

**NOTIFICATION****Sub: Amendment to Ordinance V****[E.C Resolution No. 60/ (60-1-3) dated 03.02.2023]**

Following addition be made to Appendix-II-A to the Ordinance V (2-A) of the Ordinances of the University;

**Add the following:**

**Syllabi of Semester-III of the following departments under Faculty of Social Sciences based on Under Graduate Curriculum Framework -2022 implemented from the Academic Year 2022-23.**

**FACULTY OF SOCIAL SCIENCES****DEPARTMENT OF ECONOMICS****BA. (HONS.) ECONOMICS**

**DISCIPLINE SPECIFIC CORE COURSE -7 (DSC-7): Intermediate Microeconomics I: Behavioural foundations of Market Interactions**

Course title & Code	Credits	Duration (per week)			Eligibility Criteria	Prerequisite
		Lecture	Tutorial	Practical/ Practice		
Intermediate Microeconomics I: Behavioural foundations of Market Interactions – ECON007	4	3	1	0	Passed Class 12th	NIL

**Learning Objectives**

The Learning Objectives of this course are as follows:

- The course is designed to formally analyze the behaviour of individual agents like consumers and producers under certain conditions.
- Mathematical tools are used to facilitate understanding of the basic concepts.
- This course looks at the behaviour of the consumer and the choices of a competitive firm.

**Learning outcomes**

The Learning outcomes of this course are as follows:

- Students will learn the basic elements of consumption and production theories using various technical frameworks.
- This course provides them the behavioural foundations of market supply and demand.

### Syllabus

#### UNIT I: Consumer behaviour (15 hours)

Preference and utility, Budget and choice, Income and substitution effect, Demand derivation, Labour supply, One-person welfare

#### UNIT II: Decision-making under uncertainty (15 hours)

Expected utility, Risk aversion, Insurance, Risk spreading

#### UNIT III: Producer behaviour and markets (15 hours)

Technology, Profit maximization, Cost minimization, Supply, Short and long run

#### Recommended readings

- Serrano, Roberto and Feldman, Alan (2012), *A short course in intermediate Microeconomics with Calculus*, Cambridge University Press
- Espinola-Arredondo, Ana and Muñoz-Garcia, Felix (2020), *Intermediate Microeconomic Theory*, MIT Press
- Osborne, M J and Rubinstein, A (2020), *Models in Microeconomic Theory*, Open Book Publishers
- Muñoz-Garcia, Felix (2017) *Practice Exercises for Advanced Microeconomic Theory*, MIT Press
- Dunaway, Eric; Strandholm, John C., Espinola-Arredondo, Ana and Munoz-Garcia, Felix (2020) *Practice Exercises for Intermediate Microeconomic Theory*, MIT press

**Note: Examination scheme and mode shall be as prescribed by the Examination Branch, University of Delhi, from time to time.**

## DISCIPLINE SPECIFIC CORE COURSE -8 (DSC-8): Intermediate Macroeconomics I: Foundations of Aggregate Income Determination

Course title & Code	Credits	Duration (per week)			Eligibility Criteria	Prerequisite
		Lecture	Tutorial	Practical/ Practice		
Intermediate Macroeconomics I: Foundations of Aggregate Income Determination – ECON008	4	3	1	0	Class 12th Pass	NIL

### Learning Objectives

The Learning Objectives of this course are as follows:

- This course builds upon the basic concepts of macroeconomics. It introduces labour markets and the aggregate supply (AS) curve.
- Aggregate Demand (AD) and Aggregate Supply (AS) are brought together to determine equilibrium prices and output examine the policy impacts.
- The course discusses Phillips curve and the alleged trade-off between inflation and unemployment. Both adaptive and rational expectations are introduced.
- A flavour of micro-foundations is introduced with respect to consumption and investment.

### Learning outcomes

The Learning outcomes of this course are as follows:

- This course enables students to analyse the interaction of aggregate demand and supply and the effects of fiscal and monetary policy, trade-off between inflation and unemployment, and consumption and investment behaviour of the households.

## Syllabus

### UNIT I: Short-run and medium-run equilibrium (15 hours)

The labour market, Wage determination; wages, prices, and unemployment; natural rate of unemployment; from employment to output, Derivation of aggregate supply curve, Interaction of aggregate demand and supply to determine equilibrium output, price level and employment.

### UNIT II: Philips Curve and Theory of Expectations (15 hours)

Inflation, unemployment and expectations, Phillips Curve; adaptive and rational expectations; policy ineffectiveness debate.

### UNIT III: Microeconomic foundations of macroeconomic behaviours (15 hours)

Consumption: Keynesian consumption function; Fisher's theory of optimal intertemporal choice; life-cycle and permanent income hypotheses; other theories of consumption expenditure.

Investment: determinants of business fixed investment; residential investment and inventory investment.

### Recommended readings

- Blanchard, O. (2006). *Macroeconomics*, 4th ed. Pearson Education.
- C.L.F. Attfield, D. Demery and N.W. Duck (1991). *Rational Expectations in Macroeconomics: an introduction to theory and evidence* 2nd Ed.
- Sheffrin, Steve (1996). *Rational Expectations*. 2nd ed., Cambridge University Press.
- Dornbusch, R., Fischer, S. (1994). *Macroeconomics*, 6th ed., McGraw-Hill.
- Branson, W. (2013). *Macroeconomics: Theory and policy*, 3rd ed, East West Press.
- Carlin, W and D Soskice (2007), *Macroeconomics: Imperfections, Institutions and Policies*, Indian Edition, OUP.

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## DISCIPLINE SPECIFIC CORE COURSE -9 (DSC-9): Advanced Mathematical Methods for Economics

Course title & Code	Credits	Duration (per week)			Eligibility Criteria	Prerequisite
		Lecture	Tutorial	Practical/ Practice		
Advanced Mathematical Methods for Economics – ECON009	4	3	1	0	Passed Class 12th with Mathematics	NIL

### Learning Objectives

This is the last of a compulsory three-course sequence. The Learning Objectives of this course are as follows:

- To transmit the body of basic mathematics that enables the study of economic theory at the undergraduate level, specifically the courses on microeconomic theory, macroeconomic theory, statistics and econometrics set out in this syllabus.

- 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.

### Learning outcomes

The Learning outcomes of this course are as follows:

- The course builds the skills for mathematical foundations necessary required further study of a variety of disciplines including postgraduate economics, statistics, computer science, finance and data analytics.
- The analytical tools introduced in this course have applications wherever optimization techniques especially constrained optimization are used in business decision-making for managers and entrepreneurs alike.
- These tools are necessary for anyone seeking employment as an analyst in the corporate world.

### Syllabus

#### UNIT I: Multivariate Optimization with constraints (15 hours)

Constrained optimisation with equality and inequality constraints: geometric characterisation, Lagrange characterisation using calculus and applications; properties of value function: envelope theorem, applications.

#### UNIT II: Linear programming (15 hours)

Introduction, graphical solution, matrix formulation, duality, economic interpretation.

#### UNIT III: Integration, differential equations, and difference equations (15 hours)

Definite integrals, indefinite integrals and economic applications; first order and second order difference equations, equilibrium and its stability; first order differential equations, phase diagrams and stability; second order differential equations.

#### Recommended readings

- Sydsaeter, K., Hammond, P. (2002). *Mathematics for economic analysis*. Pearson Educational.
- Hoy, M., Livernois, J., McKenna, C., Rees, R., Stengos, T. (2001). *Mathematics for Economics*, Prentice-Hall India.

**Note: Examination scheme and mode shall be as prescribed by the Examination Branch, University of Delhi, from time to time.**