

MANGALORE UNIVERSITY

POST GRADUATE SYLLABUS

IN ECONOMICS

CBCS(SEMESTER SCHEME)



MANGALORE UNIVERSITY

M.A. ECONOMICS SYLLABUS

Preamble:

The M.A. Economics I-IV Semesters Syllabus of this University was revised in 2010 and will come into effect from the date of approval. In the meantime University Grants Commission directed all the Universities to adopt the common UGC curriculum in M.A. Economics and the Mangalore University desired the adoption of the Choice Based Credit Semester System also. The Board resolved to adopt the UGC syllabus in full and also the semester system with the Choice Based Credit System. Not only the UGC patterns has been adopted, the semester system with the Choice Based Credit System enables the students to have an additional paper along with four core papers plus one (elective) system. The revised PG syllabus in Economics is to take effect from the date of approval.

It is also resolved that the question pattern for the Choice Based Credit Semester examination for each theory paper shall be:

- a) Conceptual Questions - two marks for each question $2 \times 10 = 20$ marks
(12 questions)
- b) Short answers – $6 \times 5 = 30$ marks (8 questions)
- c) Main answers – $10 \times 2 = 20$ marks (4 questions)

Total Marks = 70 marks

Evaluation of Internal Assessment Marks

Test	- 20 marks
Assignment	- 5 marks
Seminar	- 5 marks
Total	- 30 marks



ILLUSTRATION 2 (25 Credits)

Papers	P1	P2	P3	P4	P5	Total
Maximum Marks	100	100	100	100	100	500
Marks Obtained	67	73	58	76	64	338
% Marks Obtained	67	73	58	76	64	-
Grade Points Earned (G.P.)	7	7.5	6	8	6.5	-
Credits for the Course(C)/Paper	5	5	5	5	5	25
Total GPW=GPxC	35	37.5	30	40	32.5	175

The GPA shall then be computed by dividing the total GPW of all the courses of study by the total credits for the semester.

$$\text{GPA} = \text{Total GPW} / \text{Total Credits} = 175 / 25 = \mathbf{7.0}$$

Semester Alpha Sign Grade: **A+**

CLASSIFICATION OF SUCCESSFUL CANDIDATES: The results of successful candidates at the end of each semester shall be declared in terms of Grade Point Average (GPA) and alpha-sign grade. The results at the end of the fourth semester shall be classified on the basis of the Cumulative Grade Point Average (CGPA) obtained in all the four semesters and the corresponding overall alpha-sign grade. An eight point grading system, alpha-sign grade as described below shall be adopted.

Eight Point Alpha-Sign Grading Scale:

Grade Point Average	<4	4-<5	5-<5.5	5.5-<6	6-<7	7-<8	8-<9	9-10
Alpha-Sign Grade	D	C	B	B+	A	A+	A++	0 (Outstanding)

The Grade Point Average (GPA) in a Semester and the Cumulative Grade Point Average (CGPA) at the end of fourth semester shall be computed as follows:

Computation of Grade Point Average (GPA): The grade points (GP) in a course shall be assigned on the basis of actual marks scored (end Semester examination and I.A.) in that course as per the table below provided they have secured a minimum of 35% marks in the end Semester examination in any unit/theory/practicals/project work/dissertation/internship/seminar shall be declared to have failed in that unit/theory/practicals.

% Marks	35-40	41-45	46-50	51-55	56-60	61-65	66-70	71-75	76-80	81-85	86-90	91-95	96-100
Grade Points	4	4.5	5.0	5.5	6	6.5	7	7.5	8	8.5	9	9.5	10

The Grade Point Weights (GPW) shall then be calculated as the product of the grade points earned in the course and the credits for the course. The total GPW for a semester is obtained by adding the GPW of all the courses of the semester.

MANGALORE UNIVERSITY

DEPARTMENT OF ECONOMICS

M.A. ECONOMICS CBCS SEMESTER SYSTEM

To be effective from the date of approval.

Paper	I Semester	Paper	II Semester
401	Micro Economic Analysis I	451	Micro Economic Analysis II
402	Macro Economic Analysis I	452	Macro Economic Analysis II
403	Economics of Growth and Development I	453	Economics of Growth and Development II
404	Quantitative Methods in Economic Analysis I	454	Quantitative Methods in Economic Analysis II
405	<u>Electives</u>	455	<u>Electives</u>

- a) Agricultural Economics
- b) Industrial Economics
- c) Regional Economics
- d) Welfare Economics

- a) Rural Development
- b) Man Power Economics
- c) Urban Economics
- d) Environmental Economics

Paper	III Semester	Paper	IV Semester
501	Indian Economic Analysis (Choice Based Course)	551	Public Economics II
502	Public Economics I	552	International Economics II
503	International Economics I	553	Econometrics II
504	Econometrics I	554	Research Methodology
505	<u>Electives:</u>	555	<u>Electives:</u>

- a) Economics of Insurance I
- b) Monetary Economics
- c) Health Economics
- d) Demography

- a) Economics of Insurance II
- b) Computer Applications in Economics
- c) Managerial Economics
- d) Economics of Infrastructure

I SEMESTER

401 MICRO ECONOMIC ANALYSIS I

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 judgements 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 4th 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 2nd 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.

