

**PERIYAR UNIVERSITY  
SALEM – 636 011**



**M.A., ECONOMICS  
CHOICE BASED CREDIT SYSTEM**

**REGULATIONS / SYLLABUS**  
(For Affiliated Colleges)

**(Effective from the Academic Year 2008-2009 and thereafter)**

# **REGULATIONS**

The following regulations for the M.A., Economics are framed from the academic year 2008 – 09 and thereafter in the affiliated colleges of the Periyar University, Salem.

## **1. CONDITIONS FOR ADMISSION**

A candidate who has passed B.A., Economics or B.Com., or B.B.M., or B.B.A., or B.Sc., Maths degree examination of Periyar University or an examination of some other University accepted by the syndicate as equivalent thereto shall be permitted to appear and qualify for the M.A., Economics in the affiliated colleges of the Periyar University.

## **2. ELIGIBILITY FOR THE AWARD OF DEGREE**

A candidate shall be eligible for the award of the degree only if he/she undergone the prescribed course of study in the college affiliated to the University for a period of not less than two academic years, passed the examination of all the four semesters prescribed by earning minimum 50 percent of marks and fulfilled such conditions as have been prescribed thereafter.

## **3. DURATION OF THE COURSE**

The course of the degree of Master of Arts shall consist of two academic years, consisting of four semesters. The course of study shall be based on Choice Based Credits System (CBCS) pattern with internal assessment. For this purpose each academic year shall be divided into two semesters. The First and Third Semesters cover the period from July to November and Second and Fourth Semester December to April.

## **4. EXAMINATION**

There shall be four examinations. The First Semester Examination will be held at the middle of the First Academic Year and the Second Semester Examination at the end of the First Academic Year. Similarly examination will be held at the middle and at the end of the second academic year.

## 5. COURSE OF STUDY AND SCHEME OF EXAMINATION

SEMESTER – I			
Subject Code	Title of the Paper	Semester	Credit
EC C01	Micro Economic Theory – I	I	5
EC C02	Macro Economic Theory – I	I	5
EC C03	Monetary Economics	I	5
EC E01	Entrepreneurship	I	4
EC S01	Statistical Methods	I	3
EC C04	Micro Economic Theory – II	II	5
EC C05	Macro Economic Theory – II	II	5
EC C06	Mathematical Methods for Economists	II	5
EC E02	Indian Economy	II	4
EC S02	Entrepreneurial Development	II	3
EC C07	Research Methodology	III	5
EC C08	Fiscal economics	III	5
EC C09	Agricultural Economics	III	5
EC E03	Environmental Economics	III	4
EC S03	Women Studies and Development	III	3
EC C10	Industrial Economics	IV	5
EC C11	International Economics	IV	5
EC E04	Banking Theory – Law and Practice	IV	4
	<b>Total</b>		<b>80</b>

### Courses

A Master degree programme consists of a number of courses. The term course is used to indicate a logical part of subject matter of the programme. The details of credit are as follows:-

Core Courses	-	55 Credits
Elective Course	-	16 Credits
Supportive Courses	-	9 Credits
<b>Total</b>		<b>80 Credits</b>
<b>Project</b>		<b>10 Credits</b>
<b>Grand Total</b>		<b>90 Credits</b>

## 10. REQUIREMENT FOR PROCEEDING TO SUBSEQUENT SEMESTER

1. Candidates shall register their names for the First Semester Examination after the admission in the PG Courses.

2. Candidates shall be permitted to proceed from the First Semester up to Final Semester irrespective of their failure in any of the Semester Examinations subject to the condition that the candidates should register for all arrear subjects of earlier semesters along with current (subsequent) semester subjects.
3. Candidates shall be eligible to go to subsequent semester, only if they earn, sufficient attendance as prescribed by the syndicate of the Periyar University from time to time.

Provided in the case of candidate earning less than 75 percent of attendance in any one of the semesters due to any extraordinary circumstances such as medical grounds, such candidates who shall produce Medical Certificate issued by the Authorized Medical Attendant (AMA), duly certified, shall be permitted to proceed to the next semester and to complete the course of study. Such candidate shall have to repeat the missed semester by rejoining after completion of final semester of the course, after paying the fee for the break of study as prescribed by the Periyar University from time to time.

#### **10. PASSING MINIMUM**

A candidate shall be declared to have passed in each paper wherever prescribed if he/she obtains NOT LESS THAN 50 percent OF MARKS prescribed for the examination. He/She shall be declared to have passed the whole examination, if he/she passes in all the papers wherever prescribed/as per scheme of examinations earning 90 credits.

#### **10. CLASSIFICATION OF SUCCESSFUL CANDIDATE**

Candidates who secured not less than 60% of aggregate marks in the whole examination shall be declared to have passed the examination with **FIRST CLASS**.

All other successful candidates shall be declared to have passed with **SECOND CLASS**.

Candidates who obtained 75% of the marks in aggregate shall be deemed to have passed the examination in **FIRST CLASS WITH DISTINCTION**, provided they passed all the examinations prescribed for the course in the first appearance.

#### **10. RANKING**

Candidate who passed all the examinations prescribed for the course in the **FIRST ATTEMPT ONLY** is eligible for Classification/Ranking/Distinction.

