

Department of Economics
Delhi School of Economics
Minutes of the Meeting

Course No.01, Principles of Economics
Date of Meeting: 7.4.2010
Convenor: Prof. S.C. Panda and B.L.Pandit

The following members attended:

1. Mohini Aggarwal, Rajdhani College
2. Supriti Mishra, Shyam Lal College
3. Vandana Sethi, Moti Lal Nehru College
4. Rashmi Mittal, Dyal Singh College
5. Chander Kanta, PGDAV College (M)
6. V.K.Purohit,IP College
7. Ranjan Swarnakar, ARSD College
8. Surajit L. Chakravarty, RLA College (E)
9. Leema Paliwal, St. Stephen's College
10. Aashita Dawer, St. Stephen's college
11. Stuti Gupta, Shyam Lal College (E)
12. Vibha Aggarwal, Hansraj College
13. Shailu Singh, Hansraj College
14. Ravinder Jha, Miranda House
15. AJC Bose, SRCC
16. Jayesh Adeshra, Shaheed Bhagat Singh College (M)
17. Aruna Rao, SV College
18. Suresh Aggarwal, Satyawati College
19. Nidhi Chand, Maitreyi College
20. Anjali Kochak, LSR College
21. Prashant Kumar, Satyawati College (E)
22. Anand Kumar, C.V.S. College
23. Rashmi Sharma, DCAC
24. Sheikh Rubina Naqvi, Hindu College
25. Dr. Daisy Sales, J & M College

There is no change in readings, pl. use last year's reading list.

“Readings (Core textbooks):

1. **Joseph E. Stiglitz and Carl E. Walsh (2006), *Economics***, International Student Edition, 4th Edition, W.W. Norton & Company, Inc., New York, ISBN 0-393-92622-2. (hereafter Stiglitz & Walsh, 2006, 4e)
2. **N. Gregory Mankiw (2007), *Economics: Principles and Applications***, 4th edition, India edition by South-Western, a part of Cengage Learning, Cengage

Learning Inida Private Limited, ISBN-13:978-81-315-0577-9 (hereafter, Mankiw, 2007, 4e).

3. **Karl E. Case and Ray C. Fair (2007), *Principles of Economics*, 8th edition, Pearson Education Inc., ISBN 81-317-1587-6.**(hereafter Case & Fair, 2007, 8e).

Reading List in Detail:

1. Exploring the subject matter of Economics

Why study economics? Scope and method of economics; The economic problem: Scarcity and choice; the question of what to produce, how to produce and how to distribute output; Science of economics; The basic competitive model; Prices, Property rights and Profits; Incentives and information; Rationing; Opportunity sets; Economic systems; Reading and working with graphs.

Reference: Stiglitz & Walsh, 2006, 4e, Chapters 1 & 2—Ch.1: Modern Economics, pp.3-22; Ch.2: Thinking like an Economist, pp.25-50.

2. Supply and Demand: How Markets Work, Markets and Welfare

Markets and competition; Determinants of individual demand/supply; Demand/supply schedule and demand/supply curve; Market versus individual demand/supply; Shifts in the demand/supply curve, demand and supply together; How prices allocate resources; Elasticity and its application; Controls on prices; Taxes and the costs of taxation; Consumer surplus, producer surplus and the efficiency of the markets.

Reference: Mankiw, 2007, 4e, Chapters 4, 5, 6, 7 & 8—Ch.4: The Market Forces of Supply and Demand, pp.72-92; Ch.5: Elasticity and Its Application, pp.93-112; Ch.6: Supply, Demand, and Government Policies, pp.113-131; Ch.7: Consumers, Producers and the Efficiency of Markets, pp.134-151; Ch.8: Application: The Costs of Taxation, pp.152-165.

3. The Households

The consumption decision—budget constraint, consumption and income/price changes, demand for all other goods and price changes; Description of preferences (representing preferences with indifference curves), properties of indifference curves, consumer's optimum choice; Income and substitution effects; Labour supply and savings decision—choice between leisure and consumption, labour force participation, tax policy and labour supply, human capital and education; budget constraint and savings—savings and interest rate, other factors affecting saving.

Reference: Mankiw, 2007, 4e, Chapter 21—Ch.21: The Theory of Consumer Choice, pp.384-405.

[**Note:** Labour force participation, tax policy and labour supply, and Human capital and education are deleted from the course]

The investment decision—investment alternatives for a household; Desirable attributes of investments; Why some assets yield higher rates of return than others; whether it is possible to ‘beat the market’; Some of the basic rules for intelligent investing.

Reference: Stiglitz & Walsh, 2006, 4e, Chapter 39—Ch.39: A Student’s Guide to Investing, pp. 865-888.

4. The Firm and Perfect Market Structure

Financing, controlling and managing firms—the firm’s legal form, corporate finance, why corporations care about financial structure, takeover and the market for managers, making decisions, centralization and decentralization, the boundaries of the firm.

[**Note:** These topics may be de-emphasized and discussed at a very general level]

Behaviour of profit maximizing firms and the production process; Short run costs and output decisions; Costs and output in the long run.

Reference: Case & Fair, 2007, 8e, Chapters 7, 8 & 9—Ch.7: The Production Process: The Behaviour of Profit-Maximizing Firms, pp.143-164; Ch.8: Short-Run Costs and Output Decisions, pp.165-185; Ch.9: Long-Run Costs and Output Decisions, pp.187-210.

5. Imperfect Market Structure

Monopoly and anti-trust policy, government policies towards competition; Imperfect information in the product market—the information problem, the market for lemons and adverse selection; the incentive problem, the search problem, advertising, the importance of imperfect information, government and information.

References: **Mankiw, 2007, 4e, Chapter 15—Ch.15: Monopoly, pp.271-298.**

Stiglitz & Walsh, 2006, 4e, Chapter 15—Ch.15: Imperfect Information in the Product Market, pp.333-352

6. Input Markets

Labour and land markets—basic concepts (derived demand, productivity of an input, marginal productivity of labour, marginal revenue product); demand for labour; input demand curves; shifts in input demand curves; elasticity of demand in input markets;

competitive labour markets; labour markets and public policy; land markets and pure rent.

Reference: Mankiw, 2007, 4e, Chapters 18 & 19—Ch.18: The Markets for the Factors of Production, pp.334-348; Ch.19: Earnings and Discrimination, pp.349-363.

[**Note:** Elasticity of demand in input markets and Land *market* and pure rent are deleted from the course]

7. *Exploring International Economics*

The international economy—trade surpluses and deficits; the economic basis for trade—absolute advantage versus comparative advantage, terms of trade, exchange rates, sources of comparative advantage; Heckscher-Ohlin Theorem and other explanations; Trade barriers—tariffs, subsidies and quotas; free trade or protection—case for free trade, case for protection.

[**Note:** Heckscher-Ohlin Theorem is deleted from the course]

Reference: Mankiw, 2007, 4e, Chapters 3 & 9—Ch.3: Interdependence and the Gains from Trade, pp.58-69; Ch.9: Application: International Trade, pp.166-182.

8. *Introduction to Macroeconomics*

The roots of Macroeconomics, macroeconomic concerns, the role of government in the macro economy, the components of the macro economy, the methodology of macroeconomics.

Reference: Case & Fair, 2007, 8e, Chapter 18—Ch.18: Introduction to Macroeconomics, pp.399-415.

9. *Introduction to National Income Accounting*

Concepts of GDP and national income; Approaches to calculating GDP; GDP and personal income; Nominal and real GDP; Limitations of the GDP concept: GDP and the black economy.

Reference: Case & Fair, 2007, 8e, Chapter 19—Ch.19: Measuring National Output and National Income, pp.417-433.

10. *The Classical System: The Full-Employment Model*

Macroeconomic equilibrium, the labour market, the product market, the capital market; extending the full employment model.

References: **Stiglitz & Walsh, 2006, 4e, Chapter 24**—Ch.24: The Full-Employment Model, pp.525-544.

Mankiw, 2007, 4e, Chapter 28—Ch.28: Unemployment, pp.507-528.

11. The Simple Keynesian Model

Aggregate expenditure and equilibrium output—aggregate output and aggregate income, equilibrium aggregate output; Government participation in the economy; Fiscal policy at work—the multiplier effect; Aggregate demand and aggregate supply.

Reference: Case & Fair, 2007, 8e, Chapters 21, 22, 25 (excluding appendix) & 26—Ch.21: Aggregate Expenditure and Equilibrium Output, pp.455-477; Ch. 22: The Government and Fiscal Policy, pp.479-500; Ch. 25: Money, the Interest Rate and Output: Analysis and Policy, pp.543-560; Ch.26: Aggregate demand, Aggregate supply and inflation, pp.561-584.

[**Note:** The IS-LM curves discussion in the appendix to Ch. 25 is deleted from the course]

12. Money in the Modern Economy

Characteristics of a monetary economy; the demand for money; the supply of money and overall liquidity position; credit creation.

References: **Case & Fair, 2007, 8e, Chapters 23 & 24**—Ch.23: The Money Supply and the Federal Reserve System, pp.501-524; Ch.24: Money demand, the equilibrium interest rate and Monetary policy, pp.525-542.

Mankiw, 2007, 4e, Chapter 29—Ch.29: The Monetary System, pp.530-544.

[**Note:** The discussion on money supply is simpler and more lucid in Mankiw Ch.29 than in Case & Fair, Ch. 23]

13. Inflation

The causes of inflation; level of prices and the value of money; The Fisher effect; The costs of inflation.

Reference: Mankiw, 2007, 4e, Chapter 30—Ch.30: Money growth and inflation, pp.545-566.

14. Exploring the Macroeconomics of an Open Economy

Balance of payments—the current and capital account; Determining equilibrium output in an open economy; Open economy with flexible exchange rates—markets for foreign exchange, factors affecting exchange rates, effects of exchange rates on the economy.

Reference: Case & Fair, 2007, 8e, Chapter 34—Ch.34: Open-Economy

Macroeconomics: The Balance of Payments and Exchange Rates,
pp. 721-746.

Department of Economics
Delhi School of Economics
Minutes of the Meeting

Subject: B.A. (HOns.) Economics

Date: 6.4.2010

Minutes of the course meeting for **Paper number 03** “Statistical Methods in Economics” held in April 2010.

Convenor: Rohini Somanathan

Purpose: To share experiences from teaching the course during the academic year 2009-2010, make appropriate changes to the topics covered.

The following members present:

1. Kamlesh Gupta, IP College
2. Chandra Goswami, Dyal Singh College
3. Anita Balani, Hansraj College
4. Ankur Bhatnagar, Satyawati College (M)
5. Kamlesh Aggarwal, SPM College
6. Archana Jain, DCAC
7. Rachna Jain, Maitreyi College
8. Sangya Ranjan, Satyawati (Eve.)
9. Pratibha Agarwal, PGDAV College
10. PriPriyanka Bhatia, SRCC
11. Namita Mathur, LSR
12. Rakhi Arora, Rajdhani College
13. Anup Chatterjee, ARSD College
14. Harish Dhawanyanka Bhatia, SRCC
15. Shruti Dharni, Hindu College
16. Paramjeet Kaur, SGGSCC
17. Sumeet S. Raheja, Shivaji College
18. N. Raghunathan, St. Stephen's College
19. Neetu Chopra, Miranda House

The following changes were agreed upon:

- 1) In topic II, the continuous uniform distribution would be covered in addition to the binomial and normal distributions.
- 2) In topic IV, interval forecasts would not be covered, only point forecasts are required.
- 3) In topic III, only conceptual and not numeric questions may be asked on test power and the two types of errors. In topic IV, the proof of the Gauss-Markov

theorem is not required, only its statement. This was always the case and this point is therefore only a clarification on the existing syllabus.

In all other respects, the coverage and mark distribution in the exam remains unchanged

The topic-wise reading list is as follows:

Topic I. Elementary Distribution Theory – univariate frequency distributions, measures of location, dispersion, skewness and kurtosis; the first four moments about zero, and the central moments.

Readings:

Kanmel and Polasek, ch. 3; Webster, ch 3; Spiegel, chs. 3,4, 5:

Topic II: Elementary Probability Theory – concepts of sample space and events, probability of an event; addition and multiplication theorems; conditional probability and independence of events; Bayes rule; concept of a random variable, probability distribution; joint, marginal and conditional distributions; independence of random variables; mean and variance of a random variable; binomial and normal distributions and uniform distributions; law of large numbers and central limit theorem.

Readings: Karmel & Polasek, ch.4; Webster, chs. 4,5, 6 (pp. 148-149); Spiegel. chs. 6, 7

Topic III: Introduction to Estimation and Hypothesis Testing – Methods of sampling; sampling distribution of a statistic; distribution of the sample mean; sampling error and standard error of a statistic with special reference to the mean; point and interval estimation of parameters; properties of an estimator – unbiasedness, relative efficiency and consistency. testing of hypothesis; type 1 and type II errors, power of a test; large sample tests; tests for the mean; one tail and two tail tests for the difference of means; chi-squared tests for goodness of fit and independence of two attributes.

