

Far Western University
Mahendranagar, Kanchanpur
Faculty of Humanities and Social Sciences



B. A. Economics

Far Western University
Faculty of Humanities and Social Sciences
B. A. Economics Course Structure

<u>Course Code</u>	<u>Course Title</u>	<u>Credit</u>
<u>Semester I</u>		
ECO 101.1	Introductory Microeconomics	3
ECO 102.2	Introductory Macroeconomics	3
<u>Semester II</u>		
ECO121.1	Statistical Methods for Economics	3
ECO 122.1	Mathematical Methods for Economics	3
<u>Semester III</u>		
ECO 231	Microeconomics	3
ECO 232	Macroeconomics	3
<u>Semester IV</u>		
ECO 241	Development Economics I	3
ECO 242	Basic Econometrics	3
<u>Semester V</u>		
ECO 351	Development Economics II	3
ECO 352	History of Economic Thought	3
<u>Semester VI</u>		
ECO 361	Banking, Money, and Financial Institutions	3
ECO 362	Nepalese Economy	3
<u>Semester VII</u>		
ECO 471	Public Finance	3
ECO 472	Research Methodology Data Analysis for Economics	3
<u>Semester VIII</u>		
ECO 481	Sustainable Development	3
ECO 482	International Economics	3

Far Western University
Faculty of Humanities and Social Sciences

Course Title: Title: Introductory Microeconomics

Course Code: ECO 101.1

Level: Undergraduate

Year: First, Semester First

Nature of Course: Theory

Full Marks: 100

Pass Marks: 45

Credit: 3

Teaching Hours: 45

Nature: Compulsory

1. Course Description

This course is intended to provide a foundation in microeconomics. The course covers preliminary contents, and introduces students to basic microeconomic theories and application in economic life. The course encourages students to ‘think like an economist’. The course incorporates seven units. The first unit deals with the basic concepts on microeconomics. The second unit analyzes demand and supply. Likewise, the third unit deals with consumer behavior. The fourth unit deals with theory of production. The fifth unit discusses on the cost and revenue curves of firm. The sixth unit concerns with market structure. Finally, the seventh unit deals with basic concepts on factor pricing. All topics are discussed with emphasis on real-world application. Case studies and current economic trends and developments are examined in Nepalese and global perspectives.

2. Course Objectives

The general objectives of the course are as follows:

- To acquaint the students with basic concepts on microeconomics.
- To help the students to analyze demand and supply.
- To enable the students to analyze and compare cardinal and ordinal approaches for consumer equilibrium.
- To discuss production functions.
- To enable the students to analyze cost and revenue curves of firm.
- To familiarize students with market structure.
- To introduce the students to rent, wages, interest and profit.

3. Specific Objectives and Contents:

Specific Objectives	Contents
<ul style="list-style-type: none"> • Discuss the meaning of economics and microeconomics. • Differences Between Microeconomics and Macroeconomics • Explain the microeconomic Analysis • Discuss microeconomic issues. • Discuss the basic concepts of economic models 	<p>Unit I: Microeconomics: Basic Concepts (6)</p> <p>1.1 Meaning and Definition of Economics: Classical , Neoclassical, Modern and Recent Views</p> <p>1.2 Microeconomics: Meaning and Definition</p> <p>1.3 Differences Between Microeconomics and Macroeconomics</p> <p>1.4 Microeconomic Analysis: Micro-static, Comparative Micro-static and Micro-dynamics</p> <p>1.5 Basic Microeconomic Issues: Scarcity, Efficiency and Alternative Uses of Resources</p> <p>1.7 Economic Models: Meaning and Need for Economic Analysis</p>

<ul style="list-style-type: none"> • Discuss the basic concepts on Demand and Supply. • Plot demand and supply curves; and clarify how market moves to an equilibrium position. • Examine the determinants of demand and supply. • Discuss the elasticity of demand and supply. • Explain and analyze the methods for measurement of price elasticity of demand. 	<p>Unit II Demand and Supply Analyses (7)</p> <p>2.1 Demand</p> <p>2.1.1 Meaning and Determinants of Demand,</p> <p>2.1.2 Derivation of Individual and Market Demand Curves</p> <p>2.2 Supply</p> <p>2.2.1 Meaning of Supply and its Determinants</p> <p>2.2.2 Derivation of Individual and Market Supply Curves</p> <p>2.3 Equilibrium in Market: Meaning, Excess Demand, Excess Supply</p> <p>2.4 Elasticity of Demand</p> <p>2.4.1 Meaning and Types: Price Elasticity, Income Elasticity, and Cross Elasticity</p> <p>2.4.2 Measurement of Price Elasticity of Demand: Total Outlay Method, Point Method, and Arc Method</p> <p>2.5 Elasticity of supply: Basic concept. (Numerical exercise)</p>
<ul style="list-style-type: none"> • Discuss the meaning of utility. • Compare and contrast cardinal and ordinal analyses of utility. • Illustrate and explain the properties of indifference curve with diagrams. • Explain the concepts of budget constraint and effects of changes in consumer's budget and prices. • Discuss consumer's equilibrium. • Derive individual demand curve using ordinal Utility Analysis 	<p>Unit III: Theory of Consumer Choice (7)</p> <p>3.1 Meaning and Types of Utility</p> <p>3.2 Cardinal Vs. Ordinal Utility Analysis</p> <p>3.3 Ordinal Utility Analysis</p> <p>3.3.1 Indifference Curve Analysis: Meaning and Derivation</p> <p>3.3.2 , Marginal Rate of Substitution (MRS)</p> <p>3.3.3 Properties of Indifference Curve</p> <p>3.3.3 The Budget Line: Basic Concepts and its Derivation</p> <p>3.3.3.1 Shift of Budget Line</p> <p>3.3.4 Consumer's Equilibrium Under IC Analysis</p> <p>3.3.5 Price Effect, Income Effect and Substitution Effect</p> <p>3.3.6 Derivation of Demand Curve Under IC Analysis. (Numerical exercise)</p>
<ul style="list-style-type: none"> • Explain and analyze the relationship between total, average, and marginal products. • Discuss the concept of iso-quants, iso-cost lines, and expansion path • Explain the meaning of marginal rate of technical substitution (MRTS) • Explain and analyze optimal input combination. • Discuss the law of Variable Proportions and the Law of Returns to Scale. 	<p>Unit IV: Theory of Production (6)</p> <p>4.1 Meaning and Types of Production</p> <p>4.2 Meaning and Types of Production Function(One Variable and Two Variable Inputs)</p> <p>4.3 Law of Variable Proportions</p> <p>4.4 Isoquants: Meaning and Derivation</p> <p>4.4.1 Marginal Rate of Technical Substitution (MRTS)</p> <p>4.4.2 Properties of Iso-Quants</p> <p>4.5 Isocost Line: Meaning and Derivation</p> <p>4.6 Optimal Input Combination</p> <p>4.7 Laws of Returns to Scale (Numerical exercise)</p>
<ul style="list-style-type: none"> • Discuss various concepts of costs. • Derive total, average and marginal cost curves in short-run and long-run. • Derive total, average, and marginal revenue curves under perfect competitive market and monopoly. 	<p>Unit V: Theory of Costs and Revenues (7)</p> <p>5.1 Concepts of Costs</p> <p>5.1.1 Fixed and Variable Costs</p> <p>5.1.2 Accounting and Economic Costs</p> <p>5.1.3 Sunk Costs</p> <p>5.1.4 Short-run Total, Average, and Marginal Costs: Meaning, Schedules and Curves</p> <p>5.1.5 Long-run Total, Average, and Marginal Costs: Meaning and Curves</p> <p>5.2 Concepts and Types of Revenue: Meaning, Schedules and Curves</p> <p>5.2.1 Total, Average, and Marginal Revenues Under Perfect</p>

	Competitive Market: 5.2.2 Total, Average and Marginal Revenues Under Monopoly (Numerical exercise)
<ul style="list-style-type: none"> • Discuss the classification of market. • Compare and contrast various types of markets. • Discuss and analyze short run and long run equilibriums in various markets. • Explore the sources of monopoly. • Concept of oligopoly and Duopoly 	Unit VI: Market Structures and Product Pricing (8) 6.1 Market Structure: Meaning and Classification 6.2 Perfect Competition 6.2.1 Features 6.2.2 Short run Equilibrium of Firm and Industry (TR-TC and MR- MC Approach) 6.2.3 Long run Equilibrium of Firm and Industry 6.3 Monopoly 6.3.1 Features 6.3.2 Sources of Monopoly 6.3.3 Short run Equilibrium (TR-TC and MR- MC Approach) 6.3. Long run Equilibrium 6.4 Monopolistic Competition: Features, Short run and Long run equilibriums 6.5 Oligopoly: Meaning and Features 6.6 Concepts of Duopoly (Numerical exercise)
<ul style="list-style-type: none"> • Discuss the meaning and types of rent, wages, interest and profit. • Explain the Modern Theory of Rent • Analyze Marginal Productivity Theory of Wages • Explain the liquidity preference theory of interest. • Assess the Innovation Theory of Profit 	Unit VII: Theory of factor Pricing (4) 7.1 Rent 7.1.1 Meaning and Types 7.1.2 Modern Theory of Rent 7.2 Wages 7.2.1 Meaning and Types 7.2.2 Marginal Productivity Theory of Wages 7.3 Interest 7.3.1 Meaning and Types 7.3.2 The Liquidity Preference Theory of Interest 7.4 Profit 7.4.1 Meaning and Types 7.4.2 Innovation Theory of Profit

*Note: (i) The figures in the parentheses indicate the approximate periods for the respective units.
(ii) Total periods (50 Hrs) include the time required for class-room teaching (45 Hrs),
Mid-term examination (2 Hrs) and End-term examination (3 Hrs).*

Evaluation

Internal Exam (40%)

Final Examination (60%)

4. Prescribed Books and References

Prescribed Books

- Mankiw, N.G. (2011). *Principles of Microeconomics*. Sixth Edition, USA: South-Western College publications.

References

- Lipsey & Chrystal (2011). *Economics, Twelfth Edition*, New York: Oxford University Press.

- Pindyck, R.S.; Rubinfeld D.L.& Mehata, P.L.(2009). *Microeconomics*. Delhi: Pearson

Far Western University
Faculty of Humanities and Social Sciences

Course Title: Title: Introductory Macroeconomics

Full Marks: 100

Course Code: ECO 102.2

Pass Marks: 45

Level: Undergraduate

Credit: 3

Year: First, Semester First

Teaching Hours: 45

Nature of Course: Theory

Nature: Compulsory

1. Course Description:

This course is intended to provide a foundation in macroeconomics. The course covers preliminary contents, and introduces students to basic macroeconomic theories and emerging economic issues in the global level. The course encourages students to analyze national, regional and world economy. The course incorporates eleven units. The first unit deals with the basic concepts of macroeconomics. The second unit analyzes the circular flow of income and expenditure in closed and open economies. Likewise, the third unit deals with national income accounting. The fourth unit deals with unemployment and inflation. The fifth unit introduces the classical theory of employment. The sixth unit concerns with the principle of effective demand. Likewise, the seventh unit deals with consumption, saving and investment functions. The eighth unit deals with goods market equilibrium and multiplier process. The ninth unit introduces money market equilibrium. The tenth unit deals with business cycle. Finally, the eleventh unit deals with fiscal and monetary policies.

All topics are discussed with emphasis on real-world application. Case studies and current economic trends and developments are examined in Nepalese and global perspectives.

2. Course Objectives:

The general objectives of the course are as follows:

- To acquaint the students with macroeconomic issues and macroeconomic model building.
- To help the students to analyze the circular flow of income and expenditure in an economy.
- To enable the students to discuss on various concepts of national income and measurement of national income.
- To enable the students to discuss on the concept of unemployment, and measurement of inflation.
- To introduce students to the Classical Theory of Employment.
- To acquaint the students with the Principle of Effective Demand.
- To help the students analyze consumption, saving and investment functions.
- To acquaint the students with 'Goods market equilibrium' in open and closed economies.
- To enable the students with the equilibrium of money market highlighting the Lovable Fund Theory and the Liquidity Preference Theory.
- To introduce the students to the phases of business cycle; and to the Great Depression of 1930s and Financial Crisis of 2008s.
- To acquaint the students with objectives and tools of fiscal and monetary policies.

