



# *Ramakrishna Mission Vidyamandira*

*Department of Economics*

## 4 Year BSc. Economics (Major) Syllabus

### SEMESTER I

### CC1: Economic Analysis 1

#### SECTION 1: BASIC MICROECONOMICS

This section of the course is designed to expose the students to the basic principles of microeconomic theory. The emphasis will be on thinking like an economist and the course will illustrate how microeconomic concepts can be applied to analyze real-life situations. It helps development of skills, problem-solving ability and analysis of microeconomic issues.

#### Module 1: The scope of microeconomics

**Unit 1: Principles of Economics:** Scarcity and Choice, Economics as a Dismal Science; Difference between Comparative Statics & Dynamics; Ten Principles of Economics.

**Unit 2: Thinking like an Economist:** The Economist as a Scientist, a Policy Maker, a Thinker, a Philosopher & a Public Intellectual; Why Economists Disagree.

#### Module 2: Workings of Market

**Unit 1: Market forces of Demand & Supply:** Market, Competition; Demand Curve, Market vs Individual Demand, Movement along and Shift of a Demand Curve; Supply Curve, Market vs Individual Supply, Movement along and Shift of a Supply Curve; Equilibrium, Comparative Statics.

**Unit 2: Elasticity & its Applications:** Price Elasticity of Demand, Midpoint Method, Percentage Changes and Elasticities, Variety of Demand Curves, Total Revenue and the Price Elasticity of Demand, Elasticity and Total Revenue along a Linear Demand Curve, Other Demand Elasticities; Elasticity of Supply, Price Elasticity of Supply and Its Determinants, Computing the Price Elasticity of Supply, Variety of Supply Curves; Real Life Applications of Supply, Demand, and Elasticity.

**Unit 3: Supply, Demand, and Government Policies:** Price-Controls like Rent-Controls & Minimum Wage, Evaluating Price-Controls; Taxes & Subsidies: Effects on Buyers & Sellers, Elasticity & Tax-Incidence; Price and Non-Price Rationing and Black Markets.

### **Module 3: Markets & Welfare**

**Unit 1: Consumers, Producers, and the Efficiency of Markets:** Consumer Surplus: Using the Demand Curve to Measure Consumer Surplus, How a Lower Price Raises Consumer Surplus, What Does Consumer Surplus Measure?; Producer Surplus, Cost and the Willingness to Sell, Using the Supply Curve to Measure Producer Surplus, How a Higher Price Raises Producer Surplus; Market Efficiency, The Benevolent Social Planner, Evaluating the Market Equilibrium; Market Efficiency and Market Failure

**Unit 2: Applications:** Deadweight loss of Taxation; Comparative Advantage & Gains from Specialization in Markets, Welfare effects of Tariff & Quota.

#### **Main Reference:**

Mankiw: Principles of Economics (Chapters 1-9)

#### **Additional References:**

- i. Acemoglu, Laibson, & List: Microeconomics
- ii. Goolsbee, Levitt, & Syverson: Microeconomics
- iii. Nicholson & Snyder: Intermediate Microeconomics and Its Application
- iv. Pindyck and Rubinfeld: Microeconomics

## SECTION 2. INDIAN ECONOMY BEFORE REFORMS

This section of the course is aims to provide the students an overview of the condition of the Indian economy since the eve of independence till the initiation of economic reforms. This will help the students to get an idea of the dynamics of the Indian economy during the pre-reform period.

### **Module 1 Indian Economy at the time of Independence**

**Unit 1** Features of Indian Economy around 1947-1950 and characteristics of economic underdevelopment of India (with reference to colonial rule of India)

**Readings:** Bipan Chandra in Jalan (ed). Uma Kapila, Chapter 1.

### **Module 2 Planning: Evolution of India's Development Goal and Strategy**

**Unit 1** The background and Structure of Indian Planning.

**Unit 2** Structural Constraints and India's development strategy – Choice of industrialization strategies – public vs. private sector, capital goods versus consumer goods – Mahalanobis Plan Model (basic argument), import substitution vs. export promotion strategy.

