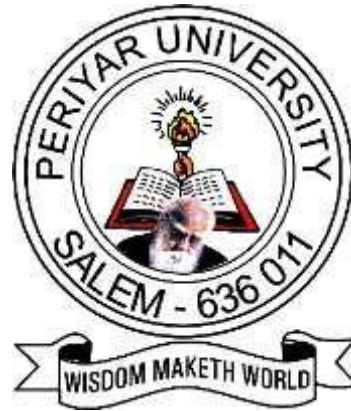


# **PERIYAR UNIVERSITY**

**SALEM – 636 011, Tamil Nadu, India**

**NAAC A Grade - State University-NIRF Rank 90**



## **M.A., IN ECONOMICS CHOICE BASED CREDIT SYSTEM (University Department)**

### **REGULATIONS / SYLLABUS**

**(Effective from the Academic Year 2018-19 and thereafter)**

# **REGULATIONS**

The following regulations for the M.A., Economics are framed from the academic year 2018 – 19 and thereafter in the Department of Economics 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 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 Department of Economics 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 Department of Economics of 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.

## **4. DURATION OF THE PROGRAMME**

The degree of Master of Arts programme shall consist of two academic years, with four semesters. The programme 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 spread from December to April.

## **5. EXAMINATION**

There shall be four semester 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.

## 6. PROGRAMME OF STUDY AND SCHEME OF EXAMINATION

### REVISED M.A PROGRAMME OF STUDY AND SCHEME OF EXAMINATION

<b>Subject Code</b>	<b>Title of the Paper</b>	<b>Semester</b>	<b>Credit</b>
<b>SEMESTER – I</b>			
18ECO C01	Micro Economics - I	I	5
18ECO C02	Macro Economics – I	I	5
18ECO C03	Statistics for Economics	I	5
18ECO E01	Indian Economy	I	5
18ECO S01	Economics for competitive Examination (Supportive)	I	3
	MOOC/Swayam Course – I		
<b>SEMESTER – II</b>			
18ECO C04	Micro Economics – II	II	5
18ECO C05	Macro Economics – II	II	5
18ECO C06	Mathematics for Economics	II	5
18ECO E02	Agricultural Economics	II	5
18ECO S02	Principles of Economics (Supportive)	II	3
	Human rights	II	
	MOOC/Swayam Course – II		
<b>SEMESTER – III</b>			
18ECO C07	Research Methodology	III	5
18ECO C08	Public Finance – I	III	5
18ECO C09	Development Economics	III	5
18ECO C10	Econometrics	III	5
18ECO E03	Money, Banking and Finance	III	5
	MOOC/Swayam Course – III		
<b>SEMESTER – IV</b>			
18ECO C11	Public Finance – II	IV	5
18ECO C12	Environmental Economics	IV	5
18ECO E04	International Economics	IV	5
	MOOC/Swayam Course – III		
	Project		5
	<b>Total</b>		<b>91</b>

## 7. CREDIT DETAILS

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	-	60 Credits
Elective Course	-	20 Credits
Supportive Courses	-	6 Credits
<b>Total</b>		<b>86 Credits</b>
		<hr/>
<b>Project</b>		<b>5 Credits</b>
		<hr/>
<b>Grand Total</b>		<b>91 Credits</b>
		<hr/>

### **Note:**

Add – on credit course: MOOC

However, earning credit in the Add – on course is additional and will not reflect for the award of degree, since the MOOC course are introduced on experimental basis.

## 8. REQUIREMENT FOR PROCEEDING TO SUBSEQUENT SEMESTER

1. Candidates shall register their names for the First Semester examination after the admission in the PG programme
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 (75 %) as prescribed by the syndicate of the Periyar University from time to time. If the candidate earns

attendance between 74 and 60 they are allowed to write exam by paying condonation fee prescribed by the university

In case of candidate earning less than 60 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.

#### **9. 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 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.

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**.

## 11. RANKING

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

## 12. PATTERN OF QUESTION PAPER

Time: 3 Hours

Maximum Marks: 75

### **PART A (20 X 1 = 20)**

Objective type questions  
Answer ALL Questions

### **PART B (3 X 5 = 15)**

Analytical questions  
One question from each unit  
Answer ALL Questions  
Each Answer should not exceed 300 words

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

Descriptive Questions  
Answer ALL Questions (Either - or)  
Each Answer should not exceed 500 words

M.A. Programme

**Programme Objectives**

Programme Objectives	Name of the Programme: MA Economics	<ul style="list-style-type: none"><li>• To make the students to understand the economic challenges facing the society and the world</li></ul>
		<ul style="list-style-type: none"><li>• To impart the basic and advanced knowledge of Economic concepts and Theories to the Students</li></ul>
		<ul style="list-style-type: none"><li>• To make the students to prepare right decisions regarding economic activities</li></ul>
		<ul style="list-style-type: none"><li>• To create research bent of minds among the students</li></ul>
		<ul style="list-style-type: none"><li>• To make the students aware of the current economic issues and ways to address them</li></ul>
		To make the students employable in economics, finance and related areas

## Programme Specific Outcome

Programme Specific Outcome	<ul style="list-style-type: none"><li>• The student can make appropriate and Critical assessments</li></ul>
	<ul style="list-style-type: none"><li>• It makes the students to make to select right economic issues and provide scientific interpretation</li></ul>
	Ability to translate the classroom knowledge to practical socio-economic issues affecting the economy
	Capacity to apply the theories of economics to practical world particularly in industry, finance, agriculture and public finance areas.



**SEMESTER I**  
**18ECO C01 - MICRO ECONOMICS – I**

**Objective**

**Course objectives:**

The course provides an introduction to a core area of economics known as microeconomics. It considers the operation of a market economy and the problem of how best to allocate society's scarce resources. The course considers the way in which various decision making units in the economy (individuals and firms) make their consumption and production decisions and how these decisions are coordinated. It considers the laws of supply and demand, and introduces the theory of the firm, and its components, production and cost theories and models of market structure. The various causes of market failure are assessed, and consideration is given to public policies designed to correct this market failure.

**Course Outcomes**

**Unit I :** present clearly written analysis of economic issues and problems  
understand the role of different trading arrangements in markets and their impact on demand prices and the quantities traded.

**Unit II:** Students will learn how markets organize core economic activities, such as production, distribution, and consumption, and the growth of productive resources

**Unit III:** Students will learn to apply economic theories cost in analyzing economic issues

**Unit IV & Unit V:** Students will be able to explain the concepts various market conditions of the firm.

**UNIT- I: Theory of Demand**

Theory of Consumer Behavior: The Cardinal Utility Theory – The Indifference Curves Theory – The Revealed Preference Hypothesis – The Consumers Surplus – Some Application of Indifference Curves Analysis – The Market Demand: Derivation of the Market Demand – Determinants of Demand –Elasticity of Demand – Market Demand, Total Revenue and Marginal Revenue – Recent Development in the Theory of Market Demand: The Pragmatic Approach to Demand Analysis – Linear Expenditure System. Theory of Risk and Uncertainty – NM Hypothesis – Friedman Hypothesis – Savage Hypothesis.