3. Specific Objectives and Contents:

Specific Objectives	Contents
• Discuss basic macroeconomic issues.	Unit I: Basic Concepts of Macroeconomics (5)

<ul style="list-style-type: none"> Analyze the interdependence of microeconomics and macroeconomics. Discuss macroeconomic model building. 	<p>1.1 Meaning and Definition of Macroeconomics</p> <p>1.2 Basic Macroeconomic Issues: Issue of Economic Growth, Issue of Business Cycle, Issue of Inflation, Issues of Unemployment and Poverty</p> <p>1.3 Interdependence of Microeconomics and Macroeconomics</p> <p>1.4 Macroeconomic Variables and Model Building</p>
<ul style="list-style-type: none"> Compare and contrast various concepts of national income. Analyze different methods of measurement of national income. Explore and appreciate the difficulties in the measurement of national income. <p>Discuss the meaning of underground economy.</p>	<p>Unit II: National Income and Its Measurement (8)</p> <p>2.1 Meaning and Definitions of National Income</p> <p>2.2 Various Notions of National Income</p> <p>2.2.1 Gross Domestic Product (GDP): Nominal GDP and Real GDP</p> <p>2.2.2 Gross National Product (GNP)</p> <p>2.2.3 Net National Product (NNP)</p> <p>2.2.4 National Income (NI)/ NNP at Factor Cost</p> <p>2.2.5 Personal Income (PI)</p> <p>2.2.6 Disposable Income (DI)</p> <p>2.2.7 Per Capita Income (PCI)</p> <p>2.2.8 Computation of National Income: Expenditure Method, Income Method and Product Method</p> <p>2.3 Difficulties in the Measurement of National Income</p> <p>2.4 Meaning of Underground Economy (Numerical exercise)</p>
<ul style="list-style-type: none"> Discuss the circular flow of income and expenditure in closed and open economies. 	<p>Unit III: Circular Flow of Income and expenditure (3)</p> <p>3.1 Circular Flow of Income and Expenditure in Closed Economy</p> <p>3.1.1 Circular Flow of Income and Expenditure in Two-sector Economy</p> <p>3.1.2 Circular Flow of Income and Expenditure in Three-sector Economy</p> <p>3.2 Circular Flow of Income and Expenditure in Open Economy</p>
<ul style="list-style-type: none"> Discuss various types of unemployment. Discuss the meaning of inflation. Discuss the measurement of rate of inflation using CPI and GDP Deflator. Analyze the relationship between inflation-rate and unemployment in short-run. 	<p>Unit IV: Unemployment and Inflation (6)</p> <p>4.1 Unemployment</p> <p>4.1.1 Concept of Unemployment</p> <p>4.1.2 Measurement of the Unemployment Rate and The Labor-Force Participation Rate</p> <p>4.1.3 Types of Unemployment: Frictional Unemployment, Structural Unemployment, Cyclical Unemployment, Natural Rate of Unemployment</p> <p>4.2 Inflation</p> <p>4.2.1 Meaning and Definition</p> <p>4.2.2 Measurement of Inflation using CPI and GDP Deflator</p>

	4.3 Short-run Phillips Curve (Numerical exercise)
<ul style="list-style-type: none"> • Discuss and assess Say's Law. • Enable the learners to discuss aggregate supply price and aggregate demand price. • Explain the determination of effective demand. 	Unit V: Theory of Employment (5) 5.1 Classical Theory of Employment and its Criticisms 5.2 Say's Law of Market and its Criticisms 5.3 Principle of Effective Demand 5.3.1 Aggregate Supply Price 5.3.2 Aggregate Demand Price 5.3.3 Determination of Effective Demand
<ul style="list-style-type: none"> • Analyze and illustrate the concept of consumption function, APC and MPC. • Appreciate the Keynes' Psychological Law of Consumption. • Derive saving function from consumption function • Discuss the relationships between/among APC, MPC, APS and MPS. • Analyze the investment function. • Explore the determinants of investment. • Discuss various types of multipliers. • Explain how multiplier process works. • Appreciate the expansionary effect of government expenditure over contractionary effect of same amount of tax. 	Unit VI: Consumption, Saving and Investment Functions (8) 6.1 Consumption Function 6.1.1 Concept of Consumption Function 6.1.2 Average Propensity to Consume (APC) and Marginal Propensity to Consume (MPC) 6.1.3 Psychological Law of Consumption 6.1.4 Determinants of Consumption Function 6.2 Saving Function 6.2.1 Derivation of Saving Function from Consumption Function 6.2.2 Average Propensity to Save (APS) and Marginal Propensity to Save (MPS) 6.2.3 Paradox of Thrift 6.3 Investment Function 6.3.1 Concept of Investment Function 6.3.2 Determinants of Investment 6.4 Multipliers: 6.4.1 Concept of Multiplier, and Multiplier Process 6.4.2 Types of Multipliers: Investment Multiplier, Government Expenditure Multiplier, Tax Multiplier, Export Multiplier, Import Multiplier 6.5 Comparison of Expansionary Effect of Government Expenditure Multiplier and Contractionary Effect of Tax Multiplier (Numerical exercise)
<ul style="list-style-type: none"> • Discuss the phases of business cycle. • Analyze the origin and impacts of the Great Depression of 1930s and of the Financial Crisis of 2008s. 	Unit VII: Business Cycles (4) 7.1 Phases of Business Cycle 7.2 Great Depression of 1930s: Origin and Impact 7.3 Financial Crisis of 2008s: Origin and Impact
<ul style="list-style-type: none"> • Discuss the meaning, objectives and tools of fiscal and monetary policies. • Overview the current fiscal and monetary policies of Nepal. 	Unit VII: Fiscal and Monetary Policies (6) 8.1 Fiscal Policies: Meaning, Objectives and Instruments 8.2 Monetary Policies: Meaning, Objectives and Instruments 8.3 Overview of Current Fiscal and Monetary Policies of Nepal

Note: The figures in the parentheses indicate the approximate periods for the respective units.

Evaluation

Internal Exam (40%)

Final Examination (60%)

4. Prescribed Books:

Text Books

- Dwivedi, D.N. (2010). *Macroeconomics: Theory and Policy*, Third Edition, Delhi: Tata McGraw Hill Education Private Limited. [for units I , VIII & XI]
- Jhingan, M.L. (2010). *Macroeconomic Theory*, Twelfth Edition, Delhi: Vrinda Publications (P) Ltd. [for units I, II, III, V, VI,VII, VIII, IX & X]
- Mankiw, N.G. (2011). *Principles of Macroeconomics*, Sixth Edition, USA: South-western College Publications. [for unit IV]

References

- Bueda & Wyplosz (2009). *Macroeconomics: A European Text*, Fifth Edition, New York: Oxford University Press.
- Lipsey & Chrystal (2011). *Economics, Twelfth Edition*, New York: Oxford University Press.
- Shapiro, E. (2010). *Macroeconomic Analysis*, Fifth Edition, New Delhi: Galgotia Publication.

Far-western University
Faculty of Humanities and Social Sciences

Course Title: **Statistical Methods for Economics**
Code No.: ECO 121.1
Year: First, Semester: Second
Level: B.A.

Full Marks: 100
Pass Marks: 45
Time per Period: 1 Hour
Total Periods: 48

1. Course Description:

This course is intended to provide statistical methods for economic analysis. The emphasis of the course is on the application of statistical tools in economics. The course incorporates nine units. The first unit deals with data collection and sampling. The second unit analyzes measures of central tendency. Likewise, the third unit deals with measures of dispersion. The fourth unit deals with probability theory. The fifth unit discusses on the random variables and probability distributions. The sixth unit concerns with correlation and regression. Likewise, the seventh unit discusses on time series analysis. The eighth unit explains the use of index numbers. Finally, the ninth unit deals with need for statistical tools in research.

All topics are discussed with emphasis on interpretation of results. Case studies and current economic trends and developments are examined in Nepalese and global perspectives as far as possible.

2. Course Objectives:

The general objectives of the course are as follows:

- To acquaint the students with sampling.
- To help the students to use measures of central tendency.
- To enable the students to employ measures of dispersion.
- To discuss probability theory.
- To enable the students to analyze random variables and probability distributions.
- To enable the students to use correlation and regression in economics.
- To acquaint the students with time series analysis.
- To help the students to use index numbers.
- To introduce the students to the applications of statistical tools for research.

3. Specific Objectives and Contents:

Specific Objectives	Contents
<ul style="list-style-type: none"> • Appreciate the use of statistics in economics. • Distinguish population and mean, and parameters and statistics. • Compare and contrast various types of sampling methods. • Explain the classification and tabulation of data. • Use various ways of presentation of data. 	<p>Unit I: Introduction (8)</p> <p>1.1 Meaning of Statistics, Use of statistics in Economics</p> <p>1.2 Data Collection: Primary Data and Secondary Data</p> <p>1.3 Sampling</p> <p>1.3.1 Objectives of Sampling</p> <p>1.3.2 Types of Sampling: Probability Sampling and Non-Probability Sampling</p> <p>1.4 Population, Sample, Parameters and Statistic</p> <p>1.5 Classification and Tabulation of Data: Meaning and Examples</p> <p>1.6 Presentation of Data: Bar Diagrams, Pie-Diagram, Histogram, Frequency Curve, Frequency Polygon, Ogives</p>
<ul style="list-style-type: none"> • Explain the use of 	<p>Unit II: Measures of Central Tendency (4)</p>

<p>measures of central tendency.</p> <ul style="list-style-type: none"> • Compare and use various measures of central tendency. 	<p>2.1 Basic Concepts 2.1.1 Arithmetic Mean: Meaning and Use 2.1.2 Geometric Mean: Meaning and Use 2.1.3 Harmonic Mean: Meaning and Use 2.2.1 Median: Meaning and Use</p>
<ul style="list-style-type: none"> • Compare absolute and relative measures of dispersion. • Explain the use of measures of dispersion. • Compare and use various measures of dispersion. 	<p>Unit III: Measures of Dispersion (3) 3.1 Basic Concepts 3.1.1 Range: Meaning and Use 3.1.2 Mean Deviation: Meaning and Use 3.1.3 Standard Deviation, Variance and Coefficient of Variation: Meaning and Use</p>
<ul style="list-style-type: none"> • Explain the basic concepts of probability. • Use the addition and multiplication rules of probability. • Explain the application of conditional probability and Bayes' Rule. 	<p>Unit IV: Theory of Probability (6) 4.1 concept of Probability 4.2 Terminologies used in Probability: Events, Experiment, Sample Space, Mutually Exclusive Events, Independent Events 4.3 Addition and Multiplication Rules 4.4 Conditional Probability and Bayes' Rule</p>
<ul style="list-style-type: none"> • Explain the meaning of random variable. • Distinguish discrete and continuous random variables. • Use binomial, Poisson and normal distributions to solve economic problems. 	<p>Unit V: Random Variables and Probability Distributions (7) 5.1 Meaning of Random Variables 5.1.1 Discrete Random Variables: Mean and Variance 5.1.2 Continuous Random Variables: Mean and Variance 5.2 Probability Distributions 5.2.1 Binomial Distribution 5.2.2 Poisson Distribution 5.2.3 Normal Distribution</p>
<ul style="list-style-type: none"> • Use Karl Pearson's correlation coefficient and Rank correlation coefficient to show the degree of relationship between variables. • Employ OLS method to derive the relationship between economic variables. • Use regression analysis for demand estimation and forecasting. 	<p>Unit VI: Correlation and Regression (7) 6.1 Introduction to Correlation 6.1.1 Measurement of Correlation: Karl Pearson's Correlation Coefficient, Rank correlation Coefficient 6.1.2 Use of Correlation Analysis in Economics 6.2 Introduction to Regression Analysis 6.2.1 Simple Linear Regression Analysis 6.2.2 OLS Method 6.2.3 Coefficient of Determination 6.3 Use of Regression Analysis in Economics</p>

<ul style="list-style-type: none"> • Discuss the components of time series. • Appreciate and discuss the importance of time series analysis in economics. • Use moving averages and exponential smoothing methods for forecasting. 	<p>Unit VII: Time Series Forecasting (5)</p> <p>7.1 Types of Data: Time Series, Cross Sectional and Pooled</p> <p>7.2 Components of Time Series: Secular Trend, Cyclical Fluctuations, Seasonal Variation, Random Influences</p> <p>7.3 Smoothing Techniques: Moving Averages and Exponential Smoothing</p>
<ul style="list-style-type: none"> • Explain the meaning and importance of index numbers. • Discuss the construction of index numbers. • Analyze the difficulties in the construction of index numbers. • Employ index numbers in economic analysis. 	<p>Unit VIII: Index Numbers (5)</p> <p>8.1 Index Numbers: Basic Concepts and Importance</p> <p>8.2 Construction of Index Numbers, and Difficulties in the Construction of Index Numbers</p> <p>8.3 Types of Index Numbers</p> <p>8.3.1 Simple Index Numbers</p> <p>8.3.2 Weighted Index Numbers: Laspeyre's Index Number, Paasche's Index Number and Fisher's Ideal Index Number</p> <p>8.4 Time and Factor Reversal Tests</p> <p>8.5 Use of Index Number in Economics</p>

Note: (i) The figures in the parentheses indicate the approximate periods for the respective units.