**Unit 3** Poverty Eradication, foreign aid and self-reliance – Fifth Five Year Plan Model (basic argument)

**Unit 4** Regional inequality in India – causes; policies for balanced regional development.

**Unit 5** Planning deficiencies and its abandonment– 7th five year plan and Indian economic crisis.

### **Readings:**

Unit 1: Uma Kapila, Chapters 1 and 2. Chakravarty, Chapter 1.;

Unit 2 Uma Kapila, Chapter 3. Chakravarty Chapters 2 and 5;

Unit 3 Chakravarty, Chapter 3. Wadhwa Chapters 5 and 7.;

Unit 4 Chakravarty Chapter 4 ;

Unit 5 Chakravarty Chapter 4 , Bardhan in Jalan (ed). ;

## SEMESTER II

### CC2: Economic Analysis II

#### SECTION 1: ELEMENTARY MACROECONOMICS

This section of the course is designed to provide the students the basic idea about macroeconomic issues. Emphasis will be given on understanding the basic macroeconomic issues and development of problem solving skills.

#### **Module 1: Introduction to Macroeconomics**

What Macroeconomics is about, What macroeconomists do, Debates in Macroeconomics

Basic Text: a) Mankiw: Macroeconomics (Ch1), b) Hubbard and O' Brien: Macroeconomics (Ch 1, 2), (c) Blanchard : Macroeconomics (Ch. 2)

#### **Module 2: National Income Analysis**

**Unit 1:** National Product, Components of final output, The system of accounts, Definitions related to National Income Accounting, G.D.P. deflator and C.P.I, National Income and Economic Welfare

Basic Text:(a) Mankiw: Macroeconomics (Ch 2), (b) Dornbusch, Fischer, Starz: Macroeconomics (Ch 1, 2), (c) Bakerman: National Income Accounting

**Unit 2:** Joblessness and unemployment: Concepts of Unemployment, Types of Unemployment

Reference: Mankiw: Macroeconomics (Ch 6)

#### **Module 3: Microfoundations of Macroeconomics**

Theories of Consumption and Investment Function

References: i) Macroeconomics : Mankiw (Ch. 16,17)

ii) Macroeconomics : Froyen

iii) Macroeconomics :Errol D' Souza

## SECTION 2: INDIAN ECONOMY AFTER REFORMS

The course imparts in-depth knowledge on the issues relating to the agricultural and industrial economy of India, with the focus on the evolutionary path undertaken and the resultant concerns during the post reform period. This course will familiarize students with the problems, issues, current debates, and policy interventions for long-term sustainability, efficiency, and resilience.

### **Module 1. Agriculture :**

**Unit 1:** Output and productivity growth Agricultural Performance since post reform period in the context of land and labour

**Unit 2:** The Policy Environment: Food security and nutritional concerns, MSPs, Agricultural price policy, subsidies/cash transfers, the public distribution system; Capital formation

**Unit 3:** Current Issues in Indian Agriculture: Resource Use Efficiency-Fertiliser, Water, Other inputs; Diversification for future Growth and enhanced farm income; Sustainable agricultural growth—concepts and constraints

### **Module 2. Industry:**

**Unit 1:** Overview of the Industrial Scene in India

**Unit 2:** Trends in growth and productivity; Competitiveness and changes in Policy Regimes- domestic competitiveness and export; Issues relating to Indian Industry (selected topics)

**Unit 3:** Scale and ownership, MSMEs and large industries, Public and Private Sector, Employment growth, labour and capital (domestic and foreign), formal and informal sectors, Infrastructural bottle- necks, research and development.

### **Module 3: Trends and Performance of Services**

**Text:**

Dutta R. and K.P.M. Sundaram: Indian Economy, S. Chand and Co. New Delhi

Misra S.K.V. K. Puri: Indian Economy, Himalayas Publishing Co. Mumbai.