Readings: Karmel and Polasek, chs. 5, 6; Webster, chs. 6,7,8, 9 (excluding 9.B.2); Spiegel, chs. 8-12

Topic IV: Bivariate Distributions and Simple Linear Regression – Marginal and conditional distributions; discrete case; covariance and correlation, rank correlation. simple linear regression; method of least squares; derivation of normal equations; standard error of the regression; properties of the least squares estimator; Gauss-Markov theorem (without proof), simple tests of hypothesis on regression coefficients; linear and exponential trend, point forecasts.

Readings: Karmel and Polasek, ch. 8 (excluding pp. 304-324), ch. 9 (pp. 365-371); Webster, ch. 11 (excluding section 11.1); Spiegel, chs. 13, 14.

Topic V: Index Numbers – concept of an index number, Laspeyres, Paasche's and Fisher's index numbers; time reversal, factor reversal and circular tests; chain base index; problems in constructing index numbers; splicing, base shifting; and use of index numbers for deflating other series.

Readings: Karmel and Polasek, ch. 11 (excluding sections 11.9-11.12); Webster, ch. 13 (sections 13.7, 13.8); Spiegel, ch.19

**Department of Economics
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Minutes of the Meetings

Subject: B.A. (Hons) Economics

Paper: 04 Microeconomics

Dates of Meeting: 6-4-2010 and 4-5-2010, 2.30pm

Convenor: Prof S. C. Panda

Members present on 6-4-2010:

1. Surajit Deb, RLA (E)
2. Ravinder Jha, Miranda House
3. Sheikh Rubina Naqvi, Hindu college
4. Roopali Goyanka, IP College
5. Shashi Bala Garg, LSR
6. Suchismita Sinha Ray (nee Banerjee) S.V. College
7. Mrs. Savitri Sidana, ARSD College
8. Rajiv Jha, SRCC
9. Mukesh Kumar, Motilal Nehru College
10. Krishna Ram, Shivaji College
11. Sanjeev Grewal, St. Stephen's College
12. Prashant Kumar, Satyawati (E)
13. Sonia Goel, Ramjas College
14. Shalini Saksena, DCAC

Members present on 4-5-2010:

1. Surajit Deb, RLA (E)
2. Sheikh Rubina Naqvi, Hindu College
3. Shashi Bala Garg, LSR
4. Sandhya Varshney, Dyal singh College
5. Krishna Ram, Shivaji College
6. Ankur Bhatnagar, Satyawati College (M)
7. Mrs. Savitri Sidana, ARSD College
8. Ravinder Jha, Miranda House
9. Rajiv Jha, SRCC
10. Prashant Kumar, Satyawati (E)

In the first meeting, members discussed about adopting Bernheim and Whinston as a text for some topics. Some members noted that Bernheim and Whinston does not use calculus at all and hence may not be appropriate for this course. In stead, a text book by Nicholson and Snyder may be considered. After some discussion it was agreed that members will examine both the text books and discuss their suitability in another meeting. It was decided to meet again on 4th May, 2010.

The second meeting was held on 4th May 2010 at 2.30pm. There was a detailed discussion about these two text books. It was decided that Bernheim and Whinston will be used for only one topic in Consumer Theory and Nicholson and Snyder will be used for Production, Cost, Market Structure and Game Theory. A subcommittee was set up to prepare a detailed reading list. The detailed reading list for 2010 – 2011 is as follows.

Readings

1. Consumer Theory:

Preference, utility, budget constraint, choice, demand, Slutsky equation, buying and selling; choice under risk and intertemporal choice; revealed preference.

- (i) Varian : Chapters 2 to 10.
- (ii) Bernheim and Whinston :Chapter 11.

2. Production and Costs:

Technology, isoquants, production with one and more variable inputs; returns to scale; short run and long run costs, cost curves in the short run and long run.

Nicholson and Snyder : Chapter 9 (p295-p311);Chapter 10 (p323-p339 and p344-p351); Chapter 11 (p358-p370 and p374-p381).

3. Market Structure and Game Theory

Review of perfect competition and monopoly; pricing with market power; price discrimination, peak-load pricing, two-part tariff; monopolistic competition and oligopoly; game theory and competitive strategy.

Nicholson and Snyder : Chapter 14 (p491-p513); Chapter 8 (p236-p260);Chapter 15(p521-p537 and p541-p551).

4. General Equilibrium, Efficiency and Welfare

Exchange and welfare .

Varian : Chapters 31 and 33.

5. Market Failure

Externalities , public goods and markets with asymmetric information.

Varian : Chapters 34,36 and 37.

Readings:

1. Hal R. Varian [2006] : *Intermediate Microeconomics, a Modern Approach*, 7th edition,

W.W.Norton and Company/Affiliated East-West Press(India).The workbook by Varian and Bergstrom may could be used for problems.

2.W.Nicholson and C.Snyder [2008] : *Microeconomic Theory*, 10th edition,Thomson South Western/Cengage(India).

3.B.Douglas Bernheim and Michael D.Whinston [2009] : *Microeconomics*, Tata McGraw-Hill (India).

Notes:

1.Broadly,the weights attached to the topics shall be as follows : Topic 1 (20%), Topic 2 (20%), Topic 3 (30%) and Topics 4 and 5 (30%). The proportion of numerical problems in the paper shall be 30% -40% (12 to 15 marks), with the caveat that the paper setter must be left with some degrees of freedom.

**Department of Economics
Delhi School of economics**

Minutes of the Meetings

Course No. 5 – Macroeconomics

Date of Meeting: 8.4.2010

Convenor: Prof. Partha Sen

The following members present:

1. Kamlesh Gupta, IP College
2. Mohini Aggarwal, Rajdhani College
3. N. Lalitha, sPM College
4. Archana Aggarwal, Hindu College
5. Anshu Chopra, Shivaji College
6. E. Trivedi, JMC
7. Rachna, Maitreyi College
8. Rajiv Jha, SRCC
9. Lokendra Kumawat, Ramjas College
10. Manini Ojha, LSR College
11. K. Sucharita Khuntia, Kamala Nehru college
12. D.R. Gulati, Satyawati College (E)
13. Alka Budhiraja, Miranda House
14. Manjula Singh, St. Stephen's College
15. Jayesh Adeshra, Bhagat Singh College
16. Vandana Tulsyan, Dyal Singh College

There is no change in the readings. Last year's reading list is to be used.

“The topic-wise Reading List follows.

1. *The Closed Economy in the Short Run*

(Estimated number of lectures 17)

Classical and Keynesian Systems; IS-LM model; fiscal and monetary multipliers; aggregate demand and aggregate supply, the accounting identities.

- a) Rudiger Dornbusch and Stanley Fischer, *Macroeconomics*, 6th edition, Chs. 3, 4, 5 (5-1 to 5-3) and 7.
- b) Froyen, *Macroeconomics*, 8th edition, Ch 3 and 4.

2. ***The Medium Run: Inflation and Aggregate Supply Curve***

(Estimated number of lectures 20)

Government budget constraint; financing government expenditure through taxes, bonds money creation.

Phillips curve; adaptive and rational expectations; policy ineffectiveness debate.

- a) O. Blanchard, *Macroeconomics*, 4th edition, pp34-p35, pp292-294, pp300-306 and pp553-561.
- b) O. Blanchard, *Macroeconomics*, 4th edition, Chs. 6,7,8 and 9.
- c) Attfield, C.L.F., D. Demery and N.W. Duck (1991), *Rational Expectations in Macroeconomics*, 2nd edition, pp 1-13 and 21-28.
- d) Sheffrin, Steven, M. (1996), *Rational Expectations*, 2nd edition, Ch. 2, pp.25-40.

3. ***Open Economy Models***

(Estimated number of lectures 16)

Short run open economy models: the Mundell Fleming model.

Exchange rate determination: purchasing power parity, asset market approach;

Dornbusch's overshooting model. The monetary approach to balance of payments.

- a) Rudiger Dornbusch, Stanley Fischer and Richard Startz, *Macroeconomics*, 9th edition, Chs. 12 & 19.
- b) Salvatore, Dominick (2001), *International Economics*, 7th edition, Ch.15.

4. ***Economic Growth***

(Estimated number of lectures 7)

Solow model; elements of endogenous growth

- a) N. Gregory Mankiw *Macroeconomics*, 6th edition, Chs. 7 and 8.

5. ***Microeconomic Foundations***

(Estimated number of lectures 12)

A. Consumption

- a) Rudiger Dornbusch and Stanley Fischer, *Macroeconomics*, 6th edition, Ch. 11.
- b) N. Gregory Mankiw *Macroeconomics*, 6th edition, Ch.15(pp441-447) and Ch.16.
- c) Rudiger Dornbusch, Stanley Fischer and Richard Startz, *Macroeconomics*, 9th edition, Ch.13.2(pp 344-348).

B. Investment

- a) Rudiger Dornbusch and Stanley Fischer, *Macroeconomics*, 6th edition, Ch. 12
- b) N. Gregory Mankiw, *Macroeconomics*, 6th edition, Ch.17.1(pp 495--500) and Ch.17.3 (pp 504-507).

Readings:

1. Rudiger Dornbusch and Stanley Fischer, *Macroeconomics*, 6th edition, McGraw Hill.
2. Rudiger Dornbusch, Stanley Fischer and Richard Startz, *Macroeconomics*, 9th edition, McGraw Hill.
3. N. Gregory Mankiw (2007) *Macroeconomics*, 6th edition, Worth Publishers.
4. Blanchard, Olivier. (2006) *Macroeconomics*, 4th edition, Pearson Education Asia.
5. Attfield, C.L.F., D. Demery and N.W. Duck (1991), *Rational Expectations in Macroeconomics*, 2nd edition, Blackwell.
6. Sheffrin, Steven M. (1996), *Rational Expectations*, 2nd edition, Cambridge University Press.
7. Salvatore,D (2001), *International Economics*,7th edition, Wiley Asia.

**Department of Economics
Delhi School of economics**

Minutes of the Meetings

Paper No. 06 “Economic History of India”

Date of Meeting: 19 April 2010

Chairperson: Professor Ashwini Deshpande

Members Present:

V.Shobha Saluja: SPM
Krishnakumar S: Sri Venkateshwara College
Kartikeya Kohli: RLA (E)
Meeta Kumar: Miranda House
Shweta Jain: St. Stephen’s College
Sunita Meena: Miranda House
Simin Akhtar Naqvi: Zakir Hussain College
Puja Saxena: Hindu Colleg
Pushpa Bansal: Maitreyi College
Manjul Singh: Satyawati College
Daisy Sales: Jesus and Mary College
Chandu Kanta Gupta: PGDAV College (M)
Meera Malhan: DCAC
Manini Ojha: LSR
A.Vijay Kumar: Ramjas College
Saumyajit Bhattacharya: KMC

Minutes:

1. Guidelines for paper setting were discussed with the following recommendations:
The maximum marks for the final examination would be 38, with the remaining 12 marks for internal assessment. Students should be asked to answer three questions of 12, 13 and 13 marks respectively. The paper should be divided into two parts. Part A would have three questions of 12 marks each, cutting across readings/sections in the reading list, of which students would be required to answer one. Part B would have four questions of 13 marks each of which students would be expected to answer any two. Care should be taken to avoid set patterns and efforts should be made to ensure that the final exam paper is not easily predictable by the students.

Minor changes were made to the reading list. The new reading list is as follows.

