

**MANGALORE UNIVERSITY**

**POST GRADUATE SYLLABUS**

**IN ECONOMICS**

**CBCS (SEMESTER SCHEME)**



## Preamble

The M.A Economics I-IV Semester Syllabus of Mangalore University was revised in 2016 and will come effect from 2017-18. This Syllabus for Choice Based Credit System is prepared based on the UGC direction to adopt common curriculum for M.A Economics. The Board resolved to adopt UGC syllabus for the Semester system with Choice based Credit system. Choice Based Credit System Semester consists of Four Semesters with Hard core, Soft Core and Open-elective papers in second and third semesters as given in the Course pattern below.

### Valuation of the Semester Examination

Valuation of the Semester Examination will be done out of 100 Marks, in which 70 Marks question paper for the semester exam and 30 Marks for Internal Assessment.

It is also resolved that the question paper pattern for the Choice Based Credit System Semester Examination for theory course shall be as follows;

- a) Conceptual questions – Ten questions to answer from twelve questions, two Marks for each questions (2x10=20)
- b) Short answer questions – Five questions to answer out of eight questions, six Marks each questions. (6x5=30)
- c) Main answer questions – Two to answer out of four questions, ten Marks each (10x2=20)

TOTAL

-70

- d) For the Project Work (course) in the Fourth Semester, 70 Marks for the valuation of the dissertation

**Valuation of Internal Assessment is done for each course as follows;**

<b>Internal Test</b>	<b>-20</b>
<b>Assignments</b>	<b>-05</b>
<b>Seminars and Continuous assessment in Class</b>	<b>-05</b>
<b>Total</b>	<b>30</b>

**For the Project Work Valuation of Internal Assessment is done on the basis of the performances of seminar on the Project work Topic**

### **Programme Outcomes:**

Economics is the study of how societies, governments, business, households and individuals allocate their scarce resources in different uses. Our discipline has two important features. First, we develop conceptual models of behaviour to predict responses to changes in policy and market conditions. Second, we use rigorous statistical analysis to investigate these changes. The study of economics can also provide valuable knowledge for making decisions in everyday life. It offers tools with which to approach questions about the desirability of particular financial investment opportunity and budget making & analysis for any particular economic programme. It also provides us suitable tools for social welfare analysis in different economic situations.

### **Programme Specific Outcomes:**

The M.A. in Economics programme emphasizes practical applications of economic theory. It is organized to provide students with analytical tools by which they can use to solve many economic problems existing in the real world. The programme provides students with practical econometric skills that are popularly used in both private and public sectors. After once students' complete the M.A Economics course, they will look forward many potential job opportunities in various fields like, Teaching, Business, Company, Banking, Insurance, NGOs, Research and extension services and many other services they can get employment, and also enables the students to appear in all competitive exams by taking economics subject as main course especially in IES, IAS, IRS, KAS etc..

Students will be able to apply acquired economic knowledge in the following fields:

1. Critical thinking:
  - a. Apply economics knowledge to evaluate everyday problems and see economics in real world situations.
  - b. Apply economic analysis to evaluate specific policy proposals.
2. Quantitative reasoning skills:
  - a. Understand how to use empirical evidence to evaluate an economic argument.
  - b. Use data to construct quantitative economics arguments and understand the statistical problems associated with interpreting the results.
  - c. Develop deeper quantitative thinking skills.
3. Problem-solving skills:
  - a. Analyse problems that have clear solutions.
  - b. Propose solutions for problems that do not have clear answers.
4. Learning in Practice:
  - a. Possess a working knowledge of information data bases and know how to use the web to assist in the gathering of reliable information.
  - b. Know how to locate and use primary data sources.
  - c. Use their economic knowledge to understand and evaluate current economic events and new economic ideas.

**PG B.O.S. approved M.A. Economics Course (CBCS) Pattern**

Sem	Hard Core			Soft Core			Open Elective			Projects	Total
	No.of Courses	Credits	Total Credits	No.of Courses	Credits	Total Credits	No.of Courses	Credits	Total Credits		Total Credits
I	4	5	20	1	4	4	0	0	0		24
II	3	5	15	1	4	4	1	3	3		22
III	2	4	08	2	4	8	1	3	3		19
IV	2	4	08	2	4	8	0	0	0	5	21
<b>Total</b>			<b>51</b>			<b>24</b>			<b>6</b>	<b>5</b>	<b>86</b>

**M.A. ECONOMICS CBCS SEMESTER SYSTEM**

Course	I Semester	Course	II Semester
<b>Hard Core</b>		<b>Hard Core</b>	
EC401 Micro Economic Analysis I EC402 Macro Economic Analysis I EC403 Economics of Growth and Development I EC404 Quantitative Methods in Economic Analysis		EC451 Micro Economic Analysis II EC452 Macro Economic Analysis II EC453 Economics of Growth and Development II	
<b>Soft Core (Electives)</b>		<b>Soft Core (Electives)</b>	
EC405 A) Agricultural Economics B) Industrial Economics C) Population Studies		EC454 A) Rural Development B) Urban Economics C) Statistical Techniques for Economics Analysis	
		<b>Open Elective</b>	
		EC455 Indian Economy: Policies and Programmes	
Course	III Semester	Course	IV Semester
<b>Hard Core</b>		<b>Hard Core</b>	
EC501 Public Economics EC502 Econometrics I		EC551 International Economics EC552 Econometrics II EC553 Project	
<b>Soft Core (Electives)</b>		<b>Soft Core (Electives)</b>	
EC503 A) Development Issues of Indian Economy B) Environmental Economics C) Health Economics D) Research Methodology		EC554 A) Economics of Insurance B) Financial Economics C) Managerial Economics D) Economics of Infrastructure	
<b>Open Elective</b>			
EC504 India in Global Economy			

# SYLLABUS

## I SEMESTER

### **Hard Core**

#### **EC401 MICRO ECONOMIC ANALYSIS I**

➤ **Learning Objectives and Outcomes:**

- Micro economics Analysis-I, which is fundamental course of economics, under Hard Core the syllabus covers basic issues and concepts of economics to impart basic knowledge of economics.
- By studying this course students are expected to learn about basics of micro economics - Nature of economic theory, Theory of Demand and Supply, Theory of Production, and Market structure.

#### **Module I: Nature of economic theory:**

Recent approaches to Economic theory - Role and significance of assumptions in economic analysis – Theory and policy in Economics - value judgments in economics.

#### **Module II: Theory of Demand and Supply:**

Evaluation of cardinal and ordinal utility analysis-Slutsky theorem; Revealed Preference theory - Expected utility theory - Recent developments in theory of demand – concept and law of supply.

#### **Module III: Theory of Production:**

Laws of production - Laws of returns to scale - the law of variable proportions - internal and external economies - production function - its form and underlying assumptions - production possibility curve - multi product firm substitution between inputs - elasticity of substitution - Cobb-Douglas production function.

#### **Module IV: Market structure:**

Perfect competition - short run and long run equilibrium of the firm and industry- monopoly - discriminating monopoly - monopolistic and imperfect competition-oligopoly – collusive and non collusive oligopoly-duopoly models of Cournot, Bertrand and Stackelberg- Chamberlin's oligopoly model- the kinked demand curve model.

## **References:**

- Baumol, W.J. (1982): Economic Theory and Operational Analysis 4<sup>th</sup> ed., Prentice Hall of India, New Delhi.
- Blaug, Mark (1990): History of Economic Thought.
- Da Costa, G.C. (1980): Production Prices and Distribution, Tata Mc Graw-Hill New Delhi.
- Gravelle, H and Rees, R. (1981): Micro Economics, Longman, London 2<sup>nd</sup> ed.
- Henderson J.M and Richard E. Quandt, Microeconomic Theory A Mathematical Approach, latest edition.
- Hicks, J.R. (1956): A Revision of Demand Theory, Oxford Clarendon Press.
- Kamerschen David R. (1969): Readings in Micro-Economics, John Wiley and Sons, London.
- Koutsoyiannis A (1982): Modern Micro Economics, Mac Millan.
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- Manmohan Singh (1963): Demand Theory and Economic Calculation in a Mixed Economy, Allen and Unwin, London.
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- Sen, Anindya (1999): Microeconomic Theory and Applications, Oxford University, Press, New Delhi.
- Varian, H. (1972): Micro Economics Analysis, W.W.Norton, New York, 3<sup>rd</sup> ed.
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- Winch D.M (1971); Analytical Welfare Economics, Penguin London.
- Watson, Price Theory and its uses, latest edition.

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## **EC402 MACRO ECONOMIC ANALYSIS I**

### **➤ Learning Objectives and Outcomes:**

- Macro Economics Analysis-I, which is another fundamental paper of economics, under Hard Core the syllabus covers basic issues and concepts of Macro economics to impart basic knowledge of macroeconomics.
- By studying this paper students are expected to learn about fundamentals of macro economics\_- National Income and Accounts, Macro Economic Models- Introduction, Supply of and demand for Money, General Equilibrium Model, and Post –Keynesian Theories.

### **Module I: National Income and Accounts:**

Circular Flow of Income in two, three and four sector economy-National income accounting and analysis-GDP at factor cost and market price-nominal and real GDP- GDP inflator-measurement of national income-international GDP comparisons-social accounting-input-output accounting-flow of funds accounting and balance of payments accounting –environmental accounting.

### **Module II: Macro Economic Models: Introduction:**

Variables in macro economic models-two-sector, three-sector and four-sector models-Aggregate demand and supply analysis-classical model of income and employment-Keynesian critique-Keynesian theory.

Multipliers in closed and open economies-investment multiplier-government expenditure multiplier-tax and transfer multiplier-balanced budget multiplier foreign trade multiplier –dynamic multiplier –working of multipliers.

### **Module III: Supply of and demand for Money:**

Financial intermediation - behavioural model of money supply determination-demand-determined money supply process-RBI approach to money supply-high powered money and money multiplier –control of money supply

Classical approach to demand for money-Quantity theory-Cambridge theory-Keynesian liquidity preference theory-transactions, precautionary and speculative demand for money.

#### **Module IV: General Equilibrium Model:**

Derivation of LM curve-factors shifting slope and the curve-derivation of IS curve-factors shifting slope and the curve-general equilibrium in money and products markets-effects of monetary and fiscal policies actions on IS-LM equilibrium –IS-LM elasticities-effectiveness of monetary and fiscal policies on income, employment and interest rates-liquidity trap and crowding out effects IS-LM-BP model in open economy-Fleming-Mundell-Swan models-simultaneous equilibrium in all markets in open economy.

#### **Module V: Post –Keynesian Theories:**

Critique of classical and Keynesian theories –monetarists –Friedman’s quantity theory –Patinkin and real balances approach-approaches of Baumol and Tobin-critique

#### **References**

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- Blackhouse, R. and A. Salansi (eds) (2000), Macroeconomics and the Real World (2 vols) Oxford University Press, London.
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- Heijdra, B. and V.P Fredericck (2001), Foundations of Modern Macroeconomics, Oxford University Press, New Delhi.
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- Scarfe, B.L. (1977), Cycles, Growth and Inflation, McGraw Hill, New York.
- Shapiro, E. (1996), Macroeconomic Analysis, Galgotia Publications, New Delhi.
- Surrey, M.J.C. (ed) (1976), Macroeconomic Themes, Oxford University Press, Oxford.



## **EC403 ECONOMICS OF GROWTH AND DEVELOPMENT I**

### **➤ Learning Objectives and Outcomes:**

- Economics of growth and Development, which is again fundamental paper of economics, under Hard Core, the syllabus covers basic issues and theories of Development to impart basic knowledge on economic development discourses.
- By studying this paper students are expected to learn about concepts and fundamental theories of economic development- Economic Growth and Development, Theories of Development, Theories of Economic Growth, and Economic Growth and Technical Progress

### **Module I: Economic Growth and Development :**

Economic growth and development - Development and underdevelopment – perpetuation of underdevelopment- poverty: absolute and relative- measuring development and development gap – per capita income - inequality of income - human development index and other indices of development and quality of life.