Agarwal A.N: Indian Economy, Vikash Publishing Co. Delhi

**References:**

- J. Bhagwati (1993), India in Transition: Freeing the Economy, Clarendon Oxford 1993
- K. V. Ramaswamy (2015) Labour, Employment and Economic Growth in India CambridgeUniversityPress
- S N Rajesh Raj, Kunal Sen (2020) The ‘Missing Middle’ Problem in Indian Manufacturing. What Role Do Institutions Play? EPW April 18, 2020 vol 55 no16
- Indian Industrialisation, ICSSR Research and Surveys and Explorations in Economics vol.1 (2015)- C P Chandrasekhar (ed), Oxford University Press,Delhi
- Raghuram Rajan (2015) Make in India, largely for India, Indian Journal of Industrial Relations,Vol. 50, No. 3 (January 2015), pp.361-372
- Vaidyanathan, A. (1994), “Performance of Indian Agriculture since Independence” in Kaushik Basu (ed.), Agrarian Questions Oxford UniversityPress.
- Mahendra Dev (2016) Water Management and Resilience in Agriculture vol 51, No 8 EPW  
Economic & Political Weekly
- Ramesh Chand (2012) Development Policies and Agricultural Markets EPW DECEMBER 29,2012 vol 47 no52
- Yoginder K Alagh (2021) Globalisation and the Indian Farmer EPW vol 56 no 28
- Chatterjee, S., Kapur, D. (2017). Six puzzles in Indian agriculture. India Policy Forum 2016, Vol. 17.
- NABARD Foundation Day, Paper on enhancing Farmers’ income by K J S Satyasai and Nirupam Mehrotra. 12 July 2016
- Mohan, R., (2006) Agricultural Credit in India: Status, Issues and Future Agenda, EconomicandPoliticalWeekly,March18,2006,pp1013-1021..
- Government of India (2017) “Report of the Committee on Doubling Farmers’ Income”. Ministry of Agriculture and Farmers’ Welfare, Government of India

- Acharya SS and NL Agarwal (2016), Agricultural Marketing in India, New Delhi: CBS Publishers and Distributors
- Expert Committee Report on Marketing Infrastructure & Agricultural Marketing Reforms (2000) Government of India, Department of Agricultural & Cooperation Krishi Bhavan, New Delhi
- G. Nayar- The Service Sector in India's Development, Cambridge
- Kaushik Basu and A. Maertens, eds, 2013, Oxford Companion to Economics in India, Oxford University Press.

## SEMESTER III

### CC3: Development Economics I

**Course Objective :** This is the first part of a two-part course on economic development. The course begins with a discussion of alternative conceptions of development and their justification. It then proceeds to aggregate models of growth and cross-national comparisons of the growth experience that can help evaluate these models. The axiomatic basis for inequality measurement is used to develop measures of inequality and connections between growth and inequality are explored. The course ends by linking political institutions to growth and inequality by discussing the role of the state in economic development and the informational and incentive problems that affect state governance.

**Course Learning Outcomes :** This course introduces students to the basics of development economics, with indepth discussions of the concepts of development, growth, poverty, inequality, as well as the underlying political institutions

#### **Module 1**

Conceptions of Development Alternative measures of development, documenting the international variations in these measures, comparing development trajectories across nations and within them

#### **Module 2**

Growth Models and Empirics: The Harrod-Domar model, the Solow model and its variants, endogenous growth models, and evidence on the determinants of growth

#### **Module 3**

Poverty and Inequality: Definitions, Measures and Mechanisms Inequality axioms; comparison of commonly used inequality measures; connections between inequality and development; poverty measurement; characteristics of the poor; mechanisms that generate poverty traps, and path dependence of growth processes



## Module 4

Political Institutions and the Functioning of the State: The determinants of democracy; alternative institutional trajectories and their relationship with economic performance; within-country differences in the functioning of state institutions; state ownership and regulation; government failures and corruption

