

**PERIYAR UNIVERSITY
SALEM – 636 011**



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

REGULATIONS / SYLLABUS

(Effective from the Academic Year 2009-2010 and thereafter)

REGULATIONS

The following regulations for the M.A., Economics are framed from the academic year 2009 – 10 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 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.

3. DURATION OF THE COURSE

The course of the degree of Master of Arts shall consist of two academic years, with 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 spread from 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
ECO C01	Micro Economics – I	I	5
ECO C02	Macro Economic Theory – I	I	5
ECO C03	Mathematics for Economics	I	5
ECO E01	Environment Economics	I	5
ECO S01	Economics for Competitive Examination	I	2.5
ECO C04	Micro Economics – II	II	5
ECO C05	Macro Economic Theory – II	II	5
ECO C06	Econometrics	II	5
ECO E02	International Economics – Theory and Policy	II	5
ECO S02	Banking Theory and Policy	II	2.5
ECO C07	Fiscal Economics	III	5
ECO C08	Applied Econometrics	III	5
ECO C09	Monetary Economics – Theory and Practice	III	5
ECO E03	Agricultural Economics	III	5
ECO C10	Research Methodology	IV	5
ECO C11	Development Economics	IV	5
ECO E04	Industrial Economics	IV	5
	Project		10
	Total		90

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	-	20 Credits
Supportive Courses	-	5 Credits
Total		80 Credits
Project		10 Credits
Grand Total		90 Credits

6. 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.

7. 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.

8. 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**.

9. 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

ECO C01 – Micro Economics – I

This subject is aimed at providing knowledge on basic Economic Principles, as well as applied skills to enable the students to gain decision making.

Unit – I: Theory of Consumer Behaviour

Utility theory – Ordinal approach: Indifference curve (income and substitution effects, Slutsky theory, and Compensated demand curve) and their application: Revealed preference theory of demand theory (Hicks): Characteristics of goods approach (Lancaster) – N-M Hypothesis – Friedman – Savage – Markowitz Hypothesis.

Unit – II: Theory of Production and Cost

Theory of production function – Elasticity of substitution: Euler’s Theorem – Technical progress and Cobb-Douglas, CES, VES, Trans-log production function and frontier production function: Empirical work – Traditional and Modern theories of cost – Derivation of cost functions.

Unit – III: Market Theories – I

Marginal analysis – price and output determination under various markets: short-run and long-run equilibrium – Firm and industry – Supply curve – Welfare aspects, Monopoly control and regulation – contestable market – global competition.

Unit – IV: Market Theories – II

Perfect competition, Monopoly, Monopolistic competition, Monopsony, Bilateral Monopoly, Product differentiation – Selling cost – excess capacity – under monopolistic competition – Imperfect competition – Oligopoly – Non-collusive (Cournot, Bernard, Edgeworth, Chamberlin, Kinked demand curve and Stackelberg’s solution and Collusive (Cartels and Mergers, price leadership and Barometric point price system).

Unit – V: Alternative Theories of Firm

Critical evaluation of marginal analysis – Baumol’s Sales Revenue Maximization and Williamson’s Model of Managerial discretion – Marris Model of Managerial Enterprise – Full Cost Pricing Rule, Bains Limit Pricing Theory – Sylos-Labini’s Model – Behavioural Model of the Firm – Cyert and March.

References:

1. Koutsiyannis A (1994), “**Modern Micro Economics**”, *MacMillan*, London.
2. Mandal R K (1999), “**Microeconomic Theory**”, *Atlantic Publishers*, New Delhi.
3. Maurya M L (2002), “**Modern Microeconomics: Theory and Application**”, *Manglam Publishers*, New Delhi.
4. Pankaj Ghai and Anuj Gupta (2001), “**Microeconomics: Theory and Applications - II**”, *Sarup & Sons*, New Delhi.
5. Samuelson P.A (1996) “**Micro Economics**”, *TATA McGraw Hill International*, New Delhi.
6. Stigler G (1985), “**Theory of Price**”, *Prentice Hall of India*, New Delhi.

7. Varian V (1999), “**Intermediate Microeconomics: A Modern Approach**”, *East West Press Pvt., Ltd.*,

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ECO C02 – Macro Economic Theory – I

Being an important segment in economic theory, the students will benefit enormously. The components, designed in this paper are largely model based.