Lancaster K. (1969): Consumer Demand- A New Approach, Rand Mc Nally London.

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.

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, 3rd 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.



402 MACRO ECONOMIC ANALYSIS I

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

- 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, (3rd 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.
- Jha, R. (1991), Contemporary Macroeconomic Theory and Policy, Wiley Eastern Ltd, New Delhi.
- Romer, D.L. (1996), Advanced Macroeconomics, McGraw Hill Complanly Ltd., New York.
- 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.

403 ECONOMICS OF GROWTH AND DEVELOPMENT I

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.
- 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.
- Dasgupta, P (1993), An Enquiry into Well-being and Destitution, Clarendon Press, Oxford.
- Ghatak, S (1986), An Introduction to Development Economics, Allen and Unwin London.
- Gillis M., D.H. Perkins, M.Romer and D.R.Snodgrass (1992), Economics of Development, (3rd edition) W.W. Norton, New York.
- Gimmell, N. (1987), Survey in Development, Blackwell, Oxford.
- 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, (3rd Edition) McGraw Hill, New York.
- Meier, G.M (1995), Leading Issues in Economic Development, (6th edition) Oxford University Press, New Delhi.
- Myint, Hia (1965), The Economic of Underdeveloped Countries, Preager, New York.
- Myint, H. (1971), Economic Theory and Underdeveloped Countries, Oxford University Press, New York.
- Todaro, M.P (1996), (6th Edition) Economic Development, Longman, London.
- Thirwal, A.P. (1999), (6th edition), Growth and Development, Macmillan U.K.

404 QUANTITATIVE METHODS IN ECONOMIC ANALYSIS I

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 co-efficients –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, 4th 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.
- Handerson, J.M. & Quandt, Richard (1980), Micro Economic Theory- A Mathematical Approach, 3rd ed., McGraw-Hill: Auckland,.

Taha,H.A. (1997), Operations Research: An Introduction (6th Ed) Prentice Hall of India Pvt. Ltd., New Delhi.

Weber, Jean, D. (1982), Mathematical Analysis- Business and Economic Applications- 4th ed.,- Harper & Row, Cambridge.

Yamane, Taro (1975), Mathematics for Economists: An Elementary Survey, 2nd Edition, Prentice Hall, New Delhi.



405 ELECTIVES

405 (a) AGRICULTURAL ECONOMICS

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.
- Government of India, Economic Survey (Annual), New Delhi.
- Gulati, A. and T.Kelly (1999), Trade Liberalisation and Indian Agriculture, Oxford University Press, New Delhi.
- 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.

405 (b) INDUSTRIAL ECONOMICS

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 (3rd edition), Himalaya Publishing House, Mumbai.

Desai, B. (1999), Industrial Economy in India (3rd Edition), Himalaya Publishing House, Mumbai.

Divine, P.J. and R.M. Jones et.al (1976). An Introduction to Industrial Economics, George Allen and Unwin Ltd., London.

Government of India, Economic Survey (Annual).

Hay, D. and D.J. Morris (1979), Industrial Economics; Theory and Evidence, Oxford University Press, New Delhi.

Kuchhal, S.C. (1980), Industrial Economy of India (5th edition), Chaitanya Publishing House, Allahabad.

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

Singh, A and A.N. Sadhu (1988), Industrial Economics, Himalaya Publishing House, Bombay.



405 (c) REGIONAL ECONOMICS

Module I : Introduction:

Definition and Scope of Regional Economics – Regional Economics as an Independent Field of Academic Enquiry – Concepts of Region – Types of Region – Importance of Regionalization – Approaches to Regionalization – Globalization and Regionalization Indicators of Regional Development.

Module II : Spatial Micro Economic Theory:

Factors Influencing Location – Regional Location – Theories of Location: Von Thunen, Weber, Isard Christaller, Losch and Others – General Equilibrium Theory – Concentration versus Dispersal of Economic Activities.

Module III : Spatial Macroeconomic Theory:

Regional Social Accounting – Regional Growth Process – Regional Multipliers – Regional Input-Output Analysis – Regional Business Cycle – Convergence and Divergence Trends in Per Capital Income – Survey of Recent Techniques for Regional Analysis.

Module IV : Regional Economic Policy:

Importance and Objectives of Regional Economic Policy – Formulation of Regional Economic Policy Tools and Techniques – Implementation Mechanism and Limitations.

Module V : Regional Disparities and Regional Planning:

Causes of Regional Disparities – Extent, Trends – Policies and Programmes to Reduce Regional Disparities – Regional Planning – Backward Area Development Programmes – Institutional and Policy Framework for Removal of Regional Disparities – New Economic Policy and Regional Disparities.

References:

- Chand M. and V.K. Puri (1983), Regional Planning in India, Allied Publishers, New Delhi.
- Richardson H.W. (1969), Elements of Regional Economics, Penguin, Harmondsworth.
- Shrivastava O.S. (1992), Regional Economics: Theoretical Issues, Anmol Publications, New Delhi.
- Misra R.P., K.V. Sundaram and V.L.S. Prakash Rao, Regional Development Planning in India, Vikas Publishing House Pvt. Ltd., Delhi.
- Sudharshu Shekhar (ed) (2003), Regional Planning in India – Volume: I & II, Anmol Publications, New Delhi.

