



S.G.A. GOVERNMENT DEGREE COLLEGE (AUTONOMOUS)

(Re-accredited by NAAC with 'A' Grade, Affiliated to Andhra University)

YELLAMANCHILI - 531055, ANDHRA PRADESH

Email : sgagdc.jkc@gmail.com



Programme: B.A. Honours in Economics (Major)

w.e.f. Academic year 2023-24

SEMESTER- III

COURSE STRUCTURE

Semester	Course Number	Course Name	No. of Hrs/Week	No. of Credits
Semester-III	5	Macroeconomics	4	4
	6	Economic Thought and Political Economy	4	4
	7	Development Economics	4	4
	8	Public Economics		

Program Objective: This program is to impart the knowledge and skills among the students in the field of economics as major along with skills in languages and selected minor subject.

Program Outcomes:

PO 1: Learn basic concepts, principles and theories in economics

PO 2: Analyse issues in current economy at different levels

PO 3: Acquire employability and research skills in the field of economics

PO 4: Gain knowledge to understand the society around



PO 5: Learn soft and life skills for effective communication and personality development

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W.E.F. Academic Year 2023 – 24

MACROECONOMICS

SEMESTER III

Course Objective:

This course is to learn about basic concepts, principles and theories in Macroeconomics to understand the functioning of a macro economy.

Course Learning Outcomes:

After studying this course, the student shall be able to achieve the following outcomes:

- CO1:** Explain the functioning a macro economy with its inter-linkages and measure and analyse the national income of the country
- CO2:** Analyse the Classical and Keynes theories of employment and its application in current Economy
- CO3:** Explain the importance of money and banking along with their functions
Analyse RBI policies
- CO4:** Analyse causes and evaluate the measures to control inflation and trade cycles in the economy
- CO5:** Evaluate the macroeconomic policy targets

Unit - 1: Introduction to Macroeconomics and National Income

- Macroeconomics: Definition, Scope and Importance; Macroeconomic Variable: Stock and Flow
- Circular Flow of Income: Two, Three and Four Sector Models
- National Income: Definition, Concepts, Importance
- Measurement of National Income and Difficulties

Unit -2: Theories of Employment, Consumption and Investment

- Classical Theory of Employment: Assumptions, Say's Law of Market, Pigou's Wage-Price Flexibility, Classical Model, Criticism
- Consumption: Factors, Consumption Function, Keynes' Psychological Law of Consumption
- Investment: Types, Factors, Investment Function; Marginal Efficiency of Capital, Multiplier and Accelerator
- Keynesian Theory of Employment: Assumption, Concepts and Model



Unit – 3: Money and Banking

- Money: Definition, Types, Functions; RBI classification of Money
- Theories of Money: Fisher and Cambridge
- Banking: Definition, Types, Importance, Functions; NBFCs
- Central Bank: Objectives, Functions, Monetary Policy

Unit – 4: Inflation and Trade Cycles

- Inflation: Meaning, Types, Importance, Measurement
- Causes, Consequences and Controlling of Inflation
Inflation vs Unemployment, Phillip's Curve
- Trade Cycles: Phases, Causes and Controlling Measures

Unit -5: Financial Market and Macroeconomic Policies

- Financial Markets: Types, Instruments, Functions
- Stock Market: Functions, Indices Sensex and Nifty
- Macroeconomic Policy: Targets, Indicators and Instruments; Fiscal Policy and Crowding-Out Effect
- Neo-classical and Keynesian Synthesis: IS-LM Basic Model

References:

1. Macroeconomic Analysis, Bilingual Textbook, APSCHE
2. H. L. Ahuja, Advanced Economic Theory, S. Chand, 2004
3. P. N. Chopra, Macroeconomics, Kalyani Publishers, Ludhiana, 2014.
4. D. M. Mithani, Macro Economic Analysis and Policy, Himalaya Publications, New Delhi
5. Telugu Academy Publications on Macroeconomics
6. Macroeconomics, Dr. Br. Ambedkar Open University Material
7. Macroeconomics, IGNOU Material

Suggested Activities:

Unit-1: Practical Exercise on national income measurement

Unit-2: Group discussion on application of classical and Keynesian employment theories to current economics

Unit-3: Field visit to commercial bank and submit a report

Unit-4: Assignment on current measures to control inflation

Unit-5: Quiz on financial markets and debate on monetary vs fiscal policy.



