

DSE (IV.3.6) Economics of Education Discipline Specific Elective

1. Credit Distribution of the Course

Course title & Code	Credits	Credit distribution of the course			Eligibility criteria	Pre-requisite of the course (if any)
		Lecture	Tutorial	Practical/ Practice		
DSE (IV.3.6)						
Economics of Education	4	3	1	0	Undergraduate	NIL

2. Learning Objectives

This course introduces students to the fundamental principles of economics and their application to the field of education, with an emphasis on quantitative reasoning and data-driven decision-making. It focuses on understanding education as both a consumption and investment good, exploring how economic tools can be used to plan, finance, and evaluate educational systems.

3. Learning Outcomes

- Explain economic principles relevant to education and human capital development.
- Apply quantitative techniques to analyze cost, efficiency, and returns in education.
- Critically examine educational financing mechanisms in India and globally.
- Use mathematical reasoning to interpret data for educational policy decisions.
- Design models and frameworks for efficient educational planning and evaluation.

4. Syllabus

[45 hours]

Unit I Introduction to Economics of Education - Nature and scope of economics of education. Education as an investment and consumption good, Education and economic development, Contribution of education to productivity, income, and social welfare, Role of mathematics in economic and educational modeling. **[10 hours]**

Unit II Education, Demand, and Supply - Concept of demand and supply in education, Determinants of demand for education (private & social), Rate of return to education: Private

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vs. social, Use of statistical and regression techniques to estimate returns, Enrollment projections and manpower forecasting models. [12 hours]

Unit III Education and Human Capital Formation - Human capital theory and its implications for educational planning, Relationship between education, employment, and earnings, Education, income inequality, and social mobility, Measurement of educational outcomes and productivity, Quantitative models for human capital estimation. [12 hours]

Unit IV Planning, Policy, and Evaluation - Role of economics in educational planning, Use of mathematical models in educational decision-making, Optimization and linear programming in resource allocation, Policy analysis: NEP 2020 and educational financing in India, Evaluation of education systems using cost-effectiveness and equity criteria. [11 hours]

5. Tutorials [15 hours]

- Analyze public expenditure on education (school or higher education level) using government data (e.g., UDISE, NSSO, or RBI reports).
- Develop a simple mathematical model showing the relationship between education and income or cost-benefit ratio.
- Conduct a cost-effectiveness analysis of a government or NGO education initiative.
- Present a policy analysis of NEP 2020 focusing on funding, equity, and access.

6. Essential Readings

- UNESCO (2017). *Financing Education: Investments and Returns*.
- Tilak, J. B. G. (2003). *Economics of Education. Indian Council of Social Science Research*.
- Psacharopoulos, G., & Woodhall, M. (1997). *Education for Development: An Analysis of Investment Choices*. Oxford University Press.
- Blaug, M. (1970). *An Introduction to the Economics of Education*. Penguin Books.
- Becker, G. S. (1993). *Human Capital: A Theoretical and Empirical Analysis, with Special Reference to Education*. University of Chicago Press.

7. Suggestive Readings

- NCTE (2014). *Curriculum Framework for Teacher Education*.
- NEP (2020). *National Education Policy 2020*. Government of India.