## **10. PATTERN OF QUESTION PAPER**

Time: 3 Hours

Maximum Marks: 75

### **SECTION A (10 X 1 = 10)**

Answer ALL Questions

### **SECTION B (5 X 5 = 25)**

Answer ALL Questions (Either or)

Each Answer should not exceed 300 words

### **SECTION C (5 X 8 = 40)**

Answer ALL Questions (Either or)

Each Answer should not exceed 500 words

# **THEORY – I SEMESTER**

## **EC C01 – MICRO ECONOMIC THEORY – I**

### **Unit I: Consumer Behaviour**

Utility Analysis Cardinal and Ordinal - Application of Indifference Curve Analysis-Revealed Preference Approach-Revision of Demand Theory

### **Unit II: Production Analysis**

Production Function-Linear Homogeneous Production Function-Cobb-Douglas Production Function-CES Production Function– Production Possibility Curve.

### **Unit III: Cost Analysis**

Theory of Cost-Traditional and Modern Theory of Cost-Derivation of Cost Functions-Cost-Output Relations in Short-run and Long-run-Marginal cost curve.

### **Unit IV: Pricing under Market Structure**

Theory of Firm-Price and Output Determination and Perfect Competition-Monopoly- Monopolistic Competition-Oligopoly-Duopoly-Product Determination-Selling Cost.

### **Unit V: Theory of Distribution**

Marginal Productivity Theory of Distribution-Euler's Theorem-Wage Determination-Theory of Interest-Innovation theory of Profit.

### **References:**

1. Jhingan M.L & Stephen J.K. : Managerial Economics, Virundha Publication, New Delhi. (2006)
2. H.L. Ahuja (2006) : Business Economics with Edition, S. Chand Publication, New Delhi.
3. Dewett K.K (2005) : Modern Economic Theory, S.Chand Publication, New Delhi.
4. Greene W H (2003) : Econometric Analysis, Pearson Edition, New Delhi.

## **EC C02 – MACRO ECONOMIC THEORY – I**

### **Unit I: Macro Economic Concepts**

Nature and Scope of Managerial Economics-National Income-Meaning and Concepts-Methods of measuring National Income-Difficulties in the National Income Calculation-Recent Trends in National Income.

### **Unit II: Theories of Consumption**

Consumption Function-Keynesian Psychological Law of Consumption-Relative Income Hypothesis-Permanent Income Hypothesis-Life Cycle Hypothesis.

### **Unit III: Keynesian Theory**

Keynesian and Classical Theory of Employment-Marginal Efficiency of Capital-Marginal Efficiency of Investment-Multiplier and Accelerator.

### **Unit IV: Theories of Business Cycles**

Business Cycle-Phases of Business Cycle-Theories of Business Cycle-Effects of Business Cycle-Controlling methods of Business Cycle.

### **Unit V: Supply side Economics**

General Equilibrium of Goods and money markets-Derivation of IS and LM curves-supply side economics-Macro Economic Policy.

### **References:**

1. Rosalind Levacic : Macro Economics Macmillan Press Ltd., London. (2003),
2. Rudiger Dornbusch : Macro Economics Tata McGraw Hill Publishing Stanley Fischer Company Ltd., New Delhi. (2005),
3. Gupta G.S. (2004) : Macro Economics Theory and Application Tata McGraw Hill Publishing Company Ltd., New Delhi.
4. Rudiger Dorn Bush : Macro Economics Tata McGraw Hill Publishing (2004) Company Ltd., New Delhi.
5. Eugene Diulio : Macro Economics Tata McGraw Hill Publishing (2004) Company Ltd., New Delhi.

## **EC C03 – MONETARY ECONOMICS**

### **Unit I: Monetary Theories**

Monetary Theories-Keynesian Theory-Milton Friedman's Quantity Theory-Don Patinkin's Integration Theory-Tobin's Portfolio Analysis-Baumol's Inventory Approach-Gurley and Shaw Thesis.

### **Unit II: Money Supply and Banking Institution**

Demand for Money and Supply of Money-Functions of Money-Determinants of Money Supply-Money Multiplier-Credit Creation by Commercial Banks-Role of Commercial Banks in Economic Development.

### **Unit III: Modern Theories of Interests**

Theories of Interest-Keynes Liquidity Preference Theory of Interest-Stock Versus Flow Analysis-Segmented Market Theory-Portfolio behaviour Theory of Expectation-Yield Curve-Short-run and Long-run.

### **Unit IV: Money Markets**

Characteristics of Developed and Underdeveloped Money Market-London Money Market-New York Money Market-Indian Money Market-Capital Market.

### **Unit V: Monetary Policy**

Monetary Policy-Objectives-Role of Monetary Policy in Developing Economy-Lags in Monetary Policy-Monetary Policy in India-Stagflation-Samuelson and Solow Model.

### **References:**

1. Jhingan M.L (1977) : Money Banking and International Trade Vrinda Publications Pvt., Ltd., New Delhi.
2. Dewett K.K. (2005) : Modern Economic Theory, S. Chand Company Pvt., Ltd., New Dehi.
3. Samuelson Nordhas : Economics, Tata McGraw Hill Publishing (2005) Company Ltd., New Delhi.
4. Gregory Mankiw N : Principles of Economics Thomson, New Delhi. (2004)
5. Rudiger Dorn Busch : Macro Economics, Tata McGraw Hill Publishing (2005) Company Ltd., New Delhi.