ECONOMIC HISTORY OF INDIA 1857-1947

Reading List

1. Colonial India: An Overview

- C. A. Bayly, *Indian Society and the Making of the British Empire, The New Cambridge Eco History of India*. Orient Longman, 1987. Chapter 4: The consolidation and failure of the East India Company's State, pp. 106-135.
- Bipan Chandra, *The Colonial Legacy*. Chapter 2 in Bimal Jalan (edited) *The Indian Economy: Problems and Prospects* (Viking - Penguin Books 1992)
- Note 1.2 and 1.3 from Irfan Habib, Chapter 1 should be referred to as background reading for students

2. Macro Trends

A. Population, labour force and occupational structure

- L. Visaria and P. Visaria, *Cambridge Economic History of India (Vol.II)* ed. By Dharma Kumar (henceforth referred to as CEHI); Chapter 5. *Population*. Pp. 464-466 and 485-518
- J. Krishnamurty, CEHI Chapter 6. *Occupational Structure*.
- Sumit Guha: 'Mortality decline in early 20th century India', IESHR 1991, pp 371-74 and 385-87

B. National Income

- Tirthankar Roy, *The Economic History of India 1857-1947* (2nd edition, 2008). Chapter 3 pp.73-89; pp.97-102

C. Foreign trade and balance of payments

- KN Chaudhuri, CEHI Chapter 10. *Foreign Trade and Balance of Payments* pp.804-813, 826-865, 869-877
- Irfan Habib, *Indian Economy 1858-1914* (A People's History of India, Vol.28, Tulika 2006. Chapter 2: *Colonialism and the Indian Economy* pp. 23-34, i.e. Sections 2.1 and 2.2

D. Savings and Investment

- Tirthankar Roy, *The Economic History of India 1857-1947* (2nd edition, 2008). Chapter 3 pp.97-102

E. Money supply and prices

- Tirthankar Roy, *The Economic History of India 1857-1947* (2nd edition, 2008). Chapter 10 pp.329-340

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3. *Railways and Modernization*

- John Hurd, CEHI Chapter 8 *Railways* pp.737-761

4. Agriculture (land, labour, capital, technology, commercialization, famines and environment)

- Irfan Habib, *Indian Economy 1858-1914* (A People's History of India, Vol.28, Tulika 2006. Chapter 3 pp.51-74 (Sections 3.1, 3.2 and 3.3)
- Tirthankar Roy, *The Economic History of India 1857-1947* (2nd edition, 2008). Chapter 4, pp. 113-171
- Daniel Thorner, *Agrarian Prospect in India* Chapter 1, pp.1-13
- Ira Klein, 'When Rains Fail: Famine relief and mortality in British India', IESHR 21- 2-1984
- Jean Dreze, *Famine Prevention in India* in Dreze and Sen (eds.) *Political Economy of Hunger*, WIDER Studies in Development Economics pp.13-35 (Sections 1.1 and 1.2)
- Sumit Guha: "Environment and Ethnicity in India", Ch.8

5. Traditional and Modern Industry (The 'deindustrialization' hypothesis, rise of the modern industrial sector during the pre-war and the interwar period, supply of industrial labour, growth of entrepreneurship)

- Rajat Ray (ed.) *Entrepreneurship and Industry in India*, Introduction pp.1-69
- AK Bagchi, *Deindustrialization in India in the nineteenth century: Some theoretical implications*, Journal of Development Studies, 1976
- Tirthankar Roy (2nd edition, 2008) Chapter 6
- MD Morris, *Emergence of an Industrial Labour Force in India*, OUP 1965, Chapter 11, Summary and Conclusions pp.198-210

6. *The Role of Government*

- BR Tomlison, *India and the British Empire 1880-1935*, IESHR Vol.XII
- Dharma Kumar, CEHI Chapter 12, *The Fiscal System*
- Basudev Chatterjee: *Trade, Tariffs and Empire*, OUP 1992, Epilogue

7. *The Indian Economy at Independence*

(This topic is to be de-emphasized since it gets covered in detail in Paper 07 - India's Economic Development. NO questions should be set from this topic)

- Pramit Chaudhuri, *The Indian Economy*, Vikas 1978, Chapter 2

Background Readings for Teachers:

1. Tomlinson, *Political Economy of the Raj*, Chapters 1, 3 and 4 - essential background
2. Mahesh Rangarajan, *Environment, Ecology and Colonial India: Departures and Beginnings*, (mimeo) should be treated as background to discuss issues relating to forests and environmental policies in British India (a copy of this paper will be made available at the photocopy shop at the Delhi School of Economics campus)
3. G. Balachandran, *India and the World Economy 1850-1950*, OUP 2003. The Introduction of this book (pp.1-31) can be treated as a general background reading for the course.
4. Sekhar Bandopadhyay, "From Plassey to Partition: A history of modern India", Orient Blackswan, 2008, pp. 82-95

**Department of Economics
Delhi School of economics**

Minutes of the Meetings

Course No.7 - India's Economic Development since 1947.

Date of Meeting: 9.4.2010

Convenor: Prof. J.V. Meenakshi

The following were present:

1. Adarsh Arora
2. Anjali Khurana
3. Baisakhi Mondal
4. Bhupinder Kaur
5. Bir Singh
6. Divya Misra
7. Dolly Menon
8. J.V. Meenakshi
9. Kartikeya Kohli
10. Shailkaj Thakur
11. Shruti Dharni

The revised reading list is as follows, organized by Unit.

UNIT-1: Major Features of Indian Economy at Independence

1. Chakraborty (1987), *Development Planning The Indian Experience*, Chapters 1 and 2

2. Arvind Subramanian, *India's Turn*, Chapter 1.

The consensus was that the discussion in this unit be broadened to include major changes in the policy environment through the 1980s.

UNIT-2: Growth, Development and Structural Change

A. The experience of growth and development: Planning and the Market

1. Dreze J and A.Sen(2002), *India: Development and Participation*, Sections 2.5-2.9.

B. Growth and Development experience in different phases of growth defined in terms of policy regimes and goals of development

B.1 Growth and Structural Change

1. Mohan R (2008), Growth record of Indian Economy: 1950-2008. A story of sustained savings and investment. EPW May 10

2. Nagraj, R (2008), India's recent economic growth: a closer Look, EPW April 12

3. Subramaniam, A (2007) Growth Experience in *The Oxford Companion to Economics in India*

B.2 Growth and Distribution

1. Ramaswami, B (2007) Public Distribution System in *The Oxford Companion to Economics in India*
2. Jha S (2007), Food Procurement Policy in *The Oxford Companion to Economics in India*
3. Dreze, J and A Deaton (2009) Food and Nutrition in India, Facts and Interpretations, EPW, Feb 14. Sections 1, 3 and 4.
4. Chakraborty, P (2007), Implementation of Employment Guarantee: A Preliminary Appraisal, EPW, February 17

B.3. Human Development and Environment

1. E. Somanathan, Biodiversity in *The Oxford Companion to Economics in India*
2. P. Mongia, Environment Policy in *The Oxford Companion to Economics in India*
3. Indrani Gupta, Health Indicators, *The Oxford Companion to Economics in India*

B.4 Regional Contrasts

1. Arvind Subramanian, part 2 of the paper in *The Oxford Companion to Economics in India*
2. Sabyasachi Kar and S. Sakthivel (2007), "Reforms and Regional Inequality in India" EPW, November 24.

C. Indian Development experience in International Perspective: Factors, Strategy and Policy

1. Dreze, J and A Sen (2002) India: Development and Participation, chapters 2 and 3
2. Kaushik Basu, China and India: Idiosyncratic paths to High Growth, EPW, 19 September 2009

UNIT-3: Issues in Indian Economic Policy

A. Population and Human Resources Development

1. Dyson, T (2008), India's Demographic Transition and its Consequences for Development, IEG Lecture series
2. James, K (2008), Glorifying Malthus: Current Debate on Demographic Dividend in India, EPW, June 21

B. Growth, Unemployment and Poverty

1. Report of the Expert Group to Review the Methodology For Estimation of Poverty (2009), Summary, pages 1-3.
2. Abhiroop Mukhopadhyay and Indira Rajraraman (2007): Rural Employment 1999-2005: Who Gained Who Lost? EPW, July 28

C. Macroeconomic Stabilization: Trade, Fiscal and Monetary Policies

1. Shankar Acharya (2010), "Macroeconomic Performance and Policies 2000-8" Chapter 4 in Shankar Acharya and Rakesh Mohan, editors, *India's Economy: Performance and Challenges* (Oxford University Press).
2. Rakesh Mohan (2010), "India's Financial Sector and Monetary Policy Reforms: Fostering Growth while Containing Risk" Chapter 5 in Shankar Acharya and Rakesh Mohan, editors, *India's Economy: Performance and Challenges* (Oxford University Press).

D. Agriculture, Industry and Services

1. Pulapre Balakrishnan, Ramesh Golait and Pankaj Kumar (2008), "Agricultural Growth in India since 1991" RBI DEAP Study no. 27.
2. Vaidyanathan, A. (2007) Irrigation, in *The Oxford Companion to Economics in India*
3. Ghatak, M (2007) Land Reforms in *The Oxford Companion to Economics in India*
4. OECD Economic Survey, India (2007) *Chapter 7: Removing infrastructure bottlenecks*
5. OECD Economic Survey, India (2007) *Chapter 3: Reforming India's product and service markets.*

UNIT 4: India's Development Prospects: Looking Ahead

1. Eleventh Five Year Plan
2. Mihir Rakshit (2008), *India Amidst the Global Crisis*, EPW, March 28
3. OECD Economic Survey, India (2007) *Chapter 1: India's key challenges to sustaining higher growth*
4. Jomo Kwame Sundaram (2010), "Lessons from the 2008 World Food Crisis" EPW, March 20.

**Department of Economics
Delhi School of economics**

Minutes of the Meetings

Subject: B.A. (Hons.) Economics
Course 08: ECONOMY, STATE AND SOCIETY
Date of meeting: 13 April 2010
Chairperson: Prof. Aditya Bhattacharjea

Teachers present (as per attendance sheet)

1. Mamta Datt, Shivaji College
2. Madhvi Moni, Satyawati College (M)
3. Uma, Lakshimi Bai College
4. Divya Misra, LSR
5. A. Vijaya Kumar, Ramjas College
6. Aashita Dawer, St. Stephens college
7. Nandini Datta, Miranda House
8. Soumyajit Bhattacharya, Kirori Mal College
9. Harish Dhawan, RLA (E)
10. Nomita Mathur, LSR

The following new readings were suggested. However, as very few teachers were present, they are to be included only as starred readings for teachers during the academic year 2010-11, and will be considered for students from 2011-12.

* A. Subramanian and J. Williamson, "The World Crisis: Reforms to Prevent a Recurrence", and * P. Patnaik, "The Economic Crisis and Contemporary Capitalism", both in EPW March 28 2009.

* N. Patnaik, "The Question of Alienation in Marx", *Social Scientist* Volume 37, Number 11 - 12, November-December 2009, pp. 48-71.

The existing reading by Kiely may be considered for deletion in 2011-12.

Otherwise, the reading list and examination pattern remains unchanged from 2009-10.

The reading list is reproduced below:

“ Reading list:

1. J. Gurley (1978): "The Materialist Conception of History", Ch.2.1 in R. Edwards, M.Reich and T. Weisskopf (ed.) , *The Capitalist System* (2nd edition), and editorial comment in 3rd edition (1986) pp. 7-10, Prentice Hall.
2. O. Lange, *Political Economy*, vol 1, Chapters 1 and 2.
3. E.K. Hunt (2004), *History of Economic Thought*, M.E. Sharpe (Indian edn, Shilpi Publications), Chapter 1.
4. Irfan Habib (1995): "Capitalism in History", *Social Scientist*, Vol. 23, No. 7/9 (Jul. - Sep., 1995), pp. 15-31.
5. R.L. Heilbroner (1987), "Capitalism", in *The New Palgrave Dictionary of Modern Economics*, Macmillan. Also reprinted as Chapter 2 in *Behind the Veil of Economics* by R.L. Heilbroner (1988), W.W.Norton.
6. P. Sweezy (1942), *The Theory of Capitalist Development*, chapters 2, 4, 5, 6, 8 and 10.
7. Anwar Shaikh (1983): Entries on "Economic Crises" and "Falling Rate of Profit" in T. Bottomore et al (eds.), *The Dictionary of Marxist Thought*, OUP (Indian edition, Maya Blackwell, 2000). [*The entry on "Class" by Bottomore in this dictionary is starred]
8. Vamsi Vakulabharanam (2009), "The Recent Crisis in Global Capitalism: Towards a Marxian Understanding", *Economic and Political Weekly*, March 28, 2009, pp 144-150.
9. *T. Bottomore (1985), *Theories of Modern Capitalism*, Allen & Unwin. Chapters on Weber and Schumpeter. [starred]
10. J. Schumpeter (1942), *Capitalism, Socialism and Democracy*, George Allen and Unwin (1976 edition), Chapters 6, 7 and 8.
11. P. Baran (1957), *The Political Economy of Growth*, Chapter 3, (Pelican edition, 1973).
12. Fran Tonkiss (2006), *Contemporary Economic Sociology: Globalisation, Production, Inequality* (Routledge India 2008 reprint), Chapter 4 (Fordism and After). [*Chapter 6 (Class) is to be treated as a starred reading]
13. Ash Amin (ed) (1994), *Post-Fordism: A Reader*, Blackwell, Chapter 2 (Elam)
14. M. Kalecki (1943), "Political Aspects of Full Employment", in E.K. Hunt and J.G. Schwarz (eds.) *A Critique of Economic Theory* (Also in Kalecki, *Selected Essays on the Dynamics of the Capitalist Economy* , Cambridge University Press, 1971).
15. R. Heilbroner, "The Role of the State", ch.4 in *The Nature and Logic of Capitalism* (excluding section 1).

16. Ronald Dore 2008, "Financialization of the Global Economy", *Industrial and Corporate Change*, Volume 17, Number 6, pp. 1097–1112.
 17. S. Hymer, "The Multinational Corporation and the Law of Uneven Development", in H. Radice (ed.) *International Firms and Modern Imperialism* (also in J. Bhagwati (ed.) *Economics and the World Order from the 1970s to the 1990s*)
 18. R. Kiely (1998), "Transnational Companies, Global Capital, and the Third World", in Kiely and Marfleet (eds), *Globalization and the Third World* (also in R.Kozul - Wright and R.Rowthorn (ed.), *Transnational Corporations and the Nation State*, Macmillan).
 19. Prabhat Patnaik (2006), "Lenin's Theory of Imperialism Today", in K.S. Jomo (ed.) *The Long Twentieth Century: The Great Divergence: Hegemony, Uneven Development and Global Inequality*, OUP.
 20. James O'Connor (1970), "The Meaning of Economic Imperialism," in Robert Rhodes,ed., *Imperialism and Underdevelopment*, New York: Monthly Review Press. (pages 101 to 111)
- [The above mentioned ten pages of reading 20 is to be treated as an essential background to reading 19 for providing an account of the basic contents of Lenin's theory of Imperialism.]