(ii) Total periods (50 Hrs) include the time required for class-room teaching (45 Hrs), Mid-term examination (2 Hrs) and End-term examination (3 Hrs).

4. Prescribed Books and References

Prescribed Books

- Anderson, D.R.; Sweeney, D.J.; & Williams, T.A. (2009). *Statistics for Business and Economics*. Tenth Edition, USA: Thomson South-Western.

- Moore, D.S.; McCabe, G.P.; Alwan, L. C.; Craig, B.A.; & Duckworth, W.M. (2011). *The Practice of Statistics for Business and Economics*. Third Edition, New York: W.H. Freeman and Company.

References

-Levin, R.I. & Rubin, D.S (2011). *Statistics for Management*. Seventh Edition. Pearson Education, Inc.

- Spiegel, M.R.; & Stephenes, L.J. (2007). *Schaum's Outline of Statistics*. Fourth Edition, McGraw Hill Professional.

Far-western University
Faculty of Humanities and Social Sciences

Course Title: **Mathematical Methods for Economics**

Full Marks: 100

Code No.:ECO122.1

Pass Marks: 45

Year: First, Semester: Second

Time per Period: 1 Hour

Level: B.A.

Total Periods: 48

1. Course Description:

This course is intended to provide mathematical methods for economic analysis. The emphasis of the course is on the application of mathematical tools in economics. The course incorporates seven units. The first unit deals with the introductory part of mathematical economics. The second unit analyzes the application of mathematical tools in partial and general market equilibriums. Likewise, the third unit deals with the application of matrices and determinants in economics. The fourth unit deals with the basic concept of functions, limits and continuity. The fifth unit discusses on the techniques of differentiation of a function/ functions of one variable and their use in economics. The sixth unit concerns with the techniques of differentiation of two or more functions of different variables and their economic application. Finally, the seventh unit deals with the techniques of integration and their application in economics.

All topics are discussed with emphasis on interpretation of mathematical results and their economic application. Case studies and current economic trends and developments are examined in Nepalese and global perspectives as far as possible.

2. Course Objectives:

The general objectives of the course are as follows:

- To acquaint the students with introduction of mathematical economics.
- To help the students to use mathematical tools in the analysis of market equilibrium.
- To enable the students to employ the techniques of matrices and determinants on economics.
- To discuss functions, limits and continuity.
- To enable the students to use the techniques of the differentiation of a function/ functions of one variable in economic analysis.
- To help the students to use the techniques of the differentiation of two or more functions of different variables in economics.
- To acquaint the students with the techniques of integration and their use in economics.

3. Specific Objectives and Contents:

Specific Objectives	Contents
<ul style="list-style-type: none"> • Appreciate the use of mathematical tools in economics. • Distinguish mathematical economics and econometrics. • Identify the ingredients of an economic model. 	<p>Unit I: Introduction (2)</p> <p>1.1 The Nature of Mathematical Economics</p> <p style="padding-left: 20px;">1.1.1 Mathematical Economics versus Nonmathematical Economics</p> <p style="padding-left: 20px;">1.1.2 Mathematical Economics versus Econometrics</p> <p>1.2 Economic Models</p> <p style="padding-left: 20px;">1.2.1 Basic Concept</p> <p style="padding-left: 20px;">1.2.2 Ingredients of a Mathematical Model: Variables, Constants, and Parameters; Equations and Identities</p>

<ul style="list-style-type: none"> • Use mathematical tools to analyze partial and general market equilibriums. 	<p>Unit II: Equilibrium (4)</p> <p>2.1 Meaning of Equilibrium</p> <p>2.2 Partial Market Equilibrium: Linear and Non-linear Models</p> <p>2.3 General Market Equilibrium: Two-commodity Market Model</p>
<ul style="list-style-type: none"> • Use the rules of matrix operation. • Use matrix inverse method and Cramer's Rule in economics. 	<p>Unit III: Matrices and Determinants (8)</p> <p>3.1 Basic Concept of Matrix, and Matrix Operations</p> <p>3.2 Commutative, Associative and Distributive Laws of Matrices</p> <p>3.3 Basic Concept of Determinant, and Calculation of Determinant using Laplace Expansion Method and Rule of Sarrus</p> <p>3.4 Inverse Matrix and Its Calculation</p> <p>3.5 Cramer's Rule</p> <p>3.6 Application of Cramer's Rule and Matrix Inversion in Economics</p>
<ul style="list-style-type: none"> • Discuss the types of functions. • Explain the meaning and use of limits and continuity. 	<p>Unit IV: Functions, Limits and Continuity (7)</p> <p>4.1 Function</p> <p>4.1.1 Basic Concept</p> <p>4.1.2 Types of Functions: Constant Function, Linear and Non-linear Functions, Polynomial Function, Rational Function, Non-algebraic Function</p> <p>4.2 Concept of Limit</p> <p>4.3 Continuity of a Function</p>
<ul style="list-style-type: none"> • Interpret the term derivative. • Compare the techniques of differentiation of a function/functions of one variable; and use the techniques in economics. 	<p>Unit V: Differentiation of a Function/ Functions of one Variable; and Its use in Comparative Statics (8)</p> <p>5.1 Concept of Differentiation</p> <p>5.2 Rules of Differentiation of a Function of one Variable: Constant-Function Rule, Power-Function Rule</p> <p>5.3 Techniques of Differentiation Involving Two or More Functions of the Same Variable: Sum-Difference Rule, Product Rule, Quotient Rule</p> <p>5.4 Maxima and Minima of Functions</p> <p>5.5 Economic Application</p> <p>5.5.1 Derivation of a Marginal Function from a Total Function</p> <p>5.5.2 Relationship Between Marginal-Cost and Average-Cost Functions</p> <p>5.5.3 Profit Maximization</p> <p>5.5.4 Total Revenue Maximization</p>

	5.5.5 Calculation of Point Elasticity
<ul style="list-style-type: none"> • Discuss various methods of differentiation of two or more functions of different variables. • Use the techniques of partial differentiation in economic analysis. • Use the techniques of differentiation in constrained optimization pertaining to consumer's behavior and producer's behavior. 	Unit VI: Differentiation of Two or More Functions of Different Variables (11) 6.1 Chain Rule 6.2 Partial Differentiation 6.2.1 Techniques of Partial Differentiation 6.2.2 Euler's Theorem 6.2.3 Application in Economics: Derivation of the Marginal Physical Product of Labor and of Capital Functions from Cobb-Douglas Production Function, Equality of APP_L and MPP_L when $MPP_K = 0$, Equality of APP and MPP_K when $MPP_L = 0$. 6.3 Constrained and Unconstrained Optimizations: Basic Concept 6.4 Constrained Optimization 6.4.1 Substitution Method and its Application in the Analysis of Consumer's Behaviour and Producer's Behaviour 6.4.2 Lagrange-Multiplier Method and its Application in the Analysis of Consumer's Behaviour and Producer's Behaviour
<ul style="list-style-type: none"> • Discuss the techniques of definite and indefinite integration; and use them in economics. • Use the techniques of definite and indefinite integration for derivation of total function from marginal function. 	Unit VII: Economic Dynamics and Integral Calculus (8) 7.1 Concept of Integration and Dynamic Analysis 7.2 Indefinite Integration 7.2.1 Meaning of Indefinite Integration 7.2.2 Techniques of Indefinite Integration 7.2.3 Economic Application: Derivation of a Total Function from a Marginal Function 7.3 Definite Integration 7.3.1 Meaning of Definite Integration 7.3.2 Techniques of Definite Integration 7.3.3 Economic Application: Derivation of a Total Function from a Marginal Function

Note: The figures in the parentheses indicate the approximate periods for the respective units.

4. Prescribed Books:

- Chiang, A.C. & Wainwright, K. (2005). *Fundamental Methods of Mathematical Economics*, Sixth edition, Singapore: McGraw Hill Companies.

References

- Allen, R.G.D. (2000). *Mathematical Analysis for Economists*, New Delhi: McMillan.
- Renshaw, G. (2000). *Maths for Economics*, Second Edition, New York: Oxford University Press Inc.

Far-western University
Faculty of Humanities and Social Sciences

Course Title: **Microeconomics**
Course No.: ECO 231
Nature of the Course: *Theory*
Year: Second, Semester: Third
Level: B.A.

Full Marks: 100
Pass Marks: 45
Periods per Week: 3
Time per Period: 1 Hour
Total Periods: 48

1. Course Description:

This course is to acquaint the students with microeconomic theory. The course emphasises the application of microeconomic theories in economic life. The course persuade students to 'think like an economist'. The course incorporates five units. The first unit deals with the elasticity of demand and supply. The second unit analyzes market control by government and economic welfare. Likewise, the third unit deals with consumer surplus, producer surplus, and market efficiency. The fourth unit deals with theory of production. Finally, the fifth unit deals with market structure and pricing.

All topics are /will be discussed with emphasis on real-world application. Graphical and mathematical illustration is / will be added to internalize the subject matters. Case studies and current economic trends and development are examined in Nepalese and global perspectives.

2. Course Objectives:

The general objectives of the course are as follows:

- To acquaint the students with basic concept of economic development.
- To enable the students to analyze impact of market control by government and economic welfare.
- To discuss market efficiency.
- To enable the students to analyze production functions.
- To enable the students to analyze various type of market structure.

3. Specific Objectives and Contents:

Specific Objectives	Contents
<ul style="list-style-type: none"> • Explain the determinants of price elasticity of demand. • Analyze total revenue method graphically and mathematically. • Discuss income elasticity and cross-elasticity of demand. • Examine the determinants of price elasticity of supply. • Analyze the application of elasticity of demand and supply. 	<p>Unit I: Elasticity of Demand and supply (10)</p> <p>1.1 Elasticity of Demand</p> <p>1.1.1 Price Elasticity of Demand and its Determinants</p> <p>1.1.2 Price Elasticity of Demand and Total Revenue Method: Graphical and Mathematical Analysis</p> <p>1.1.3 Applications of Price Elasticity of Demand.</p> <p>1.1.4 Income Elasticity of Demand and its applications</p> <p>1.1.5 Cross-Elasticity of Demand and its applications</p> <p>1.2 : Elasticity of Supply</p> <p>1.2 Price Elasticity of Supply and its Determinants</p> <p>1.2.2 Applications of Price Elasticity of Supply.</p>
<ul style="list-style-type: none"> • Assess the implications of price control by Government. • Discuss the effect of Taxation on the economy. • Illustrate and explain the impact of Imports Quota on market Outcomes. 	<p>Unit II: Market control by Government and Economic Welfare (12)</p> <p>2.1 Ceiling Price</p> <p>2.1.1 Binding ceiling Price</p> <p>2.1.2 Non-binding Ceiling Price</p> <p>2.1.3 Ceiling Price and Economic Welfare.</p> <p>2.2 Floor Price:</p> <p>2.2.1 Binding Floor Price</p>

<ul style="list-style-type: none"> • Assess the effect of Tariff on Market Outcomes. 	<p>2.2.2 Non-Binding Floor Price 2.2.3 Floor Price and Economic Welfare 2.3 Taxes: Effect of Taxation (On buyers: Sellers) on Market outcomes; Deadweight loss. 2.4 Import Quota: Effect of Import Quota on Market Outcomes. 2.5 Tariff: Effect of Tariff on Market Outcomes.</p>
<ul style="list-style-type: none"> • Explain and Analyze Consumer Surplus Graphically and Mathematically • Illustrate the concept of Producer Surplus Graphically and Mathematically • Discuss and Analyze the Market Efficiency 	<p>Unit III: Consumers Surplus, Producer Surplus and Market Efficiency (10) 3.1 Consumers Surplus 3.1.2 Measurement of Consumer Surplus: Graphically and Mathematically 3.1.3 Effect of change in price on consumer surplus 3.2 Producer surplus 3.2.1 Basic concept of Producer surplus. 3.2.2 Measurement of producer surplus : Graphically and Mathematically 3.2.3 Effect of change in price on producer surplus 3.3 Market Efficiency 3.3.1 Meaning of Market Efficiency 3.3.2 Market Equilibrium and Market Efficiency</p>
<ul style="list-style-type: none"> • Discuss short-run and long-run Production Function. • Analyze Cobb-Douglas Production Function. • Identify the Type of Returns to scale from given Cobb-Douglas Production Function. 	<p>Unit IV: Production Theory(4) 4.1 Production Function: Difference between short-run and long-run Production Function 4.2 Cobb-Douglas Function and Returns to Scale: Output Elasticity of Labour, Output Elasticity of Capital Identification of Type of Returns to scale</p>
<ul style="list-style-type: none"> • Make a distinction between Perfect Competition and Monopoly • Explain the Government created Monopolies • Discuss Natural monopolies • Analyze the welfare cost of monopoly. • Explain the preliminary Ideas on Game Theory. • Explain the Essence of price discrimination • Analyze the classification of the price discrimination. 	<p>Unit V: Market Structures and Pricing (12) 5.1 Perfect Competition Vs Monopoly 5.2 Government created monopolies 5.3 Natural monopolies 5.4 The Welfare cost of monopoly 5.5 Game theory and Oligopolistic Behaviour 5.5.1 Meaning of Game theory, Players, Strategies, Payoffs and Payoff Matrix 5.5.2 Objectives and Usefulness of Game Theory 5.5.3 Dominant Strategy 5.5.4 Mass Equilibrium 5.6 Price Discrimination 5.6.1 Meaning and Prerequisites of price Discrimination 5.6.2 Types of Price Discrimination: First-Degree, Second-Degree , and Third-Degree Price Discrimination</p>

Note: (i) The figures in the parentheses indicate the approximate periods for the respective units.

