PERIYAR UNIVERSITY
PERIYAR PALKALAI NAGAR
SALEM-636011

M.A. ECONOMICS
PERIYAR INSTITUTE OF DISTANCE EDUCATION
(PRIDE)

SYLLABUS FOR
M.A., ECONOMICS
(With effect from 2014-2015)
COMMON REGULATIONS OF M.A., ECONOMICS

REGULATIONS

The following regulations for the M.A., Economics are framed from the academic year 2014-15 and thereafter in the PRIDE of the Periyar University, Salem.

1. CONDITIONS FOR ADMISSION
A candidate who has passed B.A., Economics / Cooperation or B.Com, or B.B.M., or B.B.A., or B.Sc., Mathematics or Statistics and Professional 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 PRIDE 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 PRIDE of the University for a period of two academic years(Non-Semester) passed the examination, 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.

4. COURSE OF THE STUDY
The course of the study shall comprise instruction in the following subjects according to the syllabus and books prescribed from time to time.

I YEAR
1. PPECO01 : Micro Economic Theory
2. PPECO02 : Indian Economic Development
3. PPECO03 : Public Finance
4. PPECO04 : Agricultural Economics
5. PPECO05 : Environmental Economics

II YEAR
6. PPECO06 : Macro Economic Theory
7. PPECO07 : Industrial Economics
8. PPECO08 : Research Methodology and Statistical Methods
9. PPECO09 : Development Economics
10. PPECO10 : International Trade
5. EXAMINATIONS
The examination shall be for three hours duration to each paper at the end of the year. The candidate failing in any subject(s) will be permitted to appear for each failed subject(s) in the subsequent examination.

6. SCHEME OF THE EXAMINATIONS

<table>
<thead>
<tr>
<th>S. No</th>
<th>Subject Code &amp; Title of the paper</th>
<th>Duration (Hours)</th>
<th>Marks</th>
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<tbody>
<tr>
<td>1</td>
<td>PPECO01 : Micro Economic Theory</td>
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<tr>
<td>2</td>
<td>PPECO02 : Indian Economic Development</td>
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<td>PPECO03 : Public Finance</td>
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<td>PPECO04 : Agricultural Economics</td>
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<td>6</td>
<td>PPECO06 : Macro Economic Theory</td>
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<td><strong>TOTAL MARKS</strong></td>
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7. QUESTION PAPER PATTERN FOR PG COURSE OF ECONOMICS

Time: 3 Hours. Maximum Mark-100

**PART A – 5X5= 25 MARKS**
(Answer all the questions)
(Atleast one question from each unit with internal choice)

**PART B – 5X15= 75 MARKS**
(Answer all the questions)
Part B should consist of Eight questions, out of Eight questions Five questions should be answered. Minimum of One question from each unit and not exceeding Two Questions from each unit.
8. PASSING MINIMUM

The candidate shall be declared to have passed the examination if the candidate secures not less than 50 marks in the university examination in each paper. Candidate who does not obtain the required minimum marks for a pass in a paper shall be required to appear and pass the same at a subsequent appearance.

9. COMMENCEMENT OF THIS REGULATION

These regulations shall take effect from the academic year 2014-2015 and thereafter.
10. Syllabus

PPECO01: MICRO ECONOMIC THEORY

UNIT - I
Nature and scope of Micro Economics; Distinction between Micro Economics and Macro Economics; Methods of Economic Analysis; Deductive and Inductive Methods; Positive and Normative approaches to Economics; Nature of Economic Laws; Cardinal and utility Analysis; Law of Demand; Elasticity of Demand – Types and Measurement of Price Elasticity of Demand; Law of Elasticity of Supply; Consumer's Surplus; Indifference Curves; Price Effect; Income Effect and Substitution effect; Revealed preference Theory.

UNIT – II
Theories of Production; Law of Variable Proportions; Laws of Returns to scale; Cost Concepts; Types of Costs - Short – run and Long – run Costs; Traditional and Modern Theories of Costs; Revenue Concepts; Economics and Diseconomies of Scale.

UNIT – III
Meaning of Market; Classification of Markets; Conditions for Equilibrium of the Firm and Industry; Perfect Competition; Conditions of Equilibrium of the Firm and Industry; Marshall’s Time Element Analysis; Monopoly; Price Discrimination; Control and Regulation of Monopoly; Monopolistic Competition; Price – output Determination of the firm; Group Equilibrium – Oligopoly; Features; Price Determination under Oligopoly.