405 (d) WELFARE ECONOMICS

Module I: Pre-Paretian Welfare Economics:

Benthamite approach to Aggregate Welfare-optimum resource allocation and welfare maximization, assumption of uniform income-utility function of individuals-question of income distribution-issue of interpersonal comparisons of utility-Marshallian welfare economics-consumer's surplus- measurement of consumer's surplus- difficulties involved, criticism-principle of compensating variation-Hick's four consumer's surpluses; concept of consumer's surplus-consumer's surplus and tax-bounty analysis.

Module II: Paretian Welfare Economics:

Pareto optimality-optimum exchange conditions. The production optimum. The consumption optimum-concept of contract curve-top level optimum-infinite number of non-comparable optima vs. unique social optimum-compensation criteria-contributions of Barone, Kaldor and Hicks-The Scitovsky double criterion-concept of community indifference map, Samuelson's utility possibility curve-value judgements and welfare economics-Bergson's social welfare function, Arrow's possibility theorem.

Module III: Some later developments:

Divergence between private and social costs-problems of non-market interdependence-externalities of production and consumption-external economies and diseconomies-problem of public goods-Pigovian welfare economics-second-best optima-marginal cost pricing-cost-benefit analysis-interdependent utilities-attempts to develop dynamic welfare analysis.

References:

- Arrow, K.J. (1951), Social Choice and Individual Values, Yale University Press, New Haven.
- Baumol, W.J. (1965), Welfare economics and the theory of the state (second edition), Longmans, London.
- Baumol, W.J. (ed) (2001), Welfare Economics, Edward Elgar Publishing Ltd. U.K.
- Broadway, R.W and N. Bruce (1984), Welfare Economics, Basil Blackwell, Oxford.
- Duesenberry, J.S. (1949) Income, saving and the theory of consumer behaviour, Harvard University Press, Cambridge, Mass.
- Feldman, A.M. (1980), Welfare Economics and social choice theory, Martinus Nijhoff, Boston.
- Graaff J.de V. (1957), Theoretical Welfare Economics Cambridge University press, Cambridge.

Little, I.M.D. (1939), A Critique of Welfare Economics (2nd edition), Oxford University Press
Oxford.

Marshall, A. (1946), Principles of Economics, Macmillan, London.

Myint H. (1948), Theories of Welfare Economics, Longmans, London.

Ng Y.K. (1979), Welfare Economics, Macmillan, London.

Nicholas, B. (ed) (2001), Economic Theory and the Welfare State, Edward Elgar Publishing Ltd.
U.K.

Pigou, A.C. (1962), The Economic of Welfare (4th edition) Macmillan.

Quirk, J and R. Saposnik (1968), Introduction of General Equilibrium Theory and Welfare
Economics, McGraw Hill, New York .

Samuelson, P.A. (1947), Foundations of Economic Analysis, Harvard University Press,
Cambridge, Mass.



II SEMESTER

451 MICRO ECONOMIC ANALYSIS II

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 maximization theory - Marris' model of managerial enterprise - Williamson's model – Bain's limit pricing theory - Recent developments in theory of limit pricing - Game theory - Micro economic policy.

Module II: Theory of distribution:

Marginal productivity theory -Law of constancy of shares - Euler's theorem – Ricardian and modern theories of rent-wages-role of trade unions and collective bargaining in wage determination; Interest - 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:

Quality uncertainty - Market signaling - simple Model of job market signaling.

Module IV: General equilibrium analysis:

Walras, Arrow, Debreu - General equilibrium and efficiency.

References:

- Baumol, W.J. (1982), Economic Theory and Operational Analysis 4th ed., Prentice Hall of India, New Delhi.
- 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 2nd ed.
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- Hicks, J.R.(1956), A Revision of Demand Theory, Oxford Clarendon Press
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Mark Blaug (1990), History of Economic Thought.

Mas-Colell, A, et al. (1995), Microeconomic Theory, Oxford University Press, New Delhi.

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Winch D.M (1971), Analytical Welfare Economics, Penguin London.

Watson, Price Theory and its uses, latest edition



452 MACRO ECONOMIC ANALYSIS II

Module I: Consumption Function:

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

Module II: Investment Function:

Marginal efficiency of capital and investment-long run and short run-accelerator and investment behaviour-impact of inflation-influence of policy measures on investment-multiplier-accelerator interaction.

Module III: Theory of 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 IV: Business Cycles:

Theories of business cycles-Schumpeter's theory-Kaldor's theory- Samuelson and Hicks' theories-good win's model-control of business cycles-efficiency of policies.

Module V: New Classical Macroeconomics:

Effectiveness of stabilization policies-Monetary and fiscal policies in different economies New classical critique of micro foundations-new classical approach and policy implications-supply side economics-Laffer curve-real business cycle theory-rational expectations theory-empirical evidence.

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, (3rd 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.