(ii) Total periods (50 Hrs) in include the time required for class room teaching (45 Hrs) mid term examination (2 Hrs) and end terminal examination (3 Hrs)

Far-western University
Faculty of Humanities and Social Sciences

Course Title: **Macroeconomics**
Code No.: ECO 232
Year: First, Semester: Third
Level: B.A.

Full Marks: 100
Pass Marks: 45
Time per Period: 1 Hour
Total Periods: 48

1. Course Description:

This course is intended on the basis of the first semester course, Introductory Microeconomics, to pave the way for advanced macroeconomics. The course covers theoretical and empirical contents on macroeconomics. The course encourages students to analyze national and regional and world economy analytically. The course incorporates seven units. The first unit deals with J.M. Keynes' contribution to economics. The second unit analyzes the unemployment and inflation. Likewise the third unit deals with the economic production and growth. The fourth unit deals with open economy macroeconomics. The fifth unit introduces international financial institutions. The sixth unit concerns with the theories of international trade and economic integration. Finally, the seventh unit deals with globalization, liberalization and privatization.

All topics are discussed with emphasis on real-world application. Case studies and current economic trends and developments are examined in Nepalese and global perspectives.

2. Course Objectives:

The general objectives of the course are as follows:

- To acquaint the students with the contribution of J.M. Keynes to economics.
- To help the students to analyze the issues on unemployment and inflation.
- To enable the students to discuss growth related issues.
- To enable the students to discuss on the exchange rate regimes and balance of payments.
- To introduce the students to the World Bank and the International Monetary Fund.
- To acquaint the students with theories of international trade, and economic integration.
- To help the students to analyze the concept of globalization, Liberalization and Privatization.

3. Specific Objectives and Contents:

Specific Objectives	Contents
<ul style="list-style-type: none"> • Discuss the ways on the thinking like an economist, • Analyze the Keynes' contribution to macroeconomics. 	<p>Unit I: Introduction (3)</p> <p>1.1 Thinking like an economist. 1.2 J.M. Keynes' and the General Theory of Employment Interest and Money.</p>
<ul style="list-style-type: none"> • Discuss the relation between unemployment rate and inflation rate in long-run. • Analyze the cost of inflations of Phillip curve. • Help the students to discuss the dynamics of inflation in Nepal. Discuss the circular flow of income and expenditure in closed and open economies. 	<p>Unit II: Unemployment and Inflation (5)</p> <p>2.1 Long-run Phillip Curve 2.2 Cost of Inflation in the Economy 2.3 Voucher Disinflation 2.4 Greek span Era 2.5 Hyper inflation: Historical case of Germany and Zimbabwe 2.6 Dynamics of Inflation in Nepal : Comparison with India and USA</p>

<ul style="list-style-type: none"> • Discuss the determinants of productivity. • Assess the public policies regarding to economic growth and living standards of emerging economics • economic Development of China • Familiarize with the Singaporean economy • Explain and Analyze Donar Model. 	<p>Unit III: Production and Growth (16)</p> <ul style="list-style-type: none"> 3.1 Economic Growth and the World 3.2 Productivity : role and Determinant 3.3 Sources of Economic Growth 3.4 Economic Growth and Public Policy 3.5 Emerging Economies : Economic scenarios ... Russia' China , India, South Africa Miracle of Chinese Economy, Capitalist Movement of China. 3.6GDP(PPP), Per Capita GDP, Growth rate Export and Imports of Largest Three Economies in the World 3.7 Shift in IS and LM Curves 3.8 Singapore: A Successful story of Development 3.9 Donar Model.
<ul style="list-style-type: none"> • Discuss the Balance. • Explain net capital outflow. • Analyze the relation of saving, investment and net capital outflow • Compare nominal exchange rate and real exchange rate. • Assess purchasing power parity as the first approximation of foreign exchange rate. • Discuss the components of balance of payments. • Compare the trade balance and balance of payments of Nepal. 	<p>Unit IV: Open Economy Macroeconomics (9)</p> <ul style="list-style-type: none"> 4.1 The International Flow of Goods 4.2 The International Flow of Financial Resources Foreign Direct Investment (FDI) and Foreign Portfolio Investment, Net Capital Outflow (NCO) 4.3 Relation of Saving, Investment and NCO 4.4 Top Ten Countries on the basis of FDI 4.5 Foreign Debt of USA 4.6 National Exchange Rate and Real Exchange Rate 4.7 Purchasing Power Parity: Basic Concept, Implications and Limitations 4.8 Exchange Rate Regimes 4.9 Balance of Payments: Basic Concept and Components. 4.10 Comparison of Balance of Trade and balance of Payment of Nepal.
<ul style="list-style-type: none"> • Discuss objective and roles of World Bank and International Monetary Fund 	<p>Unit V: International Financial Institutions (3)</p> <ul style="list-style-type: none"> 5.1 World Bank (WB) Objectives and Role 5.2 International Monetary Fund (INF): Objectives and Role 5.3 World Bank, IMF and Nepal
<ul style="list-style-type: none"> • Assess comparative cost theory of international trade. • Analyze gravity model of International trade. • Explain and assess the objectives, role and of SAFTA, ASEAN, 	<p>Unit VI: Theories on International Trade and Economic Integration (8)</p> <ul style="list-style-type: none"> 6.1 Comparative Cost Theory of International Trade 6.2 Gravity Model of International Trade 6.3 Free Trade vs. Protectionism 6.4 SAFTA: Objectives and Achievements 6.5 ASEAN: Objectives and Roles 6.6 NAFTA: Objectives and Roles 6.7 EU: Objectives and Roles , Effect of Common

NAFTA and EU	Currency
<ul style="list-style-type: none"> • Discuss the means of globalization. • Analyze and impact of privatization in Nepal. 	Unit VII: Globalization, Liberalization and Privatization(4) 7.1 Pros and cons of Globalization 7.2 Means of Globalization, Liberalization and Privatization 7.3 Impacts of Privatization: A case of Nepal.

Note: The figures in the parentheses indicate the approximate periods for the respective units.

4. Prescribed Books:

Text Books

- Dwivedi, D.N. (2010). *Macroeconomics: Theory and Policy*, Third Edition, Delhi: Tata McGraw Hill Education Private Limited. [for units I , VIII & XI]
- Jhingan, M.L. (2010). *Macroeconomic Theory*, Twelfth Edition, Delhi: Vrinda Publications (P) Ltd. [for units I, II, III, V, VI,VII, VIII, IX & X]
- Mankiw, N.G. (2011). *Principles of Macroeconomics*, Sixth Edition, USA: South-western College Publications. [for unit IV]

References

- Bueda & Wyplosz (2009). *Macroeconomics: A European Text*, Fifth Edition, New York: Oxford University Press.
- Lipsey & Chrystal (2011). *Economics, Twelfth Edition*, New York: Oxford University Press.
- Shapiro, E. (2010). *Macroeconomic Analysis*, Fifth Edition, New Delhi: Galgotia Publication.

Far-western University
Faculty of Humanities and Social Sciences

Course Title: **Development Economics I**
Course No.: ECO 241
Nature of the Course: *Theory*
Year: Second, Semester: Fourth
Level: B.A.

Full Marks: 100
Pass Marks: 45
Periods per Week: 3
Time per Period: 1 Hour
Total Periods: 48

1. Course Description:

This course is intended to provide an introduction to the basic concept of development. The course will focus on the historical perspectives and determinants of development. Emphases are placed on comparative economic development. The course incorporates five units. The first unit deals with the basic concept of economic development. The second unit discusses the comparative economic development. Likewise, the third unit deals with classical theories of economic growth and development. The fourth unit deals with poverty, inequality and development. Finally, the fifth unit analyzes various issues on population growth and economic development.

All topics are discussed with emphasis on real-world application. Case studies and trends of economic development are examined in Nepalese and global perspectives as far as possible.

2. Course Objectives:

The general objectives of the course are as follows:

- To acquaint the students with basic concept of economic development.
- To help the students to compare and analyze the economic development of developed and developing countries.
- To enable the students to discuss classical theories of economic growth and development.
- To discuss various issues on poverty, inequality and development.
- To acquaint the students with population growth and economic development.

3. Specific Objectives and Contents:

Specific Objectives	Contents
<ul style="list-style-type: none"> • Explain the nature of development economics. • Appreciate the need for Development Economics. • Discuss various measures of economic development. • Mention the millennium development goals. 	<p>Unit I: Concept of Economic Development (6)</p> <p>1.1 The Nature of Development Economics</p> <p>1.2 Need for Development Economics</p> <p>1.3 Measuring Economic Development: Traditional Economic Measures of Economic Development, The New Economic View of Development, Amartya Sen's "Capability" Approach, Development and Happiness</p> <p>1.4 The Millennium Development Goals</p>
<ul style="list-style-type: none"> • Discuss the indicators of economic development. • Discuss the features of developing countries. • Compare the current scenario of developing countries with the scenario of developed countries when they were in developing phase. 	<p>Unit II: Comparative Economic development (16)</p> <p>2.6 Defining the Developing World</p> <p>2.2 Basic Indicators of Development: Real Income, Health, and Education, Purchasing Power Parity, Indicators of Health and Education</p> <p>2.3 Holistic Measures of Living Levels and Capabilities: Human Development Index (HDI), New Human Development Index (NHDI)</p> <p>2.4 Characteristics of the Developing World: Diversity</p>

<ul style="list-style-type: none"> • Compare the living standards of people in developed and developing countries. • Analyze the long-run causes of comparative development. 	<p>within Commonality, Lower Levels of Living and Productivity, Lower Levels of Human Capital, Higher Levels of Inequality and Absolute Poverty, Higher Population Growth Rates, Greater Social Fractionalization, Larger Rural Populations but Rapid Rural-to-Urban Migration, Lower Levels of Industrialization and Manufactured Exports, Adverse Geography, Underdeveloped Markets, Lingering Colonial Impacts and Unequal International Relations</p> <p>2.5 How Low-Income Countries Today Differ from Developed Countries in Their Earlier Stages?: Physical and Human Resource Endowments, Relative Levels of Per Capita Income and GDP, Climatic Differences, Population Size, Distribution, and Growth, The Historical Role of International Migration, The Growth Stimulus of International Trade, Basic Scientific and Technological Research and Development Capabilities, Efficacy of Domestic Institutions</p> <p>2.6 Are Living Standards of Developing and Developed Nations Converging?</p> <p>2.7 Long-Run Causes of Comparative Development</p>
<ul style="list-style-type: none"> • Discuss the Rostow's stages of economic growth. • Explain and analyze the Harrod-Domar Growth Model. • Analyze the applicability of the Lewis Theory of Development. 	<p>Unit III: Classic Theories of Economic Growth and Development (4)</p> <p>3.1 Rostow's Stages of Growth</p> <p>3.2 The Harrod-Domar Growth Model</p> <p>3.3 The Lewis Theory of Development</p>
<ul style="list-style-type: none"> • Measure and analyze inequality using Lorenz curve and the Gini coefficient. • Discuss the concept of absolute poverty. • Explain the concept of multidimensional poverty index. • Discuss growth and inequality. • Analyze growth and poverty. • Discuss the characteristics of high-poverty groups. • Discuss the policies to deal with inequality and poverty. 	<p>Unit IV: Poverty, Inequality, and Development (13)</p> <p>4.1 Measuring Inequality: Lorenz Curve and Gini Coefficient</p> <p>4.2 Measuring Absolute Poverty</p> <p>4.3 Multidimensional Poverty Index (MPI)</p> <p>4.4 Growth and Inequality</p> <p>4.5 Growth and Poverty</p> <p>4.6 Economic Characteristics of High-Poverty Groups: Rural Poverty, Women and Poverty, Ethnic Minorities, Indigenous Populations, and Poverty</p> <p>4.7 Policy Options on Income Inequality and Poverty: Areas of Intervention, Altering the Functional Distribution of Income through Relative Factor Prices, Modifying the Size Distribution through Increasing Assets of the Poor, Progressive Income and Wealth Taxes, Direct Transfer Payments and the Public Provision of Goods and Services</p>

<ul style="list-style-type: none"> • Explore the linkage between population growth and the quality of life. • Analyze the historical data of world- population growth. • Explain demographic transition. • Discuss Malthusian population trap as a consequence of high population growth. • Discuss the controversial perspectives on consequences of high fertility rate. • Analyze the policy approaches of developing and developed countries regarding to population growth and economic development. 	<p>Unit V: Population Growth and Economic Development (9)</p> <p>5.1 Population Growth and the Quality of Life</p> <p>5.2 World Population Growth throughout History</p> <p>5.3 The Demographic Transition</p> <p>5.4 The Malthusian Population Trap</p> <p>5.5 Conflicting Perspectives on Consequences of High Fertility</p> <p>5.6 Some Policy Approaches: What Developing Countries Can Do, What the Developed Countries Can Do, How Developed Countries Can Help Developing Countries with Their Population Programs</p>
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Note: The figures in the parentheses indicate the approximate periods for the respective units.