## **EC E01 – ENTREPRENEURSHIP**

### **Unit I: Introduction**

Definitions-Socio-Economic Origins of Entrepreneurship-types of Entrepreneurships – functions of an entrepreneur - qualities of successful entrepreneur.

### **Unit II: Theories of Entrepreneurship**

Theories of Entrepreneurships: Nature and characteristics of entrepreneurship-Schumpeter, Walker and Drucker views on entrepreneurship-economic, sociological and psychological theories.

### **Unit III: Women and Entrepreneurship**

Women Entrepreneurship: Concept-functions and growth of women entrepreneurship, problems faced by women entrepreneurship and remedies-role of women entrepreneur's associations.

### **Unit IV: Rural and Small Enterprises**

Rural Entrepreneurs: Entrepreneurship in Agriculture- Entrepreneurial development under TRYSEM-risk taking among rural entrepreneurs development strategies for small entrepreneurs.

### **Unit V: Entrepreneurship Experiment**

Entrepreneurial Motivation: Motivating Factors: Internal and External Achievements Motivations-Kakinada Experiment.

### **References:**

1. Government of India (2008) : Economic Survey, Ministry of Finance, New Delhi.
2. Economic and Political Weekly : Review of Industry and Management, (2005) XL(39): 4226-4264
3. Economic and Political Weekly : Review of Agriculture, XL(53): 5550-5620. (2005)
4. Karmakar K G (1999) : Rural Credit and Self-Help Groups, Sage Publications, New Delhi.
5. Hadimani R.N. (1992) : Entrepreneurship and Technology, Institute for Social and Economic Change, Bangalore.

## **EC S01 – STATISTICAL METHODS**

### **Unit – I: Introduction to Statistics**

Introduction – Significance of Statistics – Problems of Research in Social Sciences – Primary and Secondary data – Census and Sampling Errors – Vital Statistics.

### **Unit – II: Descriptive Statistics**

Classification of data – Frequency distribution – Diagrammatic representation of data – Measures of central tendency – Dispersion – Skewness and Kurtosis.

### **Unit – III: Elementary Theory of Probability**

Elementary Theory of Probability – Addition and Multiplication Theorems – Bayes Theorem – Probability Distribution – Binomial, Poisson and Normal Distribution.

### **Unit – IV: Time Series Analysis**

Time Series Analysis – Trends and Moving Averages – Application of Time Series.

### **Unit – V: Test of Significances: Large Samples**

Concept of Standard Error – Producer and Consumer Risk – Tests based on Mean, Median, Proportions and Proportions.

### **References:**

1. C.B. Gupta & Vijay Gupta : An Introduction to Statistical Methods
2. Hooda R.P. (2004) : Statistics for Business and Economics, Macmillan India Ltd., Delhi.
3. Agarwal D.R (2003) : Elementary Mathematics and Statistics for Economists, Vrinda Publications (P) Ltd., Delhi.
4. William H. Greene (2003) : Econometric Analysis, Pearson Education Pvt. Ltd., Delhi.
5. Satish Chandra Srivastava, : Quantitative Techniques, Anmol  
Smt.S. Srivastava (2005) Publications Pvt. Ltd., New Delhi.

## **II SEMESTER**

### **EC C04 – MICRO ECONOMIC THEORY – II**

#### **UNIT – I: Factor Pricing**

Neo-classical approach – marginal productivity theory – product exhaustion theorem – Elasticity of technical substitution – Technical progress and factor shares – theory of market distribution in imperfect product and factor market.

#### **UNIT – II: Market Structure and Pricing**

Pricing under Oligopoly – Non-collusive Models – Cournot – Bertrand – Edgeworth – Chamberlin – Stackelberg Model – The Kinked Demand Model (Sweezy). Collusive Model – Cartels – price leadership Model (low cost, dominant firm) – Bain's Limit Pricing.

#### **UNIT – III: Theory of Firms**

Recent Development in Managerial theories of firm – Baumol's Sales Revenue maximization model – Marris model of managerial enterprise – Williamson's Model of managerial discretion – Behavioural model of Cyert and March.

#### **UNIT – IV: General Equilibrium**

Partial and general equilibrium, Walrasian excess demand and input-output approaches to general equilibrium existence, stability and uniqueness of equilibrium and general equilibrium – two sector model, relationship between relative commodity and factor prices (Stokey – Samuelson Theorem). Production and consumption – Contributions of Arrow and Debreu to general equilibrium analysis.

#### **UNIT – V Welfare Economics**

Pigovian welfare economics – Pareto Optimal conditions – value judgements – social welfare function – compensation principle – inability to obtain optimum welfare – A.K. Sen's views on welfare – imperfections, market failure, decreasing costs. Uncertainty and non-existent and incomplete markets – Theory of Second Best – Arrow's impossibility theorem, Rawls' theory of justice, equity efficiency trade off.

#### **References:**

1. Jhingan M.L (2005) : Micro Economic Theory Vrinda Publications Pvt., Ltd., New Delhi.
2. Mandal R.K (2007) : Micro Economic Theory, Atlantic Publishers, New Delhi.