Unit – I: Basic Concepts

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

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) – Relation Between the MEC (Central Stock) and the MEI (Investment) – Factors Other than the Interest Rate Affecting Inducement to Invest – 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 – Duesenberry’s Financial Theory of Investment – Jargenson’s Neo-Classical Theory of Investment – The Investment Multiplier-Period Multiplier – Employment Multiplier – The Super Multiplier.

Unit – IV: Post-Keynesian Developments in Macro Economics

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.

Unit – V: Supply Side Economics

Supply Side Economics – Taxation and Labour Supply- Reagan Economics and Supply Side Economics- Reducing the Burden of Government Regulations – Increasing Growth Rate – Effect on the Distribution of Income.

References:

1. Ahuja. H.L (2006), “**Macro Economics Theory and Policy Advanced Analysis**”, *S.Chand and Company*, New Delhi.
2. Richard T.Froyen (2005), “**Macro Economics: Theories and Policies**”, *Dorling Kindersley (India) Pvt Ltd*, New Delhi.
3. Rudiger Dornbusch, Stanley Fischer and Richard Startz (2005), “**Macro Economics**”, *Tata McGraw – Hill Publishing Company Limited*, New Delhi.
4. Rudiger Dornbusch and Stanley Fischer (2005) “**Macro Economics**”, *Tata McGraw- Hill Publishing Company Limited*, New Delhi.
5. Seth .M.L (1990) “**Macro Economics**”, *Lakshmi Narain Agarwal*, Agra.
6. Vaish.M.C (1990), “**Macro Economic Theory**”, *V.S. Johri for Wiley Eastern Limited*, New Delhi.
7. William H. Branson (2004), “**Macro Economic Theory and Policy**”, *All India Traveler Book Sellers (Regd)*, Delhi.

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ECO C03 – Mathematics for Economics

To expose the students to mathematics for economics for economics. This is warranted as its writing is increasingly realized across the world.

Unit – I: The Number System and 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. The Number System: Numbers – Axioms of Real Numbers – Interval Notation – A Property of Natural Number – Algebraic Operations of Real Numbers- Complex Numbers.

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 Hypobola – Exponential and Logarithmic function, Concave & Convex functions – Application in business Economics.

Unit – III: Applications of Differentiation

Derivatives and their Interpretation – Techniques of Derivatives – Relationship among Total, Average and Marginal Revenue and Cost, Elasticity of Functions – Functions of Two Variable – Partial Derivatives and their Applications in Economics.

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 and C.E.S. Production Function and their Properties.

Unit – V: Matrix - Algebra

Matrix Algebra – Determinants and Properties – Types of Determinants – Matrix: Square Matrix, Null Matrix – Unit Matrix, Multiplication and Scalar Matrix – Operations – Addition and Subtraction of Matrix – Multiplication – Transpose of a Matrix and Inverse of Matrix. Solutions for Simultaneous Equations – Grammer’s Rule.

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. Edward T. Dowling (2005), “**Theory and Problems to Introduction to Mathematical Economics**”, *Tata McGraw-Hill Publishing*, New Delhi.
4. Jean. E. Weber (1982), “**Mathematical Analysis Business and Economic Applications**”, *Harper and Row Publishers*, New York.
5. Mehta. B.C. and Madnani. G.M.K (2002) “**Mathematics for Economists**”, *Sultan Chand and Sons*, New Delhi.
6. Mickhael Hoy (2000), “**Mathematics for Economics**”, *Prentice I Hall of India*, New Delhi.
7. Monga.G.S (2007), “**Mathematics and Statistics for Economics**”, *Vikas Publishing House Pvt Ltd*, Noida.
8. Taroyamane (2003) “**Mathematics for Economist – An Elementary Survey**”, *Prentice I Hall of India*, New Delhi.

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ECO E01 – Environment Economics

Due to excess use of resources the environment problems are compounding. The following units will expose the students in the broad perspective of sustainable development and environment sustainability.

Unit – I: Introduction

Environment – Eco-system – Nexus between Ecology and Economics – The Principle of material balance – Trade off between economic growth and sustainable development – Limits to growth – Global warming – Environmental issues in capitalist and socialist economic system – Environmental issues in different economic systems.