4. Prescribed Books:

Text Book

- Todaro, M.P.; & Smith, S.C. (2010). *Economic Development*, Eleventh Edition: Pearson Publication.

Reference

- Ray, Debraj. (2007). *Development Economics*, Twelfth Edition, London: Oxford University Press.
- Journals of Economic Development
- World Development Reports and Human Development Reports
- Websites

Far-western University
Faculty of Humanities and Social Sciences

Course Title: **Basic Econometrics**
Course No.: ECO 242
Nature of the Course: Theory
Year: Second, Semester: Fourth
Level: B.A.

Full Marks: 100
Pass Marks: 45
Periods per Week: 3
Time per Period: 1 Hour
Total Periods: 50

1. Course Description:

This course is intended to provide an introduction to the theory and applications of econometrics. Econometrics is the art and science of the testing economic models. The course will focus on the methods for analyzing data in Economics. Emphases are placed on regression analysis. The course incorporates seven units. The first unit deals with the nature of econometrics and economic data. The second unit discusses the concept of random variables and normal distribution. Likewise, the third unit deals with the covariance, variance and correlation. The fourth unit deals with the simple regression analysis. The fifth unit discusses on the multiple regression analysis. The sixth unit concerns with the transformations of variables, and regression analysis. Finally, the seventh unit introduces dummy variables.

All topics are discussed with emphasis on interpretation of econometric results and their economic application. Case studies and current economic trends and developments are examined in Nepalese and global perspectives as far as possible. Students are assumed to be familiar with elementary statistics, and are expected to learn and use statistical software in the course.

2. Course Objectives:

The general objectives of the course are as follows:

- To acquaint the students with introduction of econometrics and economic data.
- To help the students to conceptualize random variables and normal distribution.
- To enable the students to discuss covariance, variance and correlation.
- To discuss simple regression analysis.
- To enable the students to analyze multiple regression analysis.
- To help the students to use logarithms for transformation of variables.
- To acquaint the students with the dummy variables in economic analysis.

3. Specific Objectives and Contents:

Specific Objectives	Contents
<ul style="list-style-type: none"> • Explain the meaning of econometrics. • Discuss the methodology of econometrics. • Analyze the types of economic data. • Explore the sources of data. 	<p>Unit I: The Nature of Econometrics and Economic Data (5)</p> <p>1.1 Meaning of Econometrics 1.2 Methodology of Econometrics 1.3 Types of Data 1.3.1 Time Series Data 1.3.2 Cross-Section Data 1.3.3 Pooled Data</p> <p>1.4 Sources of Economic Data</p>
<ul style="list-style-type: none"> • Explain the concept of random variables. • Analyze normal distribution. 	<p>Unit II: Random Variables and Probability Distributions (5)</p> <p>2.1 Random Variable</p>

	<p>2.1.1 Meaning of Random Variable</p> <p>2.1.2 Types of Random Variables: Discrete and Continuous Random Variables</p> <p>2.2 Probability Distributions</p> <p>2.2.1 Meaning of Probability Distribution</p> <p>2.2.2 Normal Distribution</p>
<ul style="list-style-type: none"> • Explain the concept of covariance, variance and correlation. • Discuss the basic rules of covariance and variance. 	<p>Unit III: Covariance, Variance and Correlation (10)</p> <p>3.1 Sample Covariance</p> <p>3.1.1 Meaning of Sample Covariance</p> <p>3.1.2 Basic Rules of Sample Covariance</p> <p>3.2 Population Covariance</p> <p>3.3 Sample Variance</p> <p>3.3.1 Meaning of Sample Variance</p> <p>3.3.2 Basic Rules of Sample Variance (without proof)</p> <p>3.4 Population Variance</p> <p>3.5 Correlation in terms of Variance and Covariance</p>
<ul style="list-style-type: none"> • Analyze the simple linear model. • Explain the concept and significance of stochastic error term. • Use ordinary least squares method in regression analysis. • Explain the assumptions underlying ordinary least squares method. • Interpret linear regression equation. • Explain the concept of goodness of fit. 	<p>Unit IV: Simple Regression Analysis (12)</p> <p>4.1 The Simple Linear Model</p> <p>4.2 Stochastic Error Term</p> <p>4.2.1 Concept of Stochastic Error</p> <p>4.2.2 Significance of Stochastic Error term</p> <p>4.3 The Ordinary Least Squares Method (OLS)</p> <p>4.3.1 Basic Concept of OLS</p> <p>4.3.2 Assumptions underlying OLS</p> <p>4.4 Interpretation of a Linear Regression Equation</p> <p>4.5 Goodness of Fit (R^2)</p>
<ul style="list-style-type: none"> • Explain the concept of multiple regression analysis. • Interpret multiple regression coefficients. 	<p>Unit V: Multiple Regression Analysis (5)</p> <p>5.1 Basic Concept of Multiple Regression Analysis</p> <p>5.2 Interpretation of Multiple Regression Coefficient</p>
<ul style="list-style-type: none"> • Distinguish linear and non-linear relationships. • Analyze the significance of non-linear relationship. • Analyze log-linear regression model. 	<p>Unit VI: Transformations of Variables ; and Regression Analysis (5)</p> <p>6.1 Difference between Linear and Non-linear Relationships</p> <p>6.2 Significance of Non-linear Relationship</p> <p>6.3 Regression Analysis of Log-linear Model</p>
<ul style="list-style-type: none"> • Explain the concept of dummy variables. • Analyze the need for dummy variables in economic analysis. • Explain dummy variable trap. 	<p>Unit VII: Dummy Variables (8)</p> <p>7.1 Basic Concept of Dummy Variables</p> <p>7.2 Need for Dummy Variables</p> <p>7.3 Dummy Variable Trap</p>

Note: The figures in the parentheses indicate the approximate periods for the respective units.

3. Prescribed Books:

Text Book

- Gujarati, D.N. & Sangeetha. (2007). *Basic Econometric*, Fourth edition, New Delhi: The McGraw Hill Companies.
- Dougherty, C. (2011). *Introduction to Econometrics*. Fourth edition: Oxford University Press.

Reference

- Wooldbridge, J.M. (2013). *Introductory Econometric: A Modern Approach*, Fifth edition: South-western College Publications.

Far-western University
Faculty of Humanities and Social Sciences

Course Title: **Development Economics II**
Course No.: ECO 351
Nature of the Course: Theory
Year: Second, Semester: Fifth
Level: B.A.

Full Marks: 100
Pass Marks: 45
Periods per Week: 3
Time per Period: 1 Hour
Total Periods: 48

1. Course Description:

This course aims to acquaint the students with various dimensions of development economics. Emphases are placed on relations of human capital and rural-urban migration with economic development. The course incorporates six units. The first unit deals with contemporary models of development and underdevelopment. The second unit discusses the urbanization and rural-urban migration. Likewise, the third unit deals with the need for human capital for economic development. The fourth unit deals with agricultural transformation and rural development. The fifth unit discusses the environment and economic development. Finally, the sixth unit analyzes development planning.

All topics are discussed with emphasis on real-world application. Case studies and trends of economic development are examined in Nepalese and global perspectives as far as possible.

2. Course Objectives:

The general objectives of the course are as follows:

- To acquaint the students with contemporary models of development and underdevelopment.
- To help the students to analyze urbanization and rural-urban migration.
- To enable the students to discuss the role of education and health on economic development.
- To acquaint the students with agricultural transformation and economic development.
- To discuss various issues of environment and economic development.
- To acquaint the students with development planning.

3. Specific Objectives and Contents:

Specific Objectives	Contents
<ul style="list-style-type: none"> • Explain the underdevelopment as a coordination failure. • Appreciate the need for Development Economics. • Discuss the Big Push Model. • Analyze the O-Ring Model. 	<p>Unit I: Contemporary Models of Development and Underdevelopment (8)</p> <p>1.1 Underdevelopment as a Coordination Failure 1.2 Multiple Equilibria: A Diagrammatic Approach 1.3 Big Push Theory 1.4 The O-Ring Model</p>
<ul style="list-style-type: none"> • Discuss the migration and urbanization dilemma. • Discuss the role of cities for economic development. • Analyze the urban giantism problem. • Discuss urban informal sector. • Explain migration and development. • Analyze economic theory of rural-urban migration. 	<p>Unit II: Urbanization and Rural-Urban Migration: Theory and Policy (12)</p> <p>2.7 The Migration and Urbanization Dilemma 2.8 The Role of Cities 2.9 The Urban Giantism Problem 2.10 The Urban Informal Sector 2.11 Migration and Development 2.12 Toward an Economic Theory of Rural-Urban Migration</p>

<ul style="list-style-type: none"> • Discuss the central roles of education and health. • Explain the human capital approach. • Analyze the issues of child labor. • Analyze the discrimination in education and health. • Discuss the relation of education with inequality and poverty. • Discuss the issues on education, internal migration and brain drain. 	<p>Unit III: Human Capital: Education and Health in Economic Development (12)</p> <p>3.1 The Central Roles of Education and Health 3.2 Investing in Education and Health: The Human Capital Approach 3.3 Child Labor 3.4 The Gender Gap: Discrimination in Education and Health 3.5 Education, Inequality and Poverty 3.6 Education, Internal Migration and Brain Drain</p>
<ul style="list-style-type: none"> • Explain the imperative of agricultural progress and rural development. • Analyze the structure of agrarian systems in developing countries. 	<p>Unit IV: Agricultural Transformation and Rural Development (4)</p> <p>4.1 The Imperative of Agricultural Progress and Rural Development 4.2 The Structure of Agrarian Systems in the developing World</p>
<ul style="list-style-type: none"> • Discuss various issues of environment and development. • Analyze the rural development and the environment. • Discuss the scope, mitigation and adaptation of global warming and climate change. • Explore the policy options in developing and developed countries. 	<p>Unit V: The Environment and Development (9)</p> <p>5.1 Basic Issues of Environment and Development: Economics and the Environment, Sustainable Development and Environmental Accounting, Population, Resources, and the Environment, Poverty and the Environment, Growth versus the Environment, Rural Development and the Environment, Urban Development and the Environment, The Global Environment and Economy, The Nature and Pace of Greenhouse Gas–Induced Climate Change, Natural Resource–Based Livelihoods as a Pathway out of Poverty: Promise and Limitations, The Scope of Domestic-Origin Environmental Degradation: An Overview 5.2 Rural Development and the Environment: A Tale of Two Villages 5.3 Global Warming and Climate Change: Scope, Mitigation , and Adaptation 5.4 Policy Options in Developing and Developed Countries</p>
<ul style="list-style-type: none"> • Explain the concept of development planning. • Discuss the stages of development planning. • Analyze the Washington Consensus. 	<p>Unit VI: Development Planning (3)</p> <p>6.1 Concept and nature of Planning, Planning in Mixed developing Countries, Rationale for Development 6.2 Three Stages of Development Planning 6.3 Washington Consensus</p>

Note: The figures in the parentheses indicate the approximate periods for the respective units.

4. Prescribed Books:

Text Book

- Todaro, M.P.; & Smith, S.C. (2010). *Economic Development*, Eleventh Edition: Pearson Publication.

Reference

- Ray, Debraj. (2007). *Development Economics*, Twelfth Edition, London: Oxford University Press.
- Journals of Economic Development
- World Development Reports and Human Development Reports
- Websites

Far-western University
Faculty of Humanities and Social Sciences

Course Title: **History of Economic Thought**
Course No.: ECO 352
Nature of the Course: Theory
Year: Third, Semester: Fifth
Level: B.A.

