

Paper 14: INTERMEDIATE MICROECONOMICS - II

Course Description

This course is a sequel to Intermediate Microeconomics I. The emphasis will be on giving conceptual clarity to the student coupled with the use of mathematical tools and reasoning. It covers general equilibrium and welfare, imperfect markets and topics under information economics.

Course Outline

1. General Equilibrium, Efficiency and Welfare

Equilibrium and efficiency under pure exchange and production; overall efficiency and welfare economics.

2. Market Structure and Game Theory

Monopoly; pricing with market power; price discrimination; peak-load pricing; two-part tariff; monopolistic competition and oligopoly; game theory and competitive strategy.

3. Market Failure

Externalities; public goods and markets with asymmetric information.

Readings:

1. Hal R. Varian, *Intermediate Microeconomics: A Modern Approach*, 8th edition, W.W. Norton and Company/Affiliated East-West Press (India), 2010. The workbook by Varian and Bergstrom could be used for problems.
2. C. Snyder and W. Nicholson, *Fundamentals of Microeconomics*, Cengage Learning (India), 2010.

Paper 15: INTERMEDIATE MACROECONOMICS - II

Course Description

This course is a sequel to Intermediate Macroeconomics I. In this course, the students are introduced to the long run dynamic issues like growth and technical progress. It also provides the micro foundations to the various aggregative concepts used in the previous course.

Course Outline

1. Economic Growth

Harrod-Domar model; Solow model; golden rule; technological progress and elements of endogenous growth.

2. Microeconomic Foundations

- a. Consumption: Keynesian consumption function; Fisher's theory of optimal intertemporal choice; life-cycle and permanent income hypotheses; rational expectations and random-walk of consumption expenditure.
- b. Investment: determinants of business fixed investment; residential investment and inventory investment.
- c. Demand for money.

3. Fiscal and Monetary Policy

Active or passive; monetary policy objectives and targets; rules versus discretion: time consistency; the government budget constraint; government debt and Ricardian equivalence.

4. Schools of Macroeconomic Thoughts

Classicals; Keynesians; New-Classicals and New-Keynesians.

Readings:

1. Dornbusch, Fischer and Startz, *Macroeconomics*, McGraw Hill, 11th edition, 2010.
2. N. Gregory Mankiw. *Macroeconomics*, Worth Publishers, 7th edition, 2010.
3. Olivier Blanchard, *Macroeconomics*, Pearson Education, Inc., 5th edition, 2009.
4. Charles I. Jones, *Introduction to Economic Growth*, W.W. Norton & Company, 2nd edition, 2002.
5. Andrew B. Abel and Ben S. Bernanke, *Macroeconomics*, Pearson Education, Inc., 7th edition, 2011.
6. Errol. D'Souza, *Macroeconomics*, Pearson Education, 2009.
7. Robert J. Gordon, *Macroeconomics*, Prentice-Hall India Limited, 2011.

Paper 16: ECONOMY, STATE AND SOCIETY

Course Description

Employing perspectives from alternative schools of thought, this course explores the development of the structure and institutions of capitalist economies and their relationship to social and political forces. Students are expected to read some classic texts as well as more recent commentaries.

Course Outline

1. Analysing Social Change in Historical Perspective

The method of historical materialism; the transition from feudalism to capitalism; capitalism as a historical process – alternative perspectives.

2. Capitalism as an Evolving Economic System

Basic features; accumulation and crisis; the modern corporation; monopoly capitalism—alternative perspectives.

3. The State in Capitalism

The state and the economy – contestation and mutual interdependence; the state as an arena of conflict; imperialism – the basic foundations.

Readings:

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.
2. O. Lange, *Political Economy*, Vol. 1, 1963, Chapters 1 and 2.
3. E.K. Hunt, *History of Economic Thought*, M.E. Sharpe, Indian edition, Shilpi Publications, 2004.
4. Irfan Habib, 1995, "Capitalism in History", *Social Scientist*, Vol. 23, 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, W.W. Norton, 1988.
6. P. Sweezy, *The Theory of Capitalist Development*, Monthly Review Press, 1942, chapters 2, 4, 5, 6, 8 and 10.
7. Anwar Shaikh, 2000, 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.
8. Vamsi Vakulabharanam, 2009, "The Recent Crisis in Global Capitalism: Towards a Marxian Understanding", *Economic and Political Weekly*, March 28, Vol. 44, pp. 144-150.
9. J. Schumpeter, *Capitalism, Socialism and Democracy*, George Allen and Unwin 1976, Chapters 6, 7 and 8.