### References

1. Banerjee, A., Benabou, R., Mookerjee, D. (eds.) (2006). Understanding poverty. Oxford University Press.
2. Bardhan, P. (2010). Awakening giants, feet of clay: Assessing the economic rise of China and India. Oxford University Press.
3. Basu, K. (2007). The Oxford companion to economics in India. Oxford University Press.
4. Dasgupta, P. (2007). Economics: A very short introduction. Oxford University Press.
5. Deaton, A. (2013). The great escape: Health, wealth and the origins of inequality. Princeton University Press.
6. Hirschman, A. (1992). Rival views of market society and other essays. Ch. 3: "Linkages in Economic Development". Harvard University Press.
7. Human Development Report. Relevant years.
8. Olson, M. (1996). Big bills left on the sidewalk: Why some nations are rich, and others poor. *Journal of Economic Perspectives*, 10, 3-24. 23
9. Ostrom, E. (1990). Governing the commons: The evolution of institutions for collective action. Cambridge University Press.
10. Piketty, T., Saez, E. (2014). Inequality in the long run, *Science*, 344.
11. Ray, D. (1998). Development economics. Princeton University Press.
12. Rodrik, D. (2009). One economics, many recipes: Globalization, institutions and economic growth. Ch. 1: "Fifty Years of Growth (and lack thereof): An Interpretation". Princeton University Press.
13. Sen, A. (2000). Development as freedom. Oxford University Press.
14. Shleifer, A., Vishny, R. (1993). Corruption. *Quarterly Journal of Economics*, 108, 599-617.
15. Todaro, M., Smith, S. (2015). Economic Development. Pearson.

## **CC4: Microeconomics I**

### **Module 1: Theory of Consumer Behaviour**

**Unit 1: Primer in Constrained Optimization:** Lagrange Multiplier Method, Second-Order Conditions, Kuhn-Tucker Theorem and their Geometric Explanations.

**Unit 2: The Problem of the Consumer:** Budget Constraint; Preference, Utility & Choice; Duality in Consumer Theory, Indirect Utility & Expenditure Functions, Some important identities.

**Unit 3: Analysis of Consumer Demand:** Comparative Statics: Income-Consumption and Engel Curves, Price-Consumption and Demand Curves; Income and Substitution Effects of a Price Change, Giffen Goods and Inferior Goods, Slutsky Equation, Ordinary (Marshallian) & Compensated (Hicksian) Demand Functions; From Individual to Market Demand, Network Externalities; Applications.

**Unit 4: Revealed Preference Approach:** Strong and Weak Axioms of Revealed Preference

### **Main References:**

- i. Varian: Intermediate Microeconomics
- ii. Pindyck and Rubinfeld: Microeconomics

### **Additional References:**

- i. Gravelle & Reese: Microeconomics
- ii. Perloff: Microeconomics with Calculus
- iii. Silberberg: The Structure of Economics
- iv. Samiran Banerjee: Intermediate Microeconomics: A Tool-Building Approach
- v. Bardhan & Udry: Development Microeconomics
- vi. Varian: Microeconomic Analysis
- vii. Dixit: Optimization in Economic Theory
- viii. Sydsaeter and Hammond: Mathematics for Economic Analysis

## **Module 2: Theory of Production and Costs**

**Unit 1:** Technology and Technological Efficiency; General Concept of Production Function; Concepts of Total Product, Average Product and Marginal Product; Returns to Factor and Returns to Scale; Isoquants and Diminishing Rate of Factor Substitution; Elasticity of Substitution; Some Examples of Technology (Fixed Proportion, Perfect Substitute, Cobb-Douglas Production Function, CES Production Function), Multiple Products: The Product Transformation Curve, General Concept of Homogenous and Homothetic Production Function and Their Properties.

