

# GUJARAT UNIVERSITY

## T.Y.B.A.

Effective from June 2004

(Scheme and Structure of Papers)

There will be six papers :

**Paper 6** : Macro-economics [Compulsory].

**Paper 7** : International Economics and Public Finance [Compulsory].

**Paper 8** : Economics of Social Sector and Environmental Issues [Compulsory].

**Paper 9** : Indian Economic Problems [Compulsory].

**Paper 10** : (Optional) Any one paper from the following **three** papers :

(a) Mathematical Economics and Econometric Methods.

(b) Managerial Economics

(c) Co-Operation.

**Paper 11** : (Optional) : Any One from following **three** papers :

(a) Economic Essays.

(b) Computer and its application

(c) Demography.

### **Paper VI : Macro-Economics (Compulsory)**

**I. National Income and Social Accounts** : Concept and Measurement of national income - National income accounts with government and international trade - Incorporation of environmental concerns in national accounts - green accounts.

**II. Classical Theory of Income and Employment** : J. B. Say, Pigou and Real Wages.

**III. Keynesian Theory of Income and Employment** : Keynes's objection to the classical theory - Aggregate demand and aggregate supply functions - The principle of effective demand - Consumption function - Average and marginal propensity to consume - Factors affecting consumption spending - Investment multiplier - National income equilibrium with the help of aggregate demand and aggregate supply.

**IV. Trade Cycles** : Nature and characteristics - Different stages of trade cycle - Hawtrey's monetary theory - Hayek's over-investment theory - Hicksian trade cycle theory.

**V. Value of Money** : Meaning of value of money - Measurement of value of money : Price Index Numbers : (Wholesale price Index and consumer price Index). Method to construct price index - Limitations of index numbers - supply of money :  $M_1$ ,  $M_2$ ,  $M_3$ ,  $M_4$ .

**VI. Quantity Theories of Money** : Fisher, Cambridge, Superiority of cambridge equation over equation of fisher,--Milton friedmn's viewpoint.

**VII. Theories of inflation** : Meaning--Types--causes--effects--control--Phillips curve.

**VIII Monetarism and rational expectation** : Concept and features of monetarism--Rational expection hypothothesis Rules Vs. Discretion.

**IX Basic concepts of Mathematical Economics** : Difference between Mathematical economics and econometrics--Definition of variables, constants and parameters--concepts of function, equations, identities,--systems of equations--application of straight line systems--slope of the line and homogenous functions.

**X Functional relationship** : Simple functional relationships--Demand function and supply function,

production function, cost function, consumption function, savings and investment function.

- Note :** 1. Concepts included in topic No. 9 and 10 are to be explained with the help of illustrations.  
2. Each topic carries 10% weightage in question--paper.

**Paper-VII : International Economics and Public finance (Compulsory)**

**Section I (50% weightage)**

**International Economics**

**I. Theories of International trade :** Comparative cost theory--factor--endowment theory.

**II. Terms of trade :** Concepts of terms of trade--Gains from trade and distribution of gains--Reciprocal demand--offer curves and determination of terms of trade.

**III. Trade policies :** Free trade vs. protection--arguments in favour of protection : Infant industry and other arguments.

**IV Balance of payments :** Meaning--causes of imbalance--Mechanism of adjustment--Measures to remove imbalance.

**V Exchange--rate :** Determination of exchange--rate--purchasing power parity theory--Demand and supply theory--Flexible exchange rates : advantages and disadvantages.

**Section II (Weightage 50%)**

**Public Finance**

**VI Introduction to Public Finance :** Definition and objectives of public Finance--Provision of social goods--characteristics of public goods and private goods--Private cost--benefit and social cost--benefit--Externalities--Redistribution of income.

**VII Public Expenditure :** Causes of increase in public expenditure--effects of public expenditure on production, employment and income distribution.

**VIII Sources of income of Government :** Taxation--Public Debt--Deficit financing--Profits from public enterprises--privatisation of public sector units--Miscellaneous sources of income like fee, royalty, etc.

**IX Taxation :** Direct tax--Indirect tax--pros and cons--Theories of Taxation : equity, ability and benefit--Impact incidence and shifting of taxation ( concepts only ) Effects of Taxation on Production, Employment & distribution.

**X Public Debt :** Difference between taxation and borrowing--Types of debt--Buren of debt : Lerner's and Buchanan's view point.

\* **Note :** Each topic carries 10% weightage in question--paper.

**Paper--VIII : Economics of Social sector and Environmental Issues (Compulsory)**

**I. Basic Environmental Issues I :** Environment, Ecology and Economic Development, laws of thermodynamics : Basic concepts--elements of capital theory, externality, public goods, uncertainty and irreversibility, renewable and non--renewable resources, social cost--benefit analysis. Causes and effects of environmental degradation, degradation of land, forest and natural resources, pollution from energy. Effects on health, land, water and air. Valuation of environment damages/benefits, direct and indirect methods.

