phenomenon of crowding out; Criticisms of the concept.
3. Explanation of monetary policy using IS-LM analysis. Slope of LM curve and effectiveness of monetary policy.
4. The liquidity trap; Emergence of liquidity trap and constraints on policy in a liquidity trap.

UNIT III:**Open-Economy Macroeconomics****[15 lectures]**

1. Fixed vs Flexible exchange rate regimes, Determination of exchange rates in free markets. Concept of Real Exchange Rate
2. Mundell-Fleming model – Impossible Trinity.
3. Disequilibrium in Balance of Payments and Balance of Payments Adjustments: Devaluation, Reduction in Absorption, Direct Controls
4. Global financial and economic crises

C.I.A.:

- I. Scheduled Test (concepts and short Answers)
- II. Visit to the RBI-(Report on comparison with other Central banks)

Basic Reference Books :

1. D'Souza Errol, (2012), Macroeconomics, Dorling Kindersley India prvt. Ltd.-Pearson Education, second edition.
2. Mankiw Gregory,(2007), Principles of Macro Economics, Cengage Learning India Private ltd. New Delhi, Fourth edition

SYBA (Only for 2016-17 Batch)
TITLE: INDIAN ECONOMY - II

Course: A.ECO.4.03

Learning Objective:

To introduce the students to the techniques of analyzing and interpreting data of the Indian economy, through Regression and Time Series

Number of Lectures: 45

UNIT I:

Indian Labor Market

[15 Lectures]

1. Demographic profile of the Indian economy
2. Sectoral distribution of employment and Employment Policy
3. Labor market segmentation
4. Industrial relations and Trade Union Movement in India

UNIT II:

External Sector

[15 Lectures]

1. Composition, direction and value of India's foreign trade
2. EXIM Policy
3. India's balance of payments position since 1991
4. Foreign Exchange market
5. Exchange rate policy and convertibility issues
6. WTO and India

UNIT III:

India and Environmental Economics

[15 Lectures]

1. India's environmental policy
2. Initiatives in common property resources
3. Climate change and its impact on the India economy

First C.I.A.: MCQ-Test

Second C.I.A.: Project

List Of Recommended Reference Books

Basic Reference Book :

'Indian Economic Development since Independence' (ed by Uma Kapila, Academic Foundation Publication, 2010)

Additional References:

Various relevant articles and academic essays from:

1. Economic and Political Weekly, Indian Labor Journal, Kurukshetra, Yojana, RBI publications,
2. IGIDR's India Development Report, Indian Economic Surveys
3. Reports by TERI and other climate change related institutions in India

SYBA

Course: A.ECO.4.AC.01

TITLE: ELEMENTARY MATHEMATICAL TECHNIQUES

Learning Objective:

To make the students conversant with the applications of the statistical techniques for analysis.

Number of Lectures: 60

UNIT I:

Matrix Algebra

[15 Lectures]

1. Definition of a matrix. Types of matrices.
2. Simple algebraic operations on matrices. Inverse of a matrix.

UNIT II:

Linear Programming and Input-Output Analysis

[15 lectures]

1. Graphical method. Dual of a linear program.
2. Input-output model – static model.

UNIT III:

Elementary Calculus

[15 lectures]

1. Functions.
2. Limits and Derivatives.
3. Simple rules of Differentiation.

UNIT IV:

Optimisation

[15 lectures]

1. Unconstrained Optimization – first and second order conditions.
2. Constrained Optimization with equality constraints – interpretation of Lagrange Multiplier.

First C.I.A.: MCQ-Test

Second C.I.A.: Project

List Of Recommended Reference Books

Basic Reference Book :

Chris Birchenhall and Paul Grout (1985), *Mathematics for Modern Economists*, New Delhi Heritage Publishers.

Additional References:

1. Carl P. Simon and Lawrence Blume, *Mathematics for Economists*, Mumbai: Viva Books
2. Knut Sydsaeter and Peter J. Hammond, *Mathematics for Economic Analysis*, Delhi: Pearson-Education, 2007.