### **Module II: Theories of Development**

Classical theory of development – contributions of Adam Smith, Ricardo, Malthus and James Mill - Karl Marx and development of capitalistic economic – theory of social change, surplus value and profit - immutable laws of capitalist development - crisis in capitalism – Schumpeter and capitalistic development - innovation – role of credit, profit and degeneration of capitalism - structural analysis of development - imperfect market paradigm.

### **Module III: Theories of Economic Growth:**

Partial theories of growth and development and development – vicious circle of poverty, circular causation, unlimited supply of labour, big push, balanced growth, unbalanced growth, critical minimum effort thesis, low-income equilibrium trap; Dualism – technical, behavioural and social; Ranis and Fei model; Dixity and Marglin model, Kelly et., al, model; Dependency theory of development; Structural view of development - growth models-Harrod and Domar, instability of equilibrium; Neo-classical growth models-Solow and Meade, Mrs Joan Robinson's growth model; Cambridge criticism of Neo Classical analysis of growth. The capital controversy.

#### **Module IV: Economic Growth and Technical Progress:**

Technological progress – embodied and disembodied technical progress; Hicks, Harrod - learning by doing, production function approach to the economic growth - total factor productivity and growth accounting - growth models of Kaldor and Pasinetti - optimal savings and Ramsay's rule- golden rule of accumulation - two-sector model of Ujawa - stability of equilibrium - money in economic growth - Tobin, Levhari, Patinkin and Johnson- endogenous growth - intellectual capital: role of learning - education and research - AK model – explanations of cross country differentials in economic growth.

#### **References**

- Adelman. I.(1961), Theories of Economic Growth and Development, Stanford University Press, Stanford.
- Behrman, S and T.N.Srinivasan (1995), Handbook of Development Economics, Vol.3 Elsevier, Amsterdam.
- Brown, M.(1966), On the Theory and Measurement of Technical Change, Cambridge University Press, Cambridge, Mass.
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- Chenery, H. and T.N Srinivasan (eds) (1989), Handbook of Development Economics, Vols. 1 & 2, Elsevier, Amsterdam.
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- Kahkonen, S. and M. Olson (2000), A New Institutional Approach to Economic Development, Vistaar.
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Myint, H. (1971), Economic Theory and Underdeveloped Countries, Oxford University Press, New York.

Todaro, M.P (1996), (6<sup>th</sup> Edition) Economic Development, Longman, London.

Thirwal, A.P. (1999), (6<sup>th</sup> edition), Growth and Development, Macmillan U.K.



## **EC404 QUANTITATIVE METHODS IN ECONOMIC ANALYSIS**

### **➤ Learning Objectives and Outcomes:**

- Quantitative methods in economic analysis, fourth Hard core paper in the first semester intends to impart mathematical skill required for economic analysis.
- By studying this paper students are expected to learn about concept of function and types of functions, Elementary matrix algebra and calculus and their application in economic analysis.

### **Module I: Mathematical Methods 1:**

Introduction –Quantitative techniques in Economic Analysis-Uses and limitations- concept of function and types of functions-linear and Non linear –logarithmic, exponential and power functions-graphical representation- applications to economic analysis-demand and supply, market equilibrium, taxation, P.T.Curve, Pareto's Law of distribution of income-interest compounding and discounting-equilibrium -national income analysis.

### **Module II: Mathematical Methods 2:**

Elementary matrix algebra-determinants-solution of simultaneous equations-Cramer's rule and matrix inversion- input-output analysis- input output table- matrix of technical coefficients –simple applications to economics.

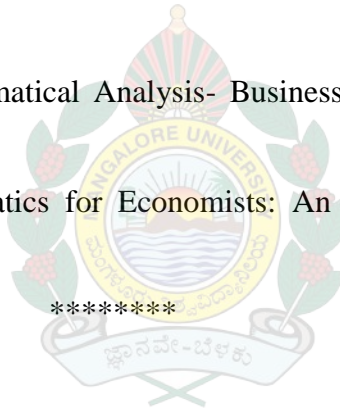
### **Module III: Mathematical Methods 3:**

Calculus-limit continuity and derivative-differentiation-rules of differentiation-higher order derivatives-partial and complete differentiation-maxima and minima-constrained maximization and minimization-applications in economic analysis in the field of elasticity, consumer behaviour, production functions, cost analysis, market structure-simple problems of market equilibrium-monopoly and discriminating monopoly.

Integral calculus-definite and indefinite integration-applications to economics-consumer's surplus-producer's surplus-linear programming-the dual- shadow prices-graphic and simple methods of solution – application to economics.

## **References:**

- Allen R.G.D. (1974), Mathematical Analysis for Economists, English Language Book Society London.
- Baumol, W.G. (1980), Theory Economic and Operations Analysis, 4<sup>th</sup> ed, Prentice-Hall of India New Delhi.
- Chiang, Alpha C. (1974), Fundamental Methods of Mathematical Economics, MCGraw-Hill, Kogakusha Ltd., Tokyo.
- Dinwiddy, Ccaroline (1967), Elementary Mathematics for Economics, Oxford University Press Nairobi.
- Handry ,A.T. (1999), Operations Research, Prentice Hall of India, New Delhi.
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- Taha,H.A. (1997), Operations Research: An Introduction (6<sup>th</sup> Ed) Prentice Hall of India Pvt. Ltd., New Delhi.
- Weber, Jean, D. (1982), Mathematical Analysis- Business and Economic Applications- 4<sup>th</sup> ed.,- Harper & Row, Cambridge.
- Yamane, Taro (1975), Mathematics for Economists: An Elementary Survey, 2<sup>nd</sup> Edition, Prentice Hall, New Delhi.



## **Soft Core (Electives)**

### **EC405(A) AGRICULTURAL ECONOMICS**

#### **➤ Learning Objectives and Outcomes:**

- Agricultural Economics, under Soft Core, the syllabus is framed covering basic issues and theories of Agricultural economics to impart basic knowledge on economic applying to Agriculture.
- By studying this paper students are expected to learn about concepts and fundamental theories of economics applied to agriculture -\_\_Agriculture and Economic Development, Agricultural Production and Productivity, Agricultural Finance, Agricultural Prices, and Agricultural Growth in India

#### **Module I: Agriculture and Economic Development:**

Nature and scope of agricultural economics; Traditional agriculture and its modernization; Role of agriculture in economic development; Interdependence between agriculture and industry – some empirical evidence; Models of interaction between agriculture and the rest of the economy; Agricultural development, poverty and environment.

#### **Module II: Agricultural Production and Productivity:**

Agricultural production-Resource use and efficiency; Production function analysis in agriculture; Factor combination and resource substitution; Cost and supply curves; Size of farm and laws of returns-Theoretical and empirical findings; Farm budgeting and cost concepts; Supply response of individual crops and aggregate supply; Resource use efficiency in traditional agriculture; Technical change, labour absorption and gender issues in agricultural services, Land Reforms.

#### **Module III: Agricultural Finance:**

Role of capital and rural credit; Organized and unorganized capital market; Rural savings and capital formation: characteristics and sources of rural credit- Institutional and non-institutional; Re-organization of rural credit-cooperatives, commercial banks, regional rural banks; Role of NABARD and agricultural finance policy.

#### **Module IV: Agricultural Prices:**

Marketing and state policy; Agricultural markets and marketing efficiency-Marketing functions and costs; Market structure and imperfections; Regulated markets; Marketed and marketable surplus; Behaviour of agricultural prices-Cobweb model; Price and income stability; State policy with respect to agricultural marketing; Warehousing; Prices; Taxation and crop insurance; Terms of trade between agricultural and non-agricultural prices; Need for state intervention; Objectives of agricultural price policy- Instruments and evaluation; Food security in India and public distribution system.

#### **Module V: Agricultural Growth in India:**

Recent trends in agricultural growth in India :Inter-regional variations in growth of output and productivity; Cropping pattern shifts; Supply of inputs-Irrigation, power, seed and fertilizers; Pricing of inputs and role of subsidies; Distribution of gains from technological change; Role of Public investment and capital formation in Indian agriculture ;Strategy of agricultural development and technological progress - agriculture and environment – agro-processing – agri-business -Sustainable agricultural and policies - indigenous practices, Bio-technological practices and growth potential- agriculture labour– agricultural wages in India - Agriculture and External Sector-Agriculture and W.T.O. Globalisation and Indian agriculture. Food and agricultural subsidization policies. Land reforms in India and technological change – pricing of agricultural inputs and outputs – terms of trade between agriculture and industry.

#### **References:**

- Bhaduri, A. (1984), The Economic Structure of Backward Agriculture, Macmillan, Delhi.
- Bilgrami, S.A.R. (1996), Agricultural Economics, Himalaya Publishing House, Delhi.
- Dantwala, M.L. et.al (1991), Indian Agricultural Development Since Independence, Oxford and IBH, New Delhi.
- Government of India (1976), Report of the National Commission on Agriculture, New Delhi.
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- Joshi, P.C. (1975), Land Reforms in India: Trends and Prospects, Allied Publishers, Bombay,
- Kahlon, A.S. and Tyagi D.S. (1983), Agriculture Price Policy in India, Allied Publishers, New Delhi.

Rao, C.H.Hanumantha (1975), Agricultural Growth, Rural Poverty and Environmental Degradation in India, Oxford University Press, New Delhi.

Reserve Bank of India, Report on Currency and Finance (Annual), Mumbai.

Rudra, A. (1982), Indian Agricultural Economics: Myths and Reality, Allied Publishers, New Delhi.

Saini, G.R. (1979), Farm Size, Resource Use Efficiency and Income Distribution, Allied Publishers, New Delhi.





## **EC405(B) INDUSTRIAL ECONOMICS**

### **➤ Learning Objectives and Outcomes:**

- Industrial Economics, under Soft Core, the syllabus is framed covering basic issues and theories of Industrial Economics to impart basic knowledge of economics applying to Industry.
- By studying this paper students are expected to learn about concepts and fundamental theories of economics applied to industrial activities - Framework and Problems of Industrial Economics, Market Performance, Industrial Finance, Project Appraisal, and Industrial Labour

### **Module I : Framework and Problems of Industrial Economics;**

Concept and organization of a firm-ownership, control and objectives of the firm; Passive and active behaviour of the firm. Sellers' concentration; Product differentiation; Entry conditions; Economies of scale; Market structure and profitability; Market structure and innovation; Theories of industrial location-Weber and Sargent Florence; Factors affecting location. Product pricing-Theories and evidence; Investment expenditure-methods of evaluating investment expenditure; theories and empirical evidence on Mergers and acquisitions (M&AS) and diversifications.

### **Module II : Market Performance:**

Growth of the firm-Size and growth of a firm; Growth and profitability of the firm; constraints on growth; productivity, efficiency and capacity utilization – concept and measurement, Indian situation.

### **Module III: Industrial Finance:**

Owned, external and other components of funds; role, nature, volume and types of institutional finance-IDBI, IFCI, SFCs, SIDC, commercial banks, etc.; Financial statement-balance sheet, profit and loss account; assessment of financial soundness ratio analysis.

### **Module IV: Project Appraisal:**

Cost-benefit analysis-Net present value (NPV) and internal rate of return (IRR) criteria-balancing private and social returns.

### **Module V: Industrial Labour:**

Structure of industrial labour; employment dimensions of Indian industry; Industrial legislation-Industrial relations-exit policy and social security-wages and problems of bonus-labour market reforms.

## **Module VI : Industrial Policy in India:**

Industrial policy - privatisation and disinvestment debate - pricing reforms in PSUs- Problem of industrialisation- productivity in industrial sector - exit policy- issues in labour market – reforms - approaches for employment generation- analysis of price behaviour in India

### **References:**

- Ahluwalia, I.J. (1985), Industrial Growth in India, Oxford University Press, New Delhi.
- Barthwal, R.R. (1985), Industrial Economics, Wiley Eastern Ltd., New Delhi.
- Cherunilam, F. (1994), Industrial Economics: Indian Perspective (3<sup>rd</sup> edition), Himalaya Publishing House, Mumbai.
- Desai, B. (1999), Industrial Economy in India (3<sup>rd</sup> Edition), Himalaya Publishing House, Mumbai.
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- Hay, D. and D.J. Morris (1979), Industrial Economics; Theory and Evidence, Oxford University Press, New Delhi.
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- Reserve Bank of India. Report on Currency and Finance (Annual).
- Singh, A and A.N. Sadhu (1988), Industrial Economics, Himalaya Publishing House, Bombay.

