

# NATIONAL UNIVERSITY



## Syllabus

Subject: Economics

Three Year B.S.S. Pass Course

Effective from the Session: 2013–2014

# National University

## Syllabus for 3 years B.S.S. Pass Course

### Subject: Economics

### Session: 2013-2014

The Courses of Study for B.S.S. Pass in Economics shall extend over a period of three academic years comprising Six papers with marks as indicated below:

Paper Code	Paper	Paper Title	Marks	Credit
<b>First year</b>				
112201	Paper-I	Microeconomics	100	4
112203	Paper-II	Bangladesh Economy	100	4
<b>Second year</b>				
122201	Paper-III	Macroeconomics	100	4
122203	Paper-IV	Money, Banking, International Trade and Public Finance	100	4
<b>Third year</b>				
132201	Paper-V	Elementary Mathematics for Economics and Basic Statistics	100	4
132203		Or Demography		
132205	Paper-VI	History of Economic Thought	100	4
		Total =	600	24

### Detailed Syllabus First Year

Paper Code	Paper	Paper Title	Marks	Credit
112201	Paper-I	Microeconomics	100	4

### Course Objective

The objective of this course is to provide an understanding of the basic concepts of microeconomics. The main focus of the course is to provide an introduction to the economic principles behind the determination of price based on the theory of demand, supply and production functions and on how equilibrium price and quantity are reached in selected markets.

## Course Contents

- 1) **Definition and Subject Matter of Economics:** Distinction between micro & macroeconomics - some basic economic concepts - alternative economic systems - Capitalism, Socialism & Islamic Economics.
- 2) **Supply and Demand:** Concepts of supply and demand and the determinants, market equilibrium and shifts of market equilibrium, consumer's and producer's surplus, concepts and measurements of various elasticities of demand and supply.
- 3) **The Theory of Consumer Behavior:** Utility - total and marginal utility, cardinal and ordinal utility, law of diminishing marginal utility, equimarginal principle.
- 4) **The Indifference Curve Analysis:** Properties of indifference curve, consumers' equilibrium - income, substitution and price effect.
- 5) **The Theory of Production:** Factors of production, returns to scale, production function - Iso-product and Iso-cost curves, producer's equilibrium.
- 6) **Theory of Cost and Revenue:** Short run and long run cost function, explicit, implicit and opportunity costs, fixed and variable costs, total, average and marginal costs, envelope average cost curves, the link between production and cost, accounting profit vs. economic profit, profit maximizing conditions.
- 7) **Theory of the Firm:** Perfect competition, Monopoly and Monopolistic Competition, Equilibrium of a firm in the short and long run under perfect competition. Derivation of supply curve of a firm and industry. Monopoly equilibrium in the short run and long run. Price discrimination, Monopolistic competition, Product differentiation and group equilibrium.
- 8) **Oligopoly Market :** Definition of oligopoly. Characteristics of oligopoly market. Collusive and Non-Collusive Oligopoly, Cournot Model, Stackelberg model and the Kinked-demand model.
- 9) **The Pricing of the Factors of Production:** The marginal productivity theory of distribution — determination of rent, wages, interest and profit.

## Books Recommended :

1. Samuelson P.A. & Nordhaus : Economics
2. A. Koutsoyiannis : Modern Micro-Economics
3. C.E. Ferguson : Micro-Economic Theory
4. Stonier & Hague : A Text Book of Economic Theory
5. M. L. Jhingan : Advanced Economic Theory . 6.
- AdvuiiLCi.1 lii.0111 uiuu Throi y : Advanced Economic Theory
7. K. K. Dwelt : Modern Economic Theory
8. M.L. Seth : Micro-Economics

Paper Code	Paper	Paper Title	Marks	Credit
112203	Paper-II	Bangladesh Economy	100	4

### Course Objective

The main objective of this course is to introduce the students with the socio-economic context of Bangladesh from different perspectives. The course will also help them to know recent issues of Bangladesh economy. The students will be able to understand the trend of economic variables and business phenomenon. The knowledge will help them to take step in the development of the country.

### Course Contents

#### 1. Economic Development:

Development Economics; Growth and Development: Characteristics of Less Developed Countries; Causes of Economic Backwardness; Determinants of Development; Features of Bangladesh Economy.

#### 2. Social and Economic Infrastructure:

Education, Health, Transport, Communication, Power and Energy Sectors in Bangladesh.