**UNIT- II: Theory of Production**

The Production Function CD – CES – VES – Law of Production – Technological Progress and the Production Function – Equilibrium of the Firm: Choice of Optimal Combination of Factors of Production – Derivation of Cost Functions from Production Functions – The Production Function of a Multiproduct Firm.

**UNIT- III: Theory of Costs**

The Traditional Theory of Cost – Modern Theory of Cost – Engineering Cost Curves –The Analysis of Economies of Scale – Empirical Evidence of the Shape of Costs – The Relevance of the Shape of Costs in Decision making.

#### **UNIT – IV: Theory of The Firm - I**

Perfect Competition – Assumption – Short run Equilibrium – Long run Equilibrium – Dynamic Changes and Industry Equilibrium – Monopoly – Price Discrimination – Monopolistic Competition.

#### **UNIT- V: Theory of the Firm - II**

Classical Oligopoly – Non Collusive Oligopoly: Cournot’s Duopoly Model – Bertrand’s Duopoly Model – Chamberlin’s Oligopoly – The Kinked Demand Model – Stackelberg’s Duopoly Model – Collusive Oligopoly : Cartels – Price Leadership – The Basing Point System.

#### **Text Book**

A.Koutsoyiannis, (1982) Modern Microeconomics, Macmillan Education Ltd, London.

#### **Reference**

- 1 Richard Varian – (1982) Intermediary Micro Economics, Affiliated East West Press.
2. Robert Pindyck and Daniel L.Rubinfeld– (2003) Micro Economics, Macmillan.
3. E.K.Browning and J.M.Browning (1991) Micro Economics – Theory and Applications

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### **18ECO C02 –MACRO ECONOMICS -I**

#### **Objective**

Macroeconomics studies the functional relationship between large aggregates. Its significance has risen in the last few years and a strong theoretical foundation would benefit for the clear understanding of the economic policies

#### **Outcome**

The students should be in a position to apply the concepts of macroeconomic theories in real world.

Being an important segment in economic theory, the students will benefit enormously.

#### **Unit – I: Basic Concepts**

Introduction – Need for a Separate Study of Macro Economics - National Income – Circular Flow of Income – National Income and National product – Measurement of National Income – Difficulties in the Measurement of National Income –National Income and Measure of Welfare- Social Accounting – concept and importance.

#### **Unit – II: Macro Economic Theories – I**

The Classical Theory of Employment – Say’s Law of Markets – Aggregate Demand and Supply (Two, Three and Four Sector Model) – The Consumption Function- Keynes Psychological Law of Consumption – The Marginal Efficiency of Investment (MEI) – Income Determination in Closed and Open Economy – The Keynesian Theory of Income, Output and Employment.

### **Unit – III: Macro Economic Theories – II**

Savings and Investment Equality (The Classical and Keynes criticism of the view) – The Accelerator Theory of Investment – Lags in Investment – Koyek’s Approach – Financial Theories of Investment –Multiplier and Accelerator.

### **Unit – IV: Post-Keynesian Developments in Macro Economics**

General Equilibrium and IS-LM Curve Model – The Derivation of the IS Curve – Shift in the IS Curve – The LM Curve – Shift in the LM Curve – Intersection of the IS and LM Curves – Phillips Curve – Long-run Phillips Curve and Rational Expectations Theory - Numerical Problems of IS curve – Two and three sector model – Derivative of LM curve – Determination of Income and Interest Under IS Curve.

### **Unit – V: Supply Side Economics**

Supply Side Economics – Laffer curve – Supply side vs demand side economics - Taxation and Labour Supply- Reagan Economics -Reducing the Burden of Government Regulations – Effectiveness of supply side economics.

### **Text Book**

Mankiw. N. Gregory (2000) Macro Economics (Worth Publishers, New York)

### **References**

1. Rudiger Dornbusch, Stanley Fischer and Richard Startz (2017), “Macro Economics”, *Tata McGraw – Hill Publishing Company Limited*, New Delhi.
2. Dornbusch, Rudiger, Stanley Fischer, and Richard Startz (2000). Macro economics, Tata McGraw – Hill Publishing Company, New Delhi.
3. Roger E.A. Farmer (2002), Macro economics, Thompson Asia Pvt.Ltd., Singapore
4. Jha, Raghendra (1991). Contemporary Macroeconomics Theories and policy, Wiley Eastern Limited, New Delhi.

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## **18ECO CO3 - STATISTICS FOR ECONOMICS**

### **Objective**

1. To enhance the skill of the students to handle numerical data, both in the form of primary data and secondary data.
2. To teach basic concepts and theories and its application
3. To enhance the ability to handle different data
4. To identify the suitability of different statistical tools in appropriate situation

5. To find out the statistical analysis, inferences and interpretation with respect to different economic activities

### **Course Outcome (COs)**

The students will be able to,

- Know the meaning and definitions of the basic theories in statistics coupled with economics
- Obtain statistical model and describe the behavior of rare events
- Test the validity of assumptions
- Deal with uncertainty in decision-making
- Handle both primary and secondary data
- Find out economic and social attributes association
- Draw inferences and generalizations for policy and decision making

### **UNIT- I: Probability and Expected Value**

Introduction – Probability Defined: Classical or a Priori Probability – Shortcomings of the Classical Approach – Relative Frequency Theory of Probability – Subjective Approach to Probability – Axiomatic Approach to Probability - Importance of the Concept of Probability – Calculation of Probability – Theorems of Probability: Addition Theorem – Multiplication Theorem – Conditional Probability – Bayes Theorem – Mathematical Expectation: Random Variable and Probability Distribution – Elementary Set Theory – Counting Rules.

### **UNIT- II: Theoretical Distributions**

Introduction – Binomial Distribution – The Multinomial Distribution – Negative Binomial Distribution – Poisson Distribution- Hyper geometric Distribution – Normal Distribution – A Word of Caution – Miscellaneous Illustrations.

### **UNIT- III : Statistical Inference – Tests Of Hypotheses**

Introduction - Procedure of Testing Hypotheses – Standard Error and Sampling Distribution – Estimation – Tests of Significance for Large Samples Tests of Significance for Small Samples - List of Formulae - Miscellaneous Illustrations

### **UNIT- IV: $\chi^2$ Tests and Goodness of Fit**

Introduction –  $\chi^2$  Defined – Conditions for Applying  $\chi^2$  Test – Yates' Corrections – Uses of  $\chi^2$  Test – Additive Property of  $\chi^2$  Chi – Square Test for Specified Value of Population Variance – Misuse of Chi – Square Test – Limitations on the use of  $\chi^2$  Test - Miscellaneous Illustrations.