## **EC405(C) POPULATION STUDIES**

### **➤ Learning Objectives and Outcomes:**

- Population Studies another Soft Core paper for which the syllabus is framed covering basic issues and theories of population to impart basic knowledge of demography.
- By studying this paper students are expected to learn about concepts and fundamental theories of demography and its relation with economics - Population and Development, Structure of Population, Fertility, Nuptiality and Mortality, and Demographic Data Base in India

### **Module I: Population and Development:**

Meaning and scope of Demography; Components of Population growth and their inter-dependence; Measures of Population change; Structure, distribution and sources of population data; Theories of population –Malthus, Optimum theory of population; Theory of demographic transition-views of Medows, Enke and Simon; Population and development.

### **Module II: Structure of Population:**

Population trends in the twentieth century; Population explosion; International aspects of population growth and distribution; Pattern of age and sex structure in more developed and LDCs; Determinants of age and sex structure; Demographic effects of sex and age structure; Economic and Social Implications; Age pyramids and projections-Individual aging and population aging.

### **Module III: Fertility, Nuptiality and Mortality:**

Factors accounting for changes in fertility and mortality in the MDCs and LDCs- Social, economic and cultural-Infant mortality-Characteristics of infant mortality, factors affecting factor and Infant mortality. Life table-methods of population projection.

### **Module IV: Demographic Data Base in India:**

Study of census in India-Methodology and Characterization of census; Major findings of different census reports since 1971. Demographic trends in India-Life expectancy; Appraisal of Kerala model; pattern of migration and urbanization in India.

## **Module V: Population policy in India:**

Evolution of population policy in India-The shift in policy from population control to family welfare, to women empowerment; family planning strategies and their outcomes –The new population policy; Tasks before the national population commission.

### **References:**

- Agarwala S.N. (1972), India's Population Problem, Tata McGraw-Hill Co., Bombay
- Bose, A. (1996), India's Demographic Statistics, B.R. Publishing Corporation, New Delhi.
- Bogue, D.J. (1971), Principles of Demography, John Wiley, New York.
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- Choubey, P.K. (2000), Population Policy in India, Kanishka Publications, New Delhi.
- Coale A.J and E.M. Hoover (1958), Population Growth and Economic Development in Low Income Countries: A Case Study of India's Prospects, Princeton University Press, Princeton.
- Gulati, S.C. (1988), Fertility in India: An Economic Study of a Metropolis, Sage, New Delhi.
- Simon J.L. (1992), Population and Development in Poor Countries, Princeton University Press.
- Srinivasan, K. (1998), Basic Demographic Techniques and Applications, Sage, New Delhi, Oxford University Press, New Delhi.
- Stryck, H. et al (1973), The Methods and Materials of Demography, US Department of Commerce, Washington, D.C.
- United Nations (1973), The Determinants and Consequents of Population Trends, Vol. 1. UNO Publications, New York.

## **II SEMESTER**

### **Hard Core**

#### **EC451 MICRO ECONOMIC ANALYSIS II**

➤ **Learning Objectives and Outcomes:**

- Micro economics Analysis-II, continuation of Micro economics I of first Semester under Hard Core, the syllabus covers basic issues and concepts of economics to impart basic knowledge of economics.
- By studying this paper students are expected to learn about advanced issues of micro economics -Price leadership models, Theory of distribution, Markets with asymmetric information, and General equilibrium analysis

#### **Module I :Price leadership models:**

Models of the low cost and dominate firm price leadership - Barometric price leadership - concept of joint profit maximization and market sharing cartels; Baumol's sales revenue maximization - Marris' model of managerial enterprise - Williamson's model – Bain's limit pricing theory - Recent developments in theory of limit pricing -Game theory – Nash equilibrium- Nash equilibrium-decision theory; subject matter and decision rules - Micro economic policy.

#### **Module II: Theory of distribution:**

Marginal productivity theory -product exhaustion theorem-Euler's theorem and 'adding up controversy Clark, Wickstead -Walras product exhaustion theorem- Law of constancy of shares --Ricardian and modern theories of rent-wages- Hicks Hansen synthesis of classical and Keynesian theories of interest-profit - Shackle's approach to the theory of profits.

#### **Module III: Markets with asymmetric information:**

Markets with asymmetric information: Quality uncertainty and the market for 'lemons' – market signalling to convey private information – screening to induce information revelation – hidden actions: principals and agents – incentives – asymmetric information in labour markets:efficiency wage theory – moral hazard – hidden characteristics: the problem of adverse selection – the winner's curse.

#### **Module IV: General equilibrium analysis:**

General equilibrium – Walrasian general equilibrium – two-factor, two-commodity, twoconsumer general equilibrium model. Walras, Arrow, Debreu - General equilibrium and efficiency.

Welfare economics: Criteria of social welfare – Pareto optimality criterion – perfect competition and Pareto optimality – Kaldor-Hicks compensation criterion – Scitovsky criterion – Bergson criterion – social welfare functions – maximization of social welfare and the point of bliss – determination of the welfare-maximizing output-mix, commodity distribution and resource allocation

**References:**

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- Kamerschen David R. (1969), Readings in Micro-Economics, John Wiley and Sons, London.
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- Maddala and Miller Ellen (1989), Micro Economic Theory and Applications, Mc Graw Hill, New Delhi.
- Manmohan Singh (1963), Demand Theory and Economic Calculation in a Mixed Economy, Allen and Unwin, London.
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- Mas-Colell, A, et al. (1995), Microeconomic Theory, Oxford University Press, New Delhi.
- Nath S.K. (1969), A Reappraisal of Welfare Economics, R and K. Paul, London.
- Sen, Anindya (1999), Microeconomic Theory and Applications, Oxford University, Press, New Delhi.
- Varian, H. (1972), Micro Economics Analysis, W.W.Norton, New York, 3<sup>rd</sup> ed.
- Varian H.R. (1990), Intermediate Micro Economics, W.W.Norton and Co., New York.
- Winch D.M (1971), Analytical Welfare Economics, Penguin London.
- Watson, Price Theory and its uses, latest edition

## **EC452 MACRO ECONOMIC ANALYSIS II**

### **➤ Learning Objectives and Outcomes:**

- Macro Economics Analysis-II, continuation of Macro economics -I, under Hard Core the syllabus covers basic issues and concepts of Macro economics to impart basic knowledge of macroeconomics.
- By studying this paper students are expected to learn about fundamentals of macro economics - Consumption and Investment Function: Inflation and Unemployment Business Cycles, and Current Controversies in Macroeconomics

### **Module I: Consumption and Investment Function:**

Keynesian psychological law of consumption-implication of the law-short run and long run consumption function-income consumption relationship-absolute income, relative income, permanent income hypothesis- Past-Peak income hypothesis- Dual Decision- life cycle and permanent income hypothesis.

Marginal efficiency of capital and investment- Keynesian concepts of MEC and MEI- Tobin's Q Theory- Metzler's investment inventories analysis- investment-multiplier-accelerator interaction.

### **Module II: Inflation and Unemployment:**

Classical, Keynesian and monetarist approaches to inflation and unemployment-structural theories-Philips curve analysis-short run and long run Philips curve-Tobin's and Friedman's modified Philips curve-augmented Philips curve and expectations-natural rate of unemployment and NAIRU-policies to control inflation and unemployment.

### **Module III: Business Cycles:**

Theories of business cycles-Schumpeter's theory-Kaldor's theory- Samuelson and Hicks' Theories-Good Win's model- -Lucas Model- control of business cycles efficiency of policies.

### **Module IV: Current Controversies in Macroeconomics:**

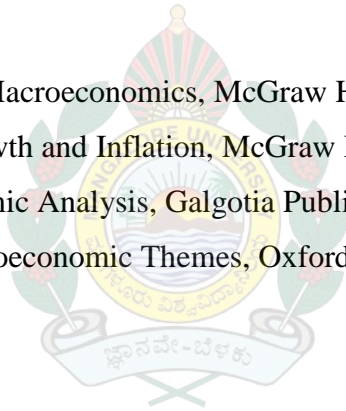
Keynesian Counter revolution – R. W. Clower, and Leifohnufund – Walrasian General Equilibrium – Neo-Keynesian Quantity Constrained Model – Rational Expectations – New Classical Macro Economics – Supply side Economics – Laffer Curve – Wedge Model



– Real Business Cycle Approach – New Keynesian Economics – Stanley Fischer, Edmund Phelps and John Taylor.---Rational expectations theory-empirical evidences.

**References:**

- Ackley.G. (1978), Macroeconomics: Theory and Policy, Macmillan, New York.
- Blackhouse, R. and A. Salansi (eds) (2000), Macroeconomics and the Real World (2 vols) Oxford University Press, London.
- Branson, W.A. (1989), Macroeconomic Theory and Policy, (3<sup>rd</sup> edition) Harper and Row, New York.
- Dornbusch, R. and F. Stanley (1997), Macroeconomics, McGraw Hill, Inc, New York.
- Hall, R.E. and J.B. Taylor (1986), Macroeconomics, W.W.Norton, New York.
- Heijdra, B. and V.P. Fredericck (2001), Foundations of Modern Macroeconomics, Oxford University Press, New Delhi.
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- Scarfe, B.L. (1977), Cycles, Growth and Inflation, McGraw Hill, New York.
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- Surrey, M.J.C .(ed) (1976), Macroeconomic Themes, Oxford University Press, Oxford.





## **EC453 ECONOMICS OF GROWTH AND DEVELOPMENT II**

### **➤ Learning Objectives and Outcomes:**

- Economics of growth and development II, continuation of Economics of growth and Development I, under Hard Core, the syllabus covers basic issues and theories of Development to impart basic knowledge on economic development discourses.
- By studying this paper students are expected to learn about concepts and fundamental theories of economic development- Social and Institutional aspects of development, Sectoral aspects of Development, Macroeconomic Policies and development, Allocation of resources and New Development paradigm

### **Module I: Social and Institutional Aspects of Development:**

Food security, education, health and nutrition - factors affecting economic growth: capital, labour and technology - human resource development - contribution of education: Schultz, Becker, Arrow, Dennison - population problem and growth pattern of population – theory of demographic transition - population as limits to growth and as ultimate source – population, poverty and environment - economic development and institutions – markets and market failure, state and state failure - issues of good governance.

### **Module II: Sectoral Aspects of Development:**

Role of agriculture in economic development; Efficiency and productivity in agriculture, New technology and sustainable agriculture; Globalization and agricultural growth; Rationale and pattern of industrialization in developing countries; The choice of techniques and appropriate technology and employment; Efficiency of small –scale va. Large-scale production; Terms of trade between agriculture and industry; Infrastructure and its importance; Labour markets and their functioning in developing countries.

### **Module III: Macroeconomic Policies and Development:**

Role of monetary and fiscal policies in developing countries – Prior savings, inflation and growth – Empirical evidence; External resources - FDI, aid vs. trade, technology inflow; MNC activity in developing countries; Borrowings – domestic and external; Burden of borrowing – IMF and World Bank policies in developing countries.

#### **Module IV: Allocation of Resources**

Need for investment criteria in developing countries – present vs., future, Alternative investment criteria; Cost benefit analysis, Shadow prices, Project evaluation and UNIDO guidelines.

#### **Module V: New Development Paradigm**

New Economic Reforms - Impact - cross countries experiences – BRICS and changing economic policy perspectives on growth strategies.