**II. Basic Environmental Issues II :** Pollution prevention, control and abatement; legal institutions and instruments; Command and control vs. market--based instruments; taxes vs. permits; direct and indirect instruments of pollution control; Pollution control system and policy in India--Legislation, standards and enforcement.

**III. Educational Economics :** Theory : Human capital--Human capital vs. physical capita,

components of human capital, Determinants of demand for education; Costs and benefits of education.

**IV Educational Economics : Policy :** Educational planning and economic growth; Educational financing; Education and labour market; Economics of education; Educational planning and policy in India.

**V Health Economics I :** Determinants of Health: Economic dimensions of health care; Appraisal of health care financing. Health planning and policy in India.

**VI Health Economics-II :** Health planning and policy in India; World health organisation : functions and standards.

**VII Sustainable Development :** Concepts and Indicators of sustainable development.

**VIII Global Environmental Issues :** Global Warming, Greenhouse effect, Deforestation and desertification, Biodiversity preservation.

**IX Disaster Management and Financing :** Concept of disaster management; Components of disaster management; prevention, preparedness, rescue and relief, rehabilitation; issues in financing ; national, State--level, local.

**X Welfare Economics :** Meaning and importance of economic welfare; Problems of measuring welfare; Classical welfare economics ; Pareto's criteria; value judgement; concept of a social welfare function.

**Note :** Each topic carries 10% weightage in question--paper.

### **Paper--IX Indian Economic Problems (Compulsory)**

**I Planning in India :** Meaning objectives, strategy—experiences of planning in India : Achievements and limitations--Ninth Five year plan.

**II Economic reforms in India since 1991 : I :** Objective--sectoral economic reforms : Agriculture and agricultural policy--Industry and industrial policy--service--Finance.

**III Economic reforms in India Since 1991--II :** Liberalisation, privatisation, globalisation : Meaning and impact of liberalisation, privatisation and globalisation on Indian economy--Meaning of globalisation.

**IV Budget Analysis : Concept of budget :** Balanced budget, deficit budget, performance budget, zero based budgeting--types of deficit : Revenue deficit, capital deficit, budgetary deficit, primary deficit, fiscal deficit--Latest union budget.

**V Price--trends in India :** Price trends since 1991--Causes of price rise--steps taken by the government to control inflation--suggestions for the control of inflation.

**VI Banking system in India :** Banking system in India : Lessons of nationalisation of commercial banks in India--Monetary policy of Reserve Bank of India : objectives, instruments and critical appraisal.

**VII Foreign trade since 1991 :** Trends and directions of imports and exports : Balance of payments--Import and export policy of Government of India.

**VIII Federal Finance :** Meaning of federal finance--Centre--state financial relations : issues--Latest finance commission.

**IX Foreign aid and investment since 1991 :** Foreign direct investment--Foreign institutional investment--Foreign collaboration--Foreign aid--Their impact.

**X Labour and Finance :** Agriculture and Industry : Industrial labour : Issues--Agricultural labour: issue--Institutional finance in agriculture, Institutional finance in industry.

**Note :** Each topic carries 10% weightage in question--paper.

**Paper--X-(a) (Optional)**

**Mathematical Economics and Econometric methods**

**I Quantitative Methods** : Functional relationship of economic variables and their graphs; Elementary idea of differential and intergral calculus.

**II Matrix and Determinants** : Types of Matrics; solution of simultaneous equations with the help of Matrix and determinants.

**III Application of Mathemaics in Economics** : Utility maximisation, consumers' equilibrium, consumers' surplus, Revenue maximisation, cost minimisation. Relationship between total revenue, average revenue, marginal revenue and elasticity of demand Relationship between total cost, average cost and marginal cost; Equilibrium conditions of a firm.

**IV Linear Programming** : Basic concepts of LPP--Importance of LPP--Transportation problem--Graphical method of LPP.

**V Game Theory : Introduction and basic concepts** : Simple and mixed strategy; saddle point solution--two--person zero--sum--game.

**VI Introduction to Econometric Methods** : Definition and scope of Econometrics; Methodogy of econometric research; specification and estimation of an econometric model.

**VII Concepts of Estimation** : Basic concepts of estimation; Desirable properties of estimators : Unbiasedness--efficiency--consistency and sufficiency.

**VIII Simple Regression Analysis** : Stochastic Vs. deterministic relationships; correlation and regression; Co-efficient of determination; Estimation of an equation.

**IX Theoretical distribution and Statistical Testing** : Theoretical frequency distribution and application of binomial, Poisson and normal distributions; Testing of hypothesis; Type I and Type II errors, standard errors, test based on z, t and  $x^2$  statistics.