### **UNIT- V: F – Test and Analysis Of Variance**

The F – Test or the Variance Ratio Test – Applications of F – Test – Analysis of Variance – Assumptions in Analysis of Variance – Technique of Analysis of Variance – Coding of Data – Analysis of Variance in Two – Way Classification Model – A Word of Caution.

### **Text Book**

Gupta, S.P. (2014), Fundamentals of Applied Statistics, S.Chand & Sons, New Delhi.

### **REFERENCES**

1. Aggarwal Y.P (2002), Statistics methods – Concepts Application and Computation, Sterling Publishers Private Ltd, New Delhi
2. Davis, Glyn & Pecar, Branko (2010) Business Statistics – Using Excel, Oxford University Press New York.
3. Gupta .S.P.(1993) Fundamentals of Applied Statistics, S.Chand & Sons, New Delhi.
4. Speigal M.R.(1992) Theory and Problems of Statistics, McGraw Hill Book.
5. Whigham David (2008) Business Data Analysis Using Excel, Oxford University Press.
6. Wonnacott H. Thomas & Wonnacott J.Ronald (1969) Introductory Statistics.

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## **18ECO E01 - INDIAN ECONOMY**

### **Objective**

The objective of this paper is to acquaint the students with the strategy of economic development of the Indian economy in different periods. The paper also aims at creating awareness among the students regarding the contemporary issues pertaining to various sectors of the Indian economy.

### **Outcome**

The student is expected to understand the basics of various sectors, employment and growth of Indian Economy

### **Unit I: Growth and Employment**

Indian Economy at Independence- Planning and the Market- Growth and Structural Changes: Savings and Investment - Regional Dimension of Growth and Employment.

### **Unit II: Natural and Human Resources**

Natural Resources: Land, Forest, Water, Fisheries and Minerals. - Demographic Constraints: Population Change and Economic Development- India's Demographic Transition and Its Consequences for Development- Assessment of the Growth Experience: Poverty, Unemployment and Inflation-Employment and Growth- Poverty and Inequality.

### **Unit III: Agriculture**

Indian Agriculture: Developments, Issues and Policies- Reforms in Land System in Post-Independent in India- Growth Crisis in Agriculture - Food and Nutrition Security - Food Policy in India.

#### **Unit IV: Industry**

Industrial Development and Policies since Independence- Industrial Growth and Diversification- Industrial Policy and Performance - Public versus Private Sector.

#### **Unit V: Services and External Sector**

Services in India's Growth Process- Infrastructure and Economic Development- India's External Sector: Policies, Developments and Issues- Foreign Direct Investment: Trends and Issues- India and the WTO.

#### **Text Book**

Uma Kapila (2016), "Indian Economy since Independence-A comprehensive and critical analysis of India's economy, 1947-2015", 26 Edition, Academic Foundation New Delhi.

#### **References**

1. Misra S. K. and Puri V. K. (2016), "Indian Economy- Its development experience" Himalayan Publishing House, Mumbai.
2. Ruddardutt& Sundaram K.P.M. (2017), "Indian Economy", S.Chand & Co. New Delhi.
3. Jalan, B. (2002), "The Indian Economy- Problems and Prospects" Viking, New Delhi
4. Annual Economic Survey (Different issues), GoI, New Delhi

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### **18ECO S01 – Economics for Competitive Examination (Supportive)**

#### **Objective**

This paper is devoted for non-economics students. Units are designed covering various sectors in the Indian Economy. Additionally the recent Government's policies have been included. The students could have a clear idea of the economics essential for competitive examinations.

#### **Outcome**

The student should be in a position to face the competitive examinations boldly and attend the economics questions at ease. Further the students could be abreast of the latest economic issues.

#### **Unit – I: Structure of the Indian Economy**

Characteristics of Indian Economy-National Income – Methods of Calculating National Income – Difficulties – Trends in National Income in India – Sectoral Contribution – Population Growth and Economic Development.

### **Unit – II: Economic Planning and Policy**

Objectives of Planning – Types of Planning – Planning in India – Niti Aayog- Review and assessment of New Economic Policy and Liberalization, Privatization and Globalization

### **Unit – III: Agriculture and Industrial Development**

Agricultural Development under Five Year Plans- Structural Change- Impact of New Economic Policy (1991) – Industrial Development under Five Year Plans – New Industrial Policy (1991) and the recent changes

### **Unit – IV: Banking and Fiscal Policy**

Indian Banking System – Functions of RBI – Commercial Bank, Development Bank – Co-operative Bank – Stock Exchanges – India’s Fiscal Policy – Tax reform – Introduction of GST.

### **Unit – V: India and the World**

India’s Foreign Trade and Balance of Payment – Exchange Rate Policy – Foreign Capital and Foreign Aid – Meaning of MNC – FEMA- India and WTO.

### **Text Book**

Rudder Datt and Sundharam K.P.M. (2014), “**Indian Economy**”, *S.Chand and Company Ltd*, New Delhi

### **References**

1. “Economic Survey of India”, Economic Division, Ministry of Finance, Government of India Various Issues.
2. “Statistics and Abstract”, Various Issues, Government of India.
3. Rudder Datt and Sundharam K.P.M. (2014), “Indian Economy”, S.Chand and Company Ltd, New Delhi.
4. Ishwar Dhingra (2017), March of the Indian Economy, 4<sup>th</sup> Edition, Heed Publications Ltd
5. Gupta. K.R (2005), Studies in Indian Economy, Atlantic Publishers
6. Gupta. K.R & Gupta (2004) J.R. “Indian Economy”, Atlantic Publishers, New Delhi.

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## **SEMESTER II**

### **18ECO C04 – MICRO ECONOMICS – II**

### **Objective**

This subject is continuation of Micro Economics I aimed at providing Knowledge on basic Economic Principles, as well as applied skills to enable the students to gain decision making ability.

### **Outcome**

To understand theories of micro economics useful for the firms and the economy

### **UNIT- I: Managerial Theories of the Firm**

Baumol's Theory of Sales Revenue Maximization – Marris's Model of the Managerial Enterprise – Williamson's Model of Managerial Discretion – The Behavioral Model of Cyert and March.

### **UNIT- II: Theory Of Games Linear Programming**

Theory of Games – Some Definitions – Two Person Zero Sum Game: Certainty Model – Uncertainty Model – Non Zero Sum Game –Linear Programming: General Notes – Statement of Linear programming Problems – Graphical Solution: Graphical Determination of the Region of Feasible Solutions - Graphical Determination of the Objective Function – Determination of the Optimal Solution– The Simplex Method: The Iterative Procedure – The Dual Problem and Shadow Prices.

