St. Xavier's College (Autonomous), Ahmedabad
Syllabus of Semester VI of the following departments under the Faculty of Arts based on Undergraduate Curriculum Framework - 2024 to be implemented from the Academic Year 2025-26
FACULTY OF ARTS

DEPARTMENT OF ECONOMICS

Course	Title	Content	Hours/week	Credit
ECMC-661-C	Macroeconomic Theory-II	U-1: Introduction to AD/AS Model U-2: IS-LM Model U-3: Credit creation and money supply U-4: Open Economy and Emerging trends in Macroeconomics	4hrsa	4

ECMC-661-C Macroeconomic Theory-II

CREDIT DISTRIBUTION, ELIGIBILITY AND PRE-REQUISITES OF THE COURSE

Course Title & Code	Credit Distribution of The Course (Total Credit-04)			Eligibility Criteria	Prerequisite(s) of the Course (if any)
	Lecture	Practical	Experiential Learning		
ECMC-661 C Macroeconomic Theory-II	4	0		10 + 2 from a recognized board in any stream	

I. Learning Objectives (LO):

LO-1	To develop a conceptual understanding of aggregate demand and aggregate supply and their role in explaining macroeconomic stability and fluctuations.
LO-2	To analyze the interaction of goods and money markets through the IS–LM framework and evaluate the effectiveness of fiscal and monetary policies.
LO-3	To understand the process of credit creation, money supply determination, and the role of monetary policy in different economic contexts.
LO-4	To introduce students to open-economy macroeconomic models and emerging trends such as financial crises, trade shocks, and green macroeconomics.

II. Course Outcomes (CO):

CO-1	Explain and apply the AD–AS model to analyze economic fluctuations, policy shocks, and macroeconomic stability.
CO-2	Use the IS–LM and Mundell–Fleming models to assess equilibrium income, interest rates, and policy effectiveness in closed and open economies.
CO-3	Evaluate the role of banking systems and central banks in credit creation and money supply management in developed and developing economies.
CO-4	Critically assess contemporary macroeconomic issues including balance of payments, financial crises, supply-chain disruptions, and sustainability challenges.

Unit 1: Introduction to AD/AS Model

Meaning, Derivation, slope and Shift in AD, Short Run and Long Run AS curve, Three Ranges of Short-Run AS Curve, Shocks to AD and AS, The Sticky Wage Model, Macroeconomic Stability: AD and AS interaction, Economic Fluctuation and AD-AS model

Unit 2: IS-LM Model

Goods and money market and IS-LM curve, Slope and shift in IS-LM curve, Equilibrium. Monetary and Fiscal policy instruments for stabilisation through IS-LM

Unit 3: Credit creation and money supply

Credit creation, money multiplier, and effects of monetary policy decisions on money supply. Endogenous and Exogenous Case studies: monetary policy in developing and developed nations.

Unit 4: Open Economy and Emerging trends in Macroeconomics

Open Economy and Mundell Fleming Model; Monetary approach to BoP, Recent trends in macroeconomics: green macroeconomics, trade shocks and supply chains and financial crisis.

III. Teaching Methodology: Apart from the conventional blackboard teaching, other modes of teaching that will be adopted are power points, group discussions, quizzes, class tests. Experiential learning, analysis and discussions will form an important part of studying this paper.

IV. References:

1. Mankiw and Blanchard
2. Macroeconomics by Dornbusch and Fischer
3. Macroeconomics by H.L. Ahuja

St. Xavier's College (Autonomous), Ahmedabad
Syllabus of Semester VI of the following departments under the Faculty of Arts based on Undergraduate Curriculum Framework - 2024 to be implemented from the Academic Year 2025-26

FACULTY OF ARTS

DEPARTMENT OF ECONOMICS

Course	Title	Content	Hours/week	Credit
ECMC-662-C	Public Finance	U-1: Introduction to Public Economics: U-2: Taxation & Government Finance: U-3: Scope, rationale, and methods: U-4: Public Policy and Welfare:	4hrs	4