#### 3. Population and Economic Development:

Population-Growth, Composition and Distribution of Population. Density and Trend of Population Growth. Problems of Population in Bangladesh. Population Policy, Population and Economic Development.

#### 4. Agriculture:

Role of Agriculture; Modernization of Agriculture: Problems and Prospects of Agriculture in Bangladesh. Land Reforms", Agricultural Credit, Agricultural Marketing.

#### 5. Industry :

Role of Industry, Strategy for Industrial Development, Large Vs. Small and Cottage Industries, Private Vs Public Sector Privatization Policy, Industrial Development and Industrial Policy in Bangladesh.

#### 6. Money and Banking :

Money, Money Market in Bangladesh, Bangladesh Bank, Nationalized and Private Banks - Islamic Banks, Govt. strategy for Banking Reforms, Specialized Banks, Capital Market - Problems and Prospects.

#### 7. Foreign Trade:

Role of Trade Volume, Composition and Direction of Foreign Trade of Bangladesh; Balance of Trade and Balance of Payments, Adverse Balance of Payments & its correction.

#### 8. Development Finance:

Domestic Resource Mobilization; External Resources; Foreign Aid versus Foreign Direct Investment; Foreign Aid and Economic Development.

#### 9. Development Planning:

Concept of Development Planning; Necessity of Planning, Physical-and Financial Planning; Problems of implementing Plan.-, in Bangladesh; Five year Plans.

## 10. Poverty Alleviation Policy:

Concept of Poverty Alteration—Causes of Poverty and Its Remedial Measures, Human Resource Development and Measures taken by the Government for Human Resource v Development, Role of Local Government and NCOs.

### Books Recommended :

1. Bruton : Principles of Economic Development
2. Khan, A.R. : Bangladesh Economy
3. Khan, A.R.  
and Mahboob Hossain : Strategy of Development in Bangladesh
4. Todaro : Economics for a Developing World
5. Faaland & Parkinson : Bangladesh : A Test Case of Development
6. Dr. Azizur Rahman : Export & Economic Development of Bangladesh

### Second Year

Paper Code	Paper	Paper Title	Marks	Credit
122201	Paper-III	Macroeconomics	100	4

**Course Objective:** Macroeconomics studies the behavior of the main aggregates of the economy. The objective of this course is to teach macroeconomic analysis techniques, presenting models that help explain how the economy works.

### Course Contents

1. **Fundamental Concepts of Macroeconomics:** Income, Consumption, Savings, Investment, Employment and Output.
2. **National Income Accounting :** GDP, GNP, NNP, Nominal and Real National Income, Methods of National Income Accounting, Problems of Computing National Income, Usefulness of National Income Accounting.
3. **Theory of Income Determination:** Classical Approach of Macro-Economics, the Demand for and Supply of Labor, the Equilibrium Level of Employment and Output, Say's Law of Market, Keynesian Approach.
4. **Investment:** Concepts of Investment, Marginal Efficiency of Investment and Capital.
5. **Inflation:** Inflation, Types, Causes, Effects and Control of Inflation. Inflation Vs. Deflation. Demand Pull and Cost Push Inflation-Definition and Its Nature, Inflationary Gap, Measurement of Inflationary Gap.
6. **Consumption and Savings Function:** Concepts of Consumption and Savings Function, MPC, APC, MPS, APS, Short Run and Long Run Views, Keynesian Approach.
7. **The Quantity Theory of Money Transaction:** Fisher's Equation of Exchange, Cambridge Equation and Friedman's Quantity Theory of Money.

8. **Multiplier and Acceleration:** Concepts of Multiplier, Multiplier Operation in a Two-Sector Economy, Leakages of Multiplier, Paradox of Thrift etc., Concepts of Acceleration, Characteristics of the Acceleration theory, Analysis of the Theory of Acceleration.
9. **Banking:** Commercial and Central Banking, Multiple Creation of Credit by Commercial Banks and Its Limitation.
10. **Monetary and Fiscal Policy:** Concepts of Monetary and Fiscal Policy, Objectives of Monetary and Fiscal Policy, Limitations of Monetary and Fiscal Policy, Role of Monetary and Fiscal Policy in Economic Development, Crowding out Effect.