### **UNIT- III: Pricing Of Factor Of Production And Income Distribution**

Factor Pricing -Factor Pricing in Perfectly Competitive Markets – Factor Pricing in Imperfectly Competitive Markets – Elasticity of Factor Substitution, Technological Progress and Income Distribution.

### **UNIT- IV: General Equilibrium Theory**

Interdependence in the Economy – The Walrasian System – Existence Uniqueness and Stability of an equilibrium – A Graphical Treatment of the Two Factor, Two Commodity, Two Consumer General Equilibrium - A Graphical Illustration of the Path to General Equilibrium.

### **UNIT- V: Welfare Economics**

Criteria of Social Welfare – Maximization of Social Welfare –Determination of the Welfare maximizing Output Mix, Commodity Distribution and Resource Allocation - Welfare Maximization and Perfect Competition – Critique and Extensions.

### **Text Book**

A.Koutsoyiannis, (2015) Modern Microeconomics, Macmillan Education Ltd, London

### **References**

1. A.Koutsoyiannis (1982) Non – Price decisions – The Firm in a Modern Context, Macmillan.
2. Richard Varian – (1992) Intermediary Micro Economics, Affiliated East West Press.
3. Robert Pindyck and Daniel L.Rubinfeld – (2003) Micro Economics, Macmillan.
4. E K Browning and J M Browning Micro Economics – Theory and Applications

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## **Objectives**

This paper provides macro economic theory and techniques of economic analysis. It enables students to analyze macroeconomic issues and find solutions to complex economic problems. In some places the models are related with current policies.

## **Outcome**

Students are expected to have a firm grounding in macro economic theories. The students would be in a position to understand the macro economic issues.

### **Unit – I: Theories of Business Cycle**

Sun Spot Theory – Hawtrey Theory – Keynes’s Theory of Business Cycles-Samuelsson’s Model – Business Cycle Theories – Fluctuations in the open Economy– Sticky wage Model – Sticky price Model –Model Trade off – Policy implications – Dynamic Disequilibrium.

### **Unit – II: Theories of Economic Growth**

Population, Human Capital and Infrastructure – Technological Progress and change-Hicks and Harrod model – Classical approach-the Neoclassical approach- the modern approach- the Solow growth model-Endogenous Growth Model-Role of Education, Research and Knowledge

### **Unit – III: Government and Macro Economy**

Role of State – Effects of Public Expenditure – Mobilization of Resources for Capital Formation – Equitable Distribution – Measures to Reduce Fiscal Deficit - Fiscal Deficit and Economic Growth.

### **Unit – IV: Inflation and Unemployment**

Inflation – Causes- Theories –Demand – pull and cost--push inflation-Structural and Monetarist Approaches to Inflation –Unemployment- The Natural Rate of Unemployment Hypothesis - Modifications in Phillips Curve – Policy Dilemma - Inflation in India

### **Unit – V: Open Economy Macroeconomics**

Meaning – Concepts – Identities – Mundell- Fleming Model – Balance of Payments and Exchange Rate Regimes – Effectiveness of monetary and fiscal policies under fixed and flexible exchange rate- Simultaneous Equation – Automatic Adjustment and Adjustment Policies – Policy implications and critique. Interest – rate & exchange rate interdependence

## **Text Book**

Rudiger Dornbusch and Stanley Fischer (2012) “**Macro Economics**”, *Tata McGraw-Hill Publishing Company Limited*, New Delhi.

## **References**

1. Shapiro, E. 2005. *Macro Economic Analysis* (5th Edition). Galgotia Publications. New Delhi.
2. Ahuja. H.L (2006), “*Macro Economics Theory and Policy Advanced Analysis*”, S.Chand and Company, New Delhi.

3. William H. Branson (2004), “Macro Economic Theory and Policy”, All India Traveler Book Sellers (Regd), Delhi
4. Mankiw, N. G. 2006. Macroeconomics, (5th Edition), Worth Publications. New York.

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## **18ECO C06 - MATHEMATICS FOR ECONOMICS**

### **Objective**

This is an introductory course in mathematics for economic analysis, aimed at MA students with background in both economics and mathematics. This course provides a comprehensive introduction to the mathematical tools most often used by economists in their research. Wherever possible, familiar micro and macro models will be used to place these tools in economic contexts.

- To learn basic mathematical knowledge
- To apply mathematics in economic theories and methodologies for analyzing economic issues in various fields - How markets organize core economic activities, such as production, distribution, and consumption, growth of productive resources, determinants of macroeconomic conditions, causes of business cycles, and interactions of monetary and fiscal policy

### **Outcome**

1. The student would be in a position to use basic mathematical techniques required for rigorous study of economics.
2. Understand the intuition and the mathematical modeling in economics
3. Use of models to explain any economic phenomena and evaluate economic policies
4. To develop analytical skill in Economics which includes Analytical and economic reasoning skills, Quantitative analytical skills, Critical thinking skills and Self development skills
5. Acquire basic preparation for reading advanced literature

### **Unit – I: Set Theory**

Need and scope of Mathematical Economics – Sets and Relations: Sets-Operations – The Number of Elements in a Set – Ordered Pairs – Cartesian product – Relations – Choice Problems.

### **Unit – II: Equations and Functions**

Equations – Linear – Quadratic Equations – Solutions of Quadratic Equations – Solutions of Linear Equations with two variables – relation and functions – function of one variable – Straight

Line Parabola and Rectangular Hyperbola – Exponential and Logarithmic function, Concave and Convex functions – Application in Economics.

### **Unit – III: Applications of Differentiation & Integration**

Derivatives and their Interpretation – Techniques – Relationship among Total, Average and Marginal Revenue and Cost, Elasticity of Functions – Functions of Two Variable – Partial Derivatives and their Applications in Economics – Integration – Difference & Differentials equations – Rules and Economic Applications – Differentials equations: rules and Applications.

### **Unit – IV: The Theory of the Firm**

Optimization Problems Involving One or Two Variables – Applications in Economics – Homogeneous Function and their Properties – Euler’s Theorem – Application of Cobb-Douglas, C.E.S. and Frontier Production Function and their Properties.

### **Unit – V: Matrix - Algebra**

Matrix Algebra – Determinants and Properties – Types of Determinants - Operations – Addition and Subtraction of Matrix – Multiplication – Transpose and Inverse of Matrix. Solutions for Simultaneous Equations – Grammer’s Rule.