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W.E.F. Academic Year 2023 – 24

SEMESTER III

ECONOMIC THOUGHT AND POLITICAL ECONOMY

Course Objective: This course is to learn about the philosophy and thoughts of various economists which are the basis for the evolution of economics as a discipline.

Course Learning Outcomes:

After studying this course, the student shall be able to achieve the following outcomes:

CO1: Explain the Economic thoughts of Pre-classical, Classical and Socialist.

CO2: Explain Neo-classical, Keynes and Post-Keynesian economic thoughts.

CO3: Analyse the essence of institutional and behaviourists' economic thoughts.

CO4: Evaluate the contribution of Indian economists to the evolution of economic thought.

CO5: Analyze the political economy in relation to development.

Unit - 1: Classical and Socialist Schools

- Pre-Classical School: Mercantilism, Physiocracy
- Classical School 1: Adam Smith, David Ricardo
- Classical School 2: Jeremy Bentham, John Stuart Mill
- Socialist School: Karl Marxs, Fabian Socialists

Unit - 2: Neo-Classical and Keynesian Schools

- Neo Classical and Marginal Revolution School: Alfred Marshall, Vilfredo Pareto
- Keynesian School: John Maynard Keynes
- New Classical School
- New Keynesian School

Unit 3: Institutional and Behaviourist Schools

- Institutional School: Gunnar Mirdal, John Rawls
- New Institutional School 1: Ronald Coase, Frederich Hayek
- New Institutional School 2: Kenneth Arrow, Elinor Ostrom & Oliver E. Williamson
- Behaviourist School: Herbert Simon, Richard Thaler

Unit 4: Indian Political Thought

- Ancient Thought: Kautilya, Goutam Buddha
- Modern Thought1: Dadabhai Nauroji, R.C.Dutt; M.N. Roy
- Modern Thought2: Gandhi, Nehru, Ambedkar
- Contemporary Thought: Amrtya Sen, Rao-Manmohan



Unit 5- Political Economy and Development

- Nexus between Politics and Economy; Basic Features of Political Economy
- Political Ideologies for Development: Economic Liberalism, Economic Nationalism, Marxism
- Role of Political Institutions for Development: Political Parties, Parliament
- Role of Non-political Institutions for Development: Bureaucracy, Regulatory Bodies, Judiciary

References:

1. Lokanathan (2018): History of Economic Thought, S.Chand & Co Ltd, New Delhi
2. Hajela, T.N: History of Economic Thought, Ane's Books Pvt Ltd., New Delhi
3. R.R. Paul: History of Economic Thought, Kalyani Publishers, New Delhi
4. Gide and Rist : History of Economic Doctrines, Digital Library of India, 2015.274711
5. Roll. E. (1973) : A history of Economic Thoughts, Father, London.
6. Ghosh B.N. And Ghosh Roma. A Short History of Economic Doctrines.
7. Lange, O., "Political Economy", Vol. 1, 1963
8. Open Source Online Materials & Videos: IGNOU, e-PG Pathasala, SWAYM, Khan Academy etc.

Suggested Activities:

Unit-1: Student Seminars on evolution of important economic doctrines

Unit-2: Group discussions on different schools of economic thought and their relevance today

Unit-3: Preparation of Comparative charts of various famous economic thoughts

Unit-4: Poster presentations on the economic ideology of Indian thinkers

Unit-5: Project on political economy of current Indian economy



- Endogenous Growth Strategy; Human Capital–Capability Strategy

Unit - 5: Institutions for Economic Development

- Role Institutions in Economic Development
- Basic Features of New Institutional Economics
- Economic Planning: Concept, Objectives, Role in Economic Development; Economic Federalism
- Role of International Institutions in Development: World Bank, IMF

References:

1. Ray, D. (2009), *Development Economics*, Princeton University Press.
2. Todaro M. P. and Stephen, C., Smith (2014), *Economic Development*, Pearson, 12 Ed..
3. M.L. Jhingan, *The Economics of Development and Planning*, Vrinda Publications,
4. Hayami and Godo: *Development Economics*, Oxford Publication.
5. Sen, A., (1999), *Development as Freedom*, Oxford University Press.
6. Thirlwall A. P., (2005), *Growth and Development*, Palgrave Macmillan; 8th Edition.
7. Chenery, Hollis and T. N. Srinivasan, (1998), *Handbook of Development Economics*, Elsevier.
8. Basu, Kaushik (2000), *Analytical Development Economics: The Less developed Economy: Revisited*, Oxford University Press, India.
9. *Development Economics*, Telugu Academy
10. Open Source Online Materials & Videos: IGNOU, e-PG Pathasala, SWAYM, Khan Academy etc.

Suggested Activities:

Unit-1: Group discussions on factors of economic growth and development

Unit-2: Assignments on developmental issues like poverty, unemployment and their programs

Unit-3: Prepare comparative flow charts of various theories of economic growth or development

Unit-4: Project on application of any theory of economic growth or development to the current economic Problem



Unit-5: Seminar on role of institutions in economic development and
prepare a plan for development of local area

Program: B.A. Honours in Economics (Major)
W.E.F. Academic Year 2023 – 24

SEMESTER III

DEVELOPMENT ECONOMICS

Course Objectives: This course is to learn about basic concepts, principles and theories in development economics and apply them to analyse the issues in current economy

Course Learning Outcomes:

After studying this paper, the students shall be able to achieve the following outcomes:

- CO1:** Explain concepts of economic growth and development, measure them, identify their factors.
- CO2:** Analyse the developmental issues of poverty, unemployment, inequality and sustainable development and suggest measures
- CO3:** Comprehend the various theories of growth and development
- CO4:** Examine and suggest various developmental strategies suitable to developing countries
- CO5:** Explain the role of institutions, planning in economic development

Unit - 1: Introduction to Economic Growth and Development

- Economic Growth and Development: Meaning, Differences, Importance,
- Measurements of Growth and Development
- Factors and Obstacles of Economic Growth and Development; Kuznets' Characteristics of Modern Economic Growth
- World Bank and IMF Classification of Countries based on level of Development

Unit 2: Developmental Issues

- Poverty: Meaning, Types, Causes and Solutions; Vicious Circle of Poverty
- Unemployment: Meaning, Types, Causes and Solutions
- Inequalities: Meaning, Types, Causes and Solutions
- Sustainable Development and SDGs

Unit-3: Theories of Growth and Development

- Classical Theory of Development



- Marxian Theory of Development
- Rostow's Stages of Economic Growth
- Neo-Classical Models of Economic Growth: Harrod-Domar Model, Solow Model

Unit – 4: Strategies of Economic Development

- Capitalist, Socialist and Mixed Economy Strategies
- Big Push Strategy; Balanced and Unbalanced Growth Strategies
- Mahalanobis Strategy; Export Promotion and Foreign Capital Strategy
- Endogenous Growth Strategy; Human Capital–Capability Strategy

Unit - 5: Institutions for Economic Development

- Role Institutions in Economic Development
- Basic Features of New Institutional Economics
- Economic Planning: Concept, Objectives, Role in Economic Development; Economic Federalism
- Role of International Institutions in Development: World Bank, IMF

References:

11. Ray, D. (2009), *Development Economics*, Princeton University Press.
12. Todaro M. P. and Stephen, C., Smith (2014), *Economic Development*, Pearson, 12 Ed..
13. M.L. Jhingan, The Economics of Development and Planning, Vrinda Publications,
14. Hayami and Godo: Development Economics, Oxford Publication.
15. Sen, A., (1999), *Development as Freedom*, Oxford University Press.
16. Thirlwall A. P., (2005), *Growth and Development*, Palgrave Macmillan; 8th Edition.
17. Chenery, Hollis and T. N. Srinivasan, (1998), *Handbook of Development Economics*, Elsevier.
18. Basu, Kaushik (2000), *Analytical Development Economics: The Less developed Economy: Revisited*, Oxford University Press, India.
19. Development Economics, Telugu Academy
20. Open Source Online Materials & Videos: IGNOU, e-PG Pathasala, SWAYM, Khan Academy etc.

