

St. Xavier's College (Autonomous), Ahmedabad

FACULTY OF ARTS

DEPARTMENT OF ECONOMICS (SF)

BA. Hons. (Economics) SF

SEMESTER-3

Major Course – 1: Microeconomics-2

CREDIT DISTRIBUTION, ELIGIBILITY AND PRE-REQUISITES OF THE COURSE

Course Title & Code	Credit Distribution of The Course			Eligibility Criteria	Pre-requisite(s) of the Course (if any)
	Lectures	Tutorial	Practical / Practice		
Microeconomics-2 (ECH-3501)	4	0	0	10 + 2 from a recognized board in any stream	Basic

Learning Objectives (LO):

1. Understand consumer surplus, market demand, and their implications in economic decision-making.
2. Analyse market equilibrium, taxation effects, and technological constraints in production.

Course Outcomes (CO):

1. Apply concepts of consumer surplus, demand elasticity, and revenue analysis in market scenarios.
2. Evaluate equilibrium conditions, taxation policies, and production technologies in economic systems.

Unit-1: Consumer's Surplus

Demand for a Discrete Good, Constructing Utility from Demand, Other Interpretations of Consumer's Surplus, From Consumer's Surplus to Consumers' Surplus, Approximating a Continuous Demand, Quasilinear Utility, Interpreting the Change in Consumer's Surplus, The Change in Consumer's Surplus, Compensating and Equivalent Variation, Compensating and Equivalent Variations for Quasilinear Preferences, Producer's Surplus, Benefit-Cost Analysis, Rationing, Calculating Gains and Losses, A Few Demand Functions, CV, EV and Consumer's Surplus

Unit-2: Market Demand

From Individual to Market Demand, The Inverse Demand Function, Adding Up Linear Demand Curves, Discrete Goods, The Extensive and the Intensive Margin, Elasticity, The Elasticity of a Linear Demand Curve, Elasticity and Demand, Elasticity and Revenue, Strikes and Profits, Constant Elasticity Demands, Elasticity and Marginal Revenue, Setting a Price, Marginal Revenue Curves, Income Elasticity, The Laffer Curve, Another Expression for Elasticity

Unit-3: Equilibrium

Supply, Market Equilibrium, Two Special Cases, Inverse Demand and Supply Curves, Equilibrium with Linear Curves, Comparative Statics, Shifting Both Curves, Taxes, Taxation with Linear Demand and Supply, Passing Along a Tax, The Deadweight Loss of a Tax, The Market for Loans, Food Subsidies, Subsidies in Iraq, Pareto Efficiency, Waiting in Line

Unit-4: Technology

Inputs and Outputs, Describing Technological Constraints, Examples of Technology, Fixed Proportions, Perfect Substitutes, Cobb-Douglas, Properties of Technology, The Marginal Product, The Technical Rate of Substitution, Diminishing Marginal Product, Diminishing Technical Rate of Substitution, The Long Run and the Short Run, Returns to Scale, Datacentres, Copy Exactly!

Reference Text:

- "Intermediate Economics" by Hal Varian

Suggestive Reading:

- "Microeconomics- An Advanced Treatise" by SPS Chauhan

- "Principles of Economics" by N. Gregory Mankiw

St. Xavier's College (Autonomous), Ahmedabad

FACULTY OF ARTS

DEPARTMENT OF ECONOMICS (SF)

BA. Hons. (Economics) SF

SEMESTER-3

Major Course – 2: Macroeconomics-2

CREDIT DISTRIBUTION, ELIGIBILITY AND PRE-REQUISITES OF THE COURSE

Course Title & Code	Credit Distribution of The Course			Eligibility Criteria	Pre-requisite(s) of the Course (if any)
	Lectures	Tutorial	Practical / Practice		
Macroeconomics-2 (ECH-3502)	4	0	0	10 + 2 from a recognized board in any stream	Basic

Learning Objectives (LO)

1. To introduce students to fundamental concepts and analytical tools in macroeconomics.
2. To develop an understanding of key macroeconomic theories and their practical applications.

Course Outcomes (CO)

1. Analyse the core principles of classical and Keynesian macroeconomics.
2. Apply macroeconomic models to evaluate the dynamics of employment, consumption, and investment in an economy.

Unit 1: Introduction to Macroeconomics

1. Nature of macroeconomics: Definition and importance.
2. Forms of macroeconomic analysis: Micro-foundations and macroeconomic aggregates.
3. Scope of macroeconomics: Key topics and interlinkages with other branches of economics.
4. Say's Law of Markets: Classical theory of employment and its critique.

Unit 2: Keynesian Economics I

1. Keynesian theory of employment: Departure from classical economics.
2. Aggregate Demand (AD) and Aggregate Supply (AS): Determinants and

equilibrium.

3. Theory of Consumption: Marginal propensity to consume (MPC) and its implications.
4. Concept of effective demand and its role in achieving equilibrium.

Unit 3: Keynesian Economics II

1. Theory of investment: Autonomous and induced investment.
2. Multiplier effect: Concept, mechanism, and significance.
3. Acceleration principle: Dynamics of investment and output growth.
4. Interaction between multiplier and accelerator in business cycles.

Unit 4: Theories of Interest Rate Determination

1. Classical theory of interest rate: Savings and investment equilibrium.
2. Keynesian liquidity preference theory of interest rate.
3. Modern theories: IS-LM framework and loanable funds theory.
4. Practical applications of interest rate theories in policymaking.