#### **References**

- Adelman, I.(1961), Theories of Economic Growth and Development, Stanford University Press, Stanford.
- Behrman, S. and T.N. Srinivasan (1985), Handbook of Development Economics, Vol.3, Elsevier, Amsterdam.
- Brown, M. (1966), On the Theory and Measurement of Technical Change, Cambridge University Press, Cambridge Mass.
- Chenery, H.B.et.al. (Eds) (1974), Redistribution with Growth, Oxford University Press, Oxford.
- Chenery, H. and T.N.Srinivasan (Eds), (1989), Handbook of Development Economics, Vols. 1 & 2, Elsevier, Amsterdam.
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- Higgins, B. (1959), Economic Development, W.W.Norton, New York
- Hogendorn, J. (1996), Economic Development, Addison, Wesley, New York
- Kahkonon, S and M. Olson, (2000), A New Institutional Approach to Economic Development Vistaar.
- Kindleberger, C.P (1977), Economic Development, (3<sup>rd</sup> Edition), McGraw Hill, New York.

## **Soft Core (Electives)**

### **EC454 (A) RURAL DEVELOPMENT**

#### **➤ Learning Objectives and Outcomes:**

- Rural development paper is designed to impart knowledge on rural economy and its importance in national development.
- By studying this paper students are expected to know about Nature and scope of rural development, Rural development strategies, Rural demography, Rural Development Administration Structure and Organization in India, and \_Rural Industrialization

#### **Module I: Nature and scope:**

Rural Development; Objectives of Rural Development Philosophy; Rural Problems, Poverty, Unemployment, Inequality.

Rural Development models; Contribution of Lipton, Gandhi, VKRV Rao, Lalith Sen and Gadgil- Policy implications of these models on growth strategies

#### **Module II : Rural Development Strategies:**

Sectoral terms of trade-controversy in India –Rural Development Programmes.

Micro Level Planning-Design and Evaluation of Rural Development Projects-Block Plans.

Rural Infrastructure and Services- Rural Market Networks, Rural Transport, Education, Health, Nutrition and Sanitation Rural Energy.

Location theory of rural services Losch, Christaller, Webber and Isard Models.

#### **Module III: Rural Demography:**

Features of rural population growth trends- Causes and consequences- migration nature, types and trends, measures to check rural-urban migration-Todaro model implications- Rural Urban Relations- Rural- Urban Relation Committee report- Positive and Negative effects on rural social and economic life.

#### **Module IV: Rural Development Administration Structure and Organisation in India:**

Panchayat Raj Institutions, People's Participation. 'Role of NGO's and voluntary agencies in Rural Development - Recent changes.

Rural Credit System; Institutional and Non-Institutional Sources Co-operation Banks Commercial Banks, Regional Rural Banks- NABARD and its policy impact on rural credit promotion in India.

## **Module V: Rural Industrialization:**

Strategies for developing rural industries, financing of rural industries, rural industrial entrepreneurship-DIC-. Rural Labour Market- Types, Problems and Policy measures for rural unemployment in India

### **References:**

- Abdul Aziz (1984), Organising Agricultural Labourers, Ashish, New Delhi.
- Brennar, J. and S. Mundle eds. (1998), Rural Transformation in Asia.
- Chattarjee, S.K. (1981), Development Administration in India, Surjeet, Delhi.
- Desai, A.K. (1978), Rural Sociology in India, Popular Prakashan, Bombay.
- Dubashi, P.R. (1985), Rural Development in India, New Delhi.
- Kurien, C.T. (1989), Dynamics of Rural Transformation, Orient Longman, Hyderabad.
- Lalit, K. Sen (ed) (1990), Microlevel Planning in India.
- Lipton Michael (1982), Why Poor People Stay Poor, A Study of urban Bias in World Development, Heritage Publishers, New Delhi.
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- Mishra, R.P. & K.V.Sundaram (1979), Multi level Planning for Integrated Rural Development in India, Sterling, Bangalore.
- NIRD (1985), Rural Development in India: Some Facets.
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- Rao, V.M. (1979), Rural Development and the Village.
- Satya Sundaram (1996), Rural Development in India.
- Vasanth Desai (1988), Rural Development, 6 vols, Himalaya, Bombay.

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## **EC454 (B) URBAN ECONOMICS**

### **➤ Learning Objectives and Outcomes:**

- Urban Economics paper is designed to impart knowledge on urban economy and its importance in national development.
- By studying this paper students are expected to know about the process of Urbanization, Migration and Urbanization, Theory of Urban Spatial Structure and Growth, Urban Labour Market, Urban Housing and Land Use Planning.

### **Module I: Process of Urbanization: Migration and Urbanization:**

Factors influencing urbanization-Different stages of urbanization-Features of Urbanization trends in India and other countries. Issues in Urbanization policies. Migration-Urbanization Cause-Effect-Relationships-Pollution-Controlling measures with reference to India.

### **Module II : Theory of Urban Spatial Structure and Growth:**

Contribution to the theory of the development of Urban Spatial Structure-R.M.Haig, Gutunburg, Lowdown Wingo Jr.Richard Muth, Burgess Theories of Urban Growth Analysis-Central Place Theory of Christall, Losch and Isard – Human ecological growth model, Economic Base Theory.

### **Module III: Urban Labour Market;**

Characteristics of the Urban Labour Market- Factors determine demand and supply of labour-Problems of Urban Unemployment in India- trends in urban employment policies in India-PURA

### **Module IV: Urban Transport Sector:**

Development of a good transport network in Urban area-Problems of transport Congestion-Negative impacts on Urban Environment-Problems of Financing Urban Transport Sector in India-Urban Transport Policies-NHDP and urban road extensions schemes.

### **Module V: Urban Housing and Land Use Planning**

Problems of Urban Housing-Nature and Magnitude, Housing Finance Markets in India-Different Institutions in Housing Finances-Limitations-Urban Property Taxes-Recent Measures of valuation of urban property and determine property taxes in India.

Economics of Urban Land Development and Distribution-Role of Urban Development Organizations (UDO)-Their problems with reference to India-Urban Planning and Urban Land use planning-Different Techniques-Control of Urban Land Use Pattern in India.

**References:**

- Breese, Gerald, Urbanisation in Newly Developing Countries.
- Button, K.J. (1981), Urban Economics-Theory and Policy, OUP.
- Chattopadhyaya Haraprasad (1987), Internal Migration in India, Culcutta.
- Clains, W.H. (1980), A.Hand Book of Urban Planning, Oxford university Press.
- David, Segal, Urban Economics, Richard D Irwin, Illinois.
- Davis, Kinsley (1981), Cities: Their origin, Growth and Human Impact, Surjeet, Delhi,.
- Dwyer D.J, People & Housisng in the Third World Cities.
- General Breeze & et al (1990), An Approach to Urban Planning, Mcmillan.
- Henderson James, V. (1980), Economic theory and Cities, McGraw-Hill, Tokyo.
- Hirsch, Werner (1973), Urban Economy Analysis, Tata McGraw Hill, New Delhi.
- Mills, Edwin S. (1980), Urban Economics, Scot Foresman, Illinois.
- Muth, Richard, Urban Economics, Harper & Raw, New York.
- Nobel & Dutt (1977), Indian Urbanisation and Planning, Tata Mcgraw-Hill, New Delhi.
- Quinn, James (1955), Urban Sociology, Eurasia, New Delhi.
- Ramussen, David, Urban Economics, Richard D Irwin, Illinois.
- Richardson Harry, W. (1979), The New urban Economics, Pitman publications, Ltd, London.
- Singh K.N. (1992), Urban Development in India.

## **EC454 (C) STATISTICAL TECHNIQUES FOR ECONOMICS ANALYSIS**

### **➤ Learning Objectives and Outcomes:**

- Aim of 'Statistical techniques for economics analysis' paper is to impart basic knowledge and skill of statics required for economic analysis.
- By studying this paper the students are expected to learn basic statistics - Data collection and management, central tendency measures, dispersion measures, simple correlation and regression, Elements of probability theory, Time series analysis, Concepts and methods of Estimation, and Statistical Software

### **Module I: Statistical Methods - 1:**

Introduction-Nature and Scope of Statistics-Uses and Limitations in Economic Analysis- Collection of data- Presentation-Tabulation-Frequencies Distribution-Visual Aids-Diagrammatic and Graphic Representation.

Analysis of data - Measures of central tendency – Mean, Median, Mode, Geometric Mean and Harmonic Mean. Measures of Dispersion – Range, Quartile Deviation, Mean Deviation, Standard Deviation and Co-efficient of Variation.

### **Module II: Statistical Methods - 2:**

Simple Correlation – Simple – Co-efficient of Correlation – Karl Pearson and Rank Correlation – Partial and Multiple Correlation Analysis - Regression Analysis – Estimation of Regression line in a bivariate distribution - Multivariate analysis – least squares method, interpretation of regression of coefficients.

### **Module III: Statistical Methods - 3:**

Elements of probability theory-Total Probability and Conditional Probability-Mathematical Expectation-Simple Models of Frequency Distribution-Normal Binomia and Poisson Distributions and their Applications.

### **Module IV: Statistical Methods - 4:**

Time series analysis - Components of time series - Trend analysis-curve fitting - Index Numbers - Simple and weighted index numbers - Fisher's Index Numbers - Cost of living Index Numbers.

Concepts and methods of Estimation - Concept of Sampling-Random and Non Random sampling - Stratified and cluster sampling - probability proportional to size - Multi stage random sampling and their applications - Sampling from normal distribution - Desirable



properties of an estimator - Point and Interval Estimation - Confidence limits - Hypothesis testing - Type I and Type II errors.

### **Module V: Statistical Software:**

Introduction to statistical software.

### **References:**

Chou.Y. (1975), Statistical Analysis, Holt, Reinhart and Winston, New York.

Elhance, D.N. (1987), Fundamental methods of Statistics, Kitab Mahal, Allahabad.

Gupta, S.C. (1993), Fundamentals of Applied Statistics, S. Chand & Sons, New Delhi.

Speigal, M.R. (1992), Theory and Problems of Statistics, McGraw Hill Book Co, London.

Donne D.P. and L.E. Seward (2012), Applied Statistic in Business and Statistics.





## **Open Elective**

### **EC455 INDIAN ECONOMY: POLICIES AND PROGRAMMES**

#### **➤ Objectives and outcomes**

- Open elective paper for other than economics students, aims at imparting basic knowledge to P.G students on Indian economy.
- By learning this paper students are expected to equip with knowledge on policies and programmes of Indian economy - Introduction to Indian Economy, Planning in India, Agricultural Sector, the Industrial Sector, Money, Banking and Budgets and economic reforms in India.

#### **Module I: Introduction to Indian Economy:**

Changing structural characteristics of Indian economy – sustainable development- role of state, market and other institutions- indicators of development: PQLI, human development Index C(HDI), gender development and empowerment indices, human poverty index.

Broad demographic features of Indian economy - rural –urban migration- urbanization and civic amenities- poverty and inequality – measurement –population policy.

#### **Module II: Planning in India:**

Objectives and strategy of planning - failures and achievements of plans - developing grassroots organizations - Panchayats, NGOs and pressure groups

#### **Module III: Agricultural Sector:**

Institutional structure – land reforms in India- technological change in agriculture- pricing of agricultural inputs and output - terms of trade between agriculture and industry- agricultural finance policy - food and agricultural subsidization policies - issues in food security – policies for sustainable agriculture - globalization and Indian agricultural sector.

#### **Module IV: The Industrial Sector:**

Industrial policy - privatisation and disinvestment debate - pricing reforms in PSUs- Problem of industrialisation- productivity in industrial sector - exit policy- issues in labour market – reforms - approaches for employment generation- analysis of price behaviour in India

## **Module V: Money, Banking and Budgets:**

Financial sector reforms- interest rate policy – review of monetary policy - money and capital markets- working of SEBI. Indian fiscal policy – annual budgets – components of budgets – importance and impact of budgets.

## **Module VI: Economic Reforms:**

Rationale of internal and external reforms - globalisation of Indian economy- W.T.O and its impact on different sectors of the economy - need for and issues in good governance - issues in competition and safety nets.