Unit – II: Cost Benefit Analysis

Environmental pollution – Sources and 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.

Unit – III: Externalities and Environmental Monitoring

Environmental externalities – Pigouvian taxes and subsidies, 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: Methods of Valuation

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: 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.

References:

1. Bohn, Peter and Allen V Kneese (1971), "**Economics of Environment**", *Mc Millan*.
2. Butin, John A (1981), "**The Economics of Environmental and Natural Resource Policy**", *Westview Press, Boulder, Colorado*.
3. Centre for Science and Environment, "**Citizens Report on Environment**", *Various Issues, New Delhi*.
4. Chand, Attar (1985), "**Environmental Challenges**", *UPH Publishers, New Delhi*.
5. Field C Barry (1994), "**Environmental Economics**", *McGraw Hill, Ince. International Editions*. Arvil, Robert (1983), "**Man and Environment**", *Penguin Books*.
6. Goldberg Jake (1992), "**Economics and The Environment**", *Chelsea House Publishers*.
7. Katyal, Timmy and Statka M (1989), "**Environmental Pollution**", *Anmol Publications, New Delhi*.

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ECO S01 – Economics for Competitive Examination

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.

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 – 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)

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 VAT.

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.

References:

1. **“Census Report of India”**, *Office of the Register General and Census Commissioner*, India - Various Issues.
2. **“Economy Survey of India”**, *Economic Division, Ministry of Finance, Government of India* Various Issues.
3. Gupta. K.R & J.R. Gupta (2004), **“Indian Economy”**, *Atlantic Publishers*, New Delhi.
4. Felix Raj. J (2003), **“Indian Economy”**, *Deap and Deap Publication*, New Delhi.
5. Prasad. K.N (2001), **“Indian Economy”**, *Atlantic Publishers*, New Delhi.
6. Rudder Datt and K.P.M.Sundhram (2007), **“Indian Economy”**, *S.Chand and Company Ltd*, New Delhi.
7. Sankaran. S (2002), **“Indian Economy”**, *Marghan Publications*, Chennai.

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ECO C04 – Micro Economics – II

The paper covers the theoretical foundation of the economic theory at the beginner’s level and understands the basic microeconomic concepts such as scarcity, choice, efficiency, equity, equilibrium and uncertainty.

Unit – I: Factor Pricing

Neo-classical Approach – Marginal Productivity Theory – Product Exhaustion Theory – Elasticity of Technical Substitution, Progress and Factor Shares – Theories of Market Distribution: Ricardo, Marx, Kalecki, Kaldor and Sraffa.

Unit – II: Equilibrium Analysis

General and Partial Equilibrium – Walrasian Excess Demand and Input-Output Approaches – Existence, Stability and Uniqueness – Two Sector Model – Stolper-Samuelson Theory. Relationship between Output Mix and Real Factor Prices – Rybezynski Theory.

Unit – III: Theory of Uncertainty

Individual Behaviour towards Risk and Uncertainty – Risk Preference and Aversion – Sensitivity Analysis: Gambling and Insurance. Economics of Insurance: Cost and Risk, Risk Pooling, Spreading, Moral Hazard and Portfolio Selection – Optimal Consumption Under Uncertainty.

Unit – IV: Economics of Search

Models – Efficient Market Hypothesis – Stochastic Model – Model of Inventory Demand – Market with Incomplete Information – Search and Transaction Costs – Economics of Information.

Unit – V: Welfare Economics

Pigovian Welfare Economics – Pareto Optimal Conditions – Value Judgements – Social Welfare Function – Compensation Principle – Inability to Obtain Optimum Welfare – Sen's Welfare Economics – Theory of Second Best – Arrow's Impossibility Theorem – Equity and Efficiency Trade Off.