3. Sundharan K.P.M. & Vaish M.C. (1997) : Micro Economic Theory, S. Chand and Company, New Delhi.
4. Samuelson Nordhaus : Economics, Tata McGraw Hill Publishing Company Ltd., New Delhi. (2005)
5. Dewett K.K (2005) : Modern Economic Theory, Shyamlal Charitable Trust, New Delhi.

## **EC C05 – MACRO ECONOMIC THEORY – II**

### **UNIT - I: Theories of Investment**

The Accelerator Theory of Investment: The Flexible Accelerator – Theory of Lags in Investment: Koyek's Approach: Financial Theories of Investment: Its criticisms: Duesenberry's Financial Theory of Investment: Jargenson's Neo-Classical Theory of Investment: its assumptions: The model; its criticisms.

### **UNIT - II: Income Determination**

Income determination in closed economy: Determination of equilibrium level of income: Equality of Aggregate Demand and Aggregate Supply: Equality of Saving and Investment; Equilibrium of Income.

### **UNIT - III: Fiscal and Monetary Policies**

Fiscal policy with fixed exchange rates and flexible exchange rates – monetary policy with fixed and flexible exchange rates – internal and external, balances.

### **UNIT - IV: Business Cycle**

Types, Theories: Keneysonian Theory, Samuelson's Model, Hicks and Kaldor's Model, Theories of Schumpeter, Goodwin's model – control of business cycle – Relative efficacy of monetary and fiscal policies.

### **UNIT - V: Problems of Stabilisation Policy**

Okun's Law – Budget deficits and inflation – The mechanics of the financing the budget – The income policies – Monetarists and Keynesian Models – The Portfolio Approach – Crowding Out and the Government Budget Constraint – Rational expectations and the short run effectiveness of stabilization policy.

### **References:**

1. Gupta G.S. (2004) : Macro Economics Theory and Applications Tata McGraw Hill Publishing Company Ltd., New Delhi.
2. Eugene Diulio (2004) : Macro Economics Tata McGraw Hill Publishing Company Ltd., New Delhi.
3. William Boyes, : Text Book of Economics, Biztantra, New Delhi.  
Michael Melvin (2005)
4. Dewett K.K (2006) : Modern Economic Theory, S. Chand & Company Ltd., New Delhi.
5. Rudiger Dornbusch : Macro Economics, Tata McGraw Hill Publishing  
Stanley Fischer (2005) Company Ltd., New Delhi.

## **EC C06 - MATHEMATICAL METHODS FOR ECONOMISTS**

### **Unit – I: Elementary Algebra**

Elementary Algebra – Exponents or Theory of Indices – Sets and Sub Sets – Solutions of Quadratic Equations – Solutions of Linear Equation with Two Variables.

### **Unit – II: Matrix Algebra**

Matrix Algebra – Determinants and Properties – Matrix: Square Matrix, Null Matrix – Addition and Subtraction of Matrix – Multiplication – Transpose of Matrix and Inverse of Matrix – Cramer's Rule.

### **Unit – III: Elementary Theory of probability**

Elementary Theory of Probability – Addition and Multiplication Theorems – Bayes Theorem – Probability Distributions – Binomial, Poisson and Normal Distribution.

### **Unit – IV: Sampling Techniques**

Sampling Versus Census Methods of Data Collection – Types of Sampling – Sampling and Non-Sampling Errors – Central Limit Theorem using Sampling Distribution for Inference.

### **Unit – V: Tests of Significances: Large Samples**

Testing of Hypothesis – Formulation – T,  $X^2$  and F Distribution, ANOVA Table.

### **References:**

1. Agarwal D.R. (2003) : Elementary Mathematics and Statistics for Economists, Vrinda Publications (P) Ltd., Delhi.
2. Taro Yamane (2004) : Mathematics for Economics, Prentice-Hall of India, New Delhi.
3. James Davidson (2000) : Econometric Theory Blackwell Publishing House, Malden, USA.
4. William H Greene (2005) : Econometric Analysis, Pearson Education Pvt. Ltd., Delhi.
5. Sri Vastava SC & S. Srivastava (2005) : Quantitative Techniques, Anmol Publications Pvt., Ltd., New Delhi.

## **EC E02 – INDIAN ECONOMY**

### **UNIT - I: Pattern of Indian Economy**

Major issues of Indian Economy – Determinants of Economic development – National income estimates in India – National population policy (2000) – Progress of Human Development in India – Infrastructure in Indian Economy.

### **UNIT – II: Planning and Economic Development**

Objective of Economic planning in India – Development Strategy in India – New Direction of Policy on the public Sector – Emergence of the Disinvestment policy – Critiques of disinvestments – Review of 50 Years of planning – Tenth five year plan.

### **UNIT – III: Agriculture and Indian Economy**

Productivity Trends and Crop pattern – Food security in India – Size of farms and Production efficiency – Organization of rural credit – Agricultural Taxation – Agriculture Marketing.

### **UNIT – IV: Indian Industry and Indian Economy**

The role of industrialization – pattern of industrialization – Sickness of Indian Industry – Labour problems and labour policy – Unorganized sector works (Employment and Welfare) Bill.

