Choice Based Credit System (CBCS)

UNIVERSITY OF DELHI

DEPARTMENT OF ECONOMICS

UNDERGRADUATE PROGRAMME
(Courses effective from Academic Year 2015-16)

SYLLABUS OF COURSES TO BE OFFERED
Core Courses, Elective Courses & Ability Enhancement Courses

Disclaimer: The CBCS syllabus is uploaded as given by the Faculty concerned to the Academic Council. The same has been approved as it is by the Academic Council on 13.7.2015 and Executive Council on 14.7.2015. Any query may kindly be addressed to the concerned Faculty.

Undergraduate Programme Secretariat
Preamble

The University Grants Commission (UGC) has initiated several measures to bring equity, efficiency and excellence in the Higher Education System of the country. The important measures taken to enhance academic standards and quality in higher education include innovation and improvements in curriculum, teaching-learning process, examination and evaluation systems, besides governance and other matters.

The UGC has formulated various regulations and guidelines from time to time to improve the higher education system and maintain minimum standards and quality across the Higher Educational Institutions (HEIs) in India. The academic reforms recommended by the UGC in the recent past have led to overall improvement in the higher education system. However, due to lot of diversity in the system of higher education, there are multiple approaches followed by universities towards examination, evaluation and grading system. While the HEIs must have the flexibility and freedom in designing the examination and evaluation methods that best fits the curriculum, syllabi and teaching-learning methods, there is a need to devise a sensible system for awarding the grades based on the performance of students. Presently the performance of the students is reported using the conventional system of marks secured in the examinations or grades or both. The conversion from marks to letter grades and the letter grades used vary widely across the HEIs in the country. This creates difficulty for the academia and the employers to understand and infer the performance of the students graduating from different universities and colleges based on grades.

The grading system is considered to be better than the conventional marks system and hence it has been followed in the top institutions in India and abroad. So it is desirable to introduce uniform grading system. This will facilitate student mobility across institutions within and across countries and also enable potential employers to assess the performance of students. To bring in the desired uniformity, in grading system and method for computing the cumulative grade point average (CGPA) based on the performance of students in the examinations, the UGC has formulated these guidelines.
CHOICE BASED CREDIT SYSTEM (CBCS):

The CBCS provides an opportunity for the students to choose courses from the prescribed courses comprising core, elective/minor or skill based courses. The courses can be evaluated following the grading system, which is considered to be better than the conventional marks system. Therefore, it is necessary to introduce uniform grading system in the entire higher education in India. This will benefit the students to move across institutions within India to begin with and across countries. The uniform grading system will also enable potential employers in assessing the performance of the candidates. In order to bring uniformity in evaluation system and computation of the Cumulative Grade Point Average (CGPA) based on student’s performance in examinations, the UGC has formulated the guidelines to be followed.

Outline of Choice Based Credit System:

1. **Core Course**: A course, which should compulsorily be studied by a candidate as a core requirement is termed as a Core course.

2. **Elective Course**: Generally a course which can be chosen from a pool of courses and which may be very specific or specialized or advanced or supportive to the discipline/ subject of study or which provides an extended scope or which enables an exposure to some other discipline/subject/domain or nurtures the candidate’s proficiency/skill is called an Elective Course.
   
   2.1 **Discipline Specific Elective (DSE) Course**: Elective courses may be offered by the main discipline/subject of study is referred to as Discipline Specific Elective. The University/Institute may also offer discipline related Elective courses of interdisciplinary nature (to be offered by main discipline/subject of study).

   2.2 **Dissertation/Project**: An elective course designed to acquire special/advanced knowledge, such as supplement study/support study to a project work, and a candidate studies such a course on his own with an advisory support by a teacher/faculty member is called dissertation/project.

   2.3 **Generic Elective (GE) Course**: An elective course chosen generally from an unrelated discipline/subject, with an intention to seek exposure is called a Generic Elective.