### **Text Book**

Renshaw, Geoff (2009), Maths for Economics (2<sup>nd</sup> Edition), Oxford University Press, New York

### **References**

1. Agarwal D.R (2001), “Mathematics for Economists”, Vrinda Publications Pvt Ltd. Delhi.
2. Allen R.G.D (2008), “Mathematical Analysis for Economists”, A.I.T.B.S. Publishers, India, Delhi.
3. Bradley, Teresa & Patton, Paul (2002), “Essential Mathematics for Economics and Business”, Wiley India Private Lid., New Delhi.
4. Edward T. Dowling (2012), “Theory and Problems to Introduction to Mathematical Economics”, Tata McGraw-Hill Publishing, New Delhi.
5. Geoff Renshaw (2009), “Maths for Economics (4<sup>nd</sup> Edition)”, Oxford University Press, New York.
6. Taroyamane (2003) “Mathematics for Economist – An Elementary Survey”, Prentice Hall of India, New Delhi.
7. Weber, E. Jean (1982), “Mathematical Analysis Business and Economic Applications (4<sup>th</sup> Edition)”, Harper & Row, Publishers, New York.
8. Alpha C. Chinag (2017), “Fundamental Methods of Mathematical Economics”, McGraw Hill, New York.

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## **18ECO E02 - AGRICULTURAL ECONOMICS**

### **Objective**

The role of agriculture in the State economy has been steadily declining. Understanding the causes and devising appropriate solutions is the need of the hour. This paper addresses issues of agricultural sector.

### **Outcome**

The students are expected to have a sound grasp of agricultural issues involving in India and they can know the modern issues affecting the agricultural sector.

### **Unit – I: Nature and Scope**

Agriculture and Economic Development – Characteristics of Agriculture - Traditional Vs Modern Agriculture – Sustainable agriculture – Food and nutrition security – Future Role of Agriculture & Allied Sector in Economic Development – Relationship Between Agriculture and Other sectors.

### **Unit – II: Factor Productivity**

Agricultural Production Economics – Law's of Return- Factor Product Relationship – Factor – Factor Relationship – Product – Product Relationship – Return's to Scale – Production Function.

### **Unit – III: Farm Management**

Farm Management – Economic Principles applied to Farm Management – Types of Farm Business Organization – Farm Planning –Applications of Operational Research Techniques to Farm Management - Farm size and Efficiency debate – Management of Farm Resources – Risk and Uncertainty.

### **Unit – IV: Farm Credit**

Agricultural Finance: Institutional & Non-Institutional Credit: Small Farmers Development Agency (SFDA), Marginal Farmers and Agricultural Labourers Development Agency (MFAL), Primary Agricultural Co-operative Credit Societies (PACS), Central Land Development Bank (CLDB), Primary Land Development Bank (PLDB), Farmers Service Societies (FSS), Lead Bank Scheme, Agricultural Refinance and Development Corporation (ARDC), NABARD, AFC – Civil Society.

### **Unit – V: Agricultural Marketing**

Agricultural Marketing: Characteristics and Classification – Process of Agricultural Marketing – Marketing Channels. Marketed and Marketable Surplus – Price Spread – Agricultural Prices:

Volatility in Prices, Types of Price Instability, Measurement of instability – Time Series Analysis, Partial Adjustment Model, State in Agriculture Marketing : NAFED, NADC, Procurement Price, Public Distribution System (PDS), Corporate Sector.

### **Text Book**

Heady EO. Economics of Agricultural Production and Resources Use. Prentice-Hall

### **References**

1. Hanumantha Rao.C.H (2000) Technological changes and distribution of grains in india agricultural (Macmillan, New Delhi).
2. Gardner BL & Rausser GC. 2001, Handbook of Agricultural Economics, Vol.1 Agricultural production. Elsevier.
3. Sankayan PL.1983, Introduction to farm management, Tata Mc Graw Hill.
4. Shrivastava A.K (2003), “Agricultural and Food”, *APH Publishing Corporation*, New Delhi.
5. Tyagi. B.P (1990), “Agricultural Economics and Rural Development”, *Jai Prakash Nath & Co*, Meerut (U.P).

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## **18ECO S02 - PRINCIPLES OF ECONOMICS (supportive)**

### **Objective**

This paper focuses on providing students with the basic knowledge of terms and concepts related to Economics. Principle of Economics is the study of how societies, governments, businesses, households, and individuals allocate their scarce resources. It enables them to understand the working of the economy at the micro & macro level. It will also help them to critically analyze the alternative economic policies required to develop suitable solutions to various economic problems of their society and economy.

### **Outcome**

Other than economic students can get basic and general information about the subject Economics

#### **UNIT - I : Meaning and Scope of Economics**

Concepts and definition of economics- Importance, Nature and Methods of Economics- Differences of Micro and Macro Economics- Economic wants and satisfaction-Law of Marginal Utility- Demand and Supply Prices- Consumer’s Surplus- Indifference Curve Analysis.

#### **UNIT - II : Location and Size of Business**

Factors of Production- Land, Labour, Capital and Organization- Division of labour- Localizations of Industries – The Law of Variable Proportions- Returns to scale- Cost concepts.

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

Concepts- Types, Characteristics of Market Structure- Price and Output Determination

#### **UNIT – IV : National Income and Expenditure**

Concepts and Measurement of National Income- Classical and Keynesian Theory of Employment- Inflation and Deflation- Trade Cycles.

#### **UNIT –V : Government and the Economy**

The Government and the Economy- Economic Planning- Public Revenue, Expenditure and Debt- Principles of Taxation- Fiscal and Monetary Policies- International trade and Multinational Corporations.

#### **Text book**

Gregory Mankiw N (2012), “**Principles of Economics**” 6th Edition, south western Cengage Learning, USA.

#### **References**

1. Sundaram K.V (2002), “**Principles of Economics**”, High mount Publishing House, Madras- 600014.
2. Richard Varian, Intermediary Micro Economics, Affiliated East West Press.
3. Alfred Marshall (1890), “**Principles of Economics**” (8<sup>th</sup> Ed.).
4. Hirschey, M., & Pappas, J. L. (1996). “**Managerial Economics**”, (8<sup>th</sup> Ed.). Fort Worth, TX: The Dryden Press.
5. Samuelson, W. F., & Marks, S. G. (2010), “**Managerial Economics**”, (6<sup>th</sup> Ed.), Hoboken, NJ: John Wiley & Sons.
6. Shugart, W. F., II, Chappell, W. F., & Cottle, R. L. (1994), “**Modern Managerial Economics: Economic Theory for Business Decisions**”, Cincinnati, OH: South-Western Publishing Company.

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### **SEMESTER III**

#### **18ECO C07 - RESEARCH METHODOLOGY**

#### **Objective**

This paper presents the basics of research, explains the process of carrying out research and the techniques of presentation of research report.

#### **Outcome**

The students could understand the basic research concepts and could carry out a research work in a systematic manner

#### **Unit – I: Introduction**

Importance – Objectives – Types of research – Research in social sciences and other sciences – Formulating research problem.