References:

1. Ahuja H L (2006), "**Advance Economic Theory: Microeconomic Analysis**", *S.Chand*, New Delhi
2. Chaudhary (2005) "**Microeconomics**", *Sublime Publishers*, Jaipur.
3. Koutsiyannis A (1994), "**Modern Micro Economics**", *MacMillan*, London.
4. Mandal R K (1999), "**Microeconomic Theory**", *Atlantic Publishers*, New Delhi.
5. Maurya M L (2002), "**Modern Microeconomics: Theory and Application**", *Manglam Publishers*, New Delhi.
6. Pankaj Ghai and Anuj Gupta (2001), "**Microeconomics: Theory and Applications -II**", *Sarup & Sons*, New Delhi.
7. Samuelson, "**Micro Economics**" (1996), *TATA McGraw Hill International*, New Delhi.
8. Stigler G (1985), "**Theory of Price**", *Prentice Hall*, New Delhi.
9. Varian V (1999), "**Intermediate Microeconomics: A Modern Approach**", *East West Press Pvt., Ltd*, New Delhi.

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ECO CO5: Macro Economic Theory – II

Macro Economic Theory (Part II) enables the students to integrate the models with theory. In some places the models are related with current policies.

Unit – I: Theories of Business Cycle

Sun Spot Theory – Hawtrey Theory – Keynes’s Theory of Business Cycles- Samuelson’s Model- Interaction Between Multiplier and Accelerator- Hicks Theory – Discretionary Fiscal Policy for Stabilization – Financing Increases in Government Expenditure- Reduction in Taxes to Overcome Recession – Increase in Government Expenditure- Fiscal Policy to Control Inflation- Crowding-out Effect and Effectiveness of Fiscal Policy- Tools of Monetary Policy – Monetary Policy to Cure Recession.

Unit – II: Theories of Economic Growth

Human Capital: Education and Health – Technological Progress and Economic Growth – The Growth of Population – Capital Output Ratio- Income Effect and Capacity Effect – Impact of Increase in the Saving Rate- Effect of Population Growth – Long run Growth and Technological Change – Endogenous Growth Model- Investment in Human Capital and Learning by Doing.

Unit – III: Government and Macro Economy

Public Expenditure – Growth of Public Expenditure – Role of State – Effects of Public Expenditure on Production and Distribution - Characteristics of a Good Tax System – Problem of Equity in Taxation – Benefits Received Theory – Ability to Pay Theory – Shifting the Burden of a Tax – Incidence of Tax and Elasticity of Demand – Elasticity of Supply – Tax and Cost Conditions of the Industry – Mobilization of Resources for Capital Formation – Equitable Distribution – Fiscal Policy and Price Stability – Budget Deficit – Fiscal Deficit – Primary Deficit- Monetization of Fiscal Deficit – Measures to Reduce Fiscal Deficit - Fiscal Deficit and Economic Growth.

Unit – IV: Inflation and Unemployment

Meaning, measures and types of Inflation- Inflation in India – The Economic Effects of Inflation – The Classical and Neo Classical Theories of Inflation – The Keynesian Theory of Inflation - The Monetarist View on Inflation – Inflation in Less Developed Countries (LDCs) - Measures to Control Inflation – Inflation and the Rate of Unemployment- Modifications in Phillips Curve – Policy Dilemma: What is Desirable Inflation or Unemployment.

Unit – V: Applications of ISLM Model

Numerical Problems of IS curve – Two and three sector model – Derivative of LM curve – Determination of Income and Interest Under IS Curve.

References:

1. Ahuja. H.L (2006), “**Macro Economics Theory and Policy Advanced Analysis**”, *S.Chand and Company*, New Delhi.

2. Richard T.Froyen (2005), “**Macro Economics: Theories and Policies**”, *Dorling Kindersley (India) Pvt Ltd*, New Delhi.
3. Rudiger Dornbusch, Stanley Fischer and Richard Startz (2005), “**Macro Economics**”, *Tata McGraw – Hill Publishing Company Limited*, New Delhi.
4. Rudiger Dornbusch and Stanley Fischer (2005), “**Macro Economics**”, *Tata McGraw-Hill Publishing Company Limited*, New Delhi.
5. Seth .M.L (1990), “**Macro Economics**”, *Lakshmi Narain Agarwal, Agra*.
6. Vaish.M.C (1990), “**Macro Economic Theory**”, *V.S.Johri for Wiley Eastern Limited*, New Delhi.
7. William H. Branson (2004), “**Macro Economic Theory and Policy**”, *All India Traveler Book Sellers (Regd)*, Delhi.

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ECO C06 – Econometrics

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.