## **References:**

Ahluwalia, I.J and I.M.D. Little (eds.) (1999), India's Economic Reforms and Development (Essays in honour of Manmohan Singh), Oxford University Press, New Delhi.

Bardhan, P.K. (9<sup>th</sup> Edition) (1999), The Political Economy of Development in India, Oxford University Press, New Delhi.

Bawa, R.S and P.S.Raikhy (ed) (1997), Structural Changes in Indian Economy, Guru Nanak Dev University Press, Amritsar.

Brahmananda, P.R. and V.R.Panchamukhi (eds) (2001), Development Experience in the Indian Economy: Inter-State Perspectives, Bookwell, Delhi.

Chakravarty, S. (1987), Development Planning: The Indian Experience, Oxford University Press, New Delhi.

Dantwala, M.L. (1996), Dilemmas of Growth: The Indian Experience, Sage Publications, New Delhi.

Datt. R (ed) (2001) Second Generation Economic Reforms in India, Deep and Deep Publications, New Delhi.

Government of India, Economic Survey, (Annual), Ministry of Finance, New Delhi

Jain A.K (1986), Economic Planning in India, Ashish Publishing House, New Delhi

Jalan, B. (1992), The Indian Economy-Problems and Prospects, Viking, New Delhi.

Jalan B. (1996), India's Economic Policy-Preparing for the Twenty First Century, Viking, New Delhi.

Joshi.V. and I.M.D. Little (1999), India: Macro Economics and Political Economy, 1964-1991, Oxford University Press, New Delhi.

Parikh. K.S. (1999), India Development Report-1999-2000, Oxford University Press, New Delhi

Reserve Bank of India, Report on Currency and Finance, (Annual)

Sandesara, J.C. (1992), Industrial Policy and Planning, 1947-1991: Tendencies, Interpretations and Issues, Sage Publications, New Delhi.

Sn, R.K. and B.Catterjee (2001), Indian Economy; Agenda for 21<sup>st</sup> Century (Essays in honour of Prof P.R.Brahmananda), Deep & Deep Publications, New Delhi.



### **III SEMESTER**

#### **Hard Core**

#### **EC 501 PUBLIC ECONOMICS**

➤ **Learning Objectives and Outcomes:**

- Public economics is the hard core paper for which syllabus is designed to impart basic knowledge on public economics.
- By learning this paper student are expected to know about importance of public finance and also policies and theories of public economics-Role of government, Public Choice and Rationale for Public Policy, Fiscal Policy and Taxation, Public Expenditure and Public Debt and Fiscal Federalism

#### **Module I: Introduction to Public Economics:**

Public Finance and Public Economics- Subject matter of Public Economics and Role of Government in the development context; Changing Development Perspective-Special Role of Government in developing economics- Market Failure- causes and measures-missing markets - Pareto criteria and optimality conditions - Fundamental Theorem of Welfare Economics - Theory of second best.

#### **Module II: Public Choice and Rationale for Public Policy:**

Private and public mechanism for allocating resources in democratic countries; Problems of efficient allocation of resources; Problems of preference revelation and aggregation of preferences; Arrow impossibility theorem; Rent seeking and directly unproductive profit seeking (DUP) activities.

Public Goods and its provisions-problems and emerging issues in financing the public Goods-Voluntary exchange models; Impossibility of decentralized provision of public goods-contributions of Samuelson, Clarks, Groves and Ledyard, classical theory of club goods-Tiebout model.

#### **Module III: Fiscal Policy and Taxation:**

Objectives of fiscal policy- Interdependence of fiscal and monetary policies; Budgetary deficits and its implications - FRBM Act and its impact.

Tax incidence-economic and statutory tax incidences-rules for tax incidences; Allocative and equity aspects of individual taxes; Benefit and ability to pay approaches;

Theory of optimal taxation; Ramsey Rule on Commodity Taxation-Benefits and tax savings - Trade-off between tax equity and efficiency; Theory of measurement of dead weight losses.

Indian tax system; Major taxes in India; taxation of agriculture, expenditure tax, reforms in direct and indirect taxes, taxes on services; GST in India- Non-tax revenue of Centre, State and local bodies; problem of tax autonomy and decentralization- Lack of flexibility in Central and State budgets- Need for budgetary reforms at the state level.

#### **Module IV : Public Expenditure and Public Debt:**

Wagner's law of increasing state activities; Wiseman-Peacock hypothesis; Samuelson's Pure theory of public expenditure; Structure and growth of public expenditure in India; Criteria for public investment; Social cost-benefit analysis-Project evaluation, Estimation of costs, discount rate; Reforms in expenditure budgeting; Fiscal crisis and fiscal sector reforms in India

Public debt Theories-Trends in growth public debt in India- Impact of public debt on India's growth; Management of Public debt management policies, recent emerging issues in generating revenue to control rising public debt burden in India.

#### **Module V : Fiscal Federalism:**

Fiscal federalism in India; Vertical and horizontal imbalance; Assignment of function and sources of revenue; Constitutional provisions; Finance Commission, Reports of Finance Commissions in India.

NITI Commission - Changing Perspectives on executing planned programme and Make in India Strategy; Devolution of resources and grants; Theory of grants; Resource transfer from Union to States-Criteria for transfer of resources-Centre-State financial relations in India-Problems of states' resources and indebtedness; Transfer of resources from Union and States to local bodies. Emerging policies- changing perspectives on cooperative federalism in India. Changing role of NITI Ayog and the Finance Commission.

#### **References;**

Atkinson, A.B. and J.E.Siglitz (1980), Lectures on Public Economics, Tata McGraw Hill, New York.

Auerbach, A.J. and M.Feldstern (eds) (1985), Handbook of Public Economics, Vol.1. North Holland, Amsterdam.

Buchanan, J.M. (1970), The Public Finance, Richard D.Irwin, Homewood.

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Houghton, J.M. (1970), *The Public Finance: Selected Readings*, Penguin, Harmondsworth.

Jha, R. (1998,) *Modern Public Economics*, Routledge, London.

Menutt, P. (1996), *The Economics of Public Choice*, Edward Elgar, U.K.

Musgrave, R.A. (1959), *The Theory of Public Finance* McGraw Hill, Kogakusha, Tokyo.

Musgrave, R.A. and P.B.Musgrave (1976), *Public Finance in Theory and Practice*, McGraw Hill, Kogakusha, Tokyo.

Shoup, C.S. (1970), *Public Finance*, Aldine, Chicago.

Shome, P. (ed), (1995), *Tax Policy: Handbook*, Tax Division, Fiscal Affairs Dep[artment, International Monetary Fund, Washington D.C.

Atkinson, A.B. and J.E.Siglitz (1980), *Lectures on Public Economics*, Tata McGraw Hill, New York.

Auerbach, A.J. and M.Feldstern (eds) (1985), *Handbook of Public Economics*, Vol.1. North Holland, Amsterdam.

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Shoup, C.S. (1970), *Public Finance*, Aldine, Chicago.

Shome, P. (ed), (1995), *Tax Policy: Handbook*, Tax Division, Fiscal Affairs Dep[artment, International Monetary Fund, Washington D.C.

## **EC502 ECONOMETRICS I**

### **➤ Learning Objectives and Outcomes**

- Main purpose of this paper is introducing Econometrics for students and to impart basic skills of economic analysis using econometrics concepts and methods.
- By learning this paper students are expected to know about concepts such as Basic Econometrics, Brief Review of Statistical Concepts, estimation, Hypothesis testing and Problems in Regression Analysis

### **Module I: Basic Econometrics:**

Nature, Meaning and Scope of Econometrics-Mathematical Economics-Statistics and Econometrics-Methodology of Econometric Research

### **Module II : Brief Review of Statistical Concepts:**

Concepts and methods of Estimation - Concept of Sampling-Random and Non Random sampling - Stratified and cluster sampling - probability proportional to size - Multi stage random sampling and their applications - Sampling from normal distribution - Desirable properties of an estimator - Point and Interval Estimation - Confidence limits - Hypothesis testing - Type I and Type II errors. Testing based on Z, t and  $X^2$  (Chi-Square) tests.

### **Module III : Problems in Regression Analysis:**

Simple and linear regression model - Nature of disturbance term - Functional forms – Assumptions - Estimation through O.L.S. approach - Concept and derivation of  $R^2$  - Concept and Analysis of Variance.

### **References:**

- Amemiya, T. (1985), Advanced Econometrics, Harvard university Press, Cambridge, Mass.
- Baltagi, B.H. (1998), Econometrics, Springer, New York
- Dongherty, C. (1992), Introduction to Econometrics, Oxford University Press, New york.
- Goldberger, A.S. (1998), Introductory Econometrics, Harvard University Press, Cambridge, Mass.
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- Kennedy, P. (1998), A Guide to Econometrics (4<sup>th</sup> Edition), MIT Press, New York.

Kmenta, J. (1997), Elements of Econometrics (Reprint Edition), University of Michigan Press, New York.

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Theil, H. (1981), Introduction to Econometrics, Prentice hall of India, New Delhi.





## **Soft Core**

### **EC503(A) DEVELOPMENT ISSUES OF INDIAN ECONOMY**

#### **➤ Learning Objectives and Outcomes**

- Development issues of Indian economy, aims at imparting basic knowledge on Indian economy.
- By learning this paper students are expected to equip with knowledge on policies and programmes and structure of Indian economy - Sector wise analysis, Agriculture, Industry and Infrastructure Sector, India and Global Economy and Karnataka Economy

#### **Module I: Sector wise analysis – Agriculture:**

trends in production, productivity and cropping pattern – Public investment in Indian Agriculture-Irrigation status-supply chain management problem- food inflation and food security issues- land bifurcation- debate on GM crops- WTO and Indian agriculture- Sustainable farming- New Agricultural policy-objectives and strategies-ever green revolution- availability of credit for agriculture.

#### **Module II: Industry and Infrastructure:**

Impact of reforms on production and productivity- Inter-state disparities- FDI and industrial performance- Status of SEZs- Industrial growth and environment- Status of industrial labour - Infrastructure and economic development-Infrastructure strategy of Twelfth FYP- Global energy crisis- Role of IT sector- Review of transport and communication services- Public investment in Infrastructure.

#### **Module III: India and Global Economy:**

India's role in global economy- Share in global trade and capital flows - BoP position dependence on capital inflows- FDI and FPI- Impact of global economic crisis-WTO and Indian economy- Regional and other trade blocks- SAARC, BRICS, RICS, IBSA and G20 - India as an emerging global economic power.

#### **Module IV: Karnataka Economy:**

Land use and cropping pattern- food crisis- entrepreneurship and industrial development government initiatives-dynamics of labour market- Immigration- Fiscal management in Karnataka-FRBM Act and its impact on state's public economy-State level fiscal reforms and road map for future-Status of decentralization- Tourism industry- E-governance initiatives- WTO and Karnataka- Trends in export and foreign remittances.

## **References:**

- A. P. Thirlwall, Growth and Development, 6th Edition Macmillan Press Ltd., 1999.
- Jean Dreze, Amartya Sen, An Uncertain Glory : India and its Contradictions, Penguin Publishers, 2013.
- Bhagavathi, Jagadish and Arvind Pangaria, Why Growth Matters: How Economic Growth in India Reduced Poverty and the Lessons for Other Developing Countries, 2013.
- Vijay Joshi & IMD Little, India's Economic Reforms; OUP, New Delhi, 1991-2001.
- Nayyar Deepak, Liberalization And Development: Collected Essays, OUP, 2008.
- Uma Kapila, Two Decades of Economic Reforms in India: Towards Faster, Sustainable and More Inclusive Growth, 3rd edition, Academic Foundation, New Delhi, 2013.
- Ruddar Dutt & KPM Sundaram, Indian Economy, S. Chand & Co. Ltd., New Delhi, 2013.
- Basu, Kaushik, ed, India's Emerging Economy, OUP, 2007.
- Parayil, Govindan (ed), 2000, Kerala: The Development Experience: Reflections On Sustainability And Replicability, Zed Books.
- Frank, Richard & T.M. Thomas Issac 2000, Local Democracy and Development: People's Plan for Decentralized Planning in Kerala.
- M.A. Oommen, Essays on Kerala Economy, Oxford and IBH, 1993.
- B.A. Prakash, Kerala Economy-Problems and Prospects, Sage Publications, New Delhi, 2006.
- P. Surendran and N. Radhakrishnan, The Kerala Economy, Vrinda Publications, New Delhi, 2009.
- Misra Puri, Indian Economy, Himalaya Publishers, 2013.
- Iswar C. Dhingra, Indian Economy; Environment and Policy, Sultan Chand and Sons, 2013.
- Agarwal A.N., Indian Economy : Problems of Development and Planning, Vikas Publishing House, New Delhi, 2013.