Readings marked with a * are primarily for teachers.

As a rough guide, the following is the topic-wise list of readings. However, students should be made aware that several of the readings cut across topics, and their interconnections should be recognized.

Topic Readings

- 1 Analysing Social Change in Historical Perspective 1, 2
- 2 Capitalism as an Economic System 5-9
- 3 The Transition from Feudalism to Capitalism 3, 4
- 4 The Evolving Structure of Capitalism 10-16
- 5 Capitalism in a Global Context 17-20 “.

**Department of Economics
Delhi School of economics**

Minutes of the Meetings

Course No. 009 : Development Theory and Experience

Date of Meeting: April 5, 2010.

Convenor: Rohini Somanathan

Purpose: To share experiences from teaching the prescribed readings during the academic year 2009-2010, make appropriate changes to the reading list and discuss the structure of the exam.

The following comments on the reading list were made:

- 1) It is desirable to introduce a reading based on the Indian experience with migration and social networks in villages of origin.
- 2) The article on “Rural Credit in 20th Century India: Overview and Historical Perspectives” by Mihir Shah and co-authors worked well and should be re-introduced.
- 3) It would be desirable to have a reading on Microcredit.
- 4) In the section on Environment and Development, we could replace the reading on “Project Surya” with one on urban air pollution and CNG to which the students might relate well.
- 5) On Globalization, we may want to have a reading on how climate change affects the poor.

The Mihir Shah reading is to be re-introduced. The following article on air quality and public transport in Delhi is to be used instead of the project Surya reading:

Assessment of Air Quality After the Implementation of Compressed Natural Gas as Fuel in Public Transport in Delhi, India by Khaiwal Ravindra, Eric Wauters, Sushil Tyagi, Suman Mor and Rene Van Grieken, Environmental Monitoring and Assessment, volume 115, p 405-417 (2006)

This is available at the photocopy shop at the Delhi School. It can also be downloaded using google scholar. For this year, we will not bring in additional readings on Microcredit, Migration or Climate Change and Poverty. Teachers of the course should look for suitable readings on these topics over the course of the year and we will take a decision on these next year.

The amended reading list is as follows:

Books

- 1) Debraj Ray, *Development Economics*, (DE) Princeton University Press, 1998.
- 2) Partha Dasgupa, *Economics: A Very Short Introduction*, (AVSI), Oxford University Press, 2007.
- 3) Abhijit Banerjee, Roland Benabou and Dilip Mookerjee ed. *Understanding Poverty* (UP), OUP, 2006.

Readings by Topic

1) Growth and Development

Development and Underdevelopment

- i) AVSI, pages 1-29: Characteristics of Development
- ii) DE, chapter 2: Some historical explanations for differences in development indicators.
- iii) *Human Development Report, 2007-2008*: Country Rankings (Tables 1,5, 8, 9, 14, 15 and 21), Calculating the Human Development Index and definitions of statistical terms should both be covered from the back of the report.
- iv) Dani Rodrik, *Fifty Years of Growth (and lack thereof): An Interpretation*, Chapter 1 of *One Economics, Many Recipes: Globalization, Institutions and Economic Growth*

Poverty and Inequality

- i) DE, chapter 6 on inequality measurement, chapter 8 on poverty measures and correlates (8.1, 8.2, 8.3 and appendix for FGT measures)
- ii) Angus Deaton, "Measuring Poverty", chapter 1 in UP (on defining poverty lines)
- iii) Amartya Sen, "Poverty as Capability Deprivation," chapter 4 in *Development as Freedom*, OUP, 2000.
- iv) Thomas Piketty, "The Kuznet's Curve, Yesterday and Tomorrow", UP, chapter 4.

State and the Market

- i) AVSI, Chapters 2 (Trust), 3 (Communities) and 4 (Markets) (pages 30-89)
- ii) Thomas C. Schelling, *Micromotives and Macrobehavior*, chapter 1,
- iii) Mancur Olson, Jr. "Big Bills Left on the Sidewalk: Why Some Nations are Rich, and Others Poor", *Journal of Economic Perspectives*, volume 10, number 2, pages 3-24, 1996.
- iv) Albert O. Hirschman, *Rival Views of Market Society and Other Essays*, chapter 1 : "A Dissenter's Confession: The Strategy of Economic Development Revisited" and chapter 3: "Linkages in Economic Development"
- v) Jean Jacques Laffont, "Corruption and Development", chapter 11 in UP

Resources

Capital and Technical Progress

- i) DE, chapter 3 (growth models)

Labor and Employment Issues

- i) Population Growth and Economic Development: DE Ch 9
- ii) Christopher Udry, "Child Labor", chapter 16 in UP
- iii) DE Ch 10, the Lewis Model and the Harris-Todaro model (only sections 10.2 and 10.3 and excluding 10.3.5)
- iv) Robert Bates (2000), "Ethnicity and Development in Africa: A Reappraisal", *American Economic Review*, Papers and Proceedings, 90(2), pages 131-134.

Land and the Rural Economy

- i) Overview of Rural Markets DE, chapter 11. (markets in agriculture),
- ii) Land Markets: DE, chapter 12 (12.1, 12.2 and 12.3).
- iii) Labor Markets: DE, (excluding 13.5)
- iv) Credit Markets: DE, chapter 14
- v) Mihir Shah, Rangu Rao and P.S. Vijay Shankar, "Rural Credit in 20th Century India: Overview and Historical Perspectives", *EPW*, April 14, 2007

The Environment and Sustainable Development

- i) AVSI, Chapter 7: Sustainable Economic Development
- ii) Khaiwal Ravindra, Eric Wauters, Sushil Tyagi, Suman Mor and Rene Van Grieken, "Assessment of Air Quality After the Implementation of Compressed Natural Gas as Fuel in Public Transport in Delhi, India" *Environmental Monitoring and Assessment*, volume 115, p 405-417 (2006)
- iii) N.S. Jodha, "Common Property Resources and Rural Poor in Dry Regions of India", *EPW*, 27:1169.
- iv) An Inconvenient Truth directed by Davis Guggenheim (available on DVD).

Globalization and Development

- i) Paul Krugman (2008) *The Return of Depression Economics and the Crisis of 2008*, Chapters 4, 8 and 9.
- ii) Stanley Fischer (2003), "Globalization and Its Challenges", *American Economic Review*, Papers and Proceedings, 93(2), pp 1-30.
- iii) Pranab Bardhan, "The Global Economy and the Poor", chapter 7 in UP

The Trade Policy Debate

- i) DE, chapter 16 (sections 16.2 and 16.3 on comparative advantage)
- ii) Sukhamoy Chakravarty, "Trade and Development: Some Basic Issues", chapter 4 in *Selected Economic Writings of Sukhamoy Chakravarty*, Oxford, 1993.

**Department of Economics
Delhi School of economics**

Minutes of the Meetings

Subject: B.A. (H) Economics
Paper: No. 10 – Indian Agriculture and Industry
Date of Meeting: April 8, 2010
Convenor: Prof. Sunil Kanwar

The following college teachers attended the meeting:

Mrs. Asha Mittal, Shyama Prasad Mukherji College
Ms. Mansi Sachdeva, Kalindi College
Dr. Kartikeya Kohli, Ramlal Anand College (E)

The following recommendations were made by the committee:

- (1) The present syllabus and readings will be retained for the next academic year 2010-11
- (2) The reading list ought to be 'unified', i.e. there should be no bifurcation of the readings into 'main' and 'additional'
- (3) Regarding the section on the 'Competition Commission', a more up-to-date sketch of the status quo ground realities may be used.

**"COURSE OUTLINE
Indian Agriculture and Industry**

Part 1: AGRICULTURE

1. Agricultural Performance since Independence

Output and productivity growth; regional and crop perspectives, growth and instability

2. The Policy Environment

Agricultural price policy and subsidies; the public distribution system

3. Resource Use Efficiency

Fertilizer; Water; Other inputs

4. Current Issues in Indian Agriculture (selected topics)

Sustainable agriculture growth – concepts and constraints; Prospects for dry-land agriculture; International trade in agriculture; technology policy; market infrastructure; crop insurance

5. Agriculture Exports

Quantitative Restrictions (QRs) and Non Tariff Barriers, WTO and subsidies in Developed Countries, Management of shortages and surpluses

Readings

1. Maitreesh Ghatak (2007), *Land Reforms*, in Kaushik Basu (ed) **The Oxford Companion to Economics in India**, pp. 328-332.
2. T.C. A., Anant (2006), *Institutional Reforms for Agriculture Growth* in N. A. Majumdar and Uma Kapila (ed)., **Indian Agriculture in the New Millennium, Changing Perceptions and Development Policy**, vol. 2, Academic Foundation
3. Apoorva Oza (2007), *Irrigation Achievements and Challenges*, Part 1 of Chapter 7: Irrigation and Water Resources in **India Infrastructure Report 2007: Rural Infrastructure**, 3i (<http://www.3inetwork.org/reports/reports1.shtml>)
4. A. Vaidyanathan (2007), *Irrigation* in Kaushik Basu (ed) **The Oxford Companion to Economics in India**, pp. 316-320.
5. A. Vaidyanathan (2007), *Water* in Kaushik Basu (ed) **The Oxford Companion to Economics in India**, pp. 553-557.
6. Mihir Rakshit (2002), *Food Policy in India: Some Longer Term Issues*, **Money and Finance, ICRA Bulletin**, Apr-Sept
7. V S Vyas and Surjit Singh (2006), *Crop Insurance in India: Scope for Improvement*, **EPW, Nov. 4**
8. Ramesh Chand (2006), *Agriculture Markets in India: Implications for Competition*, chapter 11 in Pradeep S. Mehta (ed.). **A Functional Competition Policy for India**, Academic Foundation.
9. V.M. Rao and P.D. Jeromi (2000), *Modernising Indian Agriculture: Priority Tasks and Critical Policy*, Study no.21, DRG, **RBI** (excluding sections I.3-I.6).

Additional readings:

10. Amit Bhaduri (2006), *Productivity and Production Relations: The Case of Indian Agriculture*, in Amit Bhaduri, **Employment and Development**, Oxford University Press.

Part II: INDUSTRY

1. Overview of Industrial Scene in India

Trends in growth and productivity; Competitiveness and changes in policy regimes

2. Issues Relating to the Composition of the Indian Industry

Small vs. large industry; Public vs. private sector, with emphasis on: performance of public sector, privatization; Dynamics of the Industrial Sector: growth and sickness

3. Trends in Industrial Regulation and Control

Pricing in public and private sectors, employment growth in the industrial sector

4. Policy Issues and Future Prospects

Infrastructure; Technology

5. Issues of Management

Limiting market abuses; FDI / FII

6. Financing of Industry

Ownership and Efficiency, Equity Markets

Readings

1. Aditya Bhattacharjea, *Anti Trust Law*, in Kaushik Basu (ed) **The Oxford Companion to Economics in India**, pp. 18-19, OUP.
2. S Charkravarthy (2006), *Evolution of Competition Policy and Law in India*, chapter 2 in Pradeep S. Mehta (ed.). **A Functional Competition Policy For India**, Academic Foundation.
3. Rakesh Mohan (2003), *SSI Policy in India: A Critical Evaluation* in A.O. Krueger (ed.), **Economic Policy Reforms and the Indian Economy**, Univ. of Chicago Press.
4. K.V. Ramaswamy (2006), *State of Competition in the Indian Manufacturing Industry*, Chapter 12 in Pradeep S. Mehta (ed.). **A Functional Competition Policy for India**, Academic Foundation.
5. Pulin B. Nayak, *Privatization*, in Kaushik Basu (ed) **The Oxford Companion to Economics in India**, pp. 426-430.
6. R. Nagaraj (2003), *Industrial Policy and Performance since 1980*, **EPW**, Aug.30-Sep.7
7. R. Nagaraj (2003), *FDI in India in the 1990s*, **EPW**, Apr. 26.
8. Manish Agarwal (2006), *Mergers and Acquisitions in India: Implications for - Competition*, chapter 4 in Pradeep S. Mehta (ed). **A Functional Competition Policy for India**, Academic Foundation.

Additional readings:

10. Bishwanath Goldar (2004), *Indian Manufacturing: Productivity Trends in Pre- and Post-Reform Periods*, Nov. 20, **EPW**.
11. Manoj Pant and Manoranjan Pattanayak (2005), *Does Openness Promote Competition? A Case Study of Indian Manufacturing*, **EPW**, Sept. 24.
12. Aditya Bhattacharjea (2006), *Labour Market Regulation and Industrial Performance in India, A Critical Review of the Empirical Evidence*, **CDE, Working Paper No.141"**

**Department of Economics
Delhi School of economics**

Minutes of the Meetings

Course No. 11, Money and Financial Markets

Chairperson: Prof. B.L.Pandit

The following members attended:

1. Rituranjan, SRCC
2. Mamta Datt
3. Shruti Dharni, Hindu College
4. Meera Malhn, DCAC
5. Anurag Malhotra, St. Stephen's College
6. Anand Mittal, Hansraj College
7. Ashis Taru Deb, CVS
8. Priti Sahni, Maitreyi College
9. Mrs. Jyotsna, SPM College
10. Manisha Vats
11. Jayashree Sahoo

There is no change in the readings of Course 11, Money and Financial Markets of B.A Hon's Economics. The reading list for 2009-10 remains valid for the year 2010-11.