Jha, R. (1991), Contemporary Macroeconomic Theory and Policy, Wiley Eastern Ltd, New Delhi.

Romer, D.L. (1996), Advanced Macroeconomics, McGraw Hill Complany Ltd., New York

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.



453 ECONOMICS OF GROWTH AND DEVELOPMENT II

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: Planning and Development

Need for planning – democratic, decentralized and indicative planning, micro-level planning; Review of Indian Plan models and planning.

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.
- Dasgupta, P. (1993), An Enquiry into Well-being and Destitution, Clarendon Press Oxford.
- Ghatak, S. (1986), An Introduction to Development Economics, Allen and Unwin, London.
- Gillis, M.D.H, Perkins, M.Romer and D.R. Snodgrass (1992), Economics of Development, (3rd Edition), W.W.Norton, New York.
- Gimmell, N (1987), Surveys in Development Economics, Blackwell, Oxford
- 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, (3rd Edition), McGraw Hill, New York.

454 QUANTITATIVE METHODS IN ECONOMIC ANALYSIS II

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-Diagramatic and Graphic Representation.

Module II: Statistical Methods- 2:

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 III: Statistical Methods- 3:

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 – least squares method, interpretation of regression of coefficients.

Module IV: Statistical Methods- 4:

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

Module V: Statistical Methods- 5:

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.

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.



455 ELECTIVES

455 (a) RURAL DEVELOPMENT

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

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, Weber and Isard Models.

Module III: Rural Demography:

Population growth and migration, rural to rural migration rural-urban migration. Todaro model implications Rural Urban Relations. 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.

Rural Credit System; Institutional and Non Institutional Sources Co-operation Banks Commercial Banks, Regional Rural Bank NABARD.

Module V: Rural Industrialization:

Strategies for developing rural industries, financing of rural industries, rural industrial entrepreneurship-DIC. Rural Labour.

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.
- Mishra, R.P., Rural Development, 4 vols.
- 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.
- Pai Panandikar (1996), Development Administration in India, Konark, Delhi.
- 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.

Module I: Labour Markets:

Nature and characteristics of labour markets in developing countries like India; paradigms of labour market analysis-classical, neo-classical and dualistic economy; demand for labour in relation to size and pattern of investment-choice of technologies and labour policies-supply of labour in relation to growth of labour force; labour market policies; mobility and productivity of labour; rationalization; methods of recruitment and placement; employment; employment service organization in India.

Module II: Employment:

Employment and development relationship-poverty and unemployment in developing countries; unemployment-concept, types and measurement, particularly in India; impact of rationalization, technological change and modernisation on employment in organized private industry, public sector and employment in agricultural sector; analysis of educated unemployment; employment policy in Five Year Plans and its evaluation.

Module III: Wage Determination:

Classical, neo-classical and bargaining theories of wage determination; concepts of minimum wage, living wage and fair wage in theory and practice; discrimination in labour markets; wage determination in various sectors-rural, urban, organized, unorganized and in informal sectors; non-wage component of labour remuneration; inflation-wage relationship at micro and macro levels; productivity and wage relationship; analysis of rigidity in labour markets; asymmetric information and efficiency of labour markets in wage determination; national wage policy; wages and wage boards in India; bonus system and profit sharing.

Module IV : Industrial Relations:

Theories of labour movement-growth, pattern and structure of labour unions in India, achievements of labour unions; causes of industrial disputes and their settlement and prevention mechanism; role of tripartism; current trends in collective bargaining; role of judicial activism; labour legislation in India; Indian labour laws and practices in relation to international labour standards.

Module V: State and Labour:

State and social security labour-concept of social security and its evolution; social assistance and social insurance; review and appraisal of states policies with respect to social security and labour welfare in India; special problems of labour; child labour, female labour, discrimination and gender bias in treatment of labour; receding state and its effect on working of labour markets; labour market reforms-exit policy, need for safety nets, measures imparting flexibility in labour markets; second national commission on labour; globalisation and labour markets.

References:

- Datt, G. (1996), Bargaining Power, Wages and Employment: An Analysis of Agricultural Labour Markets in India, Sage Publication, New Delhi.
- Hajela, P.D. (1998), Labour Restructuring in India: A Critique of the New Economic Policies. Commonwealth Publishers, New Delhi.
- Jhabvala, R. and R.K. Subrahmanya (eds) (2000), The Unorganised sector: work security and Social Protection, Sage Publications, New Delhi.
- Lester, R.A. (1964), Economics of labour, (2nd Edition) Macmillan, New York.
- McConnell, C.R. and S.L.Brue (1986), Contemporary labour Economics, McGraw –Hill, New York.
- Papola, T.S., P.P.Ghosh and A.N.Sharma (eds) (1993) Labour, employment and Industrial Relations in India, B.R. Publishing Corporation, New Delhi.
- Rosenberg M.R. (1988), Labour Markets in Low income Countries in Chenery, H.B and T.N. Srinivasan (eds), The Handbook of Development Economics, North-Holland, New York.
- Venkata Ratnam, C.S. (2001), Globalisation and labour-Management Relations; Dynamics of Change, Sage Publications/Response books, New Delhi.