Suggested Activities:

Unit-1: Group discussions on factors of economic growth and development

Unit-2: Assignments on developmental issues like poverty, unemployment and their programs

Unit-3: Prepare comparative flow charts of various theories of economic growth or development



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Unit-4: Project on application of any theory of economic growth or development to the current economic Problem

Unit-5: Seminar on role of institutions in economic development and prepare a plan for development of local are

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W.E.F. Academic Year 2023 – 24

SEMESTER III

INTERNATIONAL ECONOMICS

Course Objective:

This Course aims to develop a systematic understanding of the key concepts and theories in international economics, enabling them to critically evaluate the impact of trade policies on national economies and welfare.

Course Learning Outcomes:

After completing the course, the student shall be able to achieve the following outcomes:

CO1: Explain the importance and concepts of international

trade **CO2:** Make a critical analysis of the theories of

international trade **CO3:** Explain changes in the methods

of determining exchange rates

CO4: Analyse the effects of Trade Barriers and protectionism in International Trade.

CO5: Explain multilateralism, regionalism and India's international trade

Unit - 1: Introduction to Theory of International Trade

- International Trade (IT): Meaning and Importance; Gains from Trade, Free Trade vs Restricted Trade
- Offer Curves: Meaning, Properties; Trade Elasticity



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- Terms of Trade (ToT): Concept, Types, Equilibrium
- Opportunity Costs in IT; Trade Multiplier

Unit - 2: Theories of International Trade

- Classical Trade Theories: Absolute Advantage Theory, Comparative Advantage theory
- Modern Trade Theories: Heckscher-Ohlin Factor Endowments Theory, Leontief Paradox, Stolper-Samuelson Theorem
- Other Trade Theories: Prebisch-Singer's Secular Deterioration Thesis, Gunnar Myrdal Trade Theory in brief

Unit - 3: Exchange Rates and BOP Mechanism

- Exchange Rates: Meaning and Types; Changes in Exchange Rates: Devaluation & Revaluation, Depreciation & Appreciation
- Factors and Determination of Exchange Rate Purchasing Power Parity
- Balance of Payments (BoP): Definition, Composition, Equilibrium and Disequilibrium
- BoP Adjustment Mechanisms; Policy Assignment Problems and Mundel Model in brief

Unit- 4: Trade Barriers and International Finance

- Trade Barriers: Tariffs, Quotas, Subsidies, Dumping & Anti-Dumping, Price Discrimination, Effects of Trade Barriers
- Optimum Tariff: Theory and Formula; Effective Rate of Protection; New Protectionism
- Role of International Finance in Trade; Role of World Bank and IMF in International Trade and Finance

Unit- 5: Multilateralism, Regionalism and India's International Trade

- Multilateralism: Concept, GATT & WTO
- Forms of Economic Cooperation: Free Trade Area, Customs Union and Common Market
- India's International Trade: Trade Volume, Composition, Direction, BoP, Forex Reserves
- India's Important Trade Agreements and New Foreign Trade Policy

References:

1. Salvatore, D., "International Economics", John Wiley, 12th Edition, 2015
2. Krugman, P., Obstfeld, M. and Melitz, M., "International Economics: Theory and Policy", Pearson Education Indian Edition, 9th Edition, 2012
3. Cherunilam. F (2016), *International Economics*, The McGraw-Hill, New Delhi
4. Open Source Online Materials & Videos: IGNOU, e-PG Pathasala,



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SWAYM, Khan Academy etc.

5. Websites of WTO, IMF, WB, Ministry of Commerce, DPIIT, Govt of India

Suggested Activities:

Unit-1: Assignments and Student Seminars on theories of International Trade.