UNIT – IV

UNIT – V
Nature of Welfare Economics; Marshallian Welfare Economics; Pigouvian Welfare Economics; Paretian Optimum Criterion of welfare; The Compensation Criteria; Rawlsian Concept of Social Justice; Arrow’s Impossibility Theorem; The Theory of Second Best.

REFERENCES
PPECO01: MICRO ECONOMIC THEORY

Time :  3 Hrs.                         Max. Marks :  100

PART - A  ( 5 X 5 = 25 )
Answer All Questions. All Questions carry equal marks

1 Distinguish micro Economics from Macro Economics.
   ( Or )
   Explain the nature of economic laws.
2 Write a note on the types of cost curves.
   ( Or )
   Explain the relationship between AR , MR and TR.
3 Classify Markets.
   ( Or )
   Explain the degrees of Price discrimination.
4 Why do we need a separate theory of factor pricing ?
   ( Or )
   Explain personal and functional distribution.
5 What is Welfare Economics ?
   ( Or )
   Give a brief note on Arrow’s Impossibility Theorem.

PART - B  ( 5 X 15 = 75 )
Answer ANY FIVE Questions. All Questions carry equal marks

6 Explain the types of measurement of elasticity of demand.
7 Examine the merits and demerits of deductive and inductive methods.
8 Explain the law of variable proportions.
9 Give an account of Marshall’s time element analysis.
10 Explain the price – output determination under monopolistic competition.
11 Critically analyse cartter’s theory of collective bargaining.
12 Explain factor pricing under imperfect competition.
13 Discuss Paretian optimum conditions of welfare.
PPECO02: INDIAN ECONOMIC DEVELOPMENT

Unit- I

Unit-II
Problems in Indian Economy: Poverty - The concept and measurement of poverty - Causes of poverty and Remedies - Unemployment - Concept and measurement of unemployment, Causes of unemployment and Remedies - Economic Inequality - Concept and measurement of Economic Inequality, Causes of Economic Inequality and Remedies - Self-Reliance of Indian Economy - Concept of self-reliance, Concept of inclusive growth in 12th plan.

Unit-III

Unit-IV
Infrastructure in Indian Economy: Meaning and Importance of Infrastructure - Water supply and Sanitation - Energy and Power - Transport and Communication - Science and Technology - Rural and Urban Infrastructure.

Unit-IV

References
PART-A

Answer All Questions carry equal marks

1. Write note on water resource.
   (Or) Explain the New Economic Policy of India.
2. What are the causes of poverty?
   (Or) What are the measurements of poverty?
3. Explain rural-urban distribution.
   (Or) Write note life expectancy.
4. Explain on transport and communication.
   (Or) Write note on infrastructure.
5. What is meant by mixed economy
   (Or) What are the objectives of five year plan?

PART-B

(5X15=75)

Answer ANY FIVE Questions. All Questions carry equal marks

6. Differentiate developed country and under developing country.
7. What are the characteristics of Indian economy?
8. What are the cause of unemployment and remedies?
9. What are the features of Indian population?
10. What are the concepts of inclusive growth in 12th plan?
11. Explain on rural and urban infrastructure.
12. What are the economic planning strategies in India?
13. Explain on objectives of allocation resources?
PPECO03: PUBLIC FINANCE

Unit – I

Unit – II

Unit – III

Unit – IV

Unit – V

References
Answer all questions

1. a. Explain the functions of state.
   (or)
   b. What are externalities?

2. a. Distinguish between private and public spending.
   (or)
   b. What is optimum allocation of resources?

3. a. State the objectives of public expenditure.
   (or)
   b. What are the non-tax revenue?

4. a. State the objectives of fiscal policy.
   (or)
   b. Distinguish between deficit financing and deficit budgeting.

5. a. State the features of Budget.
   (or)
   b. State the functions of local governments.

Section – B (5 X 15 = 75 Marks)

Answer any five questions

6. Discuss the nature and scope of public finance.

7. Critically evaluate the Arrow’s Impossibility theorem.

8. Discuss the problem of corruption in India.

9. Explain the Peacock-Wiseman hypothesis on public expenditure.

10. Explain the concept of crowding in and crowding out of fiscal policy.

11. Discuss the factors responsible for fiscal deficit.

12. Explain in detail the highlights of current year’s budget.

13. Discuss the principles of federal finance.
PPECO04: AGRICULTURAL ECONOMICS

Unit- I
Role of Agriculture in Indian economy- Trends in Agriculture Productivity –Agricultural Development under Five Year Plans- Special Economic Zone and Policy- Problems of Agriculture Labour- Efficiency of Agriculture Labour -Impact of Mechanization on Agriculture Labour-MGNREGA.