### **UNIT – V: Foreign Trade**

Composition of India's foreign Trade – Directives of India's foreign trade – Foreign Trade Policy (2005-06) – Geneva frame work of WTO and India – Factors affecting money supply – Twelfth finance commission – Kelkar proposal.

### **References:**

1. Falendra K. Sudan : India's Economic Development, Serials (2006) Publications, New Delhi.
2. Sharma K.K (2006) : Indian Economy, Abhishek Publications, Chandigarh
3. Uma Kapila (2006) : Indian Economy since Independence, Academic Foundation, New Delhi.
4. Prasad C.S. (2006) : Indian sixty years of Agriculture 1947 to 2007 New Century Publications, New Delhi.
5. Qureshi M.S (2004) : Indian Economy, Dominant Publishers and Distributors, New Delhi.

## **EC S02 – ENTREPRENEURIAL DEVELOPMENT**

### **UNIT - I: Introduction**

Concepts of entrepreneurship – Characteristics and functions of entrepreneur – Types of entrepreneurs – Sickness and survival – Need for training and development – Phases of EDP – Special agencies – Development of women and rural entrepreneurs – Self-help groups.

### **UNIT - II: Institutional Finance**

Institutional finance to entrepreneurs – SFCs, SIDSS, SIPCOT – TIIC – Commercial Banks – Small Industries Development Bank.

### **UNIT - III: Institutional Framework**

Institutional setup – DICs, SIDO, SIDCO, NSIC, SISIs, Indian Investment centre – Khadi and Village industries commission.

### **UNIT - IV: Incentives and Subsidies**

Incentives and subsidies – Subsidies services – subsidy for market – Transport subsidy – Seed capital assistance – Taxation benefits to SSI – Special facilities for imports.

### **UNIT - V: Project Evaluation**

Project formulation – Need and significance – Project identification – Evaluation – Feasibility analysis – Project report.

### **References:**

1. Kothari C R : Research Methodology, New Age International Publications, New Delhi.
2. Chikaria M.G. (2001) : Women and Social Transformation, APH, Publishing Corporation, New Delhi.
3. Sachdeva (2006) : Indian Financial System, Lakshmi Narain Agarwal, Agra.
4. Seth M.L. (2006) : Money Banking, International Trade and Public Finance. Lakshmi Narain Agarwal, Agra.
5. The Hindu (2007) : Survey of Indian Industry, Hindu Buildings, Chennai.

## **III SEMESTER**

### **EC C07 – RESEARCH METHODOLOGY**

#### **UNIT - I: Research Problem and Design**

Importance – Objectives of research – formulating research problem – Formulation of hypothesis – Research design: Features of a good research design – Types – Research in social science – Research Vs other sciences.

#### **UNIT - II: Research Methods**

Facts, theories and concepts in social science research – Deductive and inductive Methods – Stages of scientific Method – Historical Method – Case study Method – schedule and questionnaire – principles underlying construction of a questionnaire – Tabulation and diagrammatic representation of data.

#### **UNIT - III: Research Survey and Scaling Techniques**

Survey research and scaling – types of surveys – selecting the survey method – constructing the survey – The Golden Rule – Advantages and disadvantages of survey method – scaling; general issues in scaling – methods.

#### **UNIT - IV: Testing of Hypothesis**

Elementary theory of probability; Probability distribution and their properties – Binomial, Poisson and Normal distribution. Testing of hypothesis: Parametric and Non-parametric: Test – ‘Z’ test, ‘F’ test and Chi-square test.

#### **UNIT - V: Report Writing**

Presenting Results: Written and oral reports – stages in writing research report – Structure and format of the report. Layout of research report – footnote and bibliography.

#### **References:**

1. Kothari C.R (2007) : Research methodology methods & Techniques  
New Age International Publishers, New Delhi.
2. Goode, William J and Halt, Paulk (1952) : Methods in Social Research, Mc Graw Hill, New York.
3. Gopal M.H (1964) : An Introduction to Research Procedure in Social Sciences, Asia Publishing House, Bombay.
4. Ramachandran P (1971) : Training in Research Methodology in Social Sciences in India, CRSSR, New Delhi.
5. Young, Pauline V (1960) : Scientific Social Surveys and Research, 3<sup>rd</sup> edition. Prentice Hall, New York.

## **EC C08 – FISCAL ECONOMICS**

### **UNIT - I: Fiscal Functions and Public Good**

Price policy of public enterprises (Marginal Cost of production Theory, Average cost of Production theory, Peak-load Pricing, Administered Price) – Major fiscal functions – Allocation Function, Distribution Function – Stabilisation Function – Private Vs Public Goods, Provision of Public Goods – Mixed goods.

### **UNIT - II: Principles of Public Expenditure**

Pure Theory of Public Expenditure – Pigou and Ability-to-pay Theory – Benefit Principles (a) Lindhal's Voluntary Exchange Theory (b) Samuelson's Pure Theory, (c) Public Choice Theory (d) Players of political game & Arrow's Impossibility Theorem – Mechanisms of Public Choice – Collective Decision Making.

### **UNIT - III: Evaluation of Public Expenditure**

Cost Benefit Analysis – Welfare Foundations of Cost Benefit Analysis – Maximisation of total benefits (Fixed Budget, Variable Budget), Long-term projects and discounting – Effects of public expenditure on production, distribution, economic stabilization and economic growth.