#### **Unit – II: Approaches to Research**

Facts, theories and concepts in social science research – Deductive and Inductive methods – Stages of scientific approach – Historical method – Case study method.

### **Unit – III: Data, Design and Collection**

Schedule and questionnaire – Construction of a questionnaire and schedule – Data collection: Primary and secondary.

### **Unit – IV: Survey Research, Scaling and Hypothesis**

Sampling Method – Types of surveys – Selecting the survey method – Constructing the survey – The Golden Rule – Advantages and disadvantages of survey method – Data mining and analysis – Scaling – Tabulation (two-way) and diagrammatic representation of data.

### **Unit – V: Report Writing**

Presenting results: Written and oral reports – Stages in drafting research report – Layout of research – Types of research report – Foot note and Bibliography.

### **Text book**

Kothari C R (2004), “Research Methodology: Methods and Techniques”, New Age International Publishers, New Delhi.

### **References**

1. Kotler Philip (2005), “Marketing Management – Analysis, Planning, Implementation and Control”, Prentice Hall, New Delhi.
2. Raymond Kent (2000), “Data Construction and Data Analysis for Survey Research”, MacMillan, London.
3. Kurien C T (1973), “Research Methodology in Economics”, Madras Sangam Publishers, Chennai.
4. Young Pauline V (1960), “Scientific social Science and Research”, 3<sup>rd</sup> Edition, Prentice Hall, New York.
5. Economic Survey Reports, Government of India & the Indian Economics Association Conference Volumes for current Economic issues.

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## **18ECO C08– PUBLIC FINANCE- I**

### **Objective**

Public Finance provides a strong foundation for understanding the fiscal activities of Government. The public finance assumes greater significance in the market based economic system. This paper outlines the conceptual framework, theoretical dimensions and policy underpinnings.

### **Outcome**

The student shall be in a position to understand the complex fiscal/public finance concepts used in real life. The student would be in a position to comprehend and analyze the public budgets

### **Unit – I: Fiscal Functions and Public Good**

Fiscal Economics - Different Economic Systems - Need and growth of public sector – Price policy of public enterprises (Marginal Cost, Average cost, Peak-load Pricing, Administered Price) – Major fiscal functions – Externality-Private, Public and Mixed goods.

### **Unit - II: Public Revenue**

Sources of revenue: Taxes, loans, grants-in-aid-meaning and types, canons of taxation, problem of justice in taxes, Sources to the centre and the states- Recent Trends – Tax and Non-Revenues – Role of direct taxes – Different types of direct taxes – GST

### **Unit – III: Taxation**

Direct and Indirect taxation – Taxable capacity- Incidence – Measuring incidence – Shifting and elasticity of demand – Incidence of tax – Perfect, Monopoly and Monopolistic competition – Brown – Rolph approach – Economic effects of Taxation, Dead Weight Loss and Distortion, Optimal Taxation

### **Unit - IV: Budget**

Budget- Types of budget- Economic and Functional Classification of budget -Budgetary procedure in India – Techniques – Budgetary Theory – Classical and Modern Approach – Recent concepts on Budgets – performance budgeting – Planning – Programming Budgeting, Zero budgeting – Critical analysis of the recent budget

### **Unit - V: Fiscal Deficit**

Problems of increasing deficit to governments- Deficit Finance: meaning, effects and advantages and advantages of Deficit Financing- Issues –Measures to reduce poverty- Financial relation between central and state- Financing of Fiscal Deficit, Fiscal Responsibility and Budget Management Act,2003.

### **Text Book**

Rosen, Harvey (2013), Public Finance, McGraw Hill, New York

### **References**

1. Holley H.Ulbrich (2003), Public Finance in Theory and Practice, Thompson South-Western, Singapore
2. David N. Hyman (2005), Public Finance: A Contemporary Application of Theory to Policy, 8<sup>th</sup> Edition, Cengage Learning
3. Musgrave, R.A. and Musgrave P.B.(2017), Public Finance in Theory and Practice,5<sup>th</sup> Edition, McGraw Hill, Kogakusha, Tokyo



4. Brown, C.V & Jackson P.M., Public Sector Economics, Blackwell Publishers Inc., Massachusetts, USA

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## **18ECO C09– DEVELOPMENT ECONOMICS**

### **Objective**

The main objective of this paper is to study the theories of growth and development, social and institutional aspects of development, importance of agriculture, and the rationale and pattern of industrialization in developing countries.

### **Outcome**

After studying this paper students are expected to contribute to the society with their opinions about the development problems from various forms of public and private organizations and it will be able to understand the issues in the context of development such as infrastructures-linkages, role of international trade, importance of domestic macroeconomic policies, investment criteria and relevance of planning for faster economic development.

### **Unit- I: Concepts and Issues**

Social and institutional aspects of Development: Meaning of Growth and Development, criteria of development & growth, Poverty-absolute and relative; Human development index and other indices of development and quality of life. Human resource development; Human capital: Education and health in economic development. Population problem and growth pattern of population - theory of demographic transition

### **Unit- II: Economics of Development**

Harrod-Domar Model, Technical Change and growth Model, Strategy of Economic Development – Inducement to invest – Nurksian, Singer’s and Hirschman’s doctrine- Mahalnobis Strategy.

### **Unit- III : Theories of Growth and Development**

Modern Theories of Development: The Neo –classical growth model with and without technical progress - Kaldor’s Model of Distribution - Mirrlees, Solow, Denison Ambramovitz and Kendrick – partial theories- Rostein Roden – Nelson – Rostow – Dual theory – surplus – Lewis- Ranis Fei – Jorgenson – Dixit Margin - Dependency Theory, Structuralist’s View Point - Endogenous Growth Theory: New growth Theory: Income Convergence/ Divergence, Market Friendly Approach.

### **Unit – IV: Planning and Development**

Concept – Types of planning – Policy models – Projection models – Development planning models – The Wage Good model – Input-output analysis – Linear programming.

### **Unit – V: Policies and Development**

U turn and LPG model – PURA – Pricing policy – Labour and wage policy – Agriculture and industrial policy – Foreign trade policy – Fiscal and monetary policy – Inclusive and Sustainable growth

### **Text Book**

Michael P.Todaro and Stephen C.Smith (2004), Economic Development, Pearson Education, Singapore, Cha-2, 6, 7, 8

### **References**

1. Yujiro Hayami (2003), Development Economics: New Delhi Oxford University Press
2. Debraj Ray (2009) Development Economics: New Delhi Oxford University Press.
3. Jomo K.S. and Ben Fifth (Eds:) (2005), “The Development Economics; London Zes Books and New Delhi, Tulika Books
4. Meir, G.M. (1995). Leading Issues in Economic Development, (6<sup>th</sup> Edition). Oxford University Press, New Delhi.
5. Thirwall, A.P. (1996). Growth and Development, (6<sup>th</sup> Edition). Macmillan U.K.