## **Database on Indian Economy**

[www.rbi.org](http://www.rbi.org)  
[www.mospi.nic.in](http://www.mospi.nic.in)  
[www.indiastat.com](http://www.indiastat.com)  
[www.planningcommission.nic.in](http://www.planningcommission.nic.in)  
[www.censusindia.gov.in](http://www.censusindia.gov.in)  
[www.spb.kerala.gov.in](http://www.spb.kerala.gov.in)  
[www.in.undp.org](http://www.in.undp.org)  
[www.undp.org](http://www.undp.org)  
[www.data.worldbank.org](http://www.data.worldbank.org)

## **EC503 (B) ENVIRONMENTAL ECONOMICS**

- **Learning Objectives and Outcomes**

- Main aim of this paper is to introduce basic concepts of environmental economics and to impart knowledge on ecology economic relationship.
- By learning this students are expected to know about - Welfare Economics and Environment Measurement of Environmental Values The Theory of Environmental Policy Economics of Natural Resource Management and Sustainable Development, Environmental and Natural Resource Problems in India

### **Module I: Welfare Economics and Environment:**

Pareto optimality and competitive equilibrium; Fundamental theorems of welfare economics-Externalities and market inefficiency-externalities as missing markets; property rights and externalities, non-convexities and externalities; Pareto optimal provision of public goods-Lindahl's equilibrium, preference revelation problem and impure and mixed public goods, common property resources.

### **Module II: Measurement of Environmental Values:**

Use values; Option values and non-use values-Valuation methods-Methods based on observed market behaviour; Hedonic property values and household production models (travel cost method and household health production function), Methods based on response to hypothetical markets, contingent valuation methods.

### **Module III: The Theory of Environmental Policy:**

Environmental externalities-Pigouvian taxes and subsidies, marketable pollution permits and mixed instruments (the charges and standards approach), Coase's bargaining solution and collective action; Informal regulation and the new model of pollution control, Monitoring and enforcement of environmental regulation, Environmental Institutions and grass root movements; Global environmental externalities and climatic change-Tradable pollution permits and international carbon tax, Trade and environment in WTO regime.

### **Module IV: Economics of Natural Resource Management and Sustainable Development :**

Theories of optimal use of exhaustible and renewable resources; Environmental and development trade off and the concept of sustainable development; Integrated environmental

and economic accounting and the measurement of environmentally corrected GDP; Macroeconomic policies and environment.

### **Module V: Environmental and Natural Resource Problems in India:**

Mechanism for environment regulation in India; Environmental laws and their implementation; Policy instruments for controlling water and air pollution and forestry policy; People's participation in the management of common and forest lands; The institutions of joint forest management and the joint protected area management; Social forestry-rationale and benefits.

### **References:**

- Baumol, W.J. and W.E. Oates (1988), The Theory of Environmental Policy, (2<sup>nd</sup> Edition), Cambridge University Press, Cambridge.
- Berman, P. (ED), (1995), Health Sector Reform in Developing Countries: Making Health Development Sustainable, Boston: Harvard Series on Population and International Health.
- Blaug, M. (1972), Introduction to Economics of Education, Penguin, London.
- Bromely, D.W. (ED), (1995), Handbook of Environmental Economics, Blackwell, London.
- Cohn, E. and T. Gaske (1989), Economics of Education, Pergamon Press, London.
- Fisher, A.C. (1981), Resource and Environmental Economics, Cambridge University Press, Cambridge.
- Hanley, N. J.F. Shogren and B. White (1997), Environmental Economics in Theory and Practice, Macmillan.
- Hussen, A.M. (1999), Principles of Environmental Economics, Routledge London.
- Jeroen, C.J.M. van den Bergh (1999), Handbook of Environmental and Resource Economics, Edward Elgar Publishing Ltd., U.K.

## **EC503 (C) HEALTH ECONOMICS**

### **• Learning Objectives and Outcomes**

- Main aim of this paper is to introduce basic concepts of Health economics and to impart knowledge on economic importance of health.
- By learning this students are expected to know about – Basics of health economics, Supply and Demand for health care services, Financing National Health Care Systems, Health Inputs and Public Health, and India's Health sector

### **Module I: Introduction to Health Economics:**

Defining Health Economics/Economics of Health Care - Economic Theory - Health Needs and Health Care Sector, Role of Health Care Services in HRD - Global Health Scenario - Major Diseases - Estimates of Disease Burdens - Importance of Usefulness of Health Care Statistics Estimation of Economic Value of Health Care Services

### **Module II: Supply and Demand for health care services:**

Supply Function of Health Care Services - The Physicians - The Hospital and Nursing Homes - The Physician Induced Supply for Health Care - Cost Function of Health Care - A Hierarchical Structure - Health Care Network Demand for Health Care: Conceptual Framework - Health Needs - Diseases and Demand for Health Care - Derivation of Individual and Market Demand for Health Care (Illness Cases) - Impact of Health Insurance on Health Care Demand - The Role of Quality in Demand for Health Care.

### **Module III: Financing National Health Care Systems:**

Government Financing for Health Care - Health Care as Pure Public Good and Merit Good - Efficiency and Equity in Financing Health Care Sector - Individual (Private) Financing of Health Care - Household Behaviour - Health Insurances - Role of Individuals - The Government and the Insurance Companies - Social Insurance for Health Care of the Poor, Disabled and Aged - Alternative Payment Systems for Health Care - Role of Development Finance Institutions in Financing Health Care.

#### **Module IV: Health Inputs and Public Health:**

Health Inputs - Hospital Building Infrastructure, Drugs Etc.

Public Health - Definition - Problems of Public Health - Social Externalities and Threats to Health - Tobacco, Alcohol and Drugs Abuse - Environmental Pollution and Health - AIDS - a Threat to Development.

#### **Module V: India's Health Sector:**

Health Sector Under Five Year Plans - National Health Policy - Emerging Health Insurance Market - Trends in Public Expenditure on Health and Family Welfare - Problems of Health Care Sector.

#### **References:**

- Feldstein, N.S. (1967), Economic Analysis of Health Services Efficiency, Amsterdam, North Holland.
- Folland, Sherman, Alen C. Goodman and Miron Stano (1997), The Economics of Health and Health Care, Prentice-Hall, New Jersey.
- GOI (1983), National Health Policy, Ministry of Health and Family Welfare, New Delhi.
- Government of India, Five Year Plan Developments (Especially Sixth Plan and On) Planning Commission, New Delhi.
- Heggade, Odeyar, D. (1999), Hospital Management, Mohit Publications, New Delhi.
- Pholps, Charles, E. (1997), Health of Economics, 2<sup>nd</sup> Ed., Addison-Wesley, Reading.
- Weisman J. (1961), Economics of Public Health, University of Pennsylvania, Pennsylvania.
- World Bank (1987), The Financing of Health Services in Developing Countries - An Agenda for Reform, World Bank Policy Study, Washington D.C.
- World Bank (1994), Investing in People: The Health Sector, World Bank, Washington D.C.
- Zweifel, Peter and Freidrich Breyer (1997), Health Economics, Oxford University Press, New York.

## **EC503(D) RESEARCH METHODOLOGY**

### **➤ Learning Objectives and outcome**

- Main aim of this paper is to introduce basic concepts of Research methodology in social sciences and to impart knowledge on research methodology and skill of investigations.
- By learning this students are expected to know about – Foundations of Research, Types and Methods of Research Planning of Research, Sampling and Objectives, Methods and Tools for data Collection, Processing of Data and Statistical Analysis of Data, Theoretical distributions and Statistical Inference, and Report Writing

### **Module I: Foundations of Research:**

What is Research? - Meaning and Characteristics - Social Science Research - Meaning and Scope - Objectives - Review of Literature - Reference and Documentation in the Library - Need for Research in Economics.

### **Module II: Types and Methods of Research:**

Classification of Research - Pure and Applied Research - Exploratory, Descriptive, Diagnostic, Evaluation Action and Experimental Research Statistical Methods - Historical Research - Surveys - Case Study - Field Study - Steps in Research.

### **Module III: Planning of Research, Sampling and Objectives:**

Identification of Research Problem - Hypothesis - Concepts - Research Plan - Sampling Techniques - Sample Design and Choice of Sampling Techniques - Sample Size - Objectives.

### **Module IV: Methods and Tools for Data Collection:**

Meaning and Importance of Data - Sources - Primary and Secondary - Methods: Observation, Experimentation, Simulation, Interviewing, Panel and Mail Survey - Data Sources for Economics. Types of Tools - Construction of Schedules and Economics Questionnaire, Fieldwork - Nature of Fieldwork.

### **Module V: Processing of Data and Statistical Analysis of Data:**

Introduction - Editing - Tabulation - Graphical Representation Statistical Analysis – different techniques, Testing of Hypothesis.



## **Module VI: Theoretical Distributions and Statistical Inference:**

Basics of Probability and Statistics: Summation Notation, Properties of Summation Operation, Random Variables, Probability, Random Variables and Probability Distribution Function - Characteristics of Probability Distribution. Some important Probability Distribution, Standard, Normal Distribution, Chi-square Distribution, 't' Distribution, and F Distribution. Relationship among t, F and  $X^2$  and Normal Distribution.

Estimation: The Meaning of Statistical Inference, Point Estimation and Interval Estimation, Properties of Point Estimation.

Hypothesis Testing - the Confidence Interval Approach. Type-I and Type-II Errors. The Test of Significance Approach to Hypothesis Testing. Forming Null and Alternative Hypothesis Using Z, 't' and  $X^2$  and F Tests - Analysis of Variance (ANOVA Tables).

## **Module VII: Report Writing:**

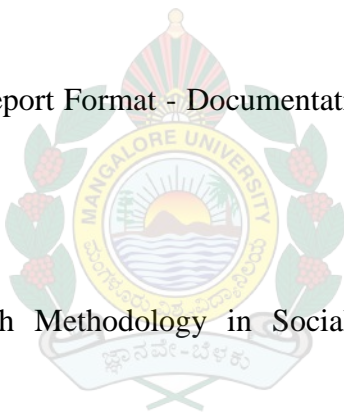
Types of Reports - Research Report Format - Documentation: Footnotes and Bibliography - Writing the Report - Presentation.

## **References:**

Krishnaswamy O.R. (2002), Research Methodology in Social Science, Himalaya Publishing House, Bombay.

Kurian C.T. (1984), Research Methodology in Economics, Institute of Development Studies, Madras.

Veerachamy (2005), Quantitative Methods for Economists, New Age International Publishers, New Delhi.





## **Open Elective**

### **EC504 INDIA IN GLOBAL ECONOMY**

#### **➤ Objectives and outcomes**

- India in Global economy paper, aims at imparting knowledge on Indian economy when compared to global economy.
- By learning this paper students are expected to equip with knowledge on Indian economic policies and performances and related issues - Introduction to Globalization, India and Global Economy, Trade Policy in India, and International Factor Movements

#### **Module I: Introduction to Globalisation:**

Concept and definition - Evolution - objectives - why globalisation? - process, dimensions and features - How to measure the extend of globalization? - Advantages and disadvantages - gainers and losers of globalization.

#### **Module II: India and Global Economy:**

India's role in global economy - Share in global trade and capital flows - BoP position - dependence on capital inflows - FDI and FPI - Impact of global economic crisis - WTO and Indian economy - Regional and other trade blocks - SAARC, BRICS, RICS, IBSA and G20 - India as an emerging global economic power.