### **UNIT - IV: Taxation and Budgetary Theory**

Incidence – Measuring incidence – shifting and elasticity of demand – incidence of tax perfect competent – Monopoly and Monopolistic competent – Roplh approach – Budgetary procedure – Techniques – Budgetary Theory (Classical & Modern Approach).

### **UNIT - V: Public Debt and Fiscal Federalism**

Public debt – methods of raising public debt – effect of Public debt – Public debt Management – fiscal federalism – local bodies – source of finance – constitutional and amendment – functions of finance committee – Recommendation of 12<sup>th</sup> finance commission.

### **References:**

1. Hyman N. David : Public Finance, Thomson – South West Publishers, (2007) New Delhi.
2. Musgrave Richard : Public Finance in Theory and Practice, Mc Graw- Hill, & Musgrave Kogakusha Ltd.,
3. Sury M.M (2007) : Fiscal Policy Developments in India 1947 to 2007, New Century Publications, New Delhi.
4. Basotia G.R. (2005) : Public Finance, Shree Niwas Publications, Jaipur.
5. Srivastava D.K. : Issues in Indian Public Finance New Century (2005) Publications, New Delhi.

## **EC C09 – AGRICULTURAL ECONOMICS**

### **UNIT - I: Nature and Scope of Agriculture**

Agriculture and Economic Development – Importance of agriculture in Indian Economy – Share in national income – Relation between agricultural development and industrial development – Terms of trade between agriculture and industry.

### **UNIT - II: Farm Management Practices**

Production conditions in Indian Agriculture – Farm size and efficiency – Technological Aspects: Agricultural inputs and shifts in production function – Different cost concepts used in farm management studies.

### **UNIT - III: Marketable Surplus**

Instability in agricultural output, prices and income risk and uncertainty – Income and price elasticities of demand for agricultural products: Marketable and marketed surplus – Cobwebs Model – Review of supply response studies (Nerlove, Rajkrishna Supply Response Model).

### **UNIT - IV: Developmental Programmes in Agriculture**

Impact of Green Revolution on production income and employment – Rural Development Agencies – Integrated Rural Development programme, National Rural Employment Programme, Minimum Needs Programme, NREGP, Jawahar Rojgar, Development for Women and Children in Rural Areas.

### **UNIT - V: Agricultural Policies**

Agriculture and the State: Rationale for government. Intervention in agriculture, policies concerning support prices – Procurement prices, issue price – Public Distribution System – Food subsidies – Buffer stock operations – Crop insurance – Price and input subsidies – Marketing and credit policies, Agricultural Price Policy in India.

### **References:**

1. Acharya SS : Agricultural Production, Marketing and Price Policy in (1988) India, Mittal Publications, New Delhi.
2. Chand Ramesh : Agricultural Diversification in India – Potential and (1991) Prospects in Development Loped Region, Mittal Publications, New Delhi.
3. Dhawan B.D : Studies in Irrigation and Water Management, Commonwealth Publishers, New Delhi.

4. Gulati Ashok and Sharma, Anil Deepali; S. Kohi : Self Sufficiency and Allocative Efficiency case of Edible oil seeds Economic & Political Weekly 31(3): A15-A24, March 30, 1996
5. Khusro A.M. (1990) : Agricultural Credit Review Committee (ACRC) – A Review by the Agricultural Credit System in India, Reserve Bank of India, Bombay.
6. Rao V.M (1994) : Agriculture and Liberalization, Some implications for Development Policies Economic & Political Weekly 29(6 – 17), 999 – 1004, April 16-23.
7. Shiva Vandcaha : The Violence of the Green Revolution, Third World Agriculture, Ecology & Policies. The other Indian Press, Mapusa, Goa.

## **EC E03 – ENVIRONMENTAL ECONOMICS**

### **UNIT - I: Introduction**

Environment – Eco-system – Nexus between Ecology and Economics – The Principle of material balance – Private Vs Social cost – resilience – Entropy – Trade off between economic growth and ecological balance – renewable and non-renewable resources – sustainable Development – Environmental problems in capitalist and socialist economic system – Environmental issues in developed and developing economics.

### **UNIT - II: Cost Benefit Analysis**

Environmental pollution – Sources and causes of Pollution – Types of Pollution – Pareto Optimality – Externality – Social cost and efficiency of divergence between social and private cost – problem of second best. Environmental Impact Analysis – Cost-Benefit Analysis. Environmental costs of economic growth – Limits to growth – Urbanization and its impact on environment.

### **UNIT - III: Environment Externalities**

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 regulations.

### **UNIT - IV: Valuation Methods**

User 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 Method.

### **UNIT - V: Environmental Policies**

Policy measures: Basic approaches to environmental policy – Regulation and Effluent Fees – A comparison – Distributive effects of environmental policy – International environmental policy – India's environmental policy – Law on environmental protection and pollution control in India.

### **References:**

1. Agarwal, Anil, Daryl : The Fight for Survival – People's Action for  
D. Monte and Ujwala Environment, Centre for Science and  
Samarth (1987) Environment, New Delhi.
2. Baumol. William J : Economics, Environmental Policy and the Quality  
and Wallace E Oates of Life, Prentice Hall, Inc. Eaglewood Cliffs.