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## **18ECO C10 - ECONOMETRICS**

### **Objective**

This paper aims to familiarize the methodology of econometrics with the help of statistical and mathematical techniques. It also integrates the theoretical models with application. This course emphasizes both the theoretical and the practical aspects of statistical analysis, focusing on techniques for estimating econometric models of various kinds and for conducting tests of hypotheses of interest to economists. It helps

- To get basic knowledge in econometric methodology and tools
- To integrate economic theories and models with econometrics
- To predict the future values of any economic activity

### **Outcomes**

1. Ability to have a solid theoretical background in introductory level econometrics, the ability to implement the techniques and to critique empirical studies in economics.
2. Ability to specialize on teaching and research in quantitative economics, emphasizing theoretical, methodological and conceptual aspects of economic theory along with econometric applications to socially relevant economic issues and policies.
3. Understand and construct different models with regard to various methodology

4. Examine the problems encountered and find the relationships, impact of any socio-economic variables
5. Apply econometric tools and forecast economic behavior of a nation

### **Unit – I: Nature and Scope**

Economic and Econometric models – Econometric Methodology – Assumptions of OLS - Regression Analysis: Linear and Non-linear – Econometric Applications – Applications of Social Science Package.

### **Unit – II: Single Equation Model**

Properties of OLS Estimates – Markov Theorem – Co-efficient of Determination – R Square – adjusted  $R^2$ , Standard Error – ANOVA – Testing of Significance of parameters – Functional forms.

### **Unit – III: Violations of Assumptions in OLS & Dummy Variables**

Auto-correlation, Multicollinear and Heteroscedasticity: Causes, Consequences and Remedies - Dummy Variables: Dependent and Independent – Distributed Lag Model – Need, Limitations and Interpretation in Economics.

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

Stationary and non – stationary – Transforming non – stationary: Forecasting – Economic Applications - Purely random process – MA process – AR process – ARMA Process – ARIMA. Vector auto regression – DF Test – Co-Integration – Error Correction models – Box Jenkins Approach – Forecasting using BJ method.

### **Unit – V: Simultaneous Equation Model**

Structural and reduced forms – Endogenous and Structural Variables – Identification problems and conditions – Instrumental variables.

### **Text Book**

Gujarati D.N & Sangeetha (2011), “Basic Econometrics (5<sup>th</sup> Edition),” Tata McGraw-Hill Publishing Company.

### **References**

1. Dongherty C (1992), “Introduction to Econometrics”, Oxford University Press, New York.
2. Koutsoyiannis A (1999), ‘Theory of Econometrics’, *Palgrave Publishers Ltd*, New York.
3. Maddala G S (2002), ‘Introduction to Econometrics’, *John Wiley & Sons Ltd*, New York.

Theil H (1981), "Introduction to Econometrics", Prentice Hall of India, New Delhi

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## **18ECO E03 – MONEY, BANKING AND FINANCE**

### **Objective**

The increase in volume of economic activity led to more circulation of money. The student should be imparted on the principles governing monetary forces and various dimensions to it.

### **Outcome**

The student should be in a position to understand and appreciate the monetary theories relevant for the present day world. A sound knowledge on monetary economics would help to understand the monetary system of India and the world.

### **Unit – I: Monetary theories**

Monetary theories – The restatement of quantity theory of money – The classical and Keynesian Theory – Milton Friedman's quantity theory – Don Patinkin's Integration Theory-Tobin's portfolio analysis – Baumol's inventory approach – Gurley and Shaw Thesis – Radcliffe Committee – Sayer's thesis

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

Money supply Components (M1, M2, M3, M4) and determinants of money supply – High powered money – Riefler and Burgess hypothesis on money supply (UK, USA – Non-Bank Financial Intermediaries) - Credit Creation by Commercial Banks and Monetary Transmission – Central Bank and credit control – Narasimnam Committee Recommendations.

### **Unit – III: Theories of Interest**

Classical and neoclassical theory of interest – Modigliani stock Vs flow analysis – structure of rate of interest – segmented market theory, liquidity premium, Portfolio Behavior Theory –Yield curve -Expectation hypothesis and segmentation hypothesis

### **Unit – IV: Money Market and Capital Market**

Features of capital and money market – Characteristics of undeveloped and developed money market – Indian money market – Treasury bills – Repo (Repurchase), capital market: primary and secondary market – capital Asset pricing model, William Sharpe – Markowitz model on Risk and Return – Alpha and Beta securities – Stock Exchange – SEBI – Derivatives and hedging

## **Unit – V: Monetary Policy**

Role of monetary policy in Developing economy – Lags in monetary policy – Monetary Vs Fiscal policy – Inflation – Inflationary Gap – stagflation – Inflation as taxation– Philips curve- steepness of the Philips curve and interest rates- Samuelson and Solow model – Impact of financial sector reforms in India.

### **Text Book**

Keith Bain and Peter Howelss: Monetary Economics, London, Palgrave

### **References**

1. Arvil Robert (2004), “Money Banking and International Trade”, Vrinda Publications Pvt., Ltd., New Delhi.
2. Campbell R McConnell and Harish C Gupta (1987), “Introduction to Macro Economics”, Tata McGraw Hill Publishing Company Limited, New Delhi.
3. Dewett K.K (2005), “Modern Economic Theory”, S. Chand Company Pvt., Ltd., New Delhi.
4. Hajela T.N (1998), “Monetary Economics”, Konark Publishers Private Ltd., New Delhi.
5. Rudiger Dorn Busch (2012), “Macro Economics”, Tata McGraw Hill Publishing Company Limited, New Delhi.
6. Lewis, M.K and P.D. Mizen Monetary Economics, Oxford, New York: Oxford University Press, 2000

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## **SEMESTER IV**

### **18ECO C11– PUBLIC FINANCE- II**

#### **Objective**

To provide the theoretical and practical knowledge about the public finance, its theories and application concepts in the Indian Context.

#### **Outcome**

The student should be in a position to understand the public finance relating to the state and the central governments. This would make them to take informed decisions about the Indian fiscal situation

#### **Unit – I: 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 and Arrow’s Impossibility Theorem – Mechanisms of Public Choice – Collective Decision Making.

#### **Unit – II: Evaluation of Public Expenditure**

Welfare Foundations and Social Cost Benefit Analysis –Long term projects and discounting – Effects of public expenditure- Reforms in expenditure budgeting –zero base budgeting

### **Unit – III: Public Debt and Fiscal Federalism**

Public debt – cannons of public expenditure- Methods of raising public debt – Effects of Public debt – Public debt Management – Fiscal federalism –Sources of finance –Functions of Finance Commission – Recommendations of 15<sup>th</sup> Finance Commission – Fiscal policy and price stability.