Unit II

Unit- III

Unit- IV
Problems of Agriculture Marketing in India -Marketing and Price System in India- Problems of Agriculture – Export- Imports- Processing of Farm Products- Agreements of WTO in Agriculture

Unit- V

REFERENCES
3) Kapila Uma (ed) (2003), Indian Economy Since Independence, Academic Foundation
4) Dewett Kewal (2005), Indian Economy, C.Chand & Co.Ltd, New Delhi
6) Singh Acharya Sagar (2002), Sustainable Agricultural Poverty and Food Securities, Rawat Publication Jaypur Vol- I & II.
PART-A

Answer All Questions carry equal marks

1. What are the main problems of agricultural marketing in India?
   (Or)
   What is meant by micro finance and important role?
2. Explain the agriculture development under Five Year Plans
   (Or)
   Discuss the impact of mechanization in agriculture.
3. Write a note on food securities in India
   (Or)
   Explain the Limitations of farm management.
4. Discuss the export-import of farm products.
   (Or)
   Explain the agreements of WTO in agriculture.
5. What is meant by sustainable agriculture and explain its trends?
   (Or)
   Discuss the diversification of agriculture in India.

PART-B

Answer ANY FIVE Questions. All Questions carry equal marks

6. Explain the Role of agriculture in Indian economy.
7. What are the problems of agriculture labour?
8. What you mean by farm management and principles.
9. Discuss the role of NABARD and Commercial bank.
10. Explain the present status and features of organic farming.
11. Briefly discuss the marketing and price system in India.
12. What are the difference between Organic farming and Contract farming?
13. Discuss the supply response model-Cobweb Model.
UNIT-I

UNIT-II

UNIT-III

UNIT-IV

UNIT-V
Policy Measures International Environmental Policy – India’s Environmental Policy – Law and Environmental Protection in India.

References
PART-A

Answer All Questions carry equal marks

1. What are the concepts of environmental economics?
   (Or)
   Explain on environmental linkages.
2. Write note on renewable energy.
   (Or)
   What are the causes of environmental degradation?
3. Explain on Coase’s theorem
   (Or)
   What is the Pareto efficiency?
4. Explain on environmental impact assessment.
   (Or)
   Write note on contingent valuation method.
5. Explain on environmental protection in India.
   (Or)
   What are the environmental policy measures?

PART-B

(5X5=25)

Answer ANY FIVE Questions. All Questions carry equal marks

6. What are the environmental qualities as a public good?
7. Differentiate economic growth and environment.
8. What are different types of pollution?
9. What are the solid waste management?
10. Explain urban and rural environmental problems.
11. Explain environmental economic theory and resource allocation
13. What is the environmental policy in India?
PPECO06: MACRO ECONOMIC THEORY

UNIT - I
Types of variables ; Endogenous and exogenous variables , Stock and Flow variables ;
Lags ; Macro Statics ; Macro Dynamics ; Macro Comparative Statics - Necessity of
Aggregative Approach ; National Income and Product Aggregates ; Measurement of
National Income ; Importance of National Income and Social Accounting ; National
Balance Sheet.

UNIT – II
Basic Features of Classical Model ; Say’s Law of Market ; Classical Theory of
Employment ; Classical Model without Saving and Investment ; Classical Model with
Saving and Investment ; Simple Keynesian Theory of Income Determination ; Consumption
and Investment Spending - Government Spending and Taxation - Foreign Spending –
Evaluation of Keyne’s Theory.

UNIT – III
Consumption Function Attributes , Subjective and Objective Factors determining
Consumption Function ; Absolute Income Hypothesis – Relative Income Hypothesis –
Permanent Income Hypothesis – Life Cycle Hypothesis.

UNIT – IV
Autonomous and Induced Investment – Marginal Efficiency of Capital ( MEC ) and Marginal
Efficiency of Investment ( MEI ) ; Factors determining investment ; Investment Multiplier ;
Leakages of Multiplier ; Importance of Multiplier ; The Dynamic or Period multiplier ;
super Multiplier and Principle of Acceleration.

UNIT – V
Macro Economic Objectives : Primary Objectives and secondary Objectives , Conflict and
Co – ordination of objectives , approaches to Attain Full Employment and Price Stability ;
Monetary – Fiscal Policy Mix to control trade cycle Problems ; to control inflation , to
control unemployment , Economic Growth , Internal and External Stability – Supply Side
Economics – Income Policy.

