

**SIES College of Arts, Science &  
Commerce(Autonomous)Sion (W), Mumbai –  
400022**

**Faculty: Arts**

**Programme: BA**

**Subject: Economics**

**Academic Year: 2018-19**

**Credit based Semester and Grading System syllabi  
approved by the Board of Studies in Economics to be  
brought into effect from June 2018**

## Semester I

### F.Y. B.A.

**Name of the subject: Economics Paper I**

**Title of the paper: Micro Economics I**

**Paper Code: SIUAECO11**

**Number of Credits: 3**

**Total No. of Lectures: 45**

Objective-This course is designed to introduce the students to elementary concepts in microeconomics. The student should be able to use these concepts to understand the relevance of microeconomics to the real world. The student should be able to build on these concepts in the future to develop deeper understanding of the Economy.

#### Module 1 - Ten Principles of Economics

(10 Lectures)

Trade-offs faced by the individuals – significance of opportunity cost in decision making – thinking at the margin- responses to incentives-benefits from exchange- organization of economic activities through markets and its benefits – role of government in improving market outcomes – dependence of standard of living on production- growth in quantity of money and inflation - inflation and unemployment trade-off.

#### Module 2 - Economics and Its Methods

(12 Lectures)

The scientific method –role of assumptions- economic models: circular flow of income and production possibilities curve -Micro economics and Macroeconomics-economist as policy advisors: positive economics and normative economics – causes of disagreement among economists -basics of graphs (graph of single variable, graph of two variable, curves in the co-ordinate system, slope cause and effect).

### Module 3 - Markets, Demand and Supply

(13 Lectures)

Market- competition – perfect, imperfect- demand curves: market demand versus individual demand - movements along the demand curve-shifts in the demand curve, supply curves: market supply and individual supply- shifts in supply curve–market equilibrium – three steps to analyze changes in equilibrium –price ceilings and floors-taxes and their impact-price elasticity of demand- total revenue and the elasticity of demand - impact of price elasticity on revenue

### Module 4 - Interdependence and Trade

(10 Lectures)

Specialisation and trade –meaning of absolute cost advantage –opportunity cost and comparative cost advantage – comparative advantage and trade- gains from trade- application of comparative cost advantage to international trade – economic integration – custom unions and trade treaties.

### References:

1. Austan Goolsbee, S. L. (2017). *Microeconomics*. New York : Worth Publishers.
2. Laidler, D. (1981). *Introduction to Microeconomics*. New Delhi : Heritage Publishers.
3. Mankiw, Gregory (2015) . *Principles of Microeconomics*. New Delhi: Cengage Learning.
4. Robert Pindyck, D. R. (2017). *Microeconomics 8th Edition* . New Delhi : Pearson .
5. Salvatore, Dominick (2003). *Microeconomics: Thoery and Applications*. Oxford University Press. New Delhi.
6. Sen, Anindhya (2007). *Microeconomics: Theory and Applications*. Oxford University Press, New Delhi .

## Semester II

### F. Y.B.A.

**Name of the subject: Economics Paper I**

**Title of the paper: Macro Economics I**

**Paper Code: SIUAECO21**

**Number of Credits: 3**

**Total No. of Lectures: 45**

Objective-This course is designed to introduce the student to the basic building blocks of macroeconomics. Using an open economy framework, the course develops an understanding of the constituents of the open economy. The student should be able to build on these constituents in the later years so as to be able to analyse macroeconomic policies.

#### Module 1 - Concepts and Definitions

(10 Lectures)

Circular flow of Income in an Open Economy–GDP-GNP-NNP-GDP Deflator–Real and Nominal quantities–GDP at purchasing power parity –Exchange rate as a price –GDP Growth: India's experience –Trends in Growth Rate and sectoral Composition of GDP- Parallel economy – Demonetisation- Sources of Data

#### Module 2 - Consumption, Saving and Investment

(13 Lectures)

National Income Identity in an Open Economy- Keynesian Consumption Function- Investment Multiplier-Marginal Efficiency of Capital and Rate of Interest-Accelerator- Savings in India: Trends and Composition-Capital Formation in India: Trends and Composition- Sources of Data.

#### Module 3 - Government

(12 Lectures)

Public Goods and their Features- Merit Goods- Sources of Revenue: Direct and Indirect Tax- Impact, Shifting and Incidence of Tax- Sources of Non- Tax Revenue- Public Expenditure:

Revenue and Capital Expenditure- Subsidies- Types of Deficit: Revenue, Budgetary, Fiscal and Primary-Concept of fiscal consolidation (GST)-Recent Trends- Sources of Data.

Module 4 - External Sector

(10 Lectures)

Structure of Balance of Payments-Types of Disequilibrium in BOP- Exchange Rate Determination Concept of FOREX and its components-Foreign capital –FDI, FII, foreign aid-Sources of Data.

References:

1. Bernanke, B.S., D. Croushore, A.B. Abel (2011). *Macroeconomics*. Pearson, New Delhi.
2. C. Rangarajan, D. H. (2012). *Principles of Macroeconomics*. New Delhi: Tata McGrawHill.
3. D'Souza, E. (2012). *Macroeconomics*. New Delhi : Pearson Education India
4. Froyen, R. T. (2014). *Macroeconomics: Theory & Policy*. New Delhi: Pearson.
5. Mankiw, Gregory (2015). *Principles of Macroeconomics*. Cengage Learning, New
6. S. Sikdar (2006). *Principles of Macroeconomics*. Oxford University Press, New Delhi

## SCHEME OF EXAMINATION

Examination will consist of internal and semester end divided as 40 marks for internal and 60 marks for Semester end.

### Internal Assessment

Internal assessment of 40 marks will be divided as 20 marks for class test, 20 marks for assignment.

### Semester End Examination

The pattern for Semester end paper of 60 marks will be as follows:

- Duration – 2 hours for each paper.
- There shall be four questions each of 15 marks. All questions shall be compulsory.
- Questions may be subdivided into sub-questions a, b, c and students are expected to answer two out of three.

Questions	Modules	Marks
Q N 1	Module 1	15
Q N 2	Module 2	15
Q N 3	Module 3	15
Q N 4	Module 4	15