Full Marks: 100
Pass Marks: 45
Periods per Week:
Time per Period: 1 Hour
Total Periods: 48

1. Course Description

This course is intended to investigate various perspectives that have influenced economic thought. It incorporates the contributions to the development and evolution of economic thought in different periods and places. The course also aims to evaluate some of the major contributions to the theory of value, the theory of production, and the theory of distribution. The course encourages students to analyze how economic thoughts have been developed historically. The course incorporates nine units. The first unit deals with the early economic history. The second unit analyzes mercantilism and nationalism. Likewise, the third unit deals with major contributions on political economy. The fourth unit deals with the economic views emerged during classical period. The fifth unit discusses the major contributions of neo-classical economists/scholars. The sixth unit concerns with Austrian School. Likewise, the seventh unit deals with Keynesian view. The eighth unit concerns with Chicago school. Finally, the ninth unit deals with the views on globalization and globalization. All topics are discussed with emphasis on real-world application. Case studies and current economic trends and developments are examined in Nepalese and global perspectives.

2. Course Objectives

The general objectives of the course are as follows:

- To acquaint the students with early economic thought.
- To help the students to analyze mercantilism and nationalism.
- To enable the students to analyze the concept of political economy.
- To discuss the economic views emerged in classical period.
- To enable the students to analyze economic views of neo-classical period.
- To enable the students to familiarize with Austrian school.
- To introduce the students to Keynesianism.
- To acquaint the students with monetarism.
- To enable the students to analyze welfare economics.

3. Specific Objectives and Contents

Specific Objectives	Contents
<ul style="list-style-type: none"> • Realize the need for study of History of Economic Thought. • Explain the contribution of Chanakya on Economics. • Analyze the views of Plato and Aristotle. • Describe the Roman Empire and Christianity. • Explain the economic thoughts of middle ages. 	<p>Unit I: Early Economic Thought (6)</p> <p>1.1 Importance of History of Economic Thought 1.2 Chanakya's Arthasastra 1.3 Plato and Aristotle 1.4 Roman Empire and Christianity 1.5 Middle ages: Thomas Aquinas (1225–74) and Duns Scotus</p>
<ul style="list-style-type: none"> • Explain scholasticism. • Analyze bullionism. • Discuss the basic concepts of mercantilism and nationalism. 	<p>Unit II: Mercantilism and Nationalism (6)</p> <p>2.1 Scholasticism 2.2 Bullionism 2.3 Mercantilism and Nationalism 2.4 Thomus Mun</p>

<ul style="list-style-type: none"> • Explain the contribution of Thomas Mun. 	
<ul style="list-style-type: none"> • Explain the meaning of political philosophy. • Analyze the thoughts of Locke and Hume. • Discuss the views of physiocrats. 	Unit III: Political Economy (4) 3.1 Political philosophy 3.2 Locke and Hume 3.3 Physiocrats
<ul style="list-style-type: none"> • Appreciate the contribution of Adam Smith. • Explain Malthusian theory of population. • Compare and contrast the views of J.B. Say, David Ricardo and J.S. Mill. 	Unit IV: Modern Era 1: Classical Period (4) 4.1 Adam Smith 4.2 Thomas Malthus: Theory of population 4.3 J B Say 4.4 David Ricardo 4.5 J.S Mill
<ul style="list-style-type: none"> • Discuss the views of Leon Walras. • Explain the contribution of Carl Menger. • Analyze the thought of Stanely Jevons. • Discuss the views of Alfred Marshall. 	Unit V: Modern Era 2: Neo-classical Period, Marginalism and Mathematics (8) 5.1 Leon Walras 5.2 Carl Menger 5.3 Stanely Jevons 5.4 Alfred Marshall
<ul style="list-style-type: none"> • Explain the contribution of Joseph Alois Schumpeter. • Discuss the views of Ludwig von Mises. • Discuss and analyze Hayek’s views. 	Unit VI: Austrian School (4) 6.1 Joseph Alois Schumpeter 6.2 Ludwig von Mises 6.3 Friedrich Hayek
<ul style="list-style-type: none"> • Discuss the theme of the General Theory. • Explain the Samuelson’s view. • Analyze the views of Haavelmo and Tinbergen. 	Unit VII: Keynesianism (8) 7.1 The general theory 7.2 J.M. Keynes 7.3 Paul Samuelson 7.4 Haavelmo and Tinbergen: Econometrics
<ul style="list-style-type: none"> • Appreciate the contribution of Friedman. • Explain libertarianism. 	Unit VIII: Chicago School and Monetarism (4) 8.1 Friedman 8.2 Libertarianism
<ul style="list-style-type: none"> • Explain the views of Simon Kuznets. • Appreciate the contribution of Amartya Sen. • Discuss the views of Krugman. 	Unit IX: Globalization and Welfare Economics (4) 9.1 Simon Kuznets 9.2 Amartya Sen 9.3 Paul Krugman

Note: (i) The figures in the parentheses indicate the approximate periods for the respective units.
(ii) Total periods (50 Hrs) include the time required for class-room teaching (45 Hrs),
Mid-term examination (2 Hrs) and End-term examination (3 Hrs).

4. Prescribed Books and References

Prescribed Books

- Schumpeter, J.A. (1986). *History of Economic Analysis*, New York: Oxford University Press.

References

- Roll, E. (1992). *A History of Economic Thought, Fifth Edition*: London: Faber & Faber Ltd.
- Bhatia, H.L. (2014). *History of Economic Thought, Fourth Edition*, New Delhi: Vikas Publishing House.
- Paul, R.R. *History of Economic Thought, Sixth Edition*, New Delhi: Kalyani Publishers.

Far-western University
Faculty of Humanities and Social Sciences

Course Title: **Banking, Money and Financial Institutions**

Full Marks: 100

Course No.: ECO 361

Pass Marks: 45

Nature of the Course: Theory

Periods per Week:

Year: Third, Semester: Sixth

Time per Period: 1 Hour

Level: B.A.

Credits: 3

Total Periods: 48

1. Course Description

This course is designed to provide a detail understanding on banking, money and financial market. Scope and importance of banking, money and financial institutions are being expanding day by day. The course aims to discuss on the issues regarding money, banking and financial institutions. The course encourages students to analyze how financial institutions plays role in an economy. The course incorporates eight units. The first unit deals with introduction to money. The second unit highlights interest rate. Likewise, the third unit deals with credit and financial system. The fourth unit deals with the types of financial markets. The fifth unit discusses the role and functions of banks. The sixth unit concerns with inflation related issues. Likewise, the seventh unit deals with role of International Monetary Fund. Finally, the eighth unit deals with the monetary theories.

All topics are discussed with emphasis on real-world application. Case studies and current economic trends and developments are examined in Nepalese and global perspectives.

2. Course Objectives

The general objectives of the course are as follows:

- To acquaint the students with money.
- To help the students to analyze interest rate.
- To enable the students to analyze the role of financial institutions.
- To discuss various financial markets.
- To enable the students to analyze the role and functions of central bank and other banks.
- To enable the students to familiarize with inflation related issues.
- To introduce the students to International Monetary Fund.
- To acquaint the students with monetary theories.

3. Specific Objectives and Contents

Specific Objectives	Contents
<ul style="list-style-type: none"> • Explain the meaning of money. • Discuss the functions of money. • Analyze the origin and importance of payment systems. • Discuss types of money. 	<p>Unit I: Introduction of Money (6)</p> <p>1.6 Meaning of Money 1.7 Functions of Money 1.8 The Payments System 1.9 Kinds of Money</p>
<ul style="list-style-type: none"> • Explain interest rate. • Compare nominal and real interest rate. • Analyze loanable fund theory. 	<p>Unit II: Interest Rates (3)</p> <p>2.1 Measuring Interest Rates 2.2 Nominal Interest Rates and Real Interest Rates 2.3 Loanable Fund Theory</p>
<ul style="list-style-type: none"> • Explain the meaning of credit • Analyze the role of financial system. 	<p>Unit III: Credit and Financial System (7)</p> <p>3.1 Meaning of Credit 3.2 Meaning of Financial System</p>

<ul style="list-style-type: none"> • Discuss the kinds of credit. 	3.3 Financial Intermediaries 3.4 Role of Financial System 3.5 Kinds of Credit
<ul style="list-style-type: none"> • Explain the structure of financial market. • Appreciate the role of financial market. • Describe call money market. • Explain treasury bill market. • Analyze commercial bill market. • Analyze stock market. 	Unit IV Financial Markets (6) 4.6 Introduction 4.7 Structure of Financial Market 4.8 Call Money Market 4.9 Treasury Bill Market 4.10 Commercial Bill Market 4.11 Stock Market
<ul style="list-style-type: none"> • Appreciate the role of central bank. • Discuss the regimes of exchange rate. • Explain the structure and role of Central Bank of America. • Describe the objectives and tools of monetary policy. • Overview the current monetary policy of Nepal • Describe the role of development banks and other financial institutions. 	Unit V: Banking (9) 5.1 Role of Central Bank 5.2 Functions of Nepal Rastra Bank 5.3 Exchange Rate 5.4 Federal Reserve: Structure and Role 5.5 Monetary Policy: Objectives and Tools 5.6 Current Monetary Policy of Nepal: An Overview 5.7 Development Banks: Meaning and Role 5.8 Other Financial Institutions: Role
<ul style="list-style-type: none"> • Compare demand-pull inflation and cost-push inflation. • Discuss on short-run Phillips curve. • Analyze the applicability of long-run Phillips curve. 	Unit VI: Money and Inflation (3) 6.1 Demand-pull Inflation and Cost-push Inflation 6.2 Phillips Curve: Long-run and Short-run
<ul style="list-style-type: none"> • Explain the origin of IMF. • Discuss the role of IMF. 	Unit VII: International Monetary Fund (IMF) (4) 7.1 Origin of IMF 7.2 Role of IMF
<ul style="list-style-type: none"> • Analyze the Quantity Theory of Money. • Explain the Liquidity Preference Theory. • Discuss the Friedman's monetary policy. • Compare Keynesian monetary theory with Friedman's monetary theory. 	Unit VIII: Monetary Theory (7) 8.1 Quantity Theory 8.2 Keynes Liquidity Preference Theory 8.3 Friedman's Monetary Theory 8.4 Comparison of Keynes Liquidity Theory and Friedman's Monetary Theory

Note: (i) The figures in the parentheses indicate the approximate periods for the respective units.

(ii) Total periods (50 Hrs) include the time required for class-room teaching (45 Hrs),

Mid-term examination (2 Hrs) and End-term examination (3 Hrs).

4. Prescribed Books and References

Prescribed Books

- Gupta, S.B. (2008). *Monetary Economics: Institutions, Theory and Policy*, New Delhi: S. Chand & Company Pvt. Ltd.

References

- Jones, C. (2008). *Financial Economics*, Indian Edition, New York: Routledge.
- Current Monetary Policy of Nepal.
- Websites: Federal Reserve, IMF, NRB and Reserve Bank of India.

Far-western University
Faculty of Humanities and Social Sciences

Course Title: **Nepalese Economy**
Course No.: ECO 362
Nature of the Course: Theory
Year: Third, Semester: Sixth
Level: B.A.
Credits: 3

Full Marks: 100
Pass Marks: 45
Periods per Week:
Time per Period: 1 Hour

Total Periods: 48

1. Course Description

This course is intended to investigate various perspectives of Nepalese economy. It analyzes the current scenario of natural resources, human resources, agriculture, industry, financial institutions and development planning of Nepal. The course also aims to evaluate major problems of Nepalese economy. The course encourages students to analyze how Nepalese economy can be boosted. The course incorporates seven units. The first unit deals with the current scenario of natural and human resources of Nepal. The second unit analyzes agriculture sector of Nepal. Likewise, the third unit deals with major problems related to industrial sector. The fourth unit deals with the trends of international trade and balance of payments of Nepal. The fifth unit discusses the major contributions of central bank and other financial institutions in the economic development of Nepal. The sixth unit concerns with government revenue and expenditure. Finally, the seventh unit deals with the development planning of Nepal.

All topics are discussed with emphasis on real-world application. Case studies and current economic trends and developments of Nepal are compared with neighbouring and developed countries as far as possible.

2. Course Objectives

The general objectives of the course are as follows:

- To acquaint the students with human and natural resources of Nepal.
- To help the students to analyze the problems of agricultural sector.
- To enable the students to analyze the industry related issues.
- To discuss the foreign trade and balance of payments of Nepal.
- To enable the students to analyze the role of financial institutions in economic development.
- To enable the students to familiarize with government budget.
- To introduce the students to current development plan of Nepal.