**X Application of Econometric Methods** : Estimation of demand and supply functions, production and cost functions, consumption and investment functions.

**Note** : Each topic carries 10% weightage in marks.

**Paper--X-(b) (Optional)**

**Managerial Economics**

**1. Introduction** : Meaning and definition of Managerial Economics-Nature and scope-relationship with economics, Stastistics and Accountancy-Operations research.

**2. Basic Concepts** : Meaning of management - Role of economist in management - Decision making process - Opportunity cost - Concept of Marginalism - Case study method with simple illustration.

**3. Demand Analysis** : Demand function-Estimation and forecasting of demand.

**4. Cost Analysis** : Various types of costs Breakeven Analysis.

**5. Concept of business firm** : Objective of a business firm-Forms of Organisations of a business firm-their merits and demerit.

**6. Pricing Policy** : (N.B. : Price determination is not to be studied) Full cost pricing, mark-up pricing, pioneer pricing, skimming price, poor performance pricing.

**7. Advertising** : Nature and significance of advertising-deciding advertistment budget-assessment of economic effects of advertising-socio-economic aspects of advertising.

**8. Capital Budgetging** : Demand for and supply of capital for a business firm-methods of capital budgeting-(a) pay sach period (b) Internal Rate of Return, (c) Discounted cash flow.

**9.** Concept of waiting line problem with illustration.

**10.** Concept of Inventory Management with illustration.

**Paper--X-(c) : Co--operation**

**I. Co--operation :** Meaning, definitions and characteristics--Origin and growth of Co--operative movement in india and leading countries like Britain, Germany, Denmark, Sweden and Israel.

**II.** Philosophy of Co--operative movement-conditions for the success of Co--operative movement.

**III.** Different economic systems and Co--operation--Co--operation as a balancing factor--comparison of Co--operation with private enterprises (individual, partneship and joint--stock companies) and public enterprises.

**IV.** Principles of Co--operation ( Adopted at Manchester convention of 1995) Importance of Co-operative principles--

1. Voluntary and open membership
2. Democratic control of members.
3. Economic participation of members.
4. Autonomy and independence.
5. Education, training and information.
6. Co--operation among Co--operatives.
7. Responsibility towards society.

**V** Role and importance in providing short term and medium term agricultural credit with reference to :

- (a) Primary agrcultural Co--operative credit societies.
- (b) District Co-erative banks.
- (c) State Co--operative banks.

**VI** Needfor Co-operative institutions for providing long--term agricultural credit--Land Development banks: Brrief history, objectives, working, fectors affecting slow growth of Land Development Banks--Suggestions for the improvement of working of Land development Bank. Role of Reserve Bank of India and NABARD in the sphere of agricultural credit.

**VII** Objectives, working, problems (if any) and/or government policy, suggestions for the growth of the following :

- (a) Co--operative Agricultural Marketing and Processing Societies.
- (b) Milk Producers' Co--operative societies.
- (c) Consumers' Co--operative Stores.
- (d) Co-operative Housing Societies.
- (e) Co--operative Farming Societies.
- (f) Industrial Co--operative Societies.
- (g) Urban Co--operative Societies.
  - (1) Employees Co--operative
  - (2) Urban Co--operative Banks.Credit Societies.

**VII** Achievements and failures of Co-operative movement--suggestion for their speedy and healthy development.

**IX** State assistance to Co--operative movement : need, form and attiudes of both towards each other--Importance of Co--operative education and training--methods adopted to achieve objectives of Co--operative training--Co--operative education and training in India.

**X Some problems of Co--operative movement :**

- (a) Element of compulsion in Co--operative movement.
- (b) Limited Vs. Unlimited liabilities.
- (c) Need for profit in Co-operative Societies.
- (d) Taxes on Co--operative societies.

(e) Overdues.

(f) Linking of credit with marketing.

(g) Vigilance on the part of members.

**Note :** 1. This paper is to be taught with reference to India.

2. Each topic carries 10% weightage in marks.

**T.Y.B.A.**

**Paper--XI (Optional)**

**Name of the Paper : Economic Essays**

**SECTION I**

- |                       |  |
|-----------------------|--|
| 1. Unorganised Sector | 4. Unorganised money market            |
| 2. Self Employment    | 5. International Monetary Fund and BRD |
| 3. Child Labour       | 6. World Trade Organisation.           |

**SECTION II**

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|------------------------------|--------------------------------------|
| 1. Parallel Economy in India | 4. Gandhian Economic Thought         |
| 2. Taxation in India         | 5. Urbanisation in India and Gujarat |
| 3. Economics of Amartya Sen. | 6. Micro--Credit                     |

**Note :** In the question paper, three essays should be asked in each section, out of which one is to be attempted in each section.