   P.S.: A core course offered in a discipline/subject may be treated as an elective by other discipline/subject and vice versa and such electives may also be referred to as Generic Elective.

3. **Ability Enhancement Courses (AEC)/Competency Improvement Courses/Skill Development Courses/Foundation Course**: The Ability Enhancement (AE) Courses may be of two kinds: AE Compulsory Course (AECC) and AE Elective Course (AEEC). “AECC” courses are the courses based upon the content that leads to Knowledge enhancement. They (i) Environmental Science, (ii) English/MIL Communication) are mandatory for all disciplines. AEEC courses are value-based and/or skill-based and are aimed at providing hands-on-training, competencies, skills, etc.

   3.1 **AE Compulsory Course (AECC)**: Environmental Science, English Communication/MIL Communication.

   3.2 **AE Elective Course (AEEC)**: These courses may be chosen from a pool of courses designed to provide value-based and/or skill-based instruction.

**Project work/Dissertation** is considered as a special course involving application of knowledge in solving / analyzing /exploring a real life situation / difficult problem. A Project/Dissertation work would be of 6 credits. A Project/Dissertation work may be given in lieu of a discipline specific elective paper.
Details of Courses Under Undergraduate Programme (B.A./ B.Com.)

<table>
<thead>
<tr>
<th>Course</th>
<th>*Credits</th>
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<tbody>
<tr>
<td></td>
<td>Paper+ Practical</td>
</tr>
<tr>
<td>I. Core Course</td>
<td>12X4= 48</td>
</tr>
<tr>
<td>(12 Papers)</td>
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</tr>
<tr>
<td>Two papers – English</td>
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<tr>
<td>Two papers – MIL</td>
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<tr>
<td>Four papers – Discipline 1.</td>
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<tr>
<td>Four papers – Discipline 2.</td>
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<tr>
<td>Core Course Practical / Tutorial*</td>
<td>12X2=24</td>
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<tr>
<td>(12 Practicals)</td>
<td></td>
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<tr>
<td>II. Elective Course</td>
<td>6x4=24</td>
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<tr>
<td>(6 Papers)</td>
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<tr>
<td>Two papers- Discipline 1 specific</td>
<td></td>
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<tr>
<td>Two papers- Discipline 2 specific</td>
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<tr>
<td>Two papers- Inter disciplinary</td>
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<tr>
<td>Two papers from each discipline of choice and two papers of interdisciplinary nature.</td>
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<tr>
<td>Elective Course Practical / Tutorials*</td>
<td>6 X 2=12</td>
</tr>
<tr>
<td>(6 Practical/ Tutorials*)</td>
<td></td>
</tr>
<tr>
<td>Two papers- Discipline 1 specific</td>
<td></td>
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<tr>
<td>Two papers- Discipline 2 specific</td>
<td></td>
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<tr>
<td>Two papers- Generic (Inter disciplinary)</td>
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<tr>
<td>Two papers from each discipline of choice including papers of interdisciplinary nature.</td>
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<tr>
<td>• Optional Dissertation or project work in place of one elective paper (6 credits) in 6th Semester</td>
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<tr>
<td>III. Ability Enhancement Courses</td>
<td></td>
</tr>
<tr>
<td>1. Ability Enhancement Compulsory</td>
<td>2 X 2=4</td>
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<tr>
<td>(2 Papers of 2 credits each)</td>
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<tr>
<td>Environmental Science</td>
<td></td>
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<tr>
<td>English Communication/MIL</td>
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<tr>
<td>2. Ability Enhancement Elective</td>
<td>4 X 2=8</td>
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<tr>
<td>(Skill Based)</td>
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<tr>
<td>(4 Papers of 2 credits each)</td>
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<tr>
<td>Total credit= 120</td>
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<td>Total = 120</td>
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</tbody>
</table>

Institute should evolve a system/policy about ECA/ General Interest/Hobby/Sports/NCC/NSS/related courses on its own.