3. Specific Objectives and Contents

Specific Objectives	Contents
<ul style="list-style-type: none"> • Analyze demographic and economic features of Nepalese economy. • Highlight the difficulties in the utilization of water resources. • Realize the need for development of water resources. • Explain the possibilities of mineral resources in Nepal. • Discuss the role of human 	<p>Unit I: Natural Resources and Human Resources (6)</p> <p>1.10 Features of Nepalese Economy: Demographic Features and Economics Features</p> <p>1.11 Water Resources: Current Situation, Problems and Prospects</p> <p>1.12 Mineral Resources: Current Situation, Problems and Prospects</p> <p>1.13 Forest Resources: Current Situation, Problems and Prospects</p> <p>1.14 Human Resources: Current Situation, Problems and</p>

resources for the development of Nepal.	Prospects
<ul style="list-style-type: none"> • Describe the importance of agriculture. • Analyze the prospects of agriculture. • Discuss major issues of agriculture sector. 	Unit II: Agriculture (6) 2.1 Current Situation, Role and Prospects of Agriculture 2.2 Major Issues of Agriculture Sector: Land reform, Modernization, Marketing, Finance, Labor
<ul style="list-style-type: none"> • Explain the status of agro-based industries. • Highlight the contribution of agro-based industries. • Analyze the public policies towards agro-based industries. • Discuss the problems faced by agro-based industry. • Appreciate the importance of tourism sector. • Discuss the problems faced by tourism industry. • Highlight the features of TSMP. • Analyze the current industrial policy of Nepal. 	Unit III: Industry (8) 3.1 Agro-based Industry 3.1.1 Current Situation, Role. Problems and Prospects 3.1.2 Government Policies 3.1.3 Major Problems 3.2 Tourism Industry 3.2.1 Current Situation, Role. Problems and Prospects 3.2.2 Government Policies 3.2.3 Major Problems 3.2.4 Tourism Sector Master Plan (TSMP) 3.3 Review of Current Industrial Policy of Nepal
<ul style="list-style-type: none"> • Compare and contrast balance of trade and balance of payments. • Analyze the current situation of balance of trade and balance of payments. • Explore the problems of international trade of Nepal. • Assess the current trade policy of Nepal. • Discuss the opportunities and challenges for Nepal as a member of WTO. 	Unit IV: International Trade and Balance of Trade (8) 4.12 Meaning of Balance of Trade and Balance of Payments 4.13 Composition and Trend of International trade 4.14 Current Situation and Trend of Balance of Payments 4.15 Problems of International Trade of Nepal 4.16 Review of Current trade Policy of Nepal 4.17 World Trade Organization and Nepal: Opportunities and Challenges
<ul style="list-style-type: none"> • Appreciate the role of Nepal Rastra Bank. • Mention the current status of money supply of Nepal. • Analyze the current monetary policy of Nepal Rastra Bank. • Describe the current status of commercial banks in Nepal. • Highlight the role of commercial banks. • Describe the current situation of development banks and other financial institutions. 	Unit V: Money and Banking (7) 5.1 Nepal Rastra Bank: Role, Money Supply and Review of Current Monetary Policy of Nepal 5.2 Commercial Banks: Role and Current Situation 5.3 Development Banks and Other Financial Institutions: Role and Current Situation

<ul style="list-style-type: none"> • Appreciate the role of development bank and other financial institutions. 	
<ul style="list-style-type: none"> • Explain the composition and trend of government expenditure. • Describe the sources and trend of government revenue. • Analyze the composition and trend of internal and external debt of Nepal. • Assess the current budget of Nepal. 	Unit VI: Public Finance (5) 6.1 Composition and Trend of Government Expenditure 6.2 Sources and Trend of Government Revenue 6.3 Internal and External Debt of Government: Composition and Trend 6.4 Review of Current Budget of Government of Nepal
<ul style="list-style-type: none"> • Describe the practice of Nepal regarding development planning. • Highlight the objectives and goals of current plan. • Mention the priorities of current plan. • Analyze the strategies mentioned in current plan. • Explain the resource allocation proposed by current plan. 	Unit VII: Development Planning (5) 7.1 Historical Background 7.2 Current Plan: Objectives, Goals, Priorities, Strategies and Resource Allocation

Note: (i) The figures in the parentheses indicate the approximate periods for the respective units.

(ii) Total periods (50 Hrs) include the time required for class-room teaching (45 Hrs), Mid-term examination (2 Hrs) and End-term examination (3 Hrs)

6. Prescribed Books and References

Prescribed Books

- Bista, Raghubir. (2011). Economics of Nepal: Experience, Observation & Discussion, Second Edition, Kathmandu: New Hira Books Enterprises.

References

- Current Plan of Nepal
- World Development Report
- Human Development Report
- Websites: NRB, Ministries of Government of Nepal, CBS, IMF, WB, ADB etc.
- Websites (Nepal Rastra Bank, Central Bureau of Statistics, World Bank, International Monetary Fund, Asian Development Bank, Ministries of Government of Nepal etc.)
- Current Monetary Policy of Nepal.
- Current Government Budget of Government of Nepal.
- Industrial Policy of Nepal.

Far-western University
Faculty of Humanities and Social Sciences

Course Title: **Public Finance**
Course No.: ECO 471
Nature of the Course: Theory
Year: Fourth, Semester: Seventh
Level: B.A.
Credits: 3

Full Marks: 100
Pass Marks: 45
Periods per Week:
Time per Period: 1 Hour

Total Periods: 48

1. Course Description

This course is intended to examine various perspectives of public finance. It analyzes the economic basis for government activity. The course also aims to evaluate major expenditure policies of Nepalese and American government. Moreover, the course comprises of source of government revenue. The course encourages students to analyze how government plays role in the country. The course incorporates nine units. The first unit deals with the introduction of public finance. The second unit analyzes market efficiency and market failure. Likewise, the third unit deals with externalities and government's response to externalities. The fourth unit deals with the issues on public goods. The fifth unit discusses the public choice and political process. The sixth unit concerns with cost-benefit analysis of government expenditure. The seventh unit examines government practices on social security. Likewise, the eighth unit investigates the effect of taxes on efficiency. Finally, the ninth unit deals with the issues on fiscal federalism.

All topics are discussed with emphasis on real-world application. Case studies and current economic trends and developments of Nepal are compared with neighbouring and developed countries as far as possible.

2. Course Objectives

The general objectives of the course are as follows:

- To acquaint the students with basic concept of public finance.
- To help the students to analyze market efficiency and market failure.
- To enable the students to analyze the government's response to deal with externalities.
- To discuss the issues on public goods.
- To enable the students to analyze the public choice and political process.
- To enable the students to examine the cost-benefit analysis of government investments.
- To introduce the students to subsidies and social security.
- To discuss the effect of taxes on efficiency.
- To discuss the issues on fiscal federalism.

3. Specific Objectives and Contents

Specific Objectives	Contents
<ul style="list-style-type: none"> • Explain the concepts of individuals, society and government. • Discuss the features of market economy, socialism and mixed economy. • Analyze the composition and trend of government expenditure 	<p>Unit I: Introduction (4)</p> <p>1.15 Individuals, Society and Government</p> <p>1.16 Types of Economies and Government Role</p> <p>1.17 Government Expenditure in Nepal</p> <p>1.18 Government Expenditure in the United States</p> <p>1.19 The Structure of State and Local Government Expenditure in the United States</p>

<p>in Nepal.</p> <ul style="list-style-type: none"> Analyze the structure of State and local government expenditure in the United States. Overview the sources of government expenditure in the United States. 	<p>1.20 Financing Government Expenditure in the United States</p>
<ul style="list-style-type: none"> Describe the efficiency criterion. Analyze function of market economy. Discuss major causes of market failure. Compare efficiency and equity. 	<p>Unit II: Efficiency, Markets and Governments (5)</p> <p>2.1 Positive and Normative Economics 2.2 Normative Evaluation of Resource Use: The Efficiency Criterion 2.3 Marginal Conditions for Efficiency 2.4 Markets, Prices, and Efficiency Conditions 2.5 Market Failure 2.6 Efficiency vs Equity</p>
<ul style="list-style-type: none"> Explain the concept of positive and negative externalities. Analyze the internalization of externalities. Discuss the application of the Coase Theorem. Compare and analyze market-based approaches and Command-and-control approaches. 	<p>Unit III: Externalities and Government Policy (7)</p> <p>3.1 Positive and Negative Externalities 3.2 Internalization of Externalities 3.3 The Coase Theorem 3.4 Market-based Methods and Command-and-Control Methods</p>
<ul style="list-style-type: none"> Discuss the concept of public goods. Explain the demand for a pure public good. Describe the efficient output of a pure public good. Discuss the measures to deal with free-rider problem. 	<p>Unit IV: Public Goods (6)</p> <p>4.18 Characteristics of Public Goods 4.19 The Demand for a Pure Public Good 4.20 Efficient Output of a Pure Public Good 4.21 Free - Rider Problem</p>
<ul style="list-style-type: none"> Describe the supply of public goods through political institutions. Explain the concept of political equilibrium. Analyze the model of political equilibrium under majority rule. Describe the role of bureaucracy on supply of public output. 	<p>Unit V: Public Choice and the Political Process (5)</p> <p>5.1 The Supply of Public Goods through Political Institutions 5.2 The Concept of Political Equilibrium 5.3 A Model of Political Equilibrium under Majority Rule 5.4 Bureaucracy and the Supply of Public Output</p>
<ul style="list-style-type: none"> Explain the budget formulation process. Describe the economic analysis for the budget formulation process. Examine the cost-benefit analysis of government investments. Discuss the significance of deficit budget in Nepal and the United States. 	<p>Unit VI: Cost-Benefit Analysis and Government Investments (5)</p> <p>6.1 Budget Process 6.2 Economic Analysis for the Budget Process: Achieving the Least-Cost 6.3 Cost-Benefit Analysis 6.4 Analysis of Government Investments: Cost-Benefit Analysis in Practice 6.5 Deficit Budget: Practice in Nepal and the United States</p>
<ul style="list-style-type: none"> Appreciate the government 	<p>Unit VII: Government Subsidies and Social Security (2)</p>

<p>role on subsidies and social security.</p> <ul style="list-style-type: none"> • Discuss the government practice in Nepal and the United States regarding social security. 	<p>7.1 Practice in Nepal 7.2 Practice in the United States</p>
<ul style="list-style-type: none"> • Explain the purpose of government finance. • Describe the principles of taxation. • Analyze the burden of an absolute tax. • Examine the burden of an absolute tax. 	<p>Unit VIII: Introduction to Government Finance (6) 8.1 Purpose of Government Finance 8.2 Principles of Taxation 8.3 Burden of an Absolute Tax and Efficiency 8.4 Burden of an Ad valorem Taxation and Efficiency</p>
<ul style="list-style-type: none"> • Explain the concept of fiscal federalism. • Compare centralized and decentralized governments. • Discuss citizen mobility. • Discuss the theory of taxation in decentralized system. • Examine the interdependence of federal government and states. • Discuss the significance of grants. 	<p>Unit IX: Fiscal Federalism and State and Local Government Finance (5) 9.1 Fiscal Federalism 9.2 Centralized Versus Decentralized Government 9.3 Citizen Mobility and Decentralized Government 9.4 The Theory of Taxation within a Decentralized System 9.5 Intergovernmental Fiscal Relations 9.6 The Theory of Grants</p>

Note: (i) The figures in the parentheses indicate the approximate periods for the respective units.

(ii) Total periods (50 Hrs) include the time required for class-room teaching (45 Hrs), Mid-term examination (2 Hrs) and End-term examination (3 Hrs).

4. Prescribed Books and References

Prescribed Books

- Hyman, David, N. (2011). *Public Finance: A Contemporary Application of Theory to Practice, 10th Edition: USA*: South-Western, Cengage Learning.

References

- Current Plan of Nepal
- Current Budget.
- t of the United States
- Current Budget of Government of Nepal.

Far-western University
Faculty of Humanities and Social Sciences

Course Title: **Research Methodology Data Analysis for Economics**

Full Marks: 100

Course No.: ECO 472

Nature of the Course: Theory

Year: Fourth, Semester: Seventh

Level: B.A.

Pass Marks: 45

Periods per Week: 3

Time per Period: 1 Hour

Total Periods: 48

1. Course Description

This course is intended to provide an introduction to research methodology in Economics. Moreover, the course focuses on economic data analysis. The course also aims to describe sampling methods and data collection methods. The course encourages students to analyze economic data. The course incorporates five units. The first unit deals with the basic concepts of social research. The second unit analyzes research design and sampling. Likewise, the third unit deals with data collection. The fourth unit deals with the qualitative and quantitative data analysis. Finally, the fifth unit deals with the research ethics.

All topics are discussed with emphasis on real-world application. Economic data from the real world are analyzed as far as practicable.

2. Course Objectives

The general objectives of the course are as follows:

- To acquaint the students with introduction to social research.
- To help the students to discuss basics of empirical research.
- To enable the students to describe data collection methods.
- To enable the students to familiarize with data analysis methods.
- To introduce the students to research ethics.