#### Books Recommended:

1. Branson : Macro-Economic Theory & Policy
2. E. Shapiro : Macro-Economic Analysis
3. M.L. Seth : Macro-Economics
4. M.C. Vaish : Macro-Economics

Paper Code	Paper	Paper Title	Marks	Credit
122203	Paper-IV	Money, Banking, International Trade and Public Finance	100	4

#### Course Objective

‘Money, Banking, International Trade and Public Finance’ study the role of money in the economy, the functional activities of the banking system, trade theories and the basic issues in the public finance. The aim of the course is to develop a basic understanding of the financial system including its instruments: how it operates and why it plays a central role in the economy. Keeping in view the recent developments in monetary and public finance, this course focuses less on the theory of money and banking and more on the implications of monetary policy and financial structure for the functioning of the economy.

#### Course Contents

1. **Money:**  
Money-Types of Money; Functions of Money, Supply of Money; Quantity Theory of Money : Cash Transaction and Cash Balance approaches, Inflation, Causes and Effects of Inflation.
2. **Banking:**  
Banks, Types of Banks, Commercial Bank. Principles of Commercial Bank, functions & role of Commercial Bank, Creation of credit Commercial Bank, Central Bank, Function of Central Bank. Instruments of credit control of a Central Bank, Islamic Banking system-profit.& loss sharing-modes of investment.
3. **International Trade:**

Domestic Vs. International Trade: Theories of International Trade - Classical Theory and Modern Theory. Balance of Trade and Balance of Payments. Terms of Trade. Free Trade and Protection.

**4. Public Finance:**

Public Finance, Public Finance Vs Private Finance, Principles of Taxation; Direct and indirect tax. Concepts of Value Added Tax (VAT). Concepts of Budget-Balanced and unbalanced Budget, Deficit Financing and Economic Development. Public Debt, Public Expenditure, Objectives of Public Expenditure.

**Books Recommended:**

1. Miller and Van Hoose : Modern Money and Banking.
2. Mishkin : Economics of Money and Banking
3. Musgrave : Public Finance
4. M.L.Seith : Money Banking, International Trade and Finance
5. Due and Friedlander : Government Finance
6. Sodersten, Bo : International Economics
7. Kindlebereer : International Economics

**Third Year**

Paper Code	Paper	Paper Title	Marks	Credit
132201	Paper-V	Elementary Mathematics for Economics and Basic Statistic	100	4

**Elementary Mathematics**

**Course Objective**

This course focuses on the development of understanding of basic concepts and principles of mathematics used in the area of business and economics. The course gives ideas of calculus to solve business and economics problems.

**Course Contents**

**1. Basic Processes in Algebra:**

- a) Algebraic Vocabulary.
- b) Multiplication and Division of Numbers with Exponents.
- c) Addition and Substraction of Algberaic terms,

**2. Functions, Variables and Graphs:**

- a) The concept of a function.
- b) Explicit and Implicit function.
- c) The Range and Domain of a Function.
- d) The Graphical Representation of Functions.
  - i) Cartesian Co-ordinates and Location of Points.
  - ii) Linear Functions and Quadratic Functions. Equations of Straight Line.

**3. Introduction to Calculus:** General rules of derivatives, partial differentiation! Simple application of differentiation.

- 4. Matrix Algebra :** Concept of Vectors and Matrix, Different Types of Matrix, Transpose of a Matrix.

**Books Recommended :**

1. Taro Yamane : Mathematics for Economics
2. Alpha Cluung : Fundamental Methods of Mathematical Economics
3. Caroline Dinwiddy : Elementary Mathematics for Economics

**Basic Statistics**

**Course Objective**

This course introduces the use of statistical methods and tools in evaluating data for business and economics decision making. The course is designed to explain statistical techniques to decision-making situations & how to interpret the results. Throughout the learning session the students will be able to apply statistical techniques with the help of business and economics data.

**Course Contents**

- 1. Introduction to Statistics :** Statistics, Population and Sample, Discrete and Continuous Variables, Statistical Data and their Graphical Presentation, Frequency Distributions.
- 2. Measurement of Central Tendency:** Arithmetic mean and its properties, the median and its properties, the mode and its properties and the relation between mean, median and mode.
- 3. Measures of Dispersion :** The range. The Mean deviation. The Standard deviation The Variance. Coefficient of variation.
- 4. Index Number :** Meaning and purpose of index number, Problems involved in the Computation of Index Numbers, Ideal Index Number, weighted index number.
- 5. Time Series Analysis :** Characteristics movements of Time Series, Classification and estimation of Time Series Movements.