*wherever there is a practical there will be no tutorial and vice-versa.
## B.A. Economics

<table>
<thead>
<tr>
<th>Semester I</th>
<th>Semester II</th>
</tr>
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<tbody>
<tr>
<td>Core Economics I: Principles of Microeconomics–I</td>
<td>Core Economics II: Principles of Microeconomics–II</td>
</tr>
<tr>
<td><strong>Semester III</strong></td>
<td><strong>Semester IV</strong></td>
</tr>
<tr>
<td><strong>Semester V</strong></td>
<td><strong>Semester VI</strong></td>
</tr>
</tbody>
</table>
| Discipline Specific Elective I  
  One of the following: | Discipline Specific Elective II  
  One of the following: |
  ii. DSE 2: Money and Banking | v. DSE 4: Economic History of India 1857-1947 |
  iii. DSE 3: Environmental Economics | vi. Public Finance |
Core Economics I: Principles of Microeconomics–I

Course Description

This course intends to expose the student to the basic principles in Microeconomic Theory and illustrate with applications.

Course Outline

1. Introduction
   a. Problem of scarcity and choice: scarcity, choice and opportunity cost; production possibility frontier; economic systems.
   b. Demand and supply: law of demand, determinants of demand, shifts of demand versus movements along a demand curve, market demand, law of supply, determinants of supply, shifts of supply versus movements along a supply curve, market supply, market equilibrium.
   c. Applications of demand and supply: price rationing, price floors, consumer surplus, producer surplus.
   d. Elasticity: price elasticity of demand, calculating elasticity, determinants of price elasticity, other elasticities.

2. Consumer Theory
   Budget constraint, concept of utility, diminishing marginal utility, Diamond-water paradox, income and substitution effects; consumer choice: indifference curves, derivation of demand curve from indifference curve and budget constraint.

3. Production and Costs
   a. Production: behaviour of profit maximising firms, production process, production functions, law of variable proportions, choice of technology, isoquant and isocost lines, cost minimizing equilibrium condition.
   b. Costs: costs in the short run, costs in the long run, revenue and profit maximizations, minimizing losses, short run industry supply curve, economies and diseconomies of scale, long run adjustments.

4. Perfect Competition
   a. Assumptions: theory of a firm under perfect competition, demand and revenue; equilibrium of the firm in the short run and long run; long run industry supply curve: increasing, decreasing and constant cost industries.
   b. Welfare: allocative efficiency under perfect competition.

Readings:

Core Economics II: Principles of Microeconomics–II

Course Description

This is a sequel to Principles of Microeconomics–I covered in the first semester. The objective of the course is the same as in Principles of Microeconomics I.

Course Outline

1. Market Structures
   a. Theory of a Monopoly Firm
      Concept of imperfect competition; short run and long run price and output decisions of a monopoly firm; concept of a supply curve under monopoly; comparison of perfect competition and monopoly, social cost of monopoly, price discrimination; remedies for monopoly: Antitrust laws, natural monopoly.
   b. Imperfect Competition
      Monopolistic competition: Assumptions, SR & LR price and output determinations under monopolistic competition, economic efficiency and resource allocation; oligopoly: assumptions, oligopoly models, game theory, contestable markets, role of government.

2. Consumer and Producer Theory
   a. Consumer and Producer Theory in Action
      Externalities, marginal cost pricing, internalising externalities, public goods; imperfect information: adverse selection, moral hazard, social choice, government inefficiency.
   b. Markets and Market Failure
      Market adjustment to changes in demand, efficiency of perfect competition; sources of market failure: imperfect markets, public goods, externalities, imperfect information; evaluating the market mechanism.

3. Income Distribution and Factor pricing
   Input markets: demand for inputs; labour markets, land markets, profit maximisation condition in input markets, input demand curves, distribution of Income.