**Paper--XI (Optional) Computer and its Applications :**

*Preamble :* The growth and spread of computer and its invasive presence in every sphere of intelligent human activity is forcing every educational system and discipline to adopt and integrate its fundamentals into course curricula. It is to produce computer literate and well--educated graduates who can get not only employment but also create work and produce value added output in the society, for which present syllabus is being designed. We believe this will make our new graduates more proticient, suitable and fit to face the future challenges in society.

**1. Basics of Computers :** Computer fundamentals; Organization and components of a computer; Computer hardware--CPU; Memory; Disk drives; Input and output devices; Keyboard; Mouse and VDU; Computer peripherals like printer, scanner, digitizer, etc; Computer software--Operating system, application software and packages.

**2. Use of Computer for Office Automation :** Text editors and word processor software packages; Operative familiarization with any one package like MS--word; Concept and use of spread sheet; Operation and use of MS--excell; Basics of Data base; Table; Records and fields; Data entry and query processing; Operative principles of MS--access; Document formation and presentation through MS--power point.

**3. Data Analysis and Trend Forecasting :** Basics of statistical functions and analysis--Mean, median, mode, standards deviation; Distribution function and density function; Statistical package handling and command description for SPSS; Regression and auto--regression; Correlation and auto--correlation; Covariance and Autocovariance.

**4. Applications :** Text and mail communication using computers; E-mail; Chat; Coice mail; Document transfer and delivery; internet; World Wide Web (WWW) and use for business and commercial activities like e--business and e--commerce; Electronic stock market and exchanges; B2B and B2C Concepts.

*Basic Reading List :*

\* Kerns (1993), *Essentials of Microsoft windows, World and Excell*, Prentice Hall of India, New Delhi.

- \* Rajaraman, V. (1996), *Fundamentals of Computers*, Prentice Hall (Ind.) New Delhi.
- \* Schied, F. (1983), *Theory and Problems of Computers and Programming*, Schaum's Outline Series, McGraw Hill, New Delhi.

*Additional Reading List :*

- \* Intrilligator, M. D. (1978), *Econometric Models Techniques & Applications*, Prentice Hall, Englewood Cliffs, N. J.

**Paper XI (Optional) Demography :**

*Preamble :* The modules incorporated in this paper educate the students about the inter-relationship between economic development and population along with an exposition of the established theories of population. Issues relating to demographic techniques and basic sources of demographic data in the Indian economy have also been included. Aspects of population policy and study of its social characteristics are other important components of the modules of this paper.

**1. Introduction :** Population study and demography; its relation with other disciplines; Theories of Population--Malthus. Optimum theory of population and theory of demographic transition; Historical evidence of population growth in developed and developing countries.

**2. Sources of Demographic data in India :** Sources of Demographic data in India Census--Civil registration system and demographic surveys; National Family Health Survey 1 and 2--their relative merits and demerits.

**3. Techniques of Analysis :** Crude birth and death rates, age specific birth and death rates, standardized birth and death rates--Study of Fertility. Total fertility rate, gross reproduction rate and net reproduction rate--Study of marital status--Life table; meaning of its columns and its uses--Reproductive and child health in India--Temporal and spatial variation in sex ratios.

**4. Population Projection :** Techniques of population projection--Concept of stationary, stable and quasi-stationary population--aging of population in India--Changes in family structure and old age security.

**5. Population Policy :** Salient features of population censuses of 1971, 1981, 1991 and 2001; Evolution of population policy in India. A shift in policy focus from population control to family welfare and to women empowerment. Demographic status and household behaviour--Education. women's autonomy and fertility--Population, health, poverty and environment linkage in India; The New Population Policy.

*Basic Reading List :*

- \* Agarwal S. N. (1985), *India's Population Problem*, Tata McGraw--Hill, Bombay
- \* Agarwal U. D. (1999), *Population Projections and their Accuracy*, B. R. Publishing Corporation, New Delhi.
- \* Bhende, A. A. and T. R. Kanitkar (1982), *Principles of Population Studies*, Himalaya Publishing House, Bombay.
- \* Bogue, d. J. (1971), *Principles of Demography*, John Wiley, New York.
- \* Bose A. (1996), *India's Basic Demographic Statistics*, B. R. Publishing Corporation, New Delhi.
- \* Census of India, Government of India, *Various Reports*, New Delhi.
- \* Choubey, P. K. (2000), *Population policy in India*, Kanishka Publications, New Delhi.
- \* Misra, B. D. (1980), *An Introduction to the Study of Population*, South Asian Publishers, New Delhi.
- \* Srinivash, K. (Ed.) (1999), *Population policy and Reproductive Health*, Hindustan Publishing Corporation, New Delhi.

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