Unit – I: Nature and Scope of Econometrics

Economic and Econometric models – Regression Analysis: Linear and Non-linear – Econometric Applications in Agriculture, Industry, Monetary Economics and Financial Markets.

Unit – II: Theoretical Distribution

Elementary theory of probability: Probability Distribution and their properties – Binomial, Poisson and Normal Distribution.

Unit – III: Single Equation Model

Properties of OLS Estimates – Markov Theorem – Co-efficient of Determinants – R Square – Standard Error – Numerical examples.

Unit – IV: Violations of Assumptions in OLS

Auto-correlation, Multicollinear and Hetroscadasticity: Causes, Consequences and Remedies.

Unit – V: Dummy Variables

Dummy Variables: Dependent and Independent – Distributed Lag Model – Need, Limitations and Interpretation in Economics.

References:

1. Gujarati D (1998), '**Essentials of Econometrics**', *Irwin Mcgraw Hill*, Newyork.
2. Jack Johnston & John Dinardo (1997), '**Econometric Methods**' *Mc Graw Hill Companies Inc*, Newyork.
3. Koutsoyiannis A (1999), '**Theory of Econometrics**', *Palgrave Publishers Ltd*, Newyork.
4. Krishna K L (2000), '**Econometric Applications in India**', *Oxford publications*.
5. Maddala G S (2002), '**Introduction to Econometrics**', *John Wiley & Sons Ltd*, Newyork.
6. Nachane D (2006), '**Econometrics**' *Oxford University Press*, New Delhi
7. Peter Kennedy (2003), '**A Guide to Econometrics**' *Blackwell Publishing*, U.K.
8. Robert S. Pindyck & Daniel L. Rubinfeld (1998), '**Econometric Models and Economic Forecasts**', *Irwin Mcgraw Hill*, Newyork.

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ECO E02 – International Economics – Theory and Policy

This paper exposes the students to international economics wherein both theory and policy are taught.

Unit – I: Theories of International Trade

Heckscher – Ohlin Theory – Leontief Paradox – Stolper Samuelson Theorem – Factor Price Equalisation Theorem – Community Indifference Curve – Equilibrium In term of Trade Offer Curves – Terms of Trade: Gross Barter, Income, Single Factoral, Double Factoral, Real Cost and Utility terms of trade. Gains from Trade: Static Gains and their measurement- World welfare – Welfare of Individual Countries- Samuelson's Gains from Trade – Dynamic Gains.

Unit – II: Foreign Exchange

Concept and Importance – Types of Foreign Exchange – J-Curve Concept- Fixed Exchange Rate and Bretton Woods System- Demise of Bretton Woods System – Currency Convertibility – The Foreign Trade Multiplier With Both Exports and Imports – The Reverse Working of foreign Trade Multiplier- International Flows of Goods and Capital – The Mundell-Fleming Model – Mundell – Fleming Model of Small Open Economy With a Fixed Exchange Rate Regime – Mundell-Fleming Model of a Small Open Economy With a Variable Exchange Rate System.

Unit – III: Balance of Payments

Balance of Payment: Concept and Importance – Balance of Payment and Balance of Trade. Devaluation: Calculating Percentage Change in Currency Value- Devaluation and Balance of payments Deficit – The Absorption Approach – Devaluation Deluge – Decision of Devaluation – Exchange Controls: Meaning, Objective, Methods and Types.

Unit – IV: Trade Policies

Free Trade: Concept and Case for Free Trade. Protection: Meaning and Argument towards Protection. Tariff: Classification, Effects of Tariffs. Quota: Objectives, Types, Effects and Reasons for Imposing Quota. Dumping: Kinds, Effects and Essential Conditions for Dumping – Foreign Trade Multiplier.