4. International Trade
   Absolute advantage, comparative advantage, terms of trade, sources of comparative advantage, trade barriers, free trade/protectionism.

Readings:

Core Economics III: Principles of Macroeconomics–I

Course Description

This course introduces students to the basic concepts in Macroeconomics. Macroeconomics deals with the aggregate economy. In this course the students are introduced to the definition, measurement of the macroeconomic variables like GDP, consumption, savings, investment and balance of payments. The course also discusses various theories of determining GDP in the short run.

Course Outline

1. Introduction
   What is macroeconomics? Macroeconomic issues in an economy.

2. National Income Accounting
   Concepts of GDP and National Income; measurement of national income and related aggregates; nominal and real income; limitations of the GDP concept.

3. Determination of GDP
   Actual and potential GDP; aggregate expenditure; consumption function; investment function; equilibrium GDP; concepts of MPS, APS, MPC, APC; autonomous expenditure; Concept of multiplier.

4. National Income Determination in an Open Economy with Government
   Fiscal Policy: impact of changes in government expenditure and taxes; net exports function; net exports and equilibrium national income.

5. Money in a Modern Economy
   Concept of money in a modern economy; monetary aggregates; demand for money; quantity theory of money; liquidity preference and rate of interest; money supply and credit creation; monetary policy.

Readings:

Core Economics IV: Principles of Macroeconomics–II

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.

Course Outline

1. IS-LM Analysis
   Derivations of the IS and LM functions; IS-LM and aggregate demand; shifts in the AD curve.

2. GDP and Price Level in Short Run and Long Run
   Aggregate demand and aggregate supply; multiplier Analysis with AD curve and changes in price levels; aggregate supply in the SR and LR.

3. Inflation and Unemployment
   Concept of inflation; determinants of inflation; relationship between inflation and unemployment: Phillips Curve in short run and long run.

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

Readings:

Discipline Specific Elective I

One of the following:

i. **DSE 1: Economic Development and Policy in India–I**

   **Course Description**

   This course reviews major trends in aggregate economic indicators in India and places these against the backdrop of major policy debates in India in the post-Independence period.

   **Course Outline**

   1. **Issues in Growth, Development and Sustainability**

   2. **Factors in Development**
      Capital formation (Physical and Human); technology; institutions.

   3. **Population and Economic Development**
      Demographic trends; urbanisation.

   4. **Employment**
      Occupational structure in the organised and the unorganised sectors; open-, under- and disguised unemployment (rural and urban); employment schemes and their impact.

   5. **Indian Development Experience**
      Critical evaluation of growth, inequality, poverty and competitiveness, pre and post reforms era; savings and investment; mobilisation of internal and external finance; monetary and fiscal policies; centre-state financial relations.

   **Readings:**

5. Government of India, Five Year Plan (latest)
ii. DSE 2: Money and Banking:

Course Description

This course exposes students to the theory and functioning of the monetary and financial sectors of the economy. It highlights the organization, structure and role of financial markets and institutions. It also discusses interest rates, monetary management and instruments of monetary control. Financial and banking sector reforms and monetary policy with special reference to India are also covered.

Course Outline

1. Money
   Concept, functions, measurement; theories of money supply determination.

2. Financial Institutions, Markets, Instruments and Financial Innovations
   a. Role of financial markets and institutions; problem of asymmetric information – adverse selection and moral hazard; financial crises.
   
   b. Money and capital markets: organization, structure and reforms in India; role of financial derivatives and other innovations.

3. Interest Rates
   Determination; sources of interest rate differentials; theories of term structure of interest rates; interest rates in India.

4. Banking System
   b. Indian banking system: Changing role and structure; banking sector reforms.

5. Central Banking and Monetary Policy
   Functions, balance sheet; goals, targets, indicators and instruments of monetary control; monetary management in an open economy; current monetary policy of India.