455 (c) URBAN ECONOMICS

Module I: Process of Urbanization:

Factors influencing urbanization-Different stages of urbanization-Features of Urbanization trends in India and other countries. Issues in Urbanization policies.

Module II : Development 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; Human Geological Approach, Economic Basic Theory.

Module III: Urban Labour Market:

Characterisation of the Urban Labour Market-The Gravity Model of Labour Movements-Problems of Urban Unemployment in India.

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.

Module V: Migration and Urbanization:

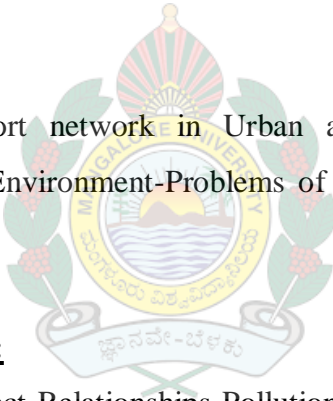
Migration-Urbanization Cause-Effect-Relationships-Pollution-Controlling measures, with reference to India.

Module VI: Urban Housing Sector:

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

Module VII: Urban Land Use Planning:

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.



455 (d) ENVIRONMENTAL ECONOMICS

Module I: Welfare Economics and Environmen:

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 - Land use-Water resources:

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.

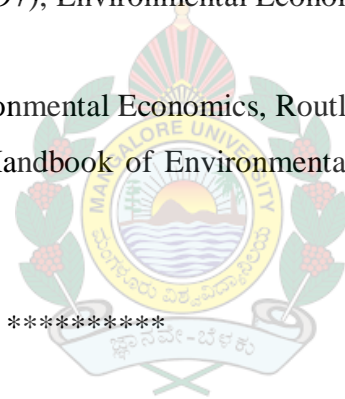
Module V: Environmental and Natural Resource Problems in India:

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, (2nd 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.



III SEMESTER

501 INDIAN ECONOMIC ANALYSIS

CHOICE BASED COURSE FOR OTHER DISCIPLINE AND FACULTY STUDENTS

(4 CREDITS)

Module I: Economic Development and its Determinants:

Approaches to economic development –measurement - 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.

Module II Demographic features, Poverty and Inequality:

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

Module III: Planning in India:

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

Module IV: 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 V: 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 VI: 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 VII: 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. (9th 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 21st Century (Essays in honour of Prof P.R.Brahmananda), Deep & Deep Publications, New Delhi.

502 PUBLIC ECONOMICS I

Module I: Scope of Public Economics:

Role of Government in organized society; Changing perspective-Government in a mixed economy; Public and Private Sector; Market Failure-Imperfections, decreasing costs, externalities, public goods; Uncertainty and non-existence of futures markets; Informational asymmetry-Theory of second best.

Module II: Public Choice:

Private and public mechanism for allocating resources; Problems for allocating resources; Problems of preference revelation and aggregation of preferences; Voting systems; Arrow impossibility theorem; An economic theory of democracy; Politico-eco-bureaucracy; Rent seeking and directly unproductive profit seeking (DUP) activities.

Module III: Rationale for Public Policy:

Allocation of resources-Provision of public goods; Voluntary exchange models; Impossibility of decentralised provision of public goods (contributions of Samuelson and Musgrave); Demand-revealing schemes for public goods-Contributions of Clarks, Groves and Leyard, Tiebout model, theory of club goods;

Module IV: Fiscal Policy:

Objectives of fiscal policy-full employment, anti-inflation, economic growth, redistribution of income and wealth; Interdependence of fiscal and monetary policies; Budgetary deficits and its implications; Fiscal policy for stabilization-automatic vs. discretionary stabilization; Alternative measures of resource mobilization and their impact on growth, distribution and prices; Balanced budget multiplier.

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.
- Goode, R. (1986), Government Finance in Developing Countries, Tata McGraw Hill, New Delhi.

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, Kogakhusa, 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.



503 INTERNATIONAL ECONOMICS I

Module I : Theory of International Trade:

Basis of international trade-theories of absolute advantage, comparative advantage and opportunity costs-critique.

Demand version of classical theory-theory of offer curves-terms of trade

Heckscher-Ohlin theory of international trade-factor price equalization theory-Leontief's paradox-empirical evidence of H-O theory-limitations.

Imperfect competition-modern theories of international trade-imitation lag,product cycle and technology gap theories-economies of scale and increasing returns to scale theories-intraindustry trade

Module II: Measurement of 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:

Theory of intervention-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.

Module IV: Theory of Customs Union:

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 V: 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.

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, (5th 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.



504 ECONOMETRICS I

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.
- Gujarati, D.N. (1995), Basic Econometrics (2nd 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 (4th 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 (2nd 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.

505 ELECTIVES

505 (a) ECONOMICS OF INSURANCE I

Module I: Introduction to Insurance and Risk Management:

Meaning and Significance of Insurance – The Evaluation of Risk – Historical Survey – 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.