“TOPIC WISE READING LIST 2009-10

TOPIC I Money in the Financial System

- | | |
|--|---|
| <p>Money and its Functions - Functions of Money, Money as a Special Asset, How money is established</p> | <ul style="list-style-type: none"> • Lewis and Mizzen, <i>Monetary Economics</i>, Ch. 1.2, 1.3 |
| <p>Types of Money, The Conceptual Approach</p> | <ul style="list-style-type: none"> • Baye and Jansen, Ch. 1; • N. Jadhav ch. 2.1.1 - 2.1.5 |
| <p>The Financial System - Financial Markets, Financial Instruments and Money Markets, Capital Markets, Financial Deepening</p> | <ul style="list-style-type: none"> • Fabbozzi <i>et al.</i> ch. 1, ch. 2 p. 21-26; • Mishkin and Eakins, pp. 23-28 • Bhole, pp. 12.40 – 12.42, 16.15 – 16.16, 17.16 – 17.17, 19.11 – 19.12, 20.6 – 20.7, 22.1 – 22.9 |

TOPIC II Money Supply Analysis

- | | |
|---|---|
| Monetary Aggregates | <ul style="list-style-type: none"> • N. Jadhav ch. 2.1.6-2.1.7; • Report of RBI's Third Working Group on Money Supply (1998), or, RBI Bulletin Supplement June 1998 |
| Theories of Money Supply | <ul style="list-style-type: none"> • Jadhav ch. 2.3, Annexure 2.1; • Baye and Jansen ch. 14 |
| Central Bank Functions and Central Bank Balance sheet | <ul style="list-style-type: none"> • A Schaechter, IMF Working paper 01/149, pp. 9-14; • Jadhav ch. 11.2.1 - 11.2.4; • Y. V. Reddy ch. 7 |

TOPIC III Analysis of Interest Rates

- | | |
|--|---|
| Interest Rates in India, Policy Rates, T-bill Rates, Repo/Reverse Repo Rates, Call Money Rates, Theories of Term Structure of Interest Rates, Determination of Interest Rates, The Yield Curve | <ul style="list-style-type: none"> • Baye and Jansen Ch. 10; • Jadhav pp. 67-75 |
|--|---|

TOPIC IV Financial Markets

- | | |
|--|---|
| The Banking System, Adverse Selection and Moral Hazard | <ul style="list-style-type: none"> • Baye and Jansen ch. 5 (pp. 153-163), ch. 6 (pp. 185-197), ch. 7 (pp. 220-230); • Mishkin and Eakins ch. 15 |
| The Bond Market, Debt Instruments, Debt Valuation | Baye and Jansen ch. 8 (pp. 239-51), ch. 9 |
| Equity Markets, Organisation and Structure, The Foreign Exchange Market, Recent Developments | N. Jadhav, ch. 12 and 13 |
| Derivatives | Fabozzi <i>et al.</i> pp. 496-504, 517-529, 577-580 |

TOPIC V Monetary Policy

Instruments of Monetary Policy, Goals, Targets and Indicators of Monetary Policy, Monetary Policy Lags

- N. Jadhav, chapter 6.1, 6.2, 6.3 (excluding section 6.3.1);
- A Schaechter IMF Working paper 01/149 pp. 3-9, 20-21, 24-25;
- Baye and Jansen ch. 19

TOPIC VI Monetary Management in an Open Economy

International Capital Markets, Portfolio Diversification, The International Monetary System

- Jadhav, ch. 5.4 (pp. 110-111);
- Salvatore, ch. 20.4, 20.5, 20.6, 20.7, 21
- M. Levi, Ch. 18 (excluding pp. 447-450)

Monetary Policy in India's open economy

- Jadhav, ch. 9.1, 9.2, 9.3;
- Rakesh Mohan (2007)
- RBI Annual report (latest, to be released in 2009), chapter on Monetary Policy Operations

Note: Students are advised to visit the RBI website (www.rbi.org.in) regularly to keep themselves abreast of the latest developments in the field.

Suggested Readings:

- Bhole, L. M., (4th edn.), *Financial Institutions and Markets*, Tata McGraw Hill.
 Lewis, M. K. and Mizen, P. D. (2000), *Monetary Economics*, Oxford.
 Mishkin, F. S. and Eakins, S. G. (5th edn) *Financial Markets + Institutions* Pearson Education
 Fabozzi, F. J., Modigliani, F., Jones, F. J., and Ferri, M. G. (3rd edn.), *Foundation of Financial Markets and Institutions* Pearson Education
 Jadhav, N. (2006), *Monetary Policy, Financial Stability and Central Banking in India* Macmillan
 Baye, M. R. and Jansen, D. W. (1996), *Money, Banking and Financial Markets: An Economics Approach*, AITBS.
 Reddy, Y. V. (2000), *Monetary and Financial Sector Reforms in India*, UBSPD
 Salvatore, D., (8th edn.), *International Economics*, Wiley.
 Levi, M. D. (1996), *International Finance*, McGraw-Hill.
 Rakesh Mohan (2007), "Capital Account, Liberalisation, and Conduct of Monetary Policy: The Indian Experience", *RBI Bulletin*, July 2007, pp. 1129-1153.

Suggested Reading for teachers (for potential inclusion in the reading list next year, in place of M. Levi):

Chapter 8 in *Exchange Rates and International Finance*, 4th ed. by L. Copeland (published by Pearson Education)

**Department of Economics
Delhi School of economics**

Minutes of the Meetings

Course No.12 – Public Economics

Date of Meetings: 20.4.2010

Convenor: Prof. Pulin B. Nayak

The following members were present in the general meeting:

1. **Dr. Surajit Deb, RLA College (E)**
2. **Mrs. Shashi Bala Garg, LSR College**
3. **Ms. Uma, LBC**
4. **Ms. Mridula, Satyawati (M)**
5. **Ms. Pragya Madan, SGTB Khalsa College**
6. **Mr. Anamitra Roy Chowdhury, St. Stephen's College**
7. **Dr. Ashwani Mahajan, PGDAV College**
8. **Deepti Taneja, DCAC**
9. **Upriti Mishra, Shyam Lal College**
10. **Surjeet R. Dhillon, shaheed Bhagat Singh College**
11. **Alka Budhiraja**
12. **Chandan Singha, Hindu College**
13. **Deepa Verma, SGGSCC**
14. **V.K.Purohit, IP College**
15. **Rashmi Mittal, Dyal Singh College**

Reading List

Part I: PUBLIC ECONOMICS THEORY

I.1 Fiscal Functions: An Overview

R.A. Musgrave and P.B. Musgrave, *Public Finance in Theory & Practice*, 5th edition, Chapter 1.

I.2 Tools of Normative Analysis: Pareto Efficiency, Equity and the Social Welfare Function; Market Failure

1. Harvey Rosen (2005), *Public Finance*, Chapter 3 (pp 33 to 46): **For teachers.**
2. Joseph E. Stiglitz, *Economics of the Public Sector*, 3rd Edition, Chapter 4.

I.3 Public Goods: Definition, Models of Efficient Allocation, Pure and Impure Public Goods, Free Riding

1. John Cullis and Philip Jones (1998), *Public Finance and Public Choice*, Chapter 3 (Sections: 3.1 to 3.5.2).
2. Joseph E. Stiglitz, *Economics of the Public Sector*, 3rd Edition, Chapter 6 (excluding Appendix).

3. Paul Samuelson (1955), “Diagrammatic Exposition of a theory of Public Expenditure”, *Review of Economics and Statistics*, Vol. 37, Pp. 350—356: **For Teachers**
- I.4 Externalities: The Problem and its Solutions, Taxes versus Regulation, Property Rights, the Coase Theorem
Harvey Rosen (2005), *Public Finance*, Chapter 5.
- I.5 Taxation: Its Economic Effects; Dead Weight Loss and Distortion, Efficiency and Equity Considerations, Tax Incidence, Optimal Taxation.
1. R. Musgrave (1957): *Theory of Public Finance*, chapter 4, section C (pp. 73-80)
 2. R.A. Musgrave and P.B. Musgrave, *Public Finance in Theory & Practice* 5th edition, Chapter 13, Chapter 14 (pp. 234—242), Chapter 15 (pp. 249—257).
 3. Joseph E. Stiglitz, *Economics of the Public Sector*, 3rd Edition, Chapter 19, 20 (pp. 550 to 562).
- I.6 Fiscal Federalism, the Economic Basis of Decentralization
1. R. Jha (2010), *Modern Public Economics* 2nd Edition, Chapter 23, Section 23.1—23.3 (Pp.525-528)
 2. Harvey Rosen (2005), *Public Finance*, Chapter 20 (Pp. 505—518 and 530—539)

Part II: INDIAN PUBLIC FINANCES

- II.1 India’s Fiscal System
Parthasarathi Shome (2002), *India’s Fiscal Matters*, Chapter 1
- II.2 Tax System: Structure and Reform
1. M. Govinda Rao (2005), “Tax System Reform in India: Achievements and Challenges Ahead”, *Journal of Asian Economics*, Vol. 16, Issue 6, pp 993 to 1011.
 2. Mahesh Purohit (2007), *Value Added Tax: Experiences of India and Other Countries*, Chapters 1.
 3. Mahesh Purohit (2009), “A Road Map for GST”, Foundation for Public Economics and Policy Research (FPEPR), working Paper No. 2/2009 (Available at DSE).
 4. M. Govinda Rao, R. Kavita Rao (2009), “Direct Tax Code: Need for Greater Reflection,” *Economic and Political Weekly*, September 12, 2009, pp 35-38.
- II.3 Public Expenditure: Trends and Issues; Subsidies in India
1. Ranjit Kumar Pattnaik, Dhritidyuti Bose, Indranil Bhattacharyya and Jai Chander: Public Expenditure and Emerging Fiscal Policy Scenario in India, Conference Proceedings of Banca d Italia workshop on Public Expenditure, available at www.bancaditalia.it.
 2. D.K.Srivastava, C.Bhujanga Rao, P. Chakraborty and T.S.Rangamannar, Budgetary Subsidies in India: Subsidising Social and Economic Services. National Institute of Public Finance and Policy, March 2003. Chapters 1, 2 and 5. Available at Planning Commission website:
<http://planningcommission.nic.in/reports/sereport/sereporf.htm>

3. GOI [2004]: Central Government Subsidies in India, Report prepared with NIPFP assistance, Ministry of Finance, December 2004, Government of India.

II.4 Budget, Deficits and Public Debt

1. M.M. Sury (1990), *Government Budgeting in India*, Chapter 2.
2. Raja J. Chelliah (1993): The Meaning and Significance of Fiscal Deficit, in Amresh Bagchi (ed.), *Readings in Public Finance*, OUP.
3. C. Rangarajan and D.K. Srivastava, "Fiscal Deficit and Government Debt: Implications for Growth and Stabilization" *Economic and Political Weekly*, July 2, 2005, pp 2919-2924 and 2931-2933 (only sections 1,2,3 and Policy Options).

II.5 Fiscal Federalism in India

1. Amrita Dhillon, "Fiscal Federalism", in Kaushik Basu and A. Maertens (ed.), "*The Oxford Companion to Economics in India*", Pp.353-357.
2. M. Govinda Rao (2005), "Changing Contours of Federal Fiscal Arrangements in India", Amaresh Bagchi (ed), "*Readings in Public Finance*".
3. Report of the 13th Finance Commission, 2010-15, Chapter 3: Issues and Approach and Chapter 9: Summary and Recommendations, pages 147-148, Available at: <http://finmin.nic.in/TFC/index.html>

Note on Examination Pattern:

- Part I: Public Economics Theory: (20 Marks): Two questions out of four of 10 marks each.
- Part II: Indian Public Finance: (18 Marks): Two questions out of four of 9 marks each.

Note on Teaching:

1. All examples and case studies pertaining to the U.S economy to be de-emphasized.
2. For latest development trends, refer to Govt. of India, Ministry of Finance, *Economic Survey (latest)*, Chapter 1 and 2. Available at: <http://indiabudget.nic.in>.
3. There would be 4 lectures and 1 tutorial per week for the Public Economics course.