### **Basic Text:**

Pindyck and Rubinfeld

**Unit 2:** Economic / Opportunity Cost and Accounting Cost, Concept of Sunk Cost; Time Dimension of Cost; Cost in The Short Run; Total Cost; Fixed and Variable Cost; Marginal Cost; Average Cost; Derivation of Short Run Cost & Long Run Cost Function; Functional Coefficient and Shape of Long Run Average Cost.— Relation between Short Run and Long Run Cost; Expansion Path; Relation between Expansion Path and Long Run Total Cost Curve, Multi-Product Firm and Economies of Scope

### **Basic Text:**

(a) Maddala & Miller, Ch. 6 & 7;

Pindyck, Rubinfeld and Mehta Ch. 6 & 7;

Ferguson & Gould, Ch. 6, 7, 8

(b) Varian, Ch. 18, 19, 21;

Intermediate Micro, Nicholson & Snyder, Ch. 6 & 7;

### **References:**

Nicholson & Snyder: Microeconomics, Basic Principles and Extensions; Ch. 9, 10, 11

## SEMESTER IV

### CC 5: Macroeconomics—I

#### **Analysis of Macroeconomy in the Short Run:**

##### **Module 1:**

##### **Unit 1: Aggregate Demand:**

Goods Market: Keynesian Cross, IS Curve, Fiscal Policies and their effectiveness

Money Market: LM curve, Monetary Policy and its effectiveness

IS-LM Model: Policy Mix and their effectiveness

IS-LM model to Aggregate Demand Curve

##### **Unit 2: Aggregate Supply:**

Keynesian Theory of Aggregate supply, Post Keynesian theories of Aggregate Supply: The Wage setting-price setting model, Sticky Wage model, Worker Misperception Model, Sticky Price Model

Unit 3: Aggregate Demand-Aggregate Supply:

Shift of Aggregate Demand and Aggregate Supply Curves- Reasons and Effects, from short run to long-run equilibrium

##### **References:**

- a) Mankiw: Macroeconomics
- b) Blanchard : Macroeconomics
- c) Gordon: Macroeconomics

##### **Module 2: Complete Keynesian Model-a brief introduction:**

Keynesian analysis of labour market, the basic framework, Keynes Effect, Reasons for Underemployment Equilibrium: Liquidity trap and other explanations, Pigou Effect, Policy Effectiveness

##### **References:**

- a) Snowdon and Vane: Modern Macroeconomics: Its Origins, Development and Current State
- b) Froyen: Macroeconomics

### **Module 3: Open Economy in the short run:**

Balance of Payments Account- a brief introduction; extension of Keynesian cross model for small and large open economies, transmission mechanism under fixed and flexible exchange rates, output and asset market in income-exchange rate plane, Mundell-Fleming model

#### **References:**

- a) Caves, Frankel and Jones: World Trade and Payments
- b) Krugman and Obstfeld: International Economics
- c) Heijdra and van der Ploeg: Foundations of Modern Macroeconomics

## **CC 6: Economic History of India (1857-1947)**

This course analyses key aspects of Indian economic development during the second half of British colonial rule. In doing so, it investigates the mechanisms that linked economic development in India to the compulsions of colonial rule.

The course develops critical analytical skills and exposes students to understanding the intricacies of India's economic, political and social developments both in the past and present times. It increases their employability by enhancing their ability to deal with a variety of textual and statistical sources, and to draw upon them to construct a coherent argument. These skills would be useful in a variety of careers in academics, research, journalism and the government.

### **1. Introduction: Colonial India: Background and Introduction**

Overview of colonial economy.

### **2. Macro Trends:**

National Income; population; occupational structure.

### **3. Agriculture:**

Agrarian structure and land relations; agricultural markets and institutions – credit, commerce and technology; trends in performance and productivity; famines.

### **4. Railways and Industry:**

Railways; the de-industrialisation debate; evolution of entrepreneurial and industrial structure; nature of industrialisation in the interwar period; constraints to industrial breakthrough; labor relations.