Readings

iii. DSE 3: Environmental Economics:

Course Description

This course introduces students to concepts, methods and policy options in managing the environment using tools of economic analysis. This course should be accessible to anyone with an analytical mind and familiarity with basic concepts of economics. Since several environmental problems are caused by economic activity (for instance, carbon emissions, over-harvesting of renewable resources and air and water pollution as a by-product of industrial activity), this course examines different approaches to adjusting behaviour through economic institutions such as markets and incentives as well as through regulation, etc. It also addresses the economic implications of environmental policies through practical applications of methods for valuation of environmental goods and services and quantification of environmental damages. Conversely, the impact of economic growth on the environment is also addressed under the rubric of sustainable development. Environmental problems and issues from the Indian and international context (especially global warming) are used to illustrate the concepts and methods presented in the course. The course will be useful for students aiming towards careers in the government sector, policy analysis, business, journalism and international organisations.

Course Outline

1. Introduction
Key environmental issues and problems, economic way of thinking about these problems, basic concepts from economics; Pareto optimality and market failure in the presence of externalities; property rights and other approaches.

2. The Design and Implementation of Environmental Policy
Overview, Pigouvian taxes and effluent fees, tradable permits, implementation of environmental policies in India and international experience; transboundary environmental problems; economics of climate change.

3. Environmental Valuation Methods and Applications
Valuation of non-market goods and services--theory and practice; measurement methods; cost-benefit analysis of environmental policies and regulations.

4. Sustainable Development
Concepts; measurement; perspectives from Indian experience

Readings

1. Roger Perman, Yue Ma, Michael Common, David Maddison and James McGilvray, “Natural Resource and Environmental Economics”, Pearson Education/Addison


Discipline Specific Elective II

One of the following:

iv. DSE 4: Economic Development and Policy in India–II

Course Description


Course Outline

1. Agriculture: Policies and Performance
   Production and productivity; credit; labour; markets and pricing; land reforms; regional variations.

2. Industry: Policies and Performance
   Production trends; small scale industries; public sector; foreign investment.

3. Foreign Trade: Trends and Policies
   Balance of trade and balance of payments; India and the World Trade Organisation.

Readings:

v. **DSE 5: Economic History of India 1857-1947**

**Course Description**

This course analyses key aspects of Indian economic development during the second half of British colonial rule. In doing so, it investigates the place of the Indian economy in the wider colonial context, and the mechanisms that linked economic development in India to the compulsions of colonial rule. This course links directly to the course on India’s economic development after independence in 1947.

**Course Outline**

1. **Introduction: Colonial India: Background and Introduction**
   Overview of colonial economy.

2. **Macro Trends**
   National Income; population; occupational structure.

3. **Agriculture**
   Agrarian structure and land relations; agricultural markets and institutions – credit, commerce and technology; trends in performance and productivity; famines.

4. **Railways and Industry**
   Railways; the de-industrialisation debate; evolution of entrepreneurial and industrial structure; nature of industrialisation in the interwar period; constraints to industrial breakthrough; labor relations.

5. **Economy and State in the Imperial Context**
   The imperial priorities and the Indian economy; drain of wealth; international trade, capital flows and the colonial economy – changes and continuities; government and fiscal policy.

**Readings:**


Epilogue. Background reading for students:


vi. DSE 6: Public Finance

Course Description

This course is a non-technical overview of government finances with special reference to India. The course does not require any prior knowledge of economics. It will look into the efficiency and equity aspects of taxation of the centre, states and the local governments and the issues of fiscal federalism and decentralisation in India. The course will be useful for students aiming towards careers in the government sector, policy analysis, business and journalism.

Course Outline

Part 1: Theory

Part 2: Issues from Indian Public Finance
5. Current Issues of India’s Tax System.
6. Analysis of Budget and Deficits
7. Fiscal Federalism in India
8. State and Local Finances

Readings
8. State Finances: A Study of Budgets, Reserve Bank of India (latest).