**Department of Economics
Delhi School of economics**

**Course No.13, Comparative Economic Development
Convenor: Prof.Ashwini Deshpande**

**There is no change in the readings of Course 13.
The reading list for the year 2009-10 remains valid for the year 2010-11.**

“Reading List:

I. Perspectives on Comparative Economic Development: (a) Features of and trends in Modern Economic Growth -- a brief discussion of Kuznets' findings (b) Gerschenkron's hypothesis of Economic Development in Historical Perspective

Readings:

1. Simon Kuznets (1966), *Modern Economic Growth: Rate, Structure & Spread*, Yale University Press, Chs 1 and 10.
2. A. Gerschenkron (1969), *Economic Backwardness in Historical Perspective*, Harvard University Press, Ch.1

(Background readings for teachers:

Angus Maddison (1991), *Dynamic Forces in Capitalist Development, A Long-Run Comparative View*, Oxford University Press, Chs. 3 and 4, to be considered for next year.
P.K.O'Brien (1986), 'Do we have a Typology for the Study of European Industrialization in the XIXth Century?', *Journal of European Economic History*, XV, 3, pp.291-333.

II. An overview of economic development of the countries selected for case studies -- Britain, Germany, U.S.A., Japan and USSR.

Britain:

1. E.J. Hobsbawm (1968), *Industry and Empire: An Economic History of Britain since 1750*. Weidenfeld & Nicholson, Chs.1
2. Floud and McCloskey (ed) (1981), *Economic History of Britain Since 1700*, Cambridge University Press, (2nd ed) Ch. 1.

USSR:

Paul R Gregory and Robert C. Stuart (1986), *Soviet Economic Structure and Performance*, Harper & Row (3rd ed) Chs. 1 and 5
(Reading for teachers: Dobb. M (1995) *Soviet Economic Development Since 1917*. Universal Book Stall. New Delhi. Chs. 1 and 3)

Germany

Gustav Stolper, Karl Hauser, Knut Borchardt, (1967), (translated by Toni Stolper) *The German Economy, 1870 to the Present*, Harcourt Brace & World Inc. Chs. 1 and 2

USA

Richard A. Easterlin, Davis and Parker (1972) *American Economic Growth: An economist's History of the United States*. Harper & Row, Ch.2.

Japan

T. Nakamura (1983) *Economic Growth in Pre-War Japan*, Tr. by Robert A Feldman, Yale University Press, Ch. 1 (Overview of Growth)

III. Changes in the structure of agriculture and economic development - - Britain, Japan and U.S.S.R.

Britain:

Peter Mathias (1983), *The First Industrial Nation, An Economic History of Britain, 1700-1914*. 2nd edn, Methuen Chs.3, 12

Japan:

Y Hayami (1975), *A Century of Agricultural Growth in Pre-War Japan: Its Relevance to Asian Development*. University of Minnesota Press, Chs. 1 and 3.

USSR:

Dobb. M (1995) *Soviet Economic Development Since 1917* Universal Book Stall. New Delhi. Ch. 9, 10, 11, 12. (Chs 10, 11 and 12 will be used both for agriculture and industry).

IV. Role and pattern of industrialisation in Britain, Japan and U.S.S.R.

Britain:

Peter Mathias (1983), *The First Industrial Nation, An Economic History of Britain, 1700-1914*. 2nd edn, Methuen Chs.5, 15

E.J. Hobsbawm (1968), *Industry and Empire: An Economic History of Britain since 1750*. Weidenfeld & Nicholson, Chs. 2, 3 & 6.

Japan:

T. Nakamura (1983) *Economic Growth in Pre-War Japan*, Tr. by Robert A Feldman, Yale University Press, Chs. 2, 3, 5 and 6.

USSR

Dobb. M (1995) *Soviet Economic Development Since 1917* Universal Book Stall. New Delhi. Ch.8, 10, 11 and 12 (will be used both for agriculture and industry)

Paul R Gregory and Robert C. Stuart (1986), *Soviet Economic Structure and Performance*, Harper & Row (3rd ed) Ch. 4

V. Labour markets and labour processes - Britain and Japan

Britain:

E.J. Hobsbawm (1984), *World of Labour: Further studies in the history of labour*. London Weidenfeld & Nicholson, Ch. 11

(Background reading for teachers: Ch 16 of Hobsbawm's "Labouring Men")

Japan

Okochi, Karsh and Levine (1965), *Workers and Employees in Japan, The Japanese Employment relations system*, University of Tokyo, Ch.13

VI. Financial institutions and economic development in Germany, U.S.A and Japan

Germany

Timothy W. Guinnane (2002) 'Delegated Monitors, Large and Small: Germany's banking System, 1800 –1914' *Journal of Economic Literature*, Vol. XL (March 2002), pp.73-124.

USA

Richard A. Easterlin, Davis and Parker (1972) *American Economic Growth: An economist's History of the United States*. Harper & Row Chs. 9,10

Japan

T. Nakamura (1983) *Economic Growth in Pre-War Japan*, Tr. by Robert A Feldman, Yale University Press, Ch. 7.

Masahiko Aoki and Hugh Patrick (eds) *The Japanese Main Bank System*, pp. 35-49.

(Background reading for teachers: *ibid*, pp. 3-35)

VII. Foreign trade and economic development -- Britain, Japan and USA.

Britain:

E.J. Hobsbawm (1968), *Industry and Empire: An Economic History of Britain since 1750*. Weidenfeld & Nicholson, Ch.7

Peter Mathias (1983), *The First Industrial Nation, An Economic History of Britain, 1700-1914*. 2nd edn, Methuen. Chs.4 (pp 76-96), 11.

Japan:

W.W. Lockwood (1966), *Economic Development of Japan*, Expanded edition, Princeton University Press, Ch.6.

USA

Richard A. Easterlin, Davis and Parker (1972) *American Economic Growth: An economist's History of the United States*. Harper & Row Ch. 14

VIII. Role of the State in economic development (regulatory and developmental role) -- Japan, USA, Britain and USSR.

USA:

Richard A. Easterlin, Davis and Parker (1972) *American Economic Growth: An economist's History of the United States*. Harper & Row Ch. 17

Hughes and Cain (1994) *American Economic History*, 4th Ed., HarperCollins College Publishers, Ch. 7. (Chapters 18, 21 & 27 from this book should be background readings for teachers)

Japan

Chalmers Johnson (1982), *MITI and the Japanese Miracle: The Growth of Industrial Policy 1925-1975*, Stanford University Press, Chs.1,9.

W.W. Lockwood (1966), *Economic Development of Japan*, Expanded edition, Princeton University Press, Ch.10.

USSR

Paul R Gregory and Robert C. Stuart (1986), *Soviet Economic Structure and Performance*, Harper & Row (3rd ed) Ch. 7

Dobb. M (1995) *Soviet Economic Development Since 1917*, Universal Book Stall. New Delhi. Ch 14

Britain

E.J. Hobsbawm (1968), *Industry and Empire: An Economic History of Britain since 1750*. Weidenfeld & Nicholson, Chs.12"

**Department of Economics
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Minutes of the Meetings

COURSE 14: INTRODUCTORY ECONOMETRICS

Date of Meeting: 9 April 2010

Chairperson: Prof. Pami Dua

The following members attended:

1. Poonam Kalra, St. Stephen's College
2. Nidhi Chand, Maitreyi College
3. Roopali Goyanka, IP College
4. Neelam J. Malhotra, LSR College
5. Nita Singh, Satyawati College (E)
6. Shailu Singh, Hansraj College
7. Gita Golani, SPM College
8. Renu Bansal, SRCC
9. Ajad Singh, MLNC
10. Archana Jain, DCAC
11. Deepika Goel, RLA(E)
12. Surbhi Badhwar, Shyam Lal (Eve.)
13. Lokendra Kumawat, Ramjas College
14. Smruti Ranjan Behera, Shyamlal College (M)
15. Ankit Singh, Kamla Nehru college
16. Vandana Tulsyan, Dyal Singh College

A meeting of teachers of this course was held with a view to achieve the following aims:

- To examine how teachers are proceeding with the teaching of the course
- To discuss how students are responding to the course
- To review the syllabus and the reading list

The issues discussed at the meeting were as follows:

1. Marks allocation in the final exam question paper would be as in the previous year as follows:

Maximum Marks: 38

Topics 1, 2: 10 marks

Topics 3, 4, 5, 6: 28 marks

2. With respect to the exam question paper, it was suggested that topics that are not explained in the chapters of the core text but are merely referred to in the exercises or footnotes accompanying them, should not be examined in the final exam.

3. Similar to last year, this year too the teachers present in the meeting almost unanimously agreed that there was a need to organize some practical classes in the individual colleges using computers to give some insight to the students about the applications related to econometric concepts. For this purpose, an extra lecture, apart from the 3-lecture schedule per week was allocated for this paper on the recommendation of the Convenor, Dr. Dua.

4. It was also felt that project work should be made compulsory in each college and hence some marks should be allocated for it. The internal assessment for this paper is for 12 marks which comprises 5 marks for assignments (where four assignments are to be submitted in an academic year), 5 marks for home examinations and 2 marks for attendance. It was decided that the computer based project should be equivalent to an assignment.

5. It was noted that a new edition of the core text 'Elements of Econometrics' by D. Gujarati (4th edition) was now available in the market, and hence the reading list should be updated according to the new edition.

6. Since the coverage of 'Review of Statistics' in the core text is not adequate, it was recommended last year that the core text for the course on "Statistical Methods for Economics" (A. Webster) should be used as supplement. In this year's meeting, it was reported that this book is not a satisfactory supplement and a substitute needs to be identified.

7. A sub-committee was formed to identify a substitute for A. Webster and to see if any other changes were required in the syllabus and the reading list.

The following members were part of the sub-committee:

Ms. Deepika Goel, Ram Lal Anand (Eve.) College

Dr. Roopali Goyanka, IP College

Ms. Surbhi Budhwar, Shyam Lal (Eve.) College

Ms. Poonam Kalra, St. Stephens College.

Ms. Nidhi Chand, Maitreyi College

Dr. Lokendra Kumawat, Ramjas College

8. The sub-committee felt that A. Webster can be replaced by '**Elements of Econometrics**' by **Jan Kmenta**. An Indian reprint of the book is available in the market. The sub-committee also felt that '**Statistics for Engineering and the Sciences**' by **William Mendenhall and Terry Sincich, (Pearson Prentice Hall)** which was a suggested reading for teachers last year, can be deleted from the list since it was not a suitable reading for this course.

9. Some minor changes were made to the reading list in the meeting which are mentioned in the table below. A detailed reading list is also attached.

CORE TEXT

1. D. N. Gujarati and D.C. Porter, *Essentials of Econometrics*, 4th Edition, McGraw Hill International Edition.

2. Christopher Dougherty, *Introduction to Econometrics*, 3rd edition, OUP, Indian edition.

3. Jan Kmenta, *Elements of Econometrics*, Indian Reprint, Khosla Publishing House, 2008, recommended chapters for 'Review of Statistics'.

Reference Books for Teachers

Reference books **for teachers only** are given below:

1. D. N. Gujarati, *Basic Econometrics* (4th Edition), Tata McGraw-Hill Edition, 2004.
2. Ramu Ramanathan, *Introductory Econometrics with Applications*, 5th edition, Thomson (SOUTH-WESTERN), 2002.
3. Wooldridge Jeffrey, *Introductory Econometrics: A Modern Approach*, 3rd edition, South Western Publishing, 2005.
4. Maddala, G.S and Kajal Lahiri, *Introduction to Econometrics*, 4th edition, Wiley publication, 2009. (Few pages of this text are included for the students)

The chapter-wise changes in the syllabus are as follows:

TOPIC NO.	TOPIC	READINGS FROM CORE TEXT	CHANGES FROM THE YEAR 2009-10
1.	Nature and scope of Econometrics	Gujarati: Ch 1	
2.	Review of Statistics <ul style="list-style-type: none"> i) Descriptive statistics: (a) the univariate case, (b) the bivariate case ii) Random Variables and Probability distributions iii) Estimation of parameters, Testing of hypotheses 	Gujarati: Appendix A, B, C, D Dougherty: Ch on Review (excluding Asymptotic properties & Simulation i.e. pp 29–35) Kmenta: Ch 1, 3 ,5 and 6 (pp. 154-159, 186-191)	1. Recommended chapters of Jan Kmenta to replace Allen Webster for Review of Statistics. 2. Sections from Gujarati have been changed according to the new edition. 3. Appendix R.2 from Dougherty is included in the list.
3.	Classical Linear Regression Model: Two Variable Case <ul style="list-style-type: none"> i) Descriptive Aspects ii) Properties of Least Squares estimates; tests of hypotheses and confidence intervals; Gauss - Markov Theorem iii) Forecasting 	Gujarati: Ch 2, Ch 3 Dougherty: Ch1,Ch2 (excluding 2.4 & 2.6)	1. Discussion on Partial Correlation Coefficients not to be covered 2. Chapters from Gujarati have been changed according to the new edition.