3. Bohn Peter and Allen : Economics of Environment Mac Millan  
V. Kheese
4. Mohan I (1989) : Environmental Pollution and Management, Ashish  
Publishing House, New Delhi.
5. Dayanandan R (2005) : Sustainable Development Opportunities and  
Challenges Edited Book, Serials Publications.

## **EC S03 – WOMEN STUDIES AND DEVELOPMENT**

### **UNIT - I: Introduction**

Women and family – Internal and domestic role of women – valuing women's work – Infrastructure of culture and religion in women's work and family.

### **UNIT - II: Women and Labour Force**

Women in the labour force – Labour market theories of female discrimination – Bargaining model – New classical models – Gender based division of labour women in informal sector. Women's participation in labour force in rural and urban areas – Causes and consequences.

### **UNIT - III: Women and Development**

Women's education – opportunities – determinants. Intra-household allocation of food-age and sex bias – Gender development Index-women and food security.

### **UNIT - IV: Women and Demography**

Women and population – Missing women – Sex ratio – Fertility behaviour. Health care facilities – Gender and migration.

### **UNIT - V: Women and State**

Women and technology – Impact of technology – Women's work in agricultural sector, Industrial sector – Emergence of women entrepreneurs – Role of state.

### **References:**

1. Agarwal Bina : A field of one's own: Gender and Land Rights in South Asia, Cambridge South Asian Studies Series, No.58, Cambridge University Press, Cambridge.  
(1995)
2. Chitkara M.G. : Women & Social Transformation, A.P.H. Publishing Corporation, New Delhi.  
(2001)
3. Economic and Political Weekly : Review of Women's studies, XLIII(17):40-77, Mumbai.  
(2008)
4. Ramasamy Vijaya : Women and the Domestic in Tamil Folk songs, Man in India, 74(1):21-37.  
(1994)
5. Rose Kalima (1992) : Where women are Leaders The Seva Movement in India, Vistaar Publications, New Delhi.

## **IV SEMESTER**

### **EC C10 – INDUSTRIAL ECONOMICS**

#### **UNIT - I: Concepts and Theory of Firm Pricing**

Plant, Firm, Conglomerate, Cartel, Pattern of industrialization, industrial sector and industrial structure – Economies of scale – Market Structure – Objectives of the firm – Growth of firms – Marginal cost pricing Vs. Full cost pricing – Depreciation – Allocation of common costs among individual products – Administered prices.

#### **UNIT - II: Industrial Organization**

Industrial structure and change, market conduct and market performance – Interrelations – Conditions of entry Relevance of industry studies for public policy, Monopoly and concentration: Concepts – Reasons for concern – Measures of monopoly India, The Indian MRTP Act, 1969.

#### **UNIT - III: Corporate Form of Organization**

Features – Methods of control – ‘The divergence Problem’ – Traditional Vs. Present day capitalism Growth and Structure of the Indian corporate sector. Financial statements: Ratio analysis and interpretation. Industrial Finance: Types of finance – Money and Capital markets – Commercial Banks and Development Banks – Industrial Development Bank of India – Objectives and functioning – Impact of these institutions.

#### **UNIT - IV: Location and Regional Development**

Industrial location: Factors affecting industrial location – Measures of localization – Weber and Sargent Florence – Regional growth of industry in India. Tools of state policy – Industrial policy on backward areas.

#### **UNIT - V: Indian Industries**

Rationale – Organization – Pricing policies – The question of efficiency – Performance of public sector in India – The concept of joint sector. Other problems: Industrial sickness, capacity utilization, foreign collaboration, multinationals in India, Indian joint ventures abroad. Evaluation of Industrial reform measures.

#### **References:**

1. Barthwal R.R. : Industrial Economics, New Age International (2007) Publishers, New Delhi.
2. Martin S (1989) : Industrial Economics, Economic Analysis and Public Policy, Macmillan Publication Co., London.

3. Shy O (1996) : Industrial Organization: Theory and Application, The MIT Press, New York.
4. UNIDO (1978) : Guide to Practical Project Appraisal: Social Benefit – Cost Analysis in Developing Countries, Oxford & IBH Publishing Company.
5. Kotler P : Marketing Management, Prentice Hall of India, New Delhi.

## **EC C11 – INTERNATIONAL ECONOMICS**

### **UNIT - I: Conceptual Framework**

Intra and international trade – Gains from trade – Community indifference curve – Terms of Trade – Offer curves – factor reversal – fixed and flexible exchange rate – spot and forward exchange rate – balance of trade and balance of payments.

### **UNIT - II: Theories of International trade**

Ricardo – Mint Parity Theory – Purchasing Power Parity Theory – Balance of Payment theory – Heckscher – Ohlin – factor intensity – Final good prices, factor prices and factor intensity – The trade theorem – The theory of factor price equalization – Stopler – Samuelson theorem – Leontief paradox.

### **UNIT - III: Balance of Payment and trade policy**

Balance of payment disequilibrium – causes and measures to correct the disequilibrium – Free trade Vs Protection – Methods of Protection (Tariffs and Quotas) – Tariffs: classification – Effects – Quotas: Types – Effects – Non-Tariff barriers.

### **UNIT - IV: International Institutions**

Functioning of International Institutions and their impact on developing countries (IMF, IBRD, TNCS, G7 and EEC and Euro dollar market).