#### **Module III: Trade Policy in India:**

Trade problems and policy changes in India-trade reforms since 1991-implications on BOP, exchange rate and factor movements-East Asian Crisis and India-International reserves and foreign debt problem in India-working of MNCs and their regulation-EXIM policy-WTO and competitiveness in Indian trade –agenda for future trade policy.

#### **Module IV: International Factor Movements:**

International capital and labour movements - Foreign Direct Investment (FDI), Its composition, direction and trends - Factor Determining FDI - MNCs and their operation-international trade in services and knowledge-based industries - GATS, TRIPs, TRIMs - trade problems of developing countries.

#### **References:**

Yusuf Shahid, Simon Everert and Weiping W.U. (ed) 2001, Facets of Globalisation: International and Local Dimensions of Development, The World Bank, Washington DC.

Stiglitz Joseph E. (2002), Globalisation and Its Discontents, W.W. Norton and Company, New York.

Goldin Ian and Kenneth Reinert (2006), Globalisation for Development World Bank and Palgrave Macmillan, Washington DC.

Petras James and Henry Vitmeyer (2001), Globalisation Unmasked Madhyam Books, Delhi.

Bhagawathi Jagadish (2004), In Defence of Globalisation, Oxford University Press, New Delhi.

Singh Karlijit (1998), Globalisation of Finance Madhyam Books, New Delhi.

Razin and Sadka - The Economics of Globalization - Policy Perspective from Public Economics, 2010.

Backer, Epstein and Pollin - Globalization and Progressive Economic Policy, 2009.



## **IV SEMESTER**

### **Hard Core**

#### **EC551 INTERNATIONAL ECONOMICS**

##### **➤ Learning Objectives and Outcomes:**

- Main purpose of this paper is to introduce theories and practices of international trade.
- By learning this students are expected to know about - International Trade Theories, Measurement of Trade Gains, Commercial Policy, International Factor Movements, Balance of Payments, International Liquidity and Debt.

##### **Module I : International Trade Theories:**

Basis of international trade-theories of absolute advantage, comparative advantage and opportunity costs-critique. Heckscher-Ohlin theory of international trade-factor price equalization theory-Leontief's paradox-empirical evidence of H-O theory-limitations

Modern theories of international trade. Simultaneous equilibrium achievements models of Mundell and Swan-limitations Optimum currency area theories of Mundell, McKinnon, Magnifico -Britton Wood Achievements and limitations of WTO.

##### **Module II: Measurement of Trade Gains:**

Factor supply increase-impact of trade-Rybczynski theorem-immiserizing growth and secular deterioration hypothesis-trade as engine of economic growth.

##### **Module III: Commercial Policy:**

Free, Restricted Policy - Arguments for tariff-partial and general equilibrium analysis-import tariffs versus import quotas-tariffs and terms of trade-nominal, effective and optimal tariff rates-effective rate of protection.

Stolper-Samuelson theorem-economic effects of tariffs-subsidies-non-tariff barriers-current policy.

Partial and general equilibrium analysis of customs union-free trade areas-approaches of Viner, Lipsey and Vanek-regional trade blocs-EU, NAFTA, SAARC/SAFTA, UNCTAD, WTO-trade liberalization and growth.

##### **Module IV: International Factor Movements:**

International capital and labour movements-MNCs and their operation-international trade in services and knowledge-based industries-GATS, TRIPs, TRIMs-trade problems of developing countries.

##### **Module V : Balance of Payments:**

Balance of payments accounting-balance of payments and balance of trade-BOP settlement and adjustment methods.

Exchange rates a-spot, forward rates-hedging, speculation, arbitrage-BOP and foreign exchange rate relationship- exchange rate overshooting-Approaches to BOP adjustment-monetary approach-elasticity approach-Marshall-Lerner-Robinson conditions-absorption approach of Alexander

### **Module VI : International Liquidity and Debt:**

International monetary system-gold standard-Bretton Woods System-Reforms in International Monetary system-determinants of international reserves-problems of international liquidity –role of IMF and World Bank in International Liquidity

Foreign debt crisis-debt analysis-policy changes-current position

### **References:**

- Bhagavathi, J.(ed) (1981),International Trade,Selected Readings,Cambridge,University Press, Massachusetts.
- Carbough,R.J. (1999),International Trade:Study,Guide and Work Book,(5th ed),Routledge Publishers, London.
- Chacholiades, M. (1990), International Trade: Theory and Policy, McGraw Hill, Kogakusha, Japan.
- Dana, M.S. (2000), International Economics: Study, Guide and Work Book, (5<sup>th</sup> Edition), Routledge Publishers, London.
- Dunn, R.M. and J.H.Mutti (2000), International Economics, Routledge, London.
- Kenen, P.B. (1994), The International Economy, Cambridge University Press, London.
- Kindleberger, C.P. (1973), International Economics, R.D. Irwin, Homewood.
- King, P.G. (1995), International Economics and Internataional Economic Policy: A Reader McGraw Hill International, Singapore.
- Krugman, P.R. and M.Obstfeld (1994), International Economics: Theory and Policy, Glenview, Foresman.
- Salvatore, D. (1997), International Economics, Prentice Hall, Upper Saddle River, N.J. New York.
- Soderston, B.O. (1991), International Economics, The MacMillan Press Ltd., London.
- Bhagavathi, J.(ed) (1981), International Trade,Selected Readings,Cambridge,University Press, Massachusetts.
- Carbough, R.J.(1999), International Trade:Study,Guide and Work Book,(5th ed),Routledge Publishers, London.
- Chacholiades, M.(1990), International Trade: Theory and Policy, McGraw Hill, Kogakusha, Japan.
- Dana, M.S. (2000), International Economics: Study, Guide and Work Book, (5<sup>th</sup> Edition), Routledge Publishers, London.
- Dunn, R.M. and J.H.Mutti (2000), International Economics, Routledge, London.
- Kenen, P.B. (1994), The International Economy, Cambridge University Press, London.
- Kindleberger, C.P. (1973), International Economics, R.D. Irwin, Homewood.
- King, P.G. (1995), International Economics and Internataional Economic Policy: A Reader McGraw Hill International, Singapore.
- Krugman, P.R. and M.Obstfeld (1994), International Economics: Theory and Policy, Glenview, Foresman.
- Salvatore, D. (1997), International Economics, Prentice Hall, Upper Saddle River, N.J. New York.
- Soderston, B.O. (1991), International

## **EC552 ECONOMETRICS II**

### **➤ Learning Objectives and outcome**

- Main purpose of this paper is teaching advanced Econometrics for students and to impart basic skills of economic analysis using econometrics concepts and methods.
- By learning this paper students are expected to know about concepts such as Multiple Regression model, Regression with qualitative independent variables, Simultaneous Equations Model, and problems of identification

### **Module I : Multiple Regression Model:**

Multiple Regression analysis and related problems – specification and estimation - O.L.S method – Multicollinearity – Autocorrelation - Heteroscedasticity.

### **Module II : Regression with Qualitative independent variables:**

Dummy variables -Dummy exogenous variables regression with dummy dependent variables -logic and predict model - errors in variables.

### **Module III : Simultaneous Equations Model:**

Introduction and examples - the simultaneous equation bias and inconsistency of OLS estimators – Problems of identification - rules of identification - order and rank conditions - methods of estimating simultaneous equation system - indirect least squares method - Two stage least squares method and ML methods - applications.

### **References:**

- Amemiya, T. (1985), Advanced Econometrics, Harvard university Press, Cambridge, Mass.
- Baltagi, B.H. (1998), Econometrics, Springer, New York
- Dougherty, C. (1992), Introduction to Econometrics, Oxford University Press, New York.
- Goldberger, A.S. (1998), Introductory Econometrics, Harvard University Press, Cambridge, Mass.
- Gujarati, D.N. (1995), Basic Econometrics (2<sup>nd</sup> edition), McGraw Hill, New Delhi.
- Hill R.C., E.G. William and G.G. Judge (1997), Undergraduate Econometrics, Wiley, New York.
- Kennedy. P. (1998), A Guide to Econometrics (4<sup>th</sup> Edition), MIT Press, New York.
- Kmenta, J. (1997), Elements of Econometrics (Reprint Edition), University of Michigan Press, New York.
- Koutsoyiannis, A. (1977), Theory of Econometrics (2<sup>nd</sup> ed), The Macmillan Press Ltd., London.
- Krishna, K.I.L. (ed) (1997), Econometric Applications in India, Oxford University Press, New Delhi.
- Maddala, G.S.(ed) (1993), Econometrics Methods and Application (2vols), Aldershot U.K.
- Theil, H. (1981), Introduction to Econometrics, Prentice hall of India, New Delhi.

## **EC553 PROJECT**

### **➤ Learning Objectives and outcome**

- Project work (replacing a paper) is to train students in basic research skills.
- By doing project work students are expected to acquire skills of social science research, and prepare a dissertation on a topic with a guidance of a supervisor.

## **DISSERTATION FORMAT**

### **General Guidelines**

1. Selection of a Topic
2. Pilot Survey, if needed
3. Significance of the Study
4. Review of Literature
5. Research Gap (Optional)
6. Conceptual Framework – Conceptualization & Operationalization (precise and specific meaning of the terms and concepts )
7. Theoretical framework (Optional)
8. Formulation of Research Questions /Issues
9. Research objectives
10. Hypotheses (Optional)
11. Coverage (Universe/ Sample & period of study)
12. Data source (Primary/Secondary)
13. Tools of analysis (Analytical Framework)
14. Social Relevance of the study
15. Limitations of the study
16. Chapter outlines
17. Introductory chapter
18. Result Chapter(s)
19. Conclusion Chapter
20. Appendices
21. Bibliography /References & Webliography



## **Structure of the Report**

### **1.1 Title page/ Cover Page**

- a. Title page
- b. Title of the project
- c. Name of the candidate
- d. Name and designation of the supervisor.
- e. Degree for which project is submitted.
- f. Name of the College
- g. Month and year the project is presented
- h. Declaration of the student & supervisor

### **1.2 Preface**

### **1.3 Table of contents**

- a. List of Tables
- b. List of Figures
- c. Glossary
- d. List of abbreviations
- e. Acknowledgment



### **1.4 Abstract/ Executive Summary (One page)**

### **1.4. The Main Text**

- a. Introductory Chapter: Items 3 to 16 mentioned above
- b. Other Chapters - Analysis, Results Interpretation
- c. Conclusion Chapter: Conclusions, Recommendations & Summary

### **1.5 End Notes (after each Chapter)**

### **1.6 Bibliography or References (at the end of the thesis)**

### **1.7 Appendices**

- a. Questionnaire
- b. Interview Schedule
- c. Observation Schedule (optional )
- d. Coding Frame (optional)
- e. Letters sent to sample members (optional)
- f. Any Other

### **Length of the Project**

1. Report length minimum of 100 pages excluding Appendix and Certificates
2. Alignment : Justify
3. Font : Times New roman
4. Font size : 12
5. Line spacing : 1.5
6. No Page Border





**Departmental Requirement**  
(To be kept in the Department by the Supervisor)  
**Supervisor- Student Meeting Log**

Date/Time	Discussion Areas	Summary of Discussions	Signature of the Supervisor
	Topic selection		
	Clarify Objectives		
	Literature Review Seminar1 ( Sem. 3)		
	Research Design		
	Collect Data		
	Analyze Data		
	Write up		
	Supervisor's Comments		
	Final Draft Seminar 2 (Sem.4)		

**Name of the Supervisor:**

**Name of the Student:**

**Notes:**

1. The dissertation work may be started in the III semester itself for timely completion of the work at the end of the IV Semester.
2. Internal marks may be awarded on the basis of the timely completion of work at each stage and the final internal viva-voce on the topic selected by the candidate.