**Books recommended :**

1. E.Shapiro : Macro-Economic Analysis
2. Sanuielson : Economics
3. M.R.Spiegel : Theory and Problems of Statistics
4. T. Yamane : Statistics far Economists

Paper Code	Paper	Paper Title	Marks	Credit
132203	Paper-V	Demography	100	4

**Course Objective**

This course introduces the basic techniques of demographic analysis. Students will become familiar with the sources of data available for demographic research. Population composition and change measures will be presented. Measures of mortality, fertility, marriage and migration



levels and patterns will be defined. Life table, standardization and population projection techniques will also be explored.

### Course Contents

1. **Demography** : Definition, subject matter, utility of its study.
2. **Nature of Demographic Data** : Basic sources of statistics, primary demographic data, secondary, census and surveys, vital statistics.
3. **Population Change and its Components** : The components of population growth, the component of change expressed as rates, the process of demographic transition, population size, population density, age and sex composition of population.
4. **Fertility and Reproduction** : Measures of fertility- crude birth rates, general fertility rates, specific birth and fertility rates, total fertility rates, cohort birth rate, cumulative birth rate-children ever born, measures of illegitimacy; measures of reproduction-crude rate of natural increase, gross reproduction rate, net reproduction rate.
5. **Mortality** : Conventional measures of mortality-crude death rate, specific death rates, infant mortality, rate, neonatal mortality rate, fetal death rate. perinatal death rate, maternal mortality rate; adjusted measures of mortality; trend and differentials.
6. **Life Table** : Types of Life Table, construction of Life Table, the complete Life Table, the abridged Life Table-Greville's method, Reed-Merrelli method, the method of reference to a standard table; uses of Life Table.
7. **Migration** : Internal and international; technique of analysis-net migration, gross migration and migration ratios; methods of measuring internal migration - vital statistics, survival ratio and place of birth method; immigration and population growth; determinants and effects of migration.
8. **Population Projects** : Methods of preparing population projection mathematical methods, component methods; projections of mortality; projections of fertility; uses of population projection.

### Books Recommended :

1. Barclay. George w. : Techniques of Population Analysis, John Wiley & Sons, 1958:
2. Bogue Donald J. : Principles of Demography. John Wiley & Sons
3. Shrynck Henry S.Jacob S Scigal : The Methods and Materials of Demography, and Associates Condensed Edition, Academic Press, Inc., 1976
4. Spiegelman Mortimer : Introduction to Demography, Second Edition, Harvard University Press, 1968

Paper Code	Paper	Paper Title	Marks	Credit
132205	Paper-VI	History of Economic Thought	100	4

### Course Objective

Students will be able to trace the origins of economic thought in the ancient world and its influence on subsequent schools of thought, including the scholastics and the emergence of early

modern (Classical) economics. They will be able to discuss the links between the evolution of Western economies and the emergence of economics as a distinct discipline. Students will be able to define and discuss the mercantilist, early institutionalist, and heterodox schools of economics, including Marxian theory, which have challenged mainstream economics. This course will help the students to trace the development of neoclassical marginalism, and to identify the areas of agreement and disagreement between the classical and neoclassical approaches in economics.

### **Course Content**

Medieval Economic Thought — The scholastics Mercantilists. The physiocrats. "The Tableau Economique."

The Classical Economic Thought-Adam Smith. J.B.Say. David Ricardo. J.S. Mill. Karl Marx, Malthus.

Marginalist School of Thought-Walras, Marshall, Fisher, Wicksell, Bohm Bowerk.

Neoclassical Economic Thought — J.M Keynes and Followers.

German Historical School, Friedrich List. Free Trade and Protection.

Socialist economic Thought — Karl Marx, Economics of Development—Schumpeter, Aurther Lewis, Libenstein.

Welfare Economics-Pigou, Pareto.

Islamic Economic Thought - Ibn Khaldun, Ibn Taimiyah, Abu Yusuf.

### **Books Recommended**

1. Eric Roll : History of Economic Thought
2. Haney : Economic Thought
3. Ben Seligman : Main Currents in Economic Thought since 1870
- 4.. H. Rima : Development of Economic Analysis
5. Blaug : Economic Theory in Retrospect
6. Khurshid Ahmed : Studies in Islamic Economics