### **5. Economy and State in the Imperial Context:**

The imperial priorities and the Indian economy; drain of wealth; international trade, capital flows and the colonial economy – changes and continuities; government and fiscal policy

### **References**

Some readings may be updated periodically. Material for the course will be drawn from the following sources

1. Balachandran, G. (2016). Colonial India and the world economy, C. 1850-1940. In L. Chaudhary, B. Gupta, T. Roy, A. Swami (eds.): A new economic history of colonial India. Routledge.
2. Bogart, D., Chaudhary, L. (2016). Railways in colonial India: an economic achievement? In L. Chaudhary, B. Gupta, T. Roy, A. Swami (eds.): A new economic history of colonial India. Routledge.
3. Chaudhary, L., Gupta, B., Roy, T., Swami, A. (2016). Agriculture in colonial India. In L. Chaudhary, B. Gupta, T. Roy, A. Swami (eds.): A new economic history of colonial India. Routledge.
4. Chaudhuri K. (1982). Foreign trade and balance of payments (1757-1947). In D. Kumar, T. Raychaudhari (eds.): Cambridge economic history of India 1757-c.1970 2. Orient Longman.
5. Guha, S. (1991). Mortality decline in early 20th century India. Indian Economic and Social History Review, 28(4), 371-87.
6. Jain, L. (2011). Indigenous credit instruments and systems. In M. Kudaisya (ed.): The Oxford India anthology of business history. Oxford University Press.
7. Klein, I. (1984). When rains fail: Famine relief and mortality in British India. Indian Economic and Social History Review, 21, 185-214.
8. Krishnamurty, J. (1982). Occupational structure. In D. Kumar, T. Raychaudhari (eds.): Cambridge economic history of India 1757-c.1970 2. Orient Longman.
9. Lakshmi Subramanian, "History of India 1707-1857", Orient Blackswan, 2010, Chapter 4
10. Morris, M. (1965). Emergence of an industrial labour force in India. Oxford University Press.
11. Parthasarathi, P. (2009). Historical issues of deindustrialization in nineteenth century south India. In T. Roy, G. Riello (eds.): How India clothed the world: The world of south Asian textiles, 1500-1850. Brill Academic.
12. Parthasarathy, P. (2011). Why Europe grew rich and Asia did not: Global economic divergence, 1600-1850. Chapters 2, 8. Cambridge University Press.
13. Ray, R. (1994). Introduction. In R. Ray (ed.): Entrepreneurship and industry in India 1800-1947. Oxford University Press.
14. Roy, T. (2018). A business history of India: Enterprise and the emergence of capitalism from 1700. Chapters 4, 5, 6. Cambridge University Press.
15. Roy, T. (2011). The Economic History of India 1857-1947, 3rd ed. Chapters 3,5, 6, 11. Orient Longman.

16. Washbrook, D. (2012). The Indian economy and the British empire. In D.Peers, N. Gooptu (eds.): India and the British Empire. Oxford University Press.

**Background reading for students:**

Irfan Habib, Indian Economy 1858-1914 (A People's History of India), Vol.28, Tulika 2006.

Daniel Thorner, Agrarian Prospect in India, 1977.



## **CC 7: Microeconomics – II**

This course intends to provide a sound training in microeconomic theory to formally analyze issues concerning various market structures involving introductory to intermediate treatments of markets.

### **Module 1: Market Behaviour and Market Morphology:**

The Methodology of Market Models, Pure Competition, Perfect Competition, A Classification of Markets.

#### **Basic Text:**

Ryan and Pearce, Ch. 12

### **Module 2: Perfect Competition:**

The Profit Maximization Rule, Perfectly Competitive Market: Assumptions, Choosing output in the Short Run, The Competitive Firm's Short-Run Supply Curve, The Short-Run Market Supply Curve, Choosing Output in the Long-Run, The Long-Run Supply Curve in Constant, Increasing and Decreasing Cost Industries.

#### **Basic Text:**

(a) Pindyck, Rubinfeld and Mehta, Ch. 8, 9;

Maddala and Miller, Ch. 10

(b) J. Perloff, Microeconomics: Theory and Applications with Calculus, Ch. 8, 9;

Nicholson & Snyder: Intermediate Micro, Ch. 9

#### **Reference:**

Nicholson & Snyder: Microeconomics, Basic Principles and Extensions; Ch. 12

### **Module 3: Monopoly**

#### **Unit 1: Pure Monopoly:**

Profit Maximization of a Single Plant Monopolist; Effects of Tax; The Multiplant Monopoly; Measuring Monopoly Power, Sources of Monopoly Power; Social Costs Of Monopoly Power; Rent Seeking, Price Regulation And Natural Monopoly;

Limiting Market Power; Antitrust Laws; Monopoly Equilibrium under Sales Maximization, Comparison between Profit Maximization and Sales Maximization.