### **UNIT - V:**

GATT, GATS, WTO, UNCTAD, SAARC, New International Economic Order, North – South Dialogue, South – South Dialogue, Foreign Direct Investment.

### **References:**

1. Sachdeva N.K. : International Economics Vishvabharti Publications, New Delhi. (2007)
2. I.B.A. Report : Banking Industry: Vision 2020; November 2003. (2003)
3. Jalan Bimal : Indian Banking and Finance: Managing New Challenges: RBI, Bulletin, February 2002. (2002)
4. Government of India (1991) : First Report of the Committee on Financial Sector Reform (1991); First Report Chairman: M. Narasimhan
5. Government of India (1998) : Report of the Committee on Banking Sector Reforms (1998); Chairman: M. Narasimhan.

## **EC E04 – BANKING THEORY – LAW AND PRACTICE**

### **UNIT - I: Introduction**

Theory of commercial Banking – Functions of commercial Banks – Branch Banking Vs Unit Banking – Nationalisation of commercial banks in India – Technological Developments in Banking viz full computerization of Electronic clearing service – Electronic Cheque – Anywhere Banking – Off-shore Banking.

### **UNIT - II: Banking Principles**

Investment Policy of a Commercial Bank – Liabilities of a Commercial Bank – Asset structure of a Commercial Bank – Motives for Investment Policy – Liquidity Rules in India – Factors Determining liquidity of banks – Primary and derivative deposits – Credit creation – Different types of account.

### **UNIT - III: Central Banking**

Theory of Central Banking – Functions of RBI – Methods of Credit Control – Conflicts among credit control tools – Recommendations of Narasimham Committee on reforms of banking sector (1992 – 2003).

### **UNIT - IV: Banking Practice – I**

Relationship between banker and customers – Definition of Banking – Definition of a customer – Obligation of a banker – Banker rights – Deposits mobilization by banks – Special types of Banker's customers – Negotiable Instruments Act-1881 – Endorsements.

### **UNIT - V: Banking Practice – II**

Crossing of cheques – Payment of cheques – Collection of cheques – Bill of Exchange and Promissory Note – Loans and Advances – Principles of Sound Lending – Style of credit – Classification of Loans and Advances – Secured and unsecured – Purchase and discounting of bills.

### **References:**

1. K.P.M. Sundaram : Banking Theory – Law and Practice and Varshaney
2. Saravanavel : Banking Theory – Law and Practice
3. Shekar and Shekar : Banking Theory and Practice, Vikas Publishing House (1999) Pvt., Ltd., New Delhi.
4. Ravishankar : Indian Banking and Financial Sector Reforms Kumarshing (2006) Abhijeet Publications, New Delhi – 110 094.
5. Choudhary C.M. : Sublime Publications, Jaipur, India.

6. Suraj B. Gupta : Monetary Economics, Institutions, Theory & Policy, S.  
(1997) Chand & Company Ltd., New Delhi.
7. Barthwal R.R. : Industrial Economics, New Age International  
(2007) Publishers Pvt., Ltd., Mumbai.

## **M.A., Economics and M.Phil., Economics**

### List of Board of Studies Members

<b><u>Sl.No.</u></b>	<b><u>Name</u></b>	<b><u>Position</u></b>
1.	Dr.S. Rajendran Professor and Head, Department of Economics, Periyar University, Salem – 636 011.	Chairman
2.	Dr.P. Subramaniam, Reader in Economics, Government Arts College, (Autonomous) Salem – 636 007.	Member
3.	Dr.R. Masilamani, Reader in Economics, Kandaswami Kandar's College, Velur – 636 182, Namakkal District.	Member
4.	Thiru.N. Ravichandran, Head, Department of Economics, AVS College of Arts & Science, Ramalingapuram, Salem – 636 106.	Member
5.	Thiru.B. Premasundar, Lecturer in Economics, Vivekananda College of Arts & Science, Tiruchengode – 637 205. Namakkal – Dist.	Member
6.	Thiru.V. Vaithianathan, Lecturer in Economics, Periyar University, Salem – 636 011.	Member
7.	Dr.N. Rajalakshmi, Professor, Department of Economics, University of Madras, Chepauk Campus, Chennai – 600 005.	Member



Department of Economics  
**PERIYAR UNIVERSITY**  
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**Dr.S. Rajendran**

Professor and Head

PU/ECO/219/2008

Date: 17.09.2008

To

The Registrar,  
Periyar University,  
Salem - 636 011.

Dear Sir,

Sub: BOS - M.A., & M.Phil., Regulations, Syllabi, Question paper pattern and List of BOS Members - Submitted - Reg.

\* \* \* \* \*

In continuation of the Board of Studies Meeting held on 13.09.2008, herewith I enclose the following for your kind perusal and necessary action.

- 1) M.A., (Economics) regulations, syllabus, question paper pattern and list of board of studies members.
- 2) M.Phil., (Economics) regulations, syllabus and list of board of studies members.
- 3) The list of examiners and question paper setters was given along with the minutes of Board of Studies meeting held on 13.09.2008.
- 4) One C.D. containing the matters in serial numbers 1 and 2.

Thanking you,

Yours sincerely,

**(S. RAJENDRAN)**

Encl: As above.