REFERENCES
3) Heijdra, B.J. and V.P. Fredericck (2001), Foundations of Modern macroeconomics, Oxford
University Press, New Delhi.
5) Keynes, J.M (1936) : General Theory of Employment, Interest and Money
6) Mithani D. M., Money, Banking, International trade and public finance, Himalaya Publications
7) Rakshit, M.( 1998), Studies in the Macroeconomics of Developing Countries, Oxford University
Press, New Delhi
1. Explain the stock and flow variables with examples.
   (Or)
   What are the various concepts of national income?
2. Explain the implications of Say’s law of markets.
   (Or)
   State and explain the features of classical theory of employment.
3. What is consumption function? Explain the objective factors determining Consumption function.
   (Or)
   Explain life – cycle hypothesis.
4. Distinguish between autonomous and induced investment.
   (Or)
   What are the leakages of multiplier?
5. What are the secondary objectives in macroeconomic policy?
   (Or)
   Write a note on supply side economics.

6. Explain the various methods of measuring national income.
7. Explain Classical model without saving and investment.
9. Analyse relative income hypothesis.
10. Explain absolute income hypothesis.
11. Explain the interaction between multiplier and accelerator.
12. Discuss the conflict and co-ordination between the macro economic objectives.
13. Explain the efficiency of monetary - fiscal mix to control trade cycle problems.
PPECO07: INDUSTRIAL ECONOMICS

Unit – I
Need, importance and role of industries in economic and social development – Determinants of Industrial growth - Industrial Classification – Concepts of plant, firm and industry - Market structure.

Unit – II
Location of industries - Determinants of Industrial location - Theories of Industrial location - Weber, August Losch, Sargent Florence. Diversification - Integration and Merger of Industrial Units - Dispersion and Problem of Regional imbalance.

Unit – III

Unit – IV
Structure of Large scale Industries in India - Sugar, Cotton, Iron and Steel, Agro processing Industries - Cottage and village industries - Rural Industrialization. Emerging Global competition and Indian Industry - Impact of Liberalization and Privatization on SSI Sector.

Unit – V

References
Section – A

Answer all questions

1. a. Explain the importance of Industrialization.
   (or)
   b. Explain the concept of plant, firm and industry.

2. a. What are the advantages of localization?
   (or)
   b. Explain the indicators of regional imbalance.

3. a. Explain the organizational pattern of firms.
   (or)
   b. State the limitations of public enterprises.

4. a. Explain the importance of cottage industries.
   (or)
   b. Write a note on liberalization.

5. a. Explain the features of new economic policy.
   (or)
   b. Write a brief note on Indian capital market.

Section – B

Answer any five questions

6. Discuss the role of industries in economic and social development.

7. Explain the factors affecting localisation.

8. Explain the benefits from public sector enterprises.

9. Explain the factors determine the optimum size.

10. Examine the problems and prospects of India textile industry.

11. Discuss the importance of small scale industries.

12. Examine the role of IDBI for Indian industrial development.

13. Discuss the features of recent industrial policies in India.
PPECO08: RESEARCH METHODOLOGY AND STATISTICAL METHODS

UNIT-I
Meaning and Definition of Research, Objective, Need and Scope- Types of Research- Characteristics of Research- Foundation of Research Problem- Sources.

UNIT -II
Research Design- Meaning, Features, Types- Factors Affecting Research Design, need for Hypothesis- Character- Formulation of Hypothesis- types of Hypothesis- Type I and Type II Errors.

Unit -III
Correlation, Regression and Index Numbers-Correlation- Methods of Studying Correlation - Karl Pearson’s Coefficient of Correlation - Definition - Spearman’s Rank Correlation and Interpretation - Regression : Concept & Linear Regression -Fitting of Lines of Regression By The Least Squares Method - Index Numbers : Laspeyre’s and Paasche’s Index Numbers - Fisher’s Idle Index Number - Cost of Living Index Numbers.

UNIT-IV
Sampling techniques and Hypothesis testing- Census v/s. Sampling - Basic concepts of sampling, types - Random and non-random sampling techniques; Determination of sample size, characteristics - sampling and non-sampling errors; Judging the reliability of sample-Sampling distribution and Standard Error - uses of Standard Error; Type I and Type II Errors; Levels of Significance; Parametric Test - Small and large sample test, Analysis of Variance; Non-Parametric Test – Chi square Test, Goodness of Fit, Run Test and Median Test.

UNIT- V

REFERENCES
PPECO08: RESEARCH METHODOLOGY AND STATISTICAL METHODS

Time: 3Hrs
Marks: 100

PART-A

(5X5=25)

Answer All Questions carry equal marks

1. What you mean by research?
   (Or)
   What are research problems?
2. Explain research Design.
   (Or)
   State the importance of hypothesis?
3. Define correlation.
   (Or)
   Write note on index numbers.
4. What are non parametric test?
   (Or)
   What are the needs for research report?
5. Write a note on footnote.
   (Or)
   What are the characteristics of research?