Unit-2: Web Assignments on economic cooperation and economic clusters Unit-

3: Poster presentations on free trade and protection

Unit-4: Debate on Indian trade and current trends

Unit-5: Workshop on DGFT sops for beginning export/import business

B.A. Honours in Economics (Major) SEMESTER III

8. Public Economics

Course Objective: This course aims to provide an understanding of public economics principles, theories, and policies, enabling students to analyse and evaluate issues in government revenue, expenditure and debt management.

Course Learning Outcomes:

On successful completion of this course, the students will be able to achieve the following course learning outcomes

CO1: Explain and illustrate the basic concepts and principle of public finance

CO2: Discuss various sources of public revenue, different theories of taxation, tax systems and incidence of taxation

CO3: Analyse various principles, theories, practices of public expenditure with reference to public expenditure practices in India

CO4: Explain the concept of debt burden and its effect, budget concepts and deficits with reference to Indian economy.



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CO5: Examine the importance of fiscal policy, fiscal federalism and discuss the role of finance commission with reference to India.

Unit 1: Introduction to Public Finance and Market Failure

- Meaning, Nature, Scope, Importance of Public Finance; Public vs Private Finance
- Principal of Maximum Social Advantage
- Types of Goods: Private, Public, Merit, Club Goods
- Problems of Market Failure, Externalities and Free Riding and Solutions.

Unit 2: Public Revenue

- Sources of Revenue: Tax and Non-tax; Cannons of Taxation
- Theories of Taxation: Socio-Political Theory, Benefit Received Theory, Ability to Pay Theory
- Tax Systems: Progressive, Proportional, Regressive; Types of Taxes: Direct and Indirect
- Incidence and Effects of Taxation; Shares of Tax and Non-Tax Revenues in India.

Unit 3: Public Expenditure

- Principles of Public Expenditure (PE); Classification and Effects of PE
- Theories of PE: Wagner's Law, Peacock-Wiseman, Colin-Clarks Critical Limit Theory
- Determinants of PE; Criteria for Public Investment
- Trends and patterns of Public Expenditure in India; Reforms in public Expenditure in India.

Unit 4: Public Debt and Budget

- Public Debt (PD): Meaning, Types, Sources; Effects and Burden of PD
- Theories of PD: Classical Theory, Barro-Ricardo Equivalence, Keynesian Approach
- Shifting and Redemption of PD; Public Debt Management in India
- Budget: Meaning, Importance, Types; Basic Concepts and Deficits in Budget
- Fiscal Discipline and Consolidation, FRBM Act; Brief Analysis of a Recent Budget in India.

Unit 5: Fiscal Policy and Fiscal Federalism

- Fiscal Policy: Meaning, Objectives and Functions
- Principles of Multi-Unit Finance; Concept of Vertical and Horizontal Fiscal Imbalances
- Fiscal Federalism in India and Constitutional Provisions
- Recent Finance Commission: Objectives and Recommendations
- Issues and Challenges of Fiscal Federalism and State Governments Finances in India.



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Reference Books:


1. Musgrave, R. A. & Musgrave, P. B. (2004), *Public Finance in Theory and Practice*. Fifth edition, TATA McGraw-Hill
2. Tyagi, B.P., "Public Finance", Jai Prakash Nath Co., 1992.
3. Bhatia H.L., "Public Finance", Vikas Publishing House Pvt.Ltd., 1984.
4. Dalton, H., "Principles of Public Finance", Routledge, 1st Edition, 2009.
5. Stiglitz, J. E (2000), *Economics of the Public Sector*. W W Norton
6. Rangarajan, C. and D. K. Srivastava (2011), *Federalism and Fiscal Transfers in India*. Oxford University Press, New Delhi.
7. Open Source Online Materials & Videos: IGNOU, e-PG Pathasala, Economic Survey, SWAYM, Khan Academy etc.

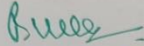
Activities Suggested:

Unit 1: Assignment on importance of public finance and role of government in an economy
Unit 2: Make poster presentation of Indian tax system with revenue details from recent budget.

Unit 3: Organize debates on the growth of public expenditure in India and its management.
Unit 4: Assignments on the management of deficits and public debt and watch budget presentation and make analysis.

Unit 5: Quiz sessions on the recommendations of finance commissions with |
justification for changes in criteria/ quantum of devolution.


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