Module II: Insurance and Re-insurance:

How Insurance Companies Operate. Production of Insurance – What Exposures are Insurable? The Role and Importance of Competition in Insurance Markets - Imperfection in Insurance Markets – Market Power – Externalities – Information Problems - 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 III: Individual 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 IV: Business and Corporate Risk Management:

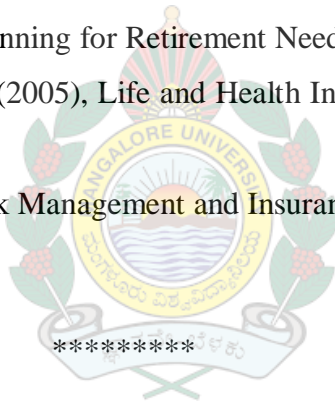
Business Risk Management – Risk Management and Commercial Property – Business Liability and Risk Management Insurance – Cost of Risks to the Firm – Identification of Costs – Measurement of Costs - Demand for Corporate Risk Management.

Module V: 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.

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, Bryn Mawr, Pa.
- Head, G.L. and S.Horn II (1991), Essential of Risk Management, Volume I, Insurance Institute of America Malvern, Pa.
- Skipper, Jr.H.D. (Ed) (1998), International Risk and Insurance: An Environmental Managerial Approach, Irwin McGraw Hill, Boston
- Tacchino, K.B. and D.A. Little (1993), Planning for Retirement Needs, The American College, Bryn Mawr, Pa.
- Black, Jr.Kenneth and Harold Skipper Jr. (2005), Life and Health Insurance, (13th Edition), Pearson Education, Delhi
- Rejda, George. E. (2005) Principles of Risk Management and Insurance, (9th Edition), Pearson Education, Delhi



505 (b) MONETARY ECONOMICS

Module I: Introduction:

Aims and scope of monetary theory – meaning, functions and types of money.

Module II: Money Supply:

Traditional and modern concepts – money and liquidity – M_1 - M_2 - M_3 and L_1 L_2 L_3 – High powered money – creation of money by commercial banks – limitation – credit multiplier.

Module III: Demand for Money:

Motives for holding money-classical and Keynesian theories of demand for money – Friedman's theory – recent theories of demand for money.

Value of money – quantity theory of money – transaction and cash balance approaches – income approaches – inflation and deflation – theories of inflation – inflation targeting and monetary targeting – inflation control.

Module IV: Monetary Policy:

Objectives techniques – rule vs description in monetary policy – limitations of monetary policy.

Module V: Principles of sound banking business

Theories of commercial bank lending – pure vs mixed banking – recent changes in banking business – plastic money – credit and debit cards – electronic money – automatic teller machines – e-banking.

Central banking – functions – note issue system – relationship between central bank and the treasury.

NBFIs – Gurley and Shaw Modell – Radcliffe Doctrine and Roosa – Sprout hypothesis.

References:

Sayers R.S. (1967), Modern Banking, 7th ed., OUP, Oxford.

Dekock M.H. (1978), Central Banking, 4th ed., New Delhi.

Chandler, Lester V. (1977), The Economics of Money and banking 7th ed., Harpar and Row, New York.

Chandler, Laster V. (1975), An introduction to monetary theory, central Book Depot, Allahabad.

Basu A.K. (1976), Fundamentals of Banking Theory and Practice, Modern Book Agency Pvt. Ltd., Calcutta.

Basu C.R. (1978), Central Banking in planned Economy, Tata McGraw Hill, New Delhi.

Gurley John and Shaw Edward (1968), Money in a theory of Finance, Mothilal Banarasidass, Delhi.

Basu S.K. & Alak Gosh (1980), Review of current banking theory and practice, Macmillan, Delhi.

Gupta S.B. (1978), Monetary Planning in India, Macmillan.

Nagapal C.S. (1980), monetary policy and Inflation in India, Publishing Corporation Delhi.

Lewis M. and P. Mizen (1982), Monetary Economics, OUP, New Delhi.

Dennis Geoffrey C.J. (1981), Monetary Economics, Longman, London.



505 (c) HEALTH ECONOMICS

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, 2nd 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.



505 (d) DEMOGRAPHY

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.

Chenery H. and T.N.Srinivasan (eds) (1989), Hand Book of Development Economics, Vol 1&2 Elsevier, Amsterdam.

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 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.



IV SEMESTER

551 PUBLIC ECONOMICS II

Module I : Public Expenditure:

Wagner's law of increasing state activities; Wiseman-Peacock hypothesis; Pure theory of public expenditure; Structure and growth of public expenditure; Criteria for public investment; Social cost-benefit analysis-Project evaluation, Estimation of costs, discount rate; Reforms in expenditure budgeting; Programme budgeting and zero base budgeting.

Module II : Public Debt:

Classical view of public debt; Compensatory aspect of debt policy; Burden of public debt; Sources of public debt; Debt through created money; Public borrowings and price level; Crowding out of private investment and activity; Principles of debt management and repayment.

Module III : Taxation:

Theory of incidence; Alternative concepts of incidence-Allocative and equity aspects of individual taxes; Benefit and ability to pay approaches; Theory of optimal taxation; Excess burden of taxes; Trade off between equity and efficiency; Theory of measurement of dead weight losses; The problem of double taxation.