PART-B

(5X15=75)

Answer ANY FIVE Questions. All Questions carry equal marks

6. What are the different types of research?
7. How to test a hypothesis.
8. When do we use Analysis of Variance?
9. What is thesis writing?
10. What is the structure of research report?
11. Discuss linear regression Model.
12. What are the characteristics of a good researcher?
13. What are the essentials of good report?
PPECO09: DEVELOPMENT ECONOMICS

Unit- I
Economic Growth and Development- Factors effecting economic growth: Growth model- Harrod and Domar Neoclassical growth models- Solow and Meade, Joan Robinson’s Growth Model: Critism of Classical - Neo analysis of growth, the capital controversy.

Unit-II
Technical progress- embodied and disembodies technical progress; Hicks, Harrod; learning by doing, production function approach to the economic growth; Growth models of Kaldor and Pasinetti, optimal saving and Ramsay’s rule, golden rule accumulation, Tobin, Patinkin and Jhonson endogenous growth; intellectual capital of learning, education and research.

Unit- III
Development and underdevelopment – poverty- Absolute and relative measure development and development gap- inequality of income- human development index and other indices of development and quality of life – food security, education, health and nutrition; human resources development; Theory of demographic transition; population as limit to growth and as ultimate source- population, poverty and environment; economic development institution.

Unit- IV
Classical theory of development- contribution of Adam Smith, Ricardo, Malthus and J.S Mill; Karl Max and Development of capitalist economy- theory of social change, surplus value and profit; Schumpeter and capitalist development; innovation – role of credit, profit and degeneration of capitalism.

Unit- V
Partial theories of growth 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 ad social; Ranis and Fei Model.

References
PART-A

Answer All Questions carry equal marks

1. State about capital controversy
   (Or)
   How many the factors are affecting the economic growth?

2. What is the production function approach?
   (Or)
   Explain the kaldor model

3. Explain technical progress in detail?
   (Or)
   How inequality of income is affect the growth of nation

4. What is contribution of Adam smith in classical theory of development?
   (Or)
   What you mean innovation.

5. Explain low income equilibrium trap.
   (Or)
   Explain Ranis and Fei Model

PART-B

(5X15=75)

Answer ANY FIVE Questions. All Questions carry equal marks

6. Harrod and Domar growth model-explain
7. Solow and Meade growth model-explain
8. Explain embodied and disembodies technical progress
9. What is the human development index and explain
10. How is food security in India explain
11. Ricardo’s classical theory of development explain
12. What is unbalanced growth and explain with examples
13. Karl Max contribution in development economics-explain
PPECO10 : INTERNATIONAL TRADE

Unit I

Unit II
Importance of Terms of Trade – concepts of terms of trade – factors affecting terms of trade – Prebish – Singer thesis - Doctrine of Reciprocal demand and offer curve analysis - Gains from International Trade.

Unit III

Unit IV

Unit V

References
PART-A  
(5X5=25) 

Answer All Questions carry equal marks 

1. State about factor price equalization. 
   (Or) Explain Ohlin theorem. 
2. What are the factors affecting the international trade. 
   (Or) How international trade generates gain. 
3. Explain about exchange rate. 
   (Or) What are the concepts of mint-par partly? 
4. Explain the concept of devaluation. 
   (Or) Explain BOP disequilibrium. 
5. What are all the institutions functioning in international trade state them. 
   (Or) What is the liberalisation? 

PART-B  
(5X15=75) 

Answer ANY FIVE Questions. All Questions carry equal marks 

6. Explain the importance Stopler Samuleson theorem in international trade. 
7. Explain Leontiff Paradox in detail. 
8. Discuss Reciprocal demand and offer curve. 
9. What is the BOP and explain its trend India? 
10. State the meaning of purchasing power parity. 
11. Explain about Balance of trade 
12. What is Convertibility of currency? 
13. Write a short note on IMF, IBRD and WTO functions
## PRIDE Board of Studies Members – M.A., Economics

<table>
<thead>
<tr>
<th>Sl.No</th>
<th>Name &amp; Address</th>
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| 1     | Dr. S. Rajendran  
       | Professor and Head,  
       | Department of Economics,  
       | Periyar University,  
       | Salem-636 011. | Chairman |
| 2     | Dr. A. Shanmugasundaran  
       | Assistant Professor,  
       | Department of Economics,  
       | Kandaswami Kandars College,  
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       | Periyar Institute of Distance Education,  
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