## **Soft Core (Electives)**

### **EC554 (A) ECONOMICS OF INSURANCE**

#### **➤ Learning Objectives and Outcomes**

- Main purpose of this paper is to impart knowledge on Economics of Insurance.
- By learning this paper students are expected to acquire knowledge on Insurance and Re-insurance, Risk Management, Insurance and Economic Development, Fundamentals of Life and Health Insurance and Policies, Rural, Social and Marine Insurance, Planning for Wealth Accumulation and Retirement Needs, Insurance: Marketing and Regulation

#### **Module I: Introduction to Insurance and Re-insurance:**

Meaning and Significance of Insurance – The Evaluation of Risk – Risk Perceptions and Reactions – Concept of Risk Management – Elements of Risk Management – Risk Assessment – Expected Utility and Decision making under Uncertainty – Expected Utility and Demand for Insurance – Classification of Insurance.

Production of Insurance – What Exposures are Insurable? The Role and Importance of Competition in Insurance Markets - Imperfection in Insurance Markets – Market Power – Externalities – Legal Aspects of Insurance – Legal Principles Relating to Insurance – Special Characteristics of Insurance Contracts, Role of Regulation – Law of Agency – Concept of Re-insurance – Fundamentals of reinsurance – Types of reinsurance – Reinsurance distribution systems – Reinsurance Markets in Developing Countries.

#### **Module II: Risk Management:**

Types of Individual Risks – Operational Risks – Financial Risks – Strategic Risks – Risk Financing – Risk Financing Options – Decision Factors – Property Valuation – Property Loss – Causes of Property Loss - Property Risk Control – Property Risk Financing – Use of Quantitative Techniques in Risk Management – Use of Estimates – Monte Carlo Simulation – Use of Monte Carlo Method.

#### **Module III: Insurance and Economic Development:**

Risk Management and Insurance in Economic Development – Insurance Institutions as Financial Intermediaries – Insurance Institutions as Investment Institutions – Insurance Institutions in Indian Capital Market – Insurance Institutions in other developing countries of Asia.

#### **Module IV: Fundamentals of Life and Health Insurance and Policies:**

Life and Health Insurance Fundamentals and Regulations – Life and Health Insurance Pricing Fundamentals — Experience Participation in Insurance –Interaction among Insurance Pricing Elements – Legal Aspects of Insurance – Insurance Policies - Term Life Insurance – Endowment Insurance – Whole Life Insurance Policies – Individual Health Insurance Policies – Universal Health Insurance Policies.

Types of General Insurance and- Importance of General Insurance in a country's Economic Development – Policy Endorsement Conditions/Warranties - Marketing of General Insurance – Technology Development and General Insurance.

#### **Module V: Rural, Social and Marine Insurance:**

Various Rural Insurance Policies – Crop Insurance –Live Stock Insurance - Social Insurance – Unemployment Insurance. - Types of Marine Insurance – Marine Insurance Principle –Marine Insurance Policies.

#### **Module VI: Planning for Wealth Accumulation and Retirement Needs:**

Wealth Accumulating Planning – Life Cycle Planning – Planning for Accumulation, Objectives – Tax-Advantaged and Tax Non-Advantaged – Essentials of Individual Retirement Planning – Analysis of Retirement- Income Needs – Retirement Planning Strategies – Investing of Retirement, Pension Plans- Basic Principles of Pension Plans – Pension Plans in India – Annuities and Optional Benefits - Estate Planning – Process of Estate Planning – Estate Planning Tools- Life Insurance for Estate Liquidity.

#### **Module V11: Insurance: Marketing and Regulation:**

Marketing of Insurance Products – Role of Development Officers –Role of Insurance Agents – Information Technology and Insurance – E-Commerce and E-Insurance – Regulation of Insurance – Purpose of Government Intervention – Theories of Regulation – Insurance Regulation in India – Insurance Regulation and Development Authority (IRDA)

#### **References:**

- Bailey, R. (ED) (1999), Underwriting in Life and Insurance, LOMA, Atlanta, Ga
- Bhole, L.M. (1990), The Indian Financial System, Tata Mc Graw Hill, New Delhi
- Bickelhaupt, D.L. (1992), General Insurance, Irwin Inc., Burr Ridge III
- Black, K.Jr. and H.D. Skipper Jr. (2000), Life and Health Insurance, Prentice Hall, Upper Saddle River, New Jersey.
- Finsinger, J. and M.V. Pauly (Eds) (1986), The Economics of Insurance Regulation: A Cross National Study, Macmillan, London.

Graves, E.E. and L.Hayes (Eds.) (1994), McGill's Life Insurance, The American College, Blyn Mawr, Pa.

Head, G.L. and S.Horn II (1991), Essential of Risk Management, Volume I, Insurance Institute of America Malvern, Pa.

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## **EC554(B) FINANCIAL ECONOMICS**

### **➤ Learning Objective and Outcomes**

- Main purpose of this paper is to introduce and impart knowledge on financial economics.
- By studying this paper students are expected to know about - Introduction to Financial Economics, Money and Financial Markets, Risk and Investment Management, Theories Financial Trade Markets, Investment Analysis

### **Module I: Introduction to Financial Economics:**

Financial System – Importance and Functions, Markets, Equilibrium in Financial Markets, Financial Intermediaries, New Developments, Micro Finance, -financial inclusion and inclusive growth - Financial Sector Reforms in India

### **Module II: Money and Financial Markets:**

Time value of money – Time Lines and Notation, Future Value of a Single Amount, Present Value of a Single Amount, Future Value of an Annuity, Present Value of an Annuity, Present Value of a Perpetuity, Intra-year Compounding and Discounting. Financial Statement Analysis – Financial Statements, Financial Ratios, Du Pont Analysis, Standardized Financial Statements, Valuation of Bonds and Stocks — Bond yields, Bond market, Valuation of Preference Stock, Equity Valuation – Dividend Discount Model, The P/E Ratio Approach, The Relationship between Earning-Price Ratio, Expected Return and Growth.

### **Module III: Risk and Investment Management Theories:**

Risk and Return – Risk and Return of a Single Asset, Risk and Return of a Portfolio, Measurement of Market Risk, Determination of Beta, Relationship between Risk and Return. Portfolio Theory – Portfolio Risk, Markowitz Model, Capital Asset Pricing Model, Arbitrage Pricing Theory and Multifactor Models.

### **Module IV: Financial Trade Markets:**

Derivatives Market: Options –Options and Their Payoffs just before Expiration, Factors Determining Option Values, Binomial Model for Option Valuation, Black-Scholes Model, Equity as a Call Option, Risky Debt and Options. Futures – Future Contracts, Financial Futures, Commodity Futures, Pricing of Future Contracts, Use of Future Contracts

## **Module V: Investment Analysis:**

Portfolio Management – Definition of Portfolio Management – Passive Investment Management and Active Investment Management, Specification of Investment Objectives and Constraints, Selection of Asset Mix, Formulation of Portfolio Strategy, Selection of Securities, Portfolio Execution, Portfolio Revision, Performance Evaluation.

## **References:**

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## **EC554(C) MANAGERIAL ECONOMICS**

### **➤ Learning Objectives and Outcome**

- Main purpose of this paper is to impart knowledge on Managerial economics.
- By studying this paper students are expected to know about- The Nature and Scope of Managerial Economics, Demand Estimation and Forecasting, Optimization Technique: Linear Programming, Price of Profits, Styles and Profit Analysis, Pricing Practices and Strategies, Capital Budgeting, Regulation and Risk Analyses.

### **Module I: The Nature and Scope of Managerial Economics:**

Introduction - Definition, Relationship Managerial Economics to Economic Theory as well as Decision Science. Organization of Business Firms - Concepts and Types of Business Organization, Proprietorship, Partnership, Joint Stock Company, Corporation, Cooperatives.

Reasons for the existence of Firms and their Functions - The Objective and Value of the Firm: Model of Profit Maximization, Managerial Theories of Firm, Baumol's Sales Revenue Maximization Model, Baumol's Theory with Advertisement, Dynamic Model, Williamson's Model, Marris Model of Managerial Enterprises, Behavior Theories - Simon's Satisfying Model - Cyert and March's Theory of Firm. Measuring Efficiency of the Firm: Profitability Ratios, Financial Stability, Solvency and Gearing.

### **Module II: Demand Estimation and Forecasting:**

The Identification Problem - Marketing Research Approaches - Regression Analysis - Problems in Regression Analysis - Demand Estimation.

Demand Forecasting: Time Series Analysis - Smoothing Techniques - Barometric Methods Econometric Models (Input-Output Forecasting).

### **Module III: Optimization Technique: Linear Programming:**

Problems of Optimization - Linear Programming for Optimization - Meaning, Assumptions and Applications of Linear Programming, Basic Linear Programming Concepts - Procedure used in Formulating and Solving Linear Programming Problem - Linear Programming and Profit Maximization - Linear Programming and Cost Minimization - Graphical Solution and Simplex Method - The Dual Problem and Shadow Prices - Linear Programming and Logistics in the Global Economy. Game Theory and Optimization Technique in Decision Making Process.



#### **Module IV: Price of Profits, Styles and Profit Analysis:**

The Nature and Function of Profits: Business versus Economic Profit – Theory of Profit: Residual Claimant Theory, Wage Fund Theory, Dynamic Surplus Theory, Innovation Theory - Profit Policy - Break-Even Analysis and Profit Measurement, Profit Forecasting.

#### **Module V: Pricing Practices and Strategies:**

Specific Pricing Problems - Popular Pricing Practices: Cost-Oriented Pricing, Cost-Plus Pricing and Other Price Determinants, Peak-Load Pricing, Price over the Life Cycle of the Product, Penetration Price - Pricing of Multiple Products - Price Discrimination - International Price Discrimination and Dumping - Transfer Pricing.

#### **Module VI: Capital Budgeting:**

Capital Budgeting - an Overview - The Capital Budgeting Process.

Capital Budgeting Decision, Factors Influences in Investment Decision, Determining the Size of Capital Budget, Methods used to make Investment Decisions, Sources of Fund for Long-Term Financing, Measurement of Cost.

#### **Module VII: Regulation and Risk Analyses:**

The Role of the Government in the Economy - Risk and Uncertainty in Managerial Decision - Making - Long Run Investment Decisions.

#### **Text Books:**

Salvatane Dominick (1993), Managerial Economics in a Global Economy, McGraw-Hill Inc., New York.  
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## **EC554 (D) ECONOMICS OF INFRASTRUCTURE**

### **➤ Learning Objectives and Outcomes**

- Main purpose of this paper is to impart knowledge on economics of infrastructure.
- By studying this paper students are expected to know about –role of infrastructure in economic development, Transport Economics, communication, Electricity, Gas and Water Supply, and Social Infrastructure.

### **Module I: Introduction:**

Infrastructure and economic development-infrastructure as a public good; social and physical infrastructure; special characteristics of public utilities. The peak-load, off-load problem, dual principle controversy; economies of scale of joint supply; marginal cost pricing vs. other methods of pricing in public utilities; cross-subsidisation-free prices, equity and efficiency Green Infrastructure.

### **Module II: Transport Economics:**

The structure of transport costs and location of economic activities. Demand of Transport models of freight and passenger demand. Model choice; cost functions in the transport sector principle of pricing. Special problems of individuals models of transport; inter-modal condition in the Indian situation.

### **Module III: Communication:**

Rate making in telephone utilities. Principles of decreasing costs in telephone industry characteristics of postal services. Criteria for fixation of postal rates. Measurement of standards of service in telephone and postal utilities.

### **Module IV: Electricity, Gas and Water Supply:**

Bulk supply and pricing of electricity – the relative economics of thermal, hydel and nuclear power plant – the case for a national power grid – financing water utilities- urban and rural water supply – the exploitation of natural gas – pricing problem.

### **Module V: Social Infrastructure:**

Organization and financing of supply of social services- private vs. public sector financing, recent debate about the fixation of prices of social services- development of social services in the successive Indian plans.

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Parikh, K.S.(Ed.)(1997), India Development Report 1997, Oxford, New Delhi.

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Turvey, R.(ed.)(1968), Public Enterprises, Penguin, Harmondsworth.