EC-MC-662-C: Public Finance

CREDIT DISTRIBUTION, ELIGIBILITY AND PRE-REQUISITES OF THE COURSE

Course Title & Code	Credit Distribution of The Course (Total Credit-04)			Eligibility Criteria	Prerequisite(s) of the Course (if any)
	Lecture	Practical	Experiential Learning		
EC-MC-662-C: Public Finance	4	0	4	10 + 2 from a recognized board in any stream	

I. Learning Objectives (LO):

LO-1	To provide an understanding of market failures and the economic justification for government intervention in the economy.
LO-2	To familiarize students with the principles of taxation and the structure of government finance, including recent tax reforms.
LO-3	To explain the scope, rationale, and theoretical foundations of public expenditure and public budgeting.
LO-4	To analyze public policy issues related to fiscal federalism, decentralization, and welfare-oriented government programs.

II. Course Outcomes (CO):

CO-1	Identify and explain different types of market failures and evaluate the role of public goods, externalities, and merit goods.
CO-2	Analyze taxation systems using concepts of efficiency, equity, elasticity, and incidence, and assess the impact of direct and indirect taxes.
CO-3	Apply theories of public expenditure to understand government spending behavior, budgeting, deficits, and public debt.
CO-4	Evaluate public policies related to fiscal federalism, intergovernmental transfers, and welfare programs in education, health, and social security.

UNIT 1 Introduction to Public Economics:
Market failure and public intervention, characteristics of public goods, public goods and externalities, merit goods.

UNIT 2 Taxation & Government Finance:
Tax Theory: efficiency, equity, elasticity, incidence Taxation Instruments: direct vs. indirect taxes. GST reforms

UNIT 3 Scope, rationale, and methods:
Theories of Public Expenditure: Peacock-Wiseman, Wagner's Law, Ratchet effect (primary idea) Public Budgeting: government borrowing, deficits, public debt

Unit 4 Public Policy and Welfare:
Fiscal Federalism: intergovernmental transfers and decentralisation; Finance Commission Welfare Programs: public provision of education, health, and social safety nets

III. Teaching Methodology: Apart from the conventional blackboard teaching, other modes of teaching that will be adopted are power points, group discussions, quizzes, class tests. Experiential learning, analysis and discussions will form an important part of studying this paper.

IV. References:

1. **Musgrave, R. A. & Musgrave, P. B.** *Public Finance in Theory and Practice* McGraw Hill
2. **Stiglitz, Joseph E. & Rosengard, Jay K.** *Economics of the Public Sector* W. W. Norton.
3. **Rosen, Harvey S. & Gayer, Ted** *Public Finance* McGraw-Hill
4. **Atkinson, A. B. & Stiglitz, J. E.** *Lectures on Public Economics* McGraw-Hill
5. **Bhatia, H. L.** *Public Finance* Vikas Publishing (Very popular in Indian universities; good coverage of taxation, budget, deficits, and public debt.)
5. **Ahuja, H. L.** *Public Finance* S. Chand
6. **Lekhi, R. K.** *Public Finance* Kalyani Publishers
7. **Sreekantaradhya, B. S.** *Public Finance* Himalaya Publishing House
8. **Government of India** *Finance Commission Reports*
9. **Reserve Bank of India (RBI)** *State Finances: A Study of Budgets*
10. **Economic Survey of India** (Annual)

St. Xavier's College (Autonomous), Ahmedabad
Syllabus of Semester VI of the following departments under the Faculty of Arts based on Undergraduate Curriculum Framework - 2024 to be implemented from the Academic Year 2025-26

FACULTY OF ARTS

DEPARTMENT OF ECONOMICS

Course	Title	Content	Hours/week	Credit
ECMC-663-C	Econometrics	U-1: Introduction to Econometrics U-2: Simple Linear Regression Model U-3: OLS assumptions Violations U-4: Concept of Dummy Variable	4hrs	4