Module IV : Fiscal Federalism:

Principles of multi-unit finance; Fiscal federalism in India; Vertical and horizontal imbalance; Assignment of function and sources of revenue; Constitutional provisions; Finance Commission and Planning Commission; 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.

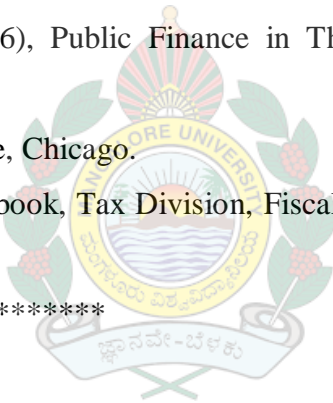
Module V: Indian Public Finances:

Indian tax system; Revenue of the Union, States and local bodies; Major taxes in India; base of taxes, direct and indirect taxes, taxation of agriculture, expenditure tax, reforms in direct and indirect taxes, taxes on services; Non-tax revenue of Centre, State and local bodies; Analysis of Central and State Government budgets; Lack of flexibility in Central and State budgets, Shrinking size of

development finance through budgets; Trends in public expenditure and public debt; Fiscal crisis and fiscal sector reforms in India; Reports of Finance Commissions in India.

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.
- Goode, R. (1986), Government Finance in Developing Countries, Tata McGraw Hill, New Delhi.
- 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, Kogakhusa, 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 Department, International Monetary Fund, Washington D.C.



552 INTERNATIONAL ECONOMICS II

Module I : 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-] curve

Approaches to BOP adjustment-monetary approach-elasticity approach-Marshall-Lerner-Robinson conditions-absorption approach of Alexander

Foreign trade and national income –foreign trade multiplier with and without repercussions.

Module II : International Liquidity:

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

Module III : International Debt:

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

Module IV : New Theories:

Simultaneous equilibrium achievements models of Mundell and Swan-limitations Optimum currency area theories of Mundell, Mckinnon, Magnifico andf Wood Achievements and limitations of WTO.

Module V : 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.

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, (5th 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



553 ECONOMETRICS II

Module I : Multiple Regression Model:

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

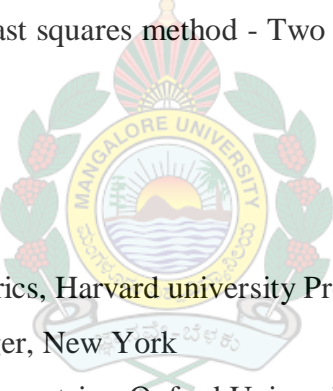
Module II : Regression with Qualitative independent variables:

Dummy variables - Dummy exogenous variables regression with dummy dependent variables - logit 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 (2nd 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 (4th 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 (2nd 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.

554 RESEARCH METHODOLOGY

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.



555 ELECTIVES

555 (a) ECONOMICS INSURANCE II

Module I: Fundamentals of Life and Health Insurance and Policies:

Life and Health Insurance Fundamentals and Regulations – Economic Security and the Economies of Life and Health Insurance – The Economic Basis for Life and Health Insurance – Life and Health Insurance Pricing Fundamentals – The Savings Aspects of Life Insurance – Experience Participation in Insurance – Interaction among Insurance Pricing Elements – The History and Importance of Life and Health Insurance – Legal Aspects of Insurance – Insurance Policies – Term Life Insurance – Endowment Insurance – Whole Life Insurance Policies – Individual Health Insurance Policies – Universal Health Insurance Policies.

Module II: General Insurance:

Definition of General Insurance – Types of General Insurance – Importance of General Insurance – Importance of General Insurance in a country's Economic Development – Concept of Short-term Risk – Fundamental of the following Concepts-Common Law, Equity, Proposal/Accedence, Indemnity, Insurable Interest, Contribution Subrogation, Representation – Utmost good faith, Material fact, Physical Hazard, Moral Hazard – Policy Endorsement Conditions/Warranties – Selection of Risks – Inspection of Risks, Rating and Calculation of Premiums- Tariffs and Non-Tariffs, Marketing of General Insurance – Technology Development and General Insurance.

Module III: 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 IV: Planning for Wealth Accumulation and Retirement Needs:

Wealth Accumulating Planning – Life Cycle Planning – Planning for Accumulation, Objectives – Purchase of Insurance and Accumulation Planning – Investments – 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 V: 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.

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, Bryn Mawr, Pa.
- Head, G.L. and S.Horn II (1991), Essential of Risk Management, Volume I, Insurance Institute of America Malvern, Pa.
- Skipper, Jr.H.D. (Ed) (1998), International Risk and Insurance: An Environmental Managerial Approach, Irwin McGraw Hill, Boston.
- Tacchino, K.B. and D.A. Little (1993), Planning for Retirement Needs, The American College, Bryn Mawr, Pa.
- Trieschmann, James S., Sandra G.Gustavson, and Robert E.Hoyt (2001), Risk Management and Insurance, (11th Edition), South-Western College, Publishing, Cincinnati, Ohio.
- Rejda, George, E. (2001), Principles of Risk Management and Insurance, (7th Edition), Addison Wesley Longman, Inc., Boston, MS.
- Black, Jr.Kenneth and Harold Skipper Jr. (2005), Life and Health Insurance, (13th Edition), Pearson Education, Delhi.
- Rejda, George. E. (2005), Principles of Risk Management and Insurance, (9th Edition), Pearson Education, Delhi

555 (b) COMPUTER APPLICATIONS IN ECONOMIC ANALYSIS

Module I: Introduction to Computer and Peripherals:

Basic components of computer-CPU, input-output devices, keyboard, mouse and scanner, video display, printers and plotters, data storage and retrieval, hard disk, floppy disk and CD ROM; Types of computers and their applications; computer networking and resource sharing, hardware, software and firmware, examples and techniques in programming languages like C, C++, visual, basic and java.

