

## Book Review

Mani Nepal and Prakash Adhikari (2000 A.D.) (2057 B.S.) *A Course in Economics*, Taleju Prakashan, Bhotahity, Kathmandu pp 606 including Appendix, price NRs 235.

The book under review is written by Mani Nepal and Prakash Sdhikari, covering the subject matter of both Microeconomics and Macroeconomics, is targeted to the Bachelor Level students taking up Economics. Eventhough the authors claim that the book covers the syllabus for Bachelor of Arts (B.A.), Bachelor of Education (B.Ed.) under Tribhuvan University (TU) and Bachelor of Business Administration (B.B.A.), under Kathmandu University, the coverage clearly suggests that it has been written basically incorporating the topics under the syllabus for Bachelor of Business Studies (BBS) under Tribhuvan University (TU).

The book is divided into two parts. Part one deals with Microeconomics and has seven chapters ranging from Demand Analysis, chapter two to Factor Pricing, chapter seven. Part two deals with Macroeconomics and incorporates nine chapters ranging from National Income, chapter two, to Money and Monetary Policy, Chapter nine. Income Determination Model (IS-LM model) is dealt upon in Appendix. The authors have started both the parts with the introductory chapters.

In part one, which is on Microeconomics, chapters three, four and five deal with Utility Analysis, Cost, Revenue and Supply Curves and Theory of Production respectively. Chapter six deals with Product Pricing. In the Utility Analysis chapter, in regard to the Equilibrium of the Consumer, it would have been better if the authors had incorporated the mathematical derivation of the equality of the ratio marginal utilities and prices, along with a numerical example, as they did in the Equilibrium of the The Least Producer: Cost Combination of Inputs under the Theory of Production. However, the mathematical derivation should have been before the numerical example. In chapter six, there has been a notable omission of Oligopoly and Duopoly in the opening page, eventhough the authors have dealt upon these only conceptually.

Part two of the book which deals on Macroeconomics, has National Income, Theories of Employment and Output Determination, Keynesian Macroeconomics, Investment, Trade Cycle (Business Cycle), Inflation, Fiscal Policy, and Money and Monetary Policy (chapter two to chapter nine).

In chapter two, the coverage of the topics in appendix viz the Social Accounting Matrix (SAM) is indeed a good effort. In the multiplier theory the dynamic process of the working of the simple and the super-multiplier is explained algebraically and numerically. In the chapter seven which

deals on inflation the authors have included topics like the computation of the general price level, types of price index, deflation, and the Phillips Curve. In regard to the effectiveness of the supply-side policy and the demand-side policy to the control of inflation, the authors have argued that the former has the advantage over the later. They opined that in the supply-side policy, the price level declines along with higher output, whereas, in the demand-side policy as both price and output decline, it may lead the economy into deep recession. The inclusion of topics like balanced budget multiplier, fiscal policies in Nepal, their formulations and failures and the money multiplier are well presented.

The authors have presented numerical examples in most of the chapters of part two of the book dealing on Macroeconomics. It would have been quite nice had they also incorporated numerical examples, where deemed necessary, in part one of the book dealing on Microeconomics.

The inclusion of topics like SAM, Balanced Budget Multiplier and the Money Multiplier and IS-LM analysis might be difficult to digest by most of the Bachelor level students, as is mentioned by the authors. In spite of this, the book is very useful to the students taking economics. The inclusion of the above mentioned topics is a good nexus. Thus, the inclusion of this book in the library will be a good addition.

Central Department of Economics  
Tribhuvan University, Kirtipur  
Kathmandu, Nepal.

Kamal B. Chitrakar  
Associate Professor

