

Economics
B. A. Part – II

Approved

Paper – I National Income Analysis, Money and Banking

Unit – I

National Income Analysis: Concept and methods of measurement; Circular flow of product and income, Government and foreign sectors in national income accounts. Determination of National income under classical and Keynesian system. Monetary theories of trade cycle.

Unit – II

Value of Money: Fisher and Cambridge approaches. Income-expenditure approach. Keynes' quantity theory.
Prices: inflation, deflation. Monetary approach. Keynesian approach. Non-monetary theories of inflation. Effects of deflation. A brief discussion of relationship between inflation and unemployment (Philips curve and modified Philip's curve), Okun's law and concept of stagflation.

Unit – III

Banking: Types and function. Structure and management, assets and liabilities, creation of money. Commercial Bankings: Principles and Practices.
Central Banking: Instrument of monetary control and other functions of Central Banks.
Indian Monetary Market: Structure, concept and sources of change in money supply, Reserve Bank of India, regulatory and promotional functions.

Unit – IV

Foreign Exchange: Concept, demand and supply of foreign exchange; external value of money-gold standard, exchange rate determination, purchasing power parity, theory, International monetary institution-IMF and IBRD. Exchange Control, Objectives and Methods.

Books Recommended:

1. Manihara, K. K. – Monetary Theory
2. Crowther, G. – An Outline of Money
3. Halm, G. N. – Monetary Theory / Mudra Siddhant (in Hindi)
4. Makinen, Gale – Money: The Price Level and Interest Rate
5. Dilard, D. – Keynes Ka Arthashastra
6. Ghosh, Alak – Indian Economy
7. Rudra Dutt & Sudaram - Indian Economy
8. Samuelson, P. A. – Economics
9. Stonier & Hague – A Text Book of Economic Theory

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Paper – II Public Finance and International Trade

Unit – I

Private and Public Goods, Principle of maximum social advantage
Government Budget: Preparation and classification, Sources of Public Revenue, Taxation. Satisfaction of Public wants, the benefit approach, the ability to pay approach; incidence and effects of taxation.

Unit – II

Public Expenditure: Wagner's law, Wiseman-Peacock hypothesis, the critical limit hypothesis.
Classification of Public Expenditure: Effects of public expenditure on production and distribution.
Public Debt: Classification, effects, burden, repayment and management.

Unit – III

Fiscal Policy: Stability and Economic growth.
Indian Public Finance: Sources of income – Central, State, Indian Tax System. Public expenditure in India. Indian Federal Finance.

Unit – IV

International Trade: Theory of comparative cost. Refinements-Opportunity cost. Reciprocal demand analysis.
Terms of Trade: Concepts and measurement. Free trade and production. Tariff and non-tariff methods.
The balance of payments: Equilibrium and disequilibrium. Foreign trade of India and trade policy.

Books Recommended:

1. H. Dalton – Public Finance
2. H. L. Bhatia - Public Finance
3. Alen and Brownley - Public Finance
4. Samuelson, P. A. – Economics

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