ECMC-663-C Econometrics

CREDIT DISTRIBUTION, ELIGIBILITY AND PRE-REQUISITES OF THE COURSE

Course Title & Code	Credit Distribution of The Course (Total Credit-04)			Eligibility Criteria	Prerequisite(s) of the Course (if any)
	Lecture	Practical	Experiential Learning		
ECMC-663-C Econometrics	4	0	4	10 + 2 from a recognized board in any stream	

I. Learning Objectives (LO):

LO-1	To introduce students to the meaning, scope, and methodology of econometrics and its role in economic analysis and forecasting.
LO-2	To develop an understanding of regression analysis, especially the simple linear regression model and estimation using the Ordinary Least Squares (OLS) method.
LO-3	To explain the classical assumptions of the regression model and examine the problems arising from their violations.
LO-4	To familiarize students with the use of dummy variables in regression analysis for qualitative and seasonal data.

II. Course Outcomes (CO):

CO-1	Explain the fundamentals of econometrics, distinguish it from mathematical economics, and identify different types of data used in empirical analysis.
CO-2	Estimate and interpret simple regression models, evaluate goodness of fit, and understand the properties of OLS estimators.
CO-3	Diagnose common OLS assumption violations such as heteroscedasticity, multicollinearity, and autocorrelation, and suggest appropriate remedies.
CO-4	Apply dummy variable techniques in regression analysis to handle qualitative variables and conduct seasonal analysis.

Unit 1: Introduction to Econometrics:

Meaning and Methodology of Econometrics, Significance of Econometrics, Hypothesis Testing, Forecasting or Prediction, Difference between Mathematical Economics and Econometrics, Types of Econometrics, Types of Data: Cross Sectional, Time Series and Panel.

Unit 2: Simple Linear Regression Model:

Meaning and use of Regression in Economics, Exact vs. Stochastic Relationship, Regression vs. Causation, Derivation of the Regression parameters through OLS method, Coefficient of Determination, Properties of OLS (BLUE), Concept of MLRM

Unit 3: OLS assumptions Violations:

Concepts of Heteroscedasticity, Multicollinearity and Autocorrelation: Sources, Consequences and Remedies, Introduction to Statistical Tests to detect them

Unit 4: Concept of Dummy Variable:

Regression analysis with Dummy Variable with two or more categories, Dummy Variable Trap, Use of Dummy Variable in Seasonal Analysis

III. Teaching Methodology: Apart from the conventional blackboard teaching, other modes of teaching that will be adopted are power points, group discussions, quizzes, class tests. Experiential learning, analysis and discussions will form an important part of studying this paper.

IV. References:

1. **Gujarati, D. N. & Porter, D. C.** *Basic Econometrics,* McGraw-Hill
2. **Wooldridge, Jeffrey M.** *Introductory Econometrics: A Modern Approach,* Cengage Learning
3. **Pindyck, R. S. & Rubinfeld, D. L.** *Econometric Models and Economic Forecast,* McGraw-Hill
4. **Johnston, J. & DiNardo, J.** *Econometric Methods,* McGraw-Hill
5. **Koutsoyiannis, A.** *Theory of Econometrics,* Palgrave Macmillan
6. **Maddala, G. S.** *Introduction to Econometrics,* Wiley
7. **Salvatore, D. & Reagle, D.** *Statistics and Econometrics,* McGraw-Hill
8. **Damodar N. Gujarati** *Essentials of Econometrics,* McGraw-Hill,
9. **Studenmund, A. H.** *Using Econometrics: A Practical Guide,* Pearson.
10. **Stock, J. H. & Watson, M. W.** *Introduction to Econometrics,* Pearson

Unit 1: Gujarati; Wooldridge; Pindyck & Rubinfeld
Unit 2: Gujarati; Koutsoyiannis; Stock & Watson
Unit 3: Gujarati; Johnston & DiNardo; Studenmund
Unit 4: Gujarati; Wooldridge; Studenmund