Module II: Data processing, Techniques and Algorithms:

Concept of data, record and file- types of data and data structures, data analysis-file handling and operations like opening, appending and cascading, closing and attribute control-data storage and retrieval-data operations-algorithms like sorting, merging, joining and bifurcation-database concepts and operation on database-DBMS and RDBMS.

Module III: Statistical Processing Techniques and Methods:

Series, groups, tables, graphs and objects- time and frequency series, regression methods and techniques-regression analysis-data validation-trends and cyclicity forecasting-system modeling and description-system equation-specification-error and correction strategies, statistical modeling and description statistics-distribution functions, regression statistics.

References:

- Rajasekaran, S. (1996), Numerical Methods in Science and Engineering, A.H.Wheeler, Allahabad.
Sanders, D.H. (1988), Computers Today, McGraw Hill (3rd Edition), New York.
Sinha, P.K. (1992), Computer Fundamentals, BPB Publications, New Delhi.

555 (c) MANAGERIAL ECONOMICS

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. Case Study Method, Analyze a Case and Usefulness of Case Study.

Module II: Organizations and Objectives of Firm:

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 III: 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 IV: 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 V: 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 VI: 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 VII: 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 VIII: 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.

Mc Guigon R. James, R. Charles Moyer, Frederick H Deb, Harris (2002), Managerial Economics: Applications, Strategy and Tactics, South Western, USA.

References:

Thomas Christopher R. and Charles Maurice S. (2005), Managerial Economics, McGraw-Hill Irwin, Boston.

Keat Paul G. and Philip K.Y. Young (2003), Managerial Economics - Economic Tools for Today's Decision Makers, Prentice Hall, New Jersey.

Samuelson William F. and Stephen G. Marks (2006), Managerial Economics, John Wiley and Sons, Inc., New Jersey.

Petersen H. Craig and W. Cris Lewis (1986), Managerial Economics, Maxwell Macmillan International Editions, New York.

Mehta P.L. (1997), Managerial Economics: Analysis, Problems and Cases, Sultan Chand and Sons, New Delhi.

Shankaran S. (1999), Managerial Economics, Margham Publications, Madras.

555 (d) ECONOMICS OF 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.

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.

References:

- Crew, M.A. and P.R.Kleindorfer(1979), Public Utility Economics, Macmillan, London.
- Indian Council of Social Sciences Research(ICSSR)(1976), Economics of Infrastructure, Vol.VI, New Delhi.
- National Council of Applied Economic Research(NCAER)(1996), India Infrastructure Report: Policy Implications for Growth and Welfare, NCAER, New Delhi.
- Parikh, K.S.(Ed.)(1997), India Development Report 1997, Oxford, New Delhi.
- Parikh, K.S.(Ed.)(1999, India Development Report – 1999.2000, Oxford, New Delhi.
- Turvey, R.(ed.)(1968), Public Enterprises, Penguin, Harmondsworth.

MANGALORE UNIVERSITY

DEPARTMENT OF ECONOMICS

No.MU/ECO/ACC-8/2011-12/

Mangalagangothri-574 199,
Date: 28-03-2012.

Dr. Arabi U.
Chairman

To

Prof. T.P.M. Pakkala
Co-Ordinator
Committee for Allotment of Choice Based Paper
Professor, Dept. of Statistics
Mangalore University
Mangalagangothri

Sir,

Sub: Applications for the Choice Based Paper in the Third Semester
of Post-Graduate Programmes during 2012.

Ref: Registrar's Circular No.MU/ACC/CR.55/2011-12/A2 dated 14-03-2012.

With reference to the subject mentioned above, I am forwarding the applications filled by the M.A. Economics II Semester students (49) for the Choice Based Paper in the Third Semester during 2012 for your kind consideration.

Thanking you,

Yours faithfully,

(Arabi U.)

Paper I Semester

- 401 Micro Economic Analysis I
- 402 Macro Economic Analysis I
- 403 Economics of Growth and Development I
- 404 Quantitative Methods in Economic Analysis I

405 Electives

- a) Agricultural Economics
- b) Industrial Economics
- c) Regional Economics
- d) Welfare Economics

Paper III Semester

- 501 Indian Economic Analysis (Choice Based Course)
- 502 Public Economics I
- 503 International Economics I
- 504 Econometrics I

505 Electives:

- a) Economics of Insurance I
- b) Monetary Economics
- c) Health Economics
- d) Demography