3. Specific Objectives and Contents

Specific Objectives	Contents
<ul style="list-style-type: none"> • Analyze the meaning of scientific research. • Realize the way of thinking like a researcher. • Describe the research process. • Discuss the theories on social research. 	<p>Unit I: Introduction to Research (8)</p> <p>1.21 Meaning of Scientific Research 1.22 Thinking Like a Researcher 1.23 The Research Process 1.24 Theories in Social Research</p>
<ul style="list-style-type: none"> • Describe the key attributes of research design. • Discuss the measurement scales. • Examine the reliability and validity of scales. • Discuss the sampling methods. 	<p>Unit II: Basics of Empirical Research (8)</p> <p>2.1 Research Design 2.2 Levels of Measurement 2.3 Scale Reliability and Validity 2.4 Sampling</p>
<ul style="list-style-type: none"> • Explain the survey method. • Analyze the steps of case research. • Explain the interpretive research. 	<p>Unit III: Data Collection (8)</p> <p>3.1 Survey Research 3.2 Case Research 3.3 Interpretive Research</p>

<ul style="list-style-type: none"> • Explain qualitative research. • Analyze the descriptive analysis. • Discuss the inferential analysis. 	<p>Unit IV: Data Analysis (18)</p> <p>4.22 Qualitative Analysis</p> <p>4.23 Quantitative Analysis: Descriptive Statistics</p> <p>4.24 Quantitative Analysis: Inferential Statistics</p>
<ul style="list-style-type: none"> • Appreciate the need of research ethics. • Analyze the ethical principles in scientific research. 	<p>Unit V: Research Ethics (3)</p> <p>5.1 Meaning of Research Ethics</p> <p>5.2 Ethical principles in Scientific Research</p>

*Note: (i) The figures in the parentheses indicate the approximate periods for the respective units.
(ii) Total periods (50 Hrs) include the time required for class-room teaching (45 Hrs),
Mid-term examination (2 Hrs) and End-term examination (3 Hrs).*

4. Prescribed Books and References

Prescribed Book

- Anol Bhattacharjee (2012). *Social Science Research: Principles, Methods, and Practices, Second Edition*, Florida: University of Florida.

References

- Robert B. Burns & Richard A. Burns (2008). *Business Research Methods and Statistics Using SPSS*, New Delhi: SAGE Publications Ltd.

Far-western University
Faculty of Humanities and Social Sciences

Course Title: **Sustainable Development**, Optional I
Course No.: ECO 481
Nature of the Course: Theory
Year: Fourth, Eighth Semester
Level: B.A.

Full Marks: 100
Pass Marks: 45
Periods per Week: 3
Time per Period: 1 Hour
Total Periods: 48

1. Course Description:

This course aims to acquaint the students with various dimensions of sustainable development. Emphases are placed on challenges of the world. The course incorporates six units. The first unit deals with introduction of sustainable development. The second unit discusses the challenges of the world. Likewise, the third unit deals with the need for planning for sustainable development. The fourth unit deals with production and consumption. The fifth unit discusses the indicators of sustainability. Finally, the sixth unit highlights the role of government and civil society for sustainable development.

All topics are discussed with emphasis on real-world application. Case studies and trends of economic development are examined in Nepalese and global perspectives as far as possible.

2. Course Objectives:

The general objectives of the course are as follows:

- To acquaint the students with the basics of sustainable development.
- To help the students to discuss the challenges of the world.
- To enable the students to discuss the need of planning for sustainable development.
- To acquaint the students with production and consumption as the backbone of an economy.
- To discuss indicators of sustainability.
- To acquaint the students with role of government and civil society for sustainable development.

3. Specific Objectives and Contents:

Specific Objectives	Contents
<ul style="list-style-type: none"> • Discuss the meaning of sustainable development. • Examine the need of society, economy and environment together. • Explain sustainable development as a dynamic process. • Appreciate the role of women in sustainable development. 	<p>Unit I: Introduction (7)</p> <p>1.5 Defining Sustainable Development 1.6 The Three Pillars of Sustainable Development 1.7 Sustainable Development: Process or End Result? 1.4 Women and Sustainable Development</p>
<ul style="list-style-type: none"> • Discuss the effect of changing paradigm of globalization on development. • Discuss the conflicts, controversies and coordination in two-tier world. • Analyze the distribution of burden of pollution among advanced and developing 	<p>Unit II: Challenges of a Global World (8)</p> <p>2.13 Going Global: An Old Process on a New Scale 2.14 A Two-tier World 2.15 National Growth and Global Consequences 2.16 A Level Playing Field 2.17 Tools for Sustainable Development 2.18 Pro-poor Growth 2.19 Making Aid Count 2.20 Going Forward</p>

<p>economies.</p> <ul style="list-style-type: none"> • Appreciate the importance of pro-poor growth policies. 	
<ul style="list-style-type: none"> • Discuss the need of fairness for the future generations. • Analyze the role of technological advancements to cope with environmental degradation. • Discuss the planning for sustainable development. • Analyze the role of formal and informal education for sustainable development. 	<p>Unit III: The Future is Now (7)</p> <p>3.1 A Fair Share between Generations 3.2 Now is the Time to Act 3.3 Planning for the Future 3.4 Educating Ourselves for a Sustainable Development</p>
<ul style="list-style-type: none"> • Explain production and consumption as the central concepts of society. • Discuss production and consumption as the backbone of an economy. • Examine the trend of declining prices. 	<p>Unit IV: Production and Consumption (7)</p> <p>4.1 The Material Society 4.2 Production and Consumption: Two Sides of a Coin 4.3 What's the Real Price and Who Pays?</p>
<ul style="list-style-type: none"> • Discuss the indicators of sustainability. • Analyze the rural development and the environment. • Discuss the global dimension of sustainable development. • Examine the need of assessing sustainability. 	<p>Unit V: Measuring Sustainability (9)</p> <p>5.1 What Should be Count and When? 5.1.1 Measuring Progress 5.1.2 The Capital Approach 5.2 The Global Dimension 5.3 Assessing Sustainability</p>
<ul style="list-style-type: none"> • Discuss the paradigm shift of traditional development to sustainable development. • Analyze the integrated role of citizens, businessmen, civil society and government in sustainable development. • Discuss the significance role of government on sustainability. 	<p>Unit VI: Government and Civil Society (7)</p> <p>6.1 Making Changes 6.2 Citizens, Civil Society and Progress 6.3 Role of Government: Regulation, Spending, Taxation and Emissions Trading 6.3 National Strategies: Putting Sustainable Development to Work in Government 6.4 The Governance of Uncertainty</p>

Note: (i) The figures in the parentheses indicate the approximate periods for the respective units.

(ii) Total periods (50 Hrs) include the time required for class-room teaching (45 Hrs), Mid-term examination (2 Hrs) and End-term examination (3 Hrs).

4. Prescribed Books:

Text Book

- Soubbotina, T.P. (2004). *Beyond Economic Growth*, Second Edition: The World Bank.

Reference

- Journals on Sustainable Development
- World Development Reports and Human Development Reports
- Websites: WB and other institutions

Far-western University
Faculty of Humanities and Social Sciences

Course Title: **International Economics**, Optional II

Full Marks: 100

Course No.: ECO 482

Pass Marks: 45

Nature of the Course: Theory

Periods per Week: 3

Year: Fourth, Semester: Eighth

Time per Period: 1

Hour

Level: B.A.

Total Periods: 48

1. Course Description

This course is intended to investigate various perspectives of International Economics. It analyzes the theories and instruments of international trade. The course also aims to evaluate roles of the International Monetary Fund and the World Trade Organization, and the development issues in developing countries. The course incorporates five units. The first unit deals with the theories of international trade. The second unit analyzes the tools of trade policies. Likewise, the third unit deals with political economy of trade policy. The fourth unit focuses on trade policies of developing countries. Finally, the fifth unit deals with the growth, crisis and reforms in developing countries.

All topics are discussed with emphasis on real-world application. Case studies and current economic trends and developments of developing countries like Nepal are compared with emerging economies and developed countries as well.

2. Course Objectives

The general objectives of the course are as follows:

- To acquaint the students with theories of international trade.
- To help the students to evaluate the instruments of international trade.
- To enable the students to analyze the political economy of trade policy.
- To discuss the trade policies of developing countries.
- To enable the students to discuss the growth, crisis and reforms in developing countries.

3. Specific Objectives and Contents

Specific Objectives	Contents
<ul style="list-style-type: none"> • Describe the basics of gravity model of international trade. • Discuss the changing pattern of world trade. • Discuss the applicability of the Ricardian model. • Analyze the basic concepts of Heckscher-Ohlin Model, and its empirical evidences. • Explain the standard trade model. 	<p>Unit I: International Trade Theory (12)</p> <p>1.1 World Trade: An Overview</p> <p>1.24.1 Basics of Gravity Model</p> <p>1.24.2 The Changing Pattern of World Trade</p> <p>1.25 The Ricardian Model</p> <p>1.25.1 Concept of Comparative Advantage</p> <p>1.25.2 Misconceptions about Comparative Advantage</p> <p>1.25.3 Empirical Evidences on the Ricardian Model</p> <p>1.26 The Specific Factors Model</p> <p>1.4 The Heckscher-Ohlin Model</p> <p>1.4.1 Basic Concept of the Heckscher-Ohlin Model</p> <p>1.4.2 Empirical Evidences on the Heckscher-Ohlin Model</p> <p>1.4.3 Factor Prices, Goods Prices and Production Decisions</p> <p>1.5 The Standard Trade Model</p>
<ul style="list-style-type: none"> • Discuss the pros and cons of tariff. • Analyze the effect of export subsidies. • Discuss the welfare effect of 	<p>Unit II: Instruments of Trade Policy (9)</p> <p>2.1 Basic Tariff Analysis</p> <p>2.1.1 Supply, Demand and Trade in a Single Industry</p> <p>2.1.2 Effects of a Tariff</p> <p>2.1.3 Measuring the Amount of Protection</p> <p>2.2 Costs and Benefits of a Tariff</p>

import quota.	2.2.1 Consumer Surplus and Producer Surplus 2.2.2 Measuring the Costs and Benefits 2.3 Export Subsidies 2.4 Import Quota 2.4.1 Basic Concept of Import Quota 2.4.2 Welfare Effect of import Quota 2.4.3 Comparison of Tariff with Import Quota
<ul style="list-style-type: none"> • Discuss the gains from free trade. • Explain rent seeking. • Discuss the arguments for and against free trade. • Assess the market failure argument against free trade. • Appreciate the importance of trade negotiations. • Explain the history of trade agreements. • Discuss the Uruguay round. • Analyze the effects of trade liberalization. • Explain Doha disappointment. • Discuss the effect of agricultural subsidies to the third world. 	Unit III: The Political Economy of Trade Policy (12) 3.1 The Case for Free Trade 3.1.1 Free Trade and Efficiency 3.1.2 Additional Gains from Free Trade 3.1.3 Rent Seeking 3.1.4 Political Argument on Free Trade 3.2 National Welfare Arguments against Free Trade 3.2.1 The Terms of Trade Argument for a Tariff 3.2.2 The Domestic Market failure Argument against Free Trade 3.2.3 How Convincing is the Market Failure Argument? 3.3 International Trade Negotiations and Trade Policy 3.3.1 The Advantages of Trade Negotiations 3.3.2 International Trade Agreements: A Brief History 3.3.3 The Uruguay Round 3.3.4 Trade Liberalization 3.3.5 Administrative Reforms: From the GATT to the WTO 3.4 The Doha Disappointment 3.5 Do Agricultural Subsidies Hurt the Third World?
<ul style="list-style-type: none"> • Discuss import-substitution policy of developing countries. • Discuss trade liberalization and its effects in developing countries. • Investigate trade and growth in Asia. 	Unit IV: Trade Policy in Developing Countries (5) 4.25 Import-Substitution Industrialization 4.25.1 The Infant Industry Argument 4.25.2 Promoting Manufacturing through Protection 4.26 Trade Liberalization since 1985 4.27 Trade and Growth: Takeoff in Asia
<ul style="list-style-type: none"> • Explore the trend of world income gap over time. • Discuss the structural features of developing countries. • Analyze the success stories of East Asian economies. • Explore the causes and consequences of Asian financial crisis. 	Unit V: Developing Countries: Growth, Crisis, and Reforms (7) 5.1 Income, Wealth, and Growth in the World Economy 5.1.1 The Gap between Rich and Poor 5.1.2 Has the World Income Gap Narrowed over Time? 5.2 Structural Features of Developing Countries 5.3 East Asia: Success and Crisis 5.3.1 The East Asian Economic Miracle 5.3.2 Asian financial Crisis

4. Prescribed Books and References

Prescribed Books

- Krugman, P.A.; Obstfeld, M. & Melitz, M.J. (2012). *International Economics: Theory and Policy*, Ninth Edition, Delhi: Pearson Publications.

References

- Publications and Websites of the World Bank, the WTO, the IMF and other Financial Institutions.