TOPIC NO.	TOPIC	READINGS FROM CORE TEXT	CHANGES FROM THE YEAR 2009-10
4.	Classical Multiple Linear Regression Model. i) Descriptive Aspects: Least Squares Estimation, R^2 and Adjusted R^2 , Partial Correlations ii) The Classical Model: Gauss - Markov Theorem; Standard Error of Estimate Standard errors of regression coefficients iii) Tests of Hypotheses: Single Parameters; Sets of Parameters iv) Forecasting; v) Functional Forms of Regression Models; vi) Dummy Variables	Gujarati: Ch 4 Ch 5, Ch 6 (excluding 6.7) Dougherty: Ch3 (excluding 3.4), Ch 5	1. Proof of Gauss-Markov Theorem for multiple regressions not to be covered. 2. Dougherty can be referred to for dummy variables 3. Polynomial regression models are to be covered
5.	Violations of Classical Assumptions and Remedies i) Multicollinearity ii) Heteroscedasticity iii) Auto-correlation	Gujarati: Ch 8 Ch 9 (Excluding 9.5) Ch 10 (Excluding 10.6, Appendix 10A) Dougherty: Ch 3 (only sec 3.4) Ch 7 (only till pp 236), Ch12 (only pp 354-362)	1. This year it was agreed to include the LM test and Durbin-h test for testing serial correlation. For this Maddala, G.S and Kajal Lahiri, Ch 6.7-6.8 is suggested along with the core text.
6.	Specification Analysis i) Omission of a relevant variable ii) Inclusion of irrelevant variable iii) Tests of Specification Errors	Gujarati: Ch 7 (Exclude 7.5, 7.6, MWD Test, Ramsay Test) Dougherty: Ch 6 (till pp 211)	Same as last year

The detailed reading list for Course 14 for the year 2010-11 is as follows:

I. Nature and scope of Econometrics

- **Gujarati:** Ch 1

II. Review of Statistics

- i) Descriptive statistics: (a) the univariate case, (b) the bivariate case
- ii) Random Variables and Probability distributions
- iii) Estimation of parameters, Testing of hypotheses
- **Gujarati:** Appendix A, B, C, D
- **Dougherty:** Ch on Review (excluding Asymptotic properties & Simulation i.e. pp. 29–35)
- **Kmenta:** Ch 1, 3, 5 and 6 (pp. 154-159, 186-191)

III. Classical Linear Regression Model: Two Variable Case

- i) Descriptive Aspects
- ii) Properties of Least Squares estimates; tests of hypotheses and confidence intervals; Gauss - Markov Theorem ; iii) Forecasting
- **Gujarati:** Ch 2, Ch 3
- **Dougherty:** Ch 1, Ch 2 (excluding 2.4 & 2.6)

IV. Classical Multiple Linear Regression Model.

- i) Descriptive Aspects: Least Squares Estimation, R^2 and Adjusted R^2 , Partial Correlations
- ii) The Classical Model: Gauss - Markov Theorem; Standard Error of Estimate Standard errors of regression coefficients
- iii) Tests of Hypotheses: Single Parameters; Sets of Parameters
- iv) Forecasting; v) Functional Forms of Regression Models; vi) Dummy Variables
- **Gujarati:** Ch 4, Ch 5, Ch 6 (excluding 6.7)
- **Dougherty:** Ch 3 (excluding 3.4), Ch 5

V. Violations of Classical Assumptions and Remedies

- i) Multicollinearity
- ii) Heteroscedasticity
- iii) Auto-correlation
- **Gujarati:** Ch 8, Ch 9 (Excluding 9.5), Ch 10 (Excluding 10.6, Appendix 10A)

- **Dougherty:** Ch 3 (only sec 3.4), Ch 7 (till p. 236), Ch 12 (only pp. 354-362)
- **Maddala, G.S and Kajal Lahiri,** Ch 6.7-6.8

VI. Specification Analysis

- i) Omission of a relevant variable
 - ii) Inclusion of irrelevant variable
 - iii) Tests of Specification Errors
- **Gujarati:** Ch 7 (Exclude 7.5, 7.6, MWD Test, Ramsay Test)
 - **Dougherty:** Ch 6 (till p. 211)

**Department of Economics
Delhi School of economics**

Course No.15-Topics in Microeconomics

Convenor:Dr. Uday Bhanu Sinha

There is no change in the readings of Course -15.

The reading list for the year 2009-10 remains valid for the year 2010-11.

“Readings:

1. Main reference for this course will continue to be:
Martin J. Osborne (2004), *An Introduction to Game Theory*, OUP India, New Delhi.
2. The final reading list as agreed upon is as follows:

Normal form game in pure strategies and Illustrations:

Osborne: Chapter 1, 2 & 3

Oz Shy: Industrial Organization: Theory and Applications, MIT Press.: Sections 7.3.1 and 7.3.2

Normal form game in mixed strategies

Osborne: Chapter 4

Extensive games with perfect information

Osborne: Chapter 5, 6 & 7

Repeated games

Osborne: Chapter 14

Games with imperfect information

Osborne: Chapter 9 (excluding Sections 9.7 and 9.8) & 10 (excluding Sections 10.8 and 10.9).

It was also decided that the question paper for the annual examination of this course should have an approximate weightage of various topics as per the following scheme:

Normal form games	About 12-15 marks
Extensive form games, games with incomplete information and repeated games	About 15-18 marks
Applications in Industrial Organization	About 8-10 marks”

Department of Economics
Delhi School of Economics

Subject: B.A. (H) Economics

Course 16: Topics in Macroeconomics

Chairperson: Prof. Partha Sen, DSE

There are no changes in the syllabus or readings recommended for the year 2010-11.
For your ready reference last years' minutes is reproduced below:

“(a) It was decided that Heijdra and Van der Ploeg (Foundations of Modern Macroeconomics) is to remain as the main text book for the course, but students may be referred to Blanchard and Fischer (Topics in Macroeconomic Theory) for clarification (if needed), especially for Ramsey infinite horizon optimal growth model and Diamond two period overlapping generations model (respectively chapter 2 and 3 in Blanchard & Fischer) .

(b) It was agreed that the current syllabus was too long, especially because many of the topics require the knowledge of difference/differential equations and dynamic optimization and these tools have to be taught to the students before the those topics can be covered.

In view of this, it was decided the syllabus would be reduced by **excluding** the following topics from the course:

- (i) The Hysteresis part in the context of Aggregate Supply and Aggregate Demand (Chapter2, Section 2.2 of Heijdra-Van der Ploeg);
- (ii) The Small Open Economy case in the context of Quantity Rationing (Chapter 5, Section 5.2);
- (iii) The Flexible wages and Market Clearing section in the context of the Labour Market Theory (Chapter 7, Section 7.2); **(Notice however that Section 7.3 (real wage rigidity and efficiency wage theory) remains as part of the syllabus).**
- (iv) The models of Trade Union Behaviour (entire Chapter 8);
- (v) The open Economy Ramsey model and the Weil model of overlapping generations framework with infinitely lived dynasties (Chapter 14, sections 14.5.6 and 14.5.8 respectively);
- (vi) Applications and Extensions of the basic Diamond-Samuelson Overlapping Generations model (Chapter 17, sections 17.2 & 17.3). **(Notice however that Section 17.1 (The basic overlapping generations model and dynamic efficiency) remains as part of the syllabus).”**

**Department of Economics
Delhi School of economics**

Minutes of the Meetings

Course 17: INTERNATIONAL ECONOMICS

Date of Meeting: 20 April 2010

Chairperson: Prof. Aditya Bhattacharjea (DSE)

Teachers attended:

1. Chandra Goswami, Dyal Singh college
2. Neelam Singh, LSR College
3. Manjula Singh, St. Stephen's College
4. Akhilesh Kr. Yadav, Satyawati (Eve.)
5. Jyoti Chaudhary, Shyam Lal College
6. Ujjayini Roy, Hindu College
7. Pragya Rathore, D.R College
8. Nirmal Ahluwalia, JDM College
9. Madhur sethi, Ramjas College
10. Chander Kanta Gupta, P.G.D.A.V. College
11. Pratap C. Mohanty, C.V.S.
12. Mansi Sachdeva, Kalindi College
13. Anshu Chopra, Shivaji College
14. Animesh Naskar, Hansraj College
15. Krishna Kumar S., S.V. College
16. Samir Kr. Singh, K.M.C.
17. Surbhi Badhwar, Shyam Lal Evening College
18. Renu Sinha, Satyawati College (M)
19. Astha Ahuja, RLA (E)
20. Rashmi Sharma, DCAC
21. N. Lalitha, SPM College
22. Henna Sikka, SRCC
23. E.Trivedi, JMC
24. Bhumika Hingorani, SRCC

After extensive discussions, the following decisions were taken in the meeting:

- Krugman and Obstfeld (KO), 8th edition (Pearson Low Price Edition), remains the basic text for the coming year. A few minor adjustments were made in the sections to be included, which are indicated in the Table on the following page.
- Ms Surbhi Badhwar remains the coordinator of the e-group for discussions during the year among teachers teaching this course. Those who would like to join should send her an email at surbhibadhwar@yahoo.co.in

EXAMINATION PATTERN

No changes are to be made. Last year's decision is repeated below:

- The question paper will be divided into 2 parts (corresponding to Micro and Macro sections). Each part will have three questions, and students will have to attempt any two questions from each part.
- Questions can have multiple parts, cutting across more than one topic.
- Questions should not be taken directly from those in the textbook.

Part I (20 marks) will have three questions of 10 marks each. Roughly one-third marks may be allotted to each of the following three sections. There would be one or two numerical questions, carrying a total of upto 8 marks.

- (i) Ricardian Model, Heckscher-Ohlin Model and Standard Trade Model (KO: Chs. 3, 4, 5)
- (ii) New trade theories: Economics of scale and Imperfect Competition
International factor movements (KO: Chs. 6, 7)
- (iii) International Trade Policy: Instruments, Political Economy, Controversies,
Developing Countries (KO: 8, 9, 10, 11)

Part II (18 marks) will have three questions of 9 marks each. Roughly one-third marks may be allotted to each of the following three sections:

- (i) Exchange Rates and Money Market: (KO: Chs. 13, 14, 15).
- (ii) Output and exchange rate in short run and fixed exchange rate regime (KO: Chs. 16, 17).
- (iii) International Macroeconomic Policy (KO: Chs. 18, 19, 21, 22).

Core Text: Paul R. Krugman and Maurice Obstfeld, *International Economics: Theory and Policy*, 8th edition, Pearson Education. Detailed chapter-wise comments are as follows. *Changes to be introduced in 2010 are in italics.*

Chapter(s)	Remarks
1, 2, 12, 20	<ul style="list-style-type: none"> • Not included in the course for examination purposes. • Students need to read chapters 1, 2 and 12 for their understanding. • Ch 20 deals with EU integration, which we are not covering in the course.
3, 4, 5, 6, 7, 8	<ul style="list-style-type: none"> • Included in entirety • Appendix to Ch 6 excluded
9	<ul style="list-style-type: none"> • Exclude pages 230-238. These pages cover 2 sections <ul style="list-style-type: none"> ○ International Trade Negotiations and Trade Policy ○ The Doha Disappointment -- students should be encouraged to read these sections for projects • Appendix to Ch 9 excluded
10, 11	<ul style="list-style-type: none"> • Included in entirety
13, 14, 15, 16	<ul style="list-style-type: none"> • Included in entirety • Appendix to Ch 16 excluded
17	<ul style="list-style-type: none"> • Exclude pages 483-486 (These pages cover section “Gold Standard”) • Appendix to Ch 17 excluded
18	<ul style="list-style-type: none"> • Exclude pages 511-514 (Inter-war Years) • Exclude pages 522-525 (External Balance Problem of the US)
19	<ul style="list-style-type: none"> • Included in entirety
21	<ul style="list-style-type: none"> • <i>Only up to page 607 included</i>
22	<ul style="list-style-type: none"> • Only pages 628-633, 637-644, 648-653 are included
Mathematical Postscripts	<ul style="list-style-type: none"> • <i>Only Postscript to ch.4 (pages 666-669) included; others excluded for examination purposes</i>

NB: Descriptive/historical sections indicated above, as well as all case studies, are excluded only for direct questions on the final exam. Students should be encouraged to read them for projects for internal assessment, and should also be given extra credit in the final examination for integrating this material into their answers, wherever appropriate.

**Department of Economics
Delhi School of economics**

Minutes of the Meetings

Concurrent Course: Principles of Economics

Date of Meeting: 19.4.2010

The following members attended:

1. Rashmi Sharma, DCAC
2. Mohini Aggarwal, Rajdhani College
3. Rakhi Arora, Rajdhani College
4. Shailaja S. Thakur, SV College
5. Gita Golani, SPM College
6. Priti Sahni, Maitreyi College

There are no changes in the readings recommended for the year 2010-11.
Reading list of 2009-10 should be used.

Basic Text:

Lipsey, R.G. & Chrystal, K.E.: Principles of Economics, 11th Edition.
Oxford University Press.

Topics: As last year.

“TOPICS

1. Exploring the subject matter of economics

Why study economics? Scope and Method of Economics; The Economic Problem: Scarcity and Choice. Reading and working with Graphs. Positive and Normative economics. Microeconomics and Macroeconomics.

Chapters 1,2. Exclude “Economic Data” (pp. 22-24).

2. Supply and Demand: Markets and Prices

Markets and Competition; Determinants of demand and supply; How prices allocate resources.

Elasticity and its applications; Controls on Prices.

Chapters 3,4,. Exclude pp57-61, but include the section on government intervention on markets.