**Unit 2: Different Pricing Strategies:**

Capturing Consumer Surplus; Price Discrimination; First, Second and Third Degree Price Discrimination. Applications: Inter-Temporal Price Discrimination and Peak-Load Pricing, Two-Part Tariff (Concept with Examples), Bundling (Concept With Examples), Quality Discrimination, Dumping In International Market.

**Basic Text:**

(a) Pindyck, Rubinfeld and Mehta, Ch. 10, 11, 12;

Maddala and Miller, Ch. 11, 12, 13;

Cohen and Cyert, Ch. 11;

(b) Ferguson and Gould 9, 10, 11, 12;

Nicholson & Snyder: Intermediate Micro, Ch. 11 & 12

**References:**

Nicholson & Snyder: Microeconomics, Basic Principles and Extensions: Ch. 14 & 15;

Perloff, Ch. 11, 12, 13;

Varian, 24, 25;

Anindya Sen, Microeconomics;

Satya R Chakraborty, Microeconomics.

**Module 4: Game Theory & Imperfect Competition**

**Unit 1: Static Settings:** Strategies & the Normal Form, Dominance, Nash Equilibrium, Cournot & Bertrand Models of Oligopoly, Concentration Indices; Product Differentiation: Spatial Competition (Salop's Circular & Hotelling's Linear City Models), Monopolistic Competition models by Chamberlain & Dixit-Stiglitz.

**Unit 2: Dynamic Settings:** Extensive Form, Backward Induction, Subgame Perfection, Stackelberg Quantity Leadership & Incredible Threats; Finite & Infinite Repeated Games, Dynamic Oligopoly & Collusion; Other Applications involving Limit Capacity, Entry Deterrence etc.

**Unit 3: Incomplete Information:** Relevant Equilibrium Concepts with Simple Applications involving Quantity-Setting, Pricing etc.

**Main References:**

- i. Joel Watson: Strategy
- ii. Pindyck and Rubinfeld: Microeconomics

**Additional References:**

- i. Belleflamme & Peitz: Industrial Organization
- ii. Perloff: Microeconomics with Calculus
- iii. Tirole: The Theory of Industrial Organization
- iv. Samiran Banerjee: Intermediate Microeconomics: A Tool-Building Approach
- v. Varian: Intermediate Microeconomics
- vi. Gibbons: Game Theory for Applied Economists

## **CC 8: Political Economy**

### **Unit 1**

Mercantilism; Physiocracy; Classical Political Economy – Adam Smith – Division of Labor, Theory of value, Economic Development

David Ricardo – Theory of Value, Theory of Distribution, Theory of Rent

Malthus – Theory of Population

#### **Readings:**

Blaug, M. (1997). *Economic Theory in Retrospect*. Cambridge University Press: Cambridge.

Screpanti, E. and Zamagni, S. (2005). *An Outline of the History of Economic Thought*. Oxford University Press.

Hunt, E.K. (1990). *History of Economic Thought*. Wordsworth.

### **Unit 2: Marxian and Marshallian thoughts**

Marx – Labor Theory of Value; Surplus Value

Marshall- Consumer Surplus; Tax Bounty Analysis; Industrial Districts

#### **Readings:**

Screpanti, E. and Zamagni, S. (2005). *An Outline of the History of Economic Thought*. Oxford University Press.

### **Unit 3: Capitalism and its criticisms**

Growth; Development; Inequality; Crises; Environmental Crisis

#### **Readings:**

Economy by Core team

### **Unit 4: Neoclassical – Keynesian – Marxian thought**

Contending economic theories – Different Epistemological Roots, Different Methodologies

#### **Readings:**

Resnick, S. and Wolff, R. (2012). *Contending Economic Theories*.