Suggestive Reading

1. "Macroeconomics: Theory and Policy" by Errol D'Souza.
2. "Macroeconomics" by N. Gregory Mankiw.
3. "Macroeconomics: Theories and Policies" by Richard T. Froyen.

St. Xavier's College (Autonomous), Ahmedabad

FACULTY OF ARTS

DEPARTMENT OF ECONOMICS (SF)

BA. Hons. (Economics) SF

SEMESTER-3

Major Course – 3: Economics of Development-1

CREDIT DISTRIBUTION, ELIGIBILITY AND PRE-REQUISITES OF THE COURSE

Course Title & Code	Credit Distribution of The Course			Eligibility Criteria	Pre-requisite(s) of the Course (if any)
	Lectures	Tutorial	Practical / Practice		
Economics of Development-1 (ECH-3503)	4	0	0	10 + 2 from a recognized board in any stream	Basic

Course Objectives (COs)

1. To introduce students to the fundamental theories, concepts, and practices of economic development across the globe.
2. To equip students with the analytical tools necessary to examine the comparative economic development of countries.

Learning Outcomes (LOs)

1. Students will be able to critically evaluate various development theories and their application in real-world contexts.
2. Students will develop the ability to analyse country-level differences in economic development using quantitative and qualitative indicators.

Unit 1: Introducing Economic Development: A Global Perspective

Introduction to Some of the World's Biggest Questions, How Living Levels Differ Around the World, How Countries Are Classified by Their Average Levels of Development: A First Look, Economics and Development Studies, Wider Scope of Study, The Central Role of Women, The Meaning of Development: Amartya Sen's "Capability" Approach, Happiness and Development, The Sustainable Development Goals: A Shared Development Mission, Seventeen Goals, The Millennium Development Goals, 2000–2015, Implementing the Sustainable Development Goals,

Some Critical Questions for the Study of Development Economics, Case Study 1: Comparative Economic Development: Pakistan and Bangladesh

Unit 2: Comparative Economic Development

An Introduction, what is the Developing World? Classifying Levels of National Economic Development, Conventional Comparisons of Average National Income, Adjusting for Purchasing Power Parity, Other Common Country Classifications, Comparing Countries by Health and Education, and the Human Development Index, Comparing Health and Education Levels, Introducing the Human Development Index, Human Development Index Ranking: How Does it Differ from Income Rankings?, Human Development Index: Alternative Formulations, Key Similarities and Differences Among Developing Countries, Levels of Income and Productivity, Human Capital Attainments, Inequality and Absolute Poverty, Population Growth and Age Structure, Rural Economy and Rural-to-Urban Migration, Social Fractionalisation, Level of Industrialisation and Manufactured Exports, Geography and Natural Resource Endowments, Extent of Financial and Other Market Development, Quality of Institutions and External Dependence, Are Living Standards of Developing and Developed Nations Converging?, The Great Divergence, Two Major Reasons to Expect Convergence, Perspectives on Income Convergence, Long-Run Causes of Comparative Development, Concluding Observations, Case Study 2: Institutions, Colonial Legacies, and Economic Development: Ghana and Côte d'Ivoire, Appendix 2.1 The Traditional Human Development Index (HDI), Appendix 2.2 How Low-Income Countries Today Differ from Developed Countries in Their Earlier Stages

Unit 3: Classic Theories of Economic Growth and Development

Classic Theories of Economic Development: Four Approaches, Development as Growth and the Linear-Stages Theories, Rostow's Stages of Growth, The Harrod-Domar Growth Model, Obstacles and Constraints, Necessary Versus Sufficient Conditions: Some Criticisms of the Stages Model, Structural-Change Models, The Lewis Theory of Economic Development, Structural Change and Patterns of Development, Conclusions and Implications (Structural Change), The International-Dependence Revolution, The Neocolonial Dependence Model, The False-Paradigm Model, The Dualistic-Development Thesis, Conclusions and Implications (Dependence Revolution), The Neoclassical Counter-Revolution: Market Fundamentalism, Challenging the Statist Model: Free Markets, Public Choice, and Market-Friendly Approaches, Traditional Neoclassical Growth Theory, Conclusions and Implications (Neoclassical), Classic Theories of Development: Reconciling the Differences, Case Study 3: Classic Schools of Thought in Context: South Korea and Argentina, Appendix 3.1 Components of Economic Growth, Appendix 3.2 The Solow Neoclassical Growth Model, Appendix 3.3 Endogenous Growth Theory

Unit 4: Contemporary Models of Development and Underdevelopment

Underdevelopment as a Coordination Failure, Multiple Equilibria: A Diagrammatic Approach, Starting Economic Development: The Big Push, The Big Push: A Graphical Model, Other Cases in Which a Big Push May Be Necessary, Why the Problem Cannot Be Solved by a Super-Entrepreneur, Further Problems of Multiple Equilibria, Inefficient Advantages of Incumbency, Behaviour and Norms, Linkages, Inequality, Multiple Equilibria, and Growth, Michael Kremer's O-Ring Theory of Economic Development, The O-Ring Model, Implications of the O-Ring Theory, Economic Development as Self-Discovery, The Hausmann-Rodrik-Velasco Growth Diagnostics Framework, Conclusions, Case Study 4: China: Understanding a Development

“Miracle”

Suggestive Reading:

- "Economic Development" by Michael P. Todaro and Stephen C. Smith
- "Development Economics" by Debraj Ray
- "The Economics of Development and Planning" by M.L. Jhingan