3.What Determines Demand

Marginal Utility Theory. Indifference Theory. Income and Substitution Effects.

Chapter 5. Exclude Box 5.5, p.103 (The Slutsky Decomposition of Income and Substitution Effects)

4. Firms, Cost and Profits

The Production Process; Firms; Costs and Output decisions in the short and the long run.

Chapter 6.

5. Market Structure

Perfect competition. Monopoly.

Chapters 7,8.

6. Macroeconomic Concepts and Measurement

Concepts of GDP and national income. Nominal and real GDP.

Chapter 15. Cover only sections “What is Macroeconomics?”, “Why do we need Macroeconomics?”, “GDP, GNI and GNP”, “Circular Flow of Income”, “Interpreting National Income and Output Measures”.

7. The Simple Keynesian Model

Aggregate expenditure and equilibrium output. Fiscal policy at work – the multiplier effect.

Chapters 16,17.

8. Money and Monetary Institutions

The nature of money; credit creation. The Demand for Money. Monetary Policy.

Chapter 20. Cover the following sections: “The Nature of Money”, “The Origins of Money”, “The Ratios Approach to the Creation of Money” (excluding the general case of deposit creation and Figure 27.1).

Chapter 21. Cover the following sections: “The Demand for Money”, “Monetary Forces and Aggregate Demand” (excluding the “Accelerator Theory of Investment”).

9. International Trade

Gains from Trade; Terms of Trade.

Chapter 27. Cover pp. 610-616 only.

Concordance Between Lipsey & Chrystal 11th Edition and 10th Edition

Topic No	Topic	Readings with Lipsey 11e	Equivalent Lipsey 10e
1	Exploring the subject matter of Economics	LC 11: Chs. 1,2 excluding ‘Economic Data’ pp 22-24.	LC 10: Chs. 1, 2 Excluding ‘Economic data’ pp 19-21 and ‘measuring marginal values’ pp 28-31)
2	Supply and Demand: Markets and Prices	LC 11: Chs. 3,4 Exclude pp 57-61. , but include section on govt intervention in markets.	LC10: Chs. 3,4,5. Exclude pp. 77-83, but include section on govt intervention in markets. Exclude section on Problems of Agriculture, pp. 87 – 90.
3	What Determines Demand	LC 11: Ch. 5 , Exclude Box 5.5, p. 103 (Slutsky Decomposition)	LC 10: Chs. 6,7. Exclude Box 7.4, p 119 (Slutsky Decomposition)
4	Firms, Cost and Profits	LC 11: Ch. 6.	LC 10: Chs. 8,9 Exclude section on Isoquants pp. 144-147.
5	Market Structure	LC 11: Chs. 7,8	LC 10: Chs. 10,11

6	Macroeconomic Concepts and Measurement	LC 11: Ch. 15 , Sections on ‘What is Macroeconomics’, ‘Why do we need macroeconomics’, ‘GDP, GNI, GNP’, ‘Circular Flow of Income’, and ‘Interpreting National Income and Output Measures’	LC 10: Ch. 21 , Sections on ‘What is Macroeconomics’, ‘Why do we need macroeconomics’, ‘GDP, GNI, GNP’, ‘Circular Flow of Income’, and ‘Interpreting National Income and Output Measures’
7	The Simple Keynesian Model	LC 11: Chs. 16,17	LC 10: Chs. 23,24
8	Money and Monetary Institutions	LC 11: Ch. 20 , Sections on ‘The Nature of Money’, ‘The Origins of Money’, ‘The Ratios Approach to Creation of Money’ (Excluding the general case of deposit creation and Fig. 20.1)	LC 10: Ch. 27 , Sections on ‘The Nature of Money’, ‘The Origins of Money’, ‘The Ratios Approach to Creation of Money’ (Excluding the general case of deposit creation and Fig. 27.1)
	Money and Monetary Institutions (contd)	LC 11: Ch 21 , Sections on ‘Demand for Money’, ‘Monetary Forces and Aggregate Demand’, (Exclude Accelerator Theory of Investment)	LC 10: Ch 28 , Sections on ‘Demand for Money’, ‘Monetary Forces and Aggregate Demand’, (Exclude Accelerator Theory of Investment)
9	International Trade	LC 11: Ch 27 , pp 610-16 only	LC 10: Ch 33 , pp. 609-15 only

Readings: LC – Lipsey, R.G. and Chrystal, K.E. *Principles of Economics, 10th or 11th Edition (OUP)*”

Department of Economics

University of Delhi

Minutes of Meeting

Subject: B. A. (Hons) Economics, Course 02: Mathematical Methods for Economics

Chairperson: Sudhir A. Shah

Date of meeting: April 23, 2010

The following teachers from the Colleges attended the meeting.

Anita Mathur	Shri Ram College of Commerce
Geeta Golani	Shyama Prasad Mukerjee College
Anu Satyal	College of Vocational Studies
Suchismita Sinha Ray	Sri Venkateshwara College
Divya Gupta	Hansraj College
Enakshi Sinha Ray	Rajdhani College
Neelam Malhotra	L. S. R. College
Sanjeev Kumar	Dyal Singh College
S. K. Taneja	Ramlal Anand College
Aniruddha Prasad	Satyawati College
Manjul Singh	Satyawati College

1. As always, there was discussion regarding the nature of this course. As a reminder, please see the attached Minutes of the 2005 meeting.

In a nutshell, three points emerge: (1) This is a mathematics course with economics applications used to *illustrate* techniques. (2) The set of such applications is open-ended and left to the discretion of the instructor. This freedom to interpret the needs of the students and find better means for teaching the mathematical ideas covered by the syllabus is an essential aspect of creative pedagogy. (3) Examinations can include questions related to pure mathematics and economic applications, *but the applications-based questions have to be carefully framed. Since there is no prescribed common set of applications, all students need not have studied all applications. So, questions based on economic applications should be framed with great care and be specified in sufficient mathematical detail that even the students who have not studied that particular application can answer the question based purely on their knowledge of the mathematics taught in this course.*

2. With respect to the examinations, please see the attached Minutes of the 2005 meeting. Attention is drawn to the following points:

(a) The weight distribution of different parts of the syllabus is indicative, it is not fixed, and there is substantial latitude for variation of weights in examinations.

(b) There is **no** set pattern for the examination. It can vary every year. Adherence to the syllabus and academic prudence are the only constraints on the pattern.

On a personal note, may I remind everyone that we are a university, not a coaching academy. Our courses, teaching and examinations should be creative, not strangled by an ever-tightening straitjacket of black-and-white inclusions and exclusions of course-material and examination questions. Our school system has been broken by excessive regimentation and fully routinized and mechanical pedagogy. I hope we want to educate students to be more than mere exam-takers.

Department of Economics
University of Delhi
Minutes of Meeting

Subject: B. A. (Hons) Economics, Course 02: Mathematical Methods for Economics

Chairperson: Sudhir A. Shah

Date of meeting: Tuesday, August 24, 2005

The following teachers from the Colleges attended the meeting.

Asha Kashyap	Lakhshmibai College
Malabika Pal	Miranda House
Rajiv Jha	Shri Ram College of Commerce
Geeta Golani	Shyama Prasad Mukerjee College
A. Vijaykumar	Ramjas College
Surbhi Badhwar	Shyam Lal College (Eve)
A. S. Lamba	Deshbandhu College (Eve)
Chandan Singh	Hindu College
Indu Choudhary	Kalindi College
Savitri Sidana	Atmaram Sanatandharam College
Pradip Kumar Biswas	College of Vocational Studies
M. Padmasuresh	Sri Venkateshwara College
Jasneet K. Wadhwa	S. G. T. B. Khalsa College
Richa Suri	Hansraj College
Shirin Akhter	Motilal College
S.M. Quisar Raja	Zakir Hussain College
Aruna Saluja	Maitreyi College
Pawan Kumar	Zakir Hussain College
Raushan Kumar	Rajdhani College
Anindita Roy Saha	I. P. College
Shashi Balagarg	L. S. R. College
Sandhya Varshney	Dyal Singh College
Harpreet Kaur	S. G. G. S. C. C.
Shalini Saksena	D. C. A. C.
Vandana	Janki Devi Memorial College
Narender Thakur	D. C. A. C.

Report: A Common Minimum Program

1. There was discussion regarding the nature of this course and the points of departure from the old course. The following clarifications emerged in the discussion.

(a) This is **not** a “Mathematical **Economics**” course, but a “**Mathematical Methods** for Economics” course. The intention is not to transmit any particular body of economic theory, but to transmit the body of basic mathematics that enables the creation of economic theory in general. In this course, particular economic models are not the ends, but the means for illustrating the method of applying mathematical techniques to economic theory in general. A pedagogical corollary of this attitude is that economic applications should be chosen as illustrations, not on the basis of their “importance” or “relevance” in economic doctrine, but on the basis of their appropriateness for illustrating particular aspects of mathematical techniques being taught in this course. (Of course, if pedagogical relevance and substantive doctrinal importance coincide in some application, then covering such a Pareto superior application is recommended.) Classroom instruction should stress the understanding and skill in the application of mathematical theorems and techniques, rather than the mastering of any particular set of economic applications.

(b) Stress should be placed on learning mathematical theorems and techniques and **recognizing classes** of applications where particular theorems and techniques, or their combinations, are applicable and useful.

2. There was discussion regarding the prescribed textbooks for the course. The following decisions are to be noted.

(a) Sydsaeter and Hammond is to serve as the reference textbook for notifying excluded material, as specified below.

(b) The two prescribed textbooks serve to define the level of sophistication of material to be transmitted to students and the problems contained therein indicate the level of difficulty of questions that may be asked in examinations.

(c) There is no presumption that examination questions will/can be chosen only from the prescribed textbooks. However, the examiner should ensure that the level of difficulty is at par with the difficulty of problems in the textbooks; the evaluation of “difficulty” is best left to the prudence and academic judgement of the examiner within the institutional context of examination-setting.

(d) Instructors should feel free to draw upon any appropriate supplementary sources for problems and material that they feel is handled inadequately or poorly in the prescribed

textbooks.

3. There was discussion regarding the nature of examinations for this course. The following points were salient.

(a) Given the significant change of emphasis relative to the old course, instructors and students are warned that past examinations for the old course should **not** be seen as being indicative of the nature, scope or style of examinations for this course.

(b) Final examinations are expected to adhere to the following weights attached to the four main components of the course: Part 1 (10%), Part 2 (25%), Part 3 (25%) and Part 4 (40%). These guidelines are not ironclad and the weight for any particular Part can vary by upto 10%; e.g., the weight for Part 4 can vary between 30% and 50%.

(c) Proofs of propositions that are relatively straightforward may be asked in the examinations. However, questions should not be such as to allow mere regurgitation of theorems proved in the textbook and memorized by the students. Ideal questions should test the student's ability to **understand and correctly apply** theorems proved in the textbooks rather than merely reproduce their proofs.

(d) Examiners should avoid questions whose solution involve mere memorization of formulae and computation.

(e) Questions may require students to apply techniques learned in this course to applications drawn from economic theory. However, such questions should be framed with great care. Such questions should explicitly state the **mathematical structure** required to derive the answer, not leave it implicit, assuming that students will be aware of the economic model in question and the assumptions underlying it. The examiner may assume that students are **mathematically** sophisticated at a level indicated by this course, but there should be no presumption of economic sophistication or knowledge of economic doctrine beyond what is taught in the Principles course.

(f) Economic applications available in the textbooks and covered in class should **not** be assumed to be an exhaustive list of potential applications that may be used for framing examination questions.

(g) There should be no presumption that a particular pattern or style of the examination will be replicated from year to year. The examiner shall have latitude to make academically prudent changes subject to the above-mentioned weightage guidelines.

Excluded material from Sydsaeter and Hammond

The following material, as specified below in terms of sections from Sydsaeter and Hammond, is excluded from the teaching and examination requirements for this course. By implication, all other material from this textbook should be taught by instructors and prepared for examinations by students.

Section 6.7 (pages 208-213)

Chapters 10, 11 (pages 320-373)

Section 13.3 (pages 429-432)

Proof of Theorem 13.1 (pages 436-438); corresponding problems are also eliminated. (However, the statement is to be done and its use illustrated.)

Sections 14.4, 14.5, 14.6 (pages 476-488)

Example 15.27 (pages 524-526)

Section 15.9 (pages 531-536)

Proof of Leibniz's formula (page 547). (However, the formula and its applications are to be done.)

Continuous version of Jensen's inequality and applications (pages 625-627)

Determinant criterion for quasi-concavity (pages 647-648)

Section 18.3 (pages 662-666). (However, the statement of Theorem 18.1 on page 664 is to be done.)

The multiple equality constraints case (pages 672-673)

Sections 18.8, 18.9, 18.10 (pages 682-703)

Chapters 19, 20, 21 (pages 704-802)

References

- Sydsaeter, K. and P. J. Hammond, 2002, *Mathematics for Economic Analysis*, Pearson Educational Asia, Delhi. (Reprint of 1st 1995 ed.)
- Chiang, A. C., *Fundamental Methods of Mathematical Economics*, 3rd ed, McGraw-Hill.