### **Unit – IV: Public Enterprises**

Public Enterprises - Role of public enterprises in Indian economy -Growth of Public sector undertaking in India - Problems of public sector undertakings – Measures to solve the problem - Pricing policy for public enterprises- Disinvestment

### **Unit – V: Fiscal Policy**

Fiscal Policy: Instruments of Fiscal Policy- Problem of increasing deficit at the Central and State levels - Fiscal Crisis and Fiscal Sector Reforms in India

### **Text Book**

Musgrave, R.A. and Musgrave P.B.(2017), Public Finance in Theory and Practice,5<sup>th</sup> Edition, McGraw Hill, Kogakusha, Tokyo

### **References**

1. Amersh Bagchi (2005), Readings in Public Finance, Oxford University Press, New Delhi
2. Rao, M. Govida and Nivikar Singh (2005), the Political Economy of Federalism in India, Oxford University Press, New Delhi
3. Government of India, Economic survey (Annual issues), Ministry of Finance, New Delhi
4. Articles from Economic and Political Weekly

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## **18ECO C12– ENVIRONMENTAL ECONOMICS**

### **Objective**

This paper is designed to teach the students about various environmental issues, environmental protection policy of the Government of India and the importance of environmental protection for the attainment of sustainable development. It aims at Demonstrating an active understanding of the following elements of economic theory as it relates to natural resource and environmental economics. To develop understanding of the key concepts of environmental economics and their relevance in the business settings. To learn how markets allocate goods and why they sometimes fail allocate environmental goods optimally. To learn to design regulation this corrects market failures. To deal the various economic valuation methods for analyze the environmental quality. To describe policy responses to environmental problems.

### **Outcome**

The environment economics has been considered an important branch of the social sciences in the developed as well as developing countries. After successful completion of studies, the students possessing adequate knowledge about environmental issues will play an important role in the Implementation of various environment related programs.

**Unit I :** Understanding the subject of environmental economics, including its key principles and theories and Sustainable Development Concepts and measurement

**Unit II:** To able to apply economic theories in to the environmental problems to solve the social issues and economics of climate change

**Unit III:** Understand the Theory of Externalities - Pareto optimality and market failure.

**Unit IV:** To understand the various economic valuation method and economic techniques to analyse environmental problems and to create environmental policies.

**Unit V:** Evaluate and critically assess economic support documents for policy decisions and Develop research skills in the field of environmental economics

### **Unit – I: Introduction**

Environment – Eco-system – Principle of material balance –Trade off between economic growth and Sustainable Development – Limits to growth — Environmental issues in different economic systems.

### **Unit – II: Environmental Analysis**

Environmental pollution – Sources and Causes of pollution - Types of pollution – Climate Change - Pareto Optimality – problem of second best – Private Vs Social Cost - Environmental Impact Analysis – Cost Effective Analysis - Cost-Benefit Analysis – Environmental Costs of Economic Growth.

### **Unit – III: Externalities and Environmental Monitoring**

Environmental externalities – Common Property Resources - Command and Control Strategy - Pigouvian taxes and subsidies, pollution permits and mixed instruments (The Charges and Standards Approach), Coase bargaining solution and collective action; Informal regulation and the new model of pollution control, monitoring and enforcement of environmental regulations- - Political Theories and Environmental Conflict.

#### **Unit – IV: Methods of Valuation**

Environmental Valuation methods -User values and non-use values (direct value, indirect value, option value, bequest value and existence value) – Direct methods – contingent valuation method – methods based on response to hypothetical markets – Indirect method. Hedonic Approach - Methods based on observed market behavior, household production function approach – Travel Cost Method.

#### **Unit – V: Environment Policy**

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.

#### **Text Book**

Shankar U (2001) “Environmental Economics”, Oxford University Press, New Delhi

#### **References**

1. Karpagam M: Environmental Economics Sterling Publishers 2000
2. Bhattacharya : Environmental Economics – OUP, 2002 .
3. Karpagam M and R Geetha: Green Management \_ Theory and Practice, and Book House, 2010.
4. Tan Hodge,(1995): Environmental Economics Macmillan Press.
5. Sankar U (2000)” Environmental Economics”, Oxford University Press.

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### **18ECO E04– INTERNATIONAL ECONOMICS**

#### **Objective**

This subject has the focus on foreign exchange and balance of payments that forms the backbone of the international trade of each country. The foreign trade policy of the government of India is an important part of this subject.

#### **Outcome**



Since the implementation of economic reforms the Indian economy has attracted various global players. This subject imparts knowledge about the working of foreign exchange market, balance of payment and international trade policies of the government of India. The benefits of this subject will be fully reaped by those students who get the opportunity to work in trading houses and financial institutions.

### **Unit – I: Theories of International Trade**

Heckscher – Ohlin Theory – Leontief Paradox – Stolper Samuelson Theorem – Rybczynski and Factor Price Equalization Theorems– Community Indifference Curve – Equilibrium in term of Trade Offer Curves – Terms of Trade - Gains from Trade: Static Gains and their measurement- World welfare –Welfare of Individual Countries-Samuelsson’s Gains from Trade –Dynamic Gains.

### **Unit – II: Foreign Exchange**

Types of Foreign Exchange – J-Curve Concept- Fixed Exchange Rate and Bretton Woods System – Currency Convertibility – The Foreign Trade Multiplier - International Flow of Goods and Capital – The Mundell-Fleming Model – Fixed and Variable Exchange Rate System- Foreign exchange market–spot and forward exchange markets premiums and discounts, hedging, interest arbitrage, speculation

### **Unit – III: Balance of Payments**

Balance of Payment and Balance of Trade –structure, causes of disequilibrium in BOP. Measures to correct BOP - Devaluation – The Absorption Approach for BOP – monetary and income approach - Foreign trade multiplier - Devaluation Deluge – Exchange Controls.

### **Unit – IV: Trade Policies**

Free Trade – Protection – Tariff – Subsidies and Quota – Dumping duties.

### **Unit – V: Regional Economic Co-Operation and International Monetary Institutions**

FDI and MNCs – European Union – GATT – UNCTAD – SAARC – ASEAN – WTO – New International Economic Order – IMF – IBRD – IDA – Asian Development Bank – Euro Currency Market- G8.

### **Text Book**

Krugman, Paul R. and Obstfeld, Maurice. (2015) international Economics: theory and policy (10<sup>th</sup> Edition, Pearson

### **References**

1. Carbaugh, (2008) international Economics (11<sup>th</sup> Ed). Thomson South – Western, New Delhi.
2. Sodersten, Bo and Geoffrey, Reed. (1994) international Economics (3th Edition). Macmillan

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