10. P. Baran (1957), *The Political Economy of Growth*, Chapter 3, Pelican edition, 1973.
11. R. Heilbroner, 1985, "The Role of the State", Ch.4 in *The Nature and Logic of Capitalism*.
12. M. Kalecki, 1972, "Political Aspects of Full Employment", in E.K. Hunt and J.G. Schwarz (eds.), *A Critique of Economic Theory*, Penguin Books.
13. Amit Bhaduri, 2002, "Nationalism and Economic Policy in the Era of Globalization", Ch. 2 in Deepak Nayyar (ed.), *Governing Globalization: Issues and Institutions*, Oxford University Press [*also* WIDER Working Paper no.188, WIDER website (2000)].
14. Prabhat Patnaik, 1986, "Introduction", in *Lenin and Imperialism*, Orient Longman.
15. James O'Connor, 1970, "The Meaning of Economic Imperialism", in Robert Rhodes, ed., *Imperialism and Underdevelopment*, New York: Monthly Review Press, pp. 101 to 111.

Paper 17: INDIAN ECONOMIC DEVELOPMENT SINCE 1947 - I

Course Description

Using appropriate analytical frameworks, this course reviews major trends in economic indicators and policy debates in India in the post-Independence period, with particular emphasis on paradigm shifts and turning points.

Course Outline

1. Economic Development since Independence

Major features of the economy at independence; growth and development under different policy regimes—goals, constraints, institutions and policy framework; an assessment of performance—sustainability and regional contrasts; structural change, savings and investment.

2. Population and Human Development

Demographic trends and issues; education; health and malnutrition.

3. Growth and Distribution

Trends and policies in poverty; inequality and unemployment.

4. International Comparisons

Readings:

1. Jean Dreze and Amartya Sen, *India: Development and Participation*, Oxford University Press, 2nd edition, 2002.
2. Pulapre Balakrishnan, 2007, “The Recovery of India: Economic Growth in the Nehru Era”, *Economic and Political Weekly*, November.
3. Rakesh Mohan, 2008, “Growth Record of Indian Economy: 1950-2008. A Story of Sustained Savings and Investment”, *Economic and Political Weekly*, May.
4. S.L. Shetty, 2007, “India’s Savings Performance since the Advent of Planning”, in K.L. Krishna and A. Vaidyanathan, editors, *Institutions and Markets in India’s Development*.
5. Himanshu, 2010, “Towards New Poverty Lines for India”, *Economic and Political Weekly*, January.
6. Jean Dreze and Angus Deaton, 2009, “Food and Nutrition in India: Facts and Interpretations”, *Economic and Political Weekly*, February.
7. Himanshu, 2011, “Employment Trends in India: A Re-examination”, *Economic and Political Weekly*, September.
8. Rama Baru et al., 2010, “Inequities in Access to Health Services in India: Caste, Class and Region”, *Economic and Political Weekly*, September.
9. Geeta G. Kingdon, 2007, “The Progress of School Education in India”, *Oxford Review of Economic Policy*.
10. J.B.G. Tilak, 2007, “Post Elementary Education, Poverty and Development in India”, *International Journal of Educational Development*.

11. T. Dyson, 2008, "India's Demographic Transition and its Consequences for Development" in Uma Kapila, editor, *Indian Economy Since Independence*, 19th edition, Academic Foundation.
12. Kaushik Basu, 2009, "China and India: Idiosyncratic Paths to High Growth", *Economic and Political Weekly*, September.
13. K. James, 2008, "Glorifying Malthus: Current Debate on Demographic Dividend in India", *Economic and Political Weekly*, June.
14. Reetika Khera, 2011, "India's Public Distribution System: Utilisation and Impact", *Journal of Development Studies*.
15. Aniruddha Krishna and Devendra Bajpai, 2011, "Lineal Spread and Radial Dissipation: Experiencing Growth in Rural India, 1992-2005", *Economic and Political Weekly*, September.
16. Kaushik Basu, 2012, editor, *The New Oxford Companion to Economics*, Oxford University Press.