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

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

References:

1. Bhatia. H.L (2006), “**International Economics**”, *Vikas Publishing House Pvt Ltd*, New Delhi.
2. Desai.S.S.M. & Nirmal Bhaleral (2003), “**International Economics**”, *Himalaya Publishing House*, New Delhi.
3. Dominick Salvatore (2005), “**International Economics**”, *John Wiley & Sons, (ASIA) Pvt Ltd*, Singapore - 129 809.
4. Dr. Francis Cherunilam (2006), “**International Economics**”, *Tata MCgraw – Hill, Publishing*, New Delhi.
5. Jeevanandam. C (1994), “**Foreign Exchange – Practice, Concepts and Control**”, *Sultan Chand & Sons, Educational Publishers*, New Delhi.
6. Mannur. H.G (1994), “**International Economics Theory and Policy Issues**”, *Vikas Publishing House Pvt Ltd*, New Delhi.
7. Raj Agarwal (2001), “**International Trade**”, *Excel Books*, New Delhi.
8. N.K. Sachdeva (2007), “**International Economics**”, *Vishvabharthi Publications*, New Delhi.
9. Seth.M.L (1991), “**Money Banking and International Trade**”, *Lakshmi Narain Agarwal Educational Publishers*, Agra-3.
10. Vaish. M.C. & Sudama Singh (1990), “**International Economics**”, *Sudama Singh Oxford and IBH Publishing Co. Pvt. Ltd*, New Delhi, Bombay, Calcutta.

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ECO S02 – Banking Theory and Policy

This paper has been designed for non-economics students. It forms an important segment in economics as the policies are vibrant across the world.

Unit – I: Introduction

Theory of Modern Banking – Functions of Commercial Banks – Nationalization of Commercial Banks – ECS (Electronic Clearing Service) – EC (Electronic Cheque) – Technological Development.

Unit – II: Central Banking

Theory of Central Bank – Functions of RBI – Methods of Credit Control – Open Market Operations – CRR (Cash Reserve Ratio) – Narasimham Committee reports on reforms in Banking Sector.

Unit – III: Competitiveness and Banking

Social Banking – Profitability – Competition – New Generation Banks – Mergers – Acquisition – Minimisation of non-performing assets.

Unit – IV: Banker and Customer Relationship

Banker – Customer Relationship – Various Deposit Mobilisation – Banker’s Rights – Special Types of Banker’s Customer’s relationship – Negotiable Instrument Act 1881.

Unit – V: Banking Practices

Issue of cheques – Payment of cheques – Collection of cheques – Clearing House – Various Loans – Bills of Exchange – Secured and Unsecured Loans – Bills discounting – Demand Account and Online Trading.

References:

1. I.B.A. Report (2003), “**Banking Industry: Vision 2020**”, November, Mumbai.
2. Jalan Bimal (2002), “**Indian Banking and Finance: Managing New Challenges**”, *RBI Bulletin*, February, Mumbai.
3. Ravishankar Kumarshing (2006), “**Indian Banking and Financial Sector Reforms**”, *Abhijeet Publications*, New Delhi.
4. Sachdeva S (2006), “**Indian Financial System**”, *Lakshmi Narain Agarwal Publishers*, Agra.
5. Shekar and Shekar (1999), “**Banking Theory and Practice**”, *Vikas Publishing House Pvt., Ltd.*, New Delhi.

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ECO C07 – Fiscal Economics

The public finance assumes greater significance in the market based economic system. This paper outlines the conceptual framework, theoretical dimensions and policy underpinnings.

Unit – I: Fiscal Functions and Public Good

Different Economic Systems - Need and growth of public sector – Price policy of public enterprises (Marginal Cost, Theory, Average cost, Theory, Peak-load Pricing, Administered Price) – Major fiscal functions, – Allocation, Distribution and stabilisation function – Private, Public Goods, Provision of Public Goods – Mixed goods.

Unit – II: Taxation and Budgetary Theory

Incidence – Measuring incidence – Shifting and elasticity of demand – Incidence of tax – Perfect, Monopoly and Monopolistic competition – Brown – Roph approach – Budgetary procedure – Techniques – Budgetary Theory – Classical and Modern Approach – Recent concepts on Budgets.

Unit – III: 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 – IV: Evaluation of Public Expenditure

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

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 – Sources of finance – Constitutional Amendment – Functions of Finance Commission – Recommendation of 13th Finance Commission – Fiscal policy and price stability.

References:

1. Chelliah Raja J. (2004), "**Trends in Federal Finance**", *NIPFP*, New Delhi.
2. Friedman M (1959), "**A Monetary and Fiscal Framework for Economic Stability**", in *Essays in Positive Economics 2nd Ed. University of Chicago, Chicago.*
3. GOI (Various years), "**Economic Surveys**", *Ministry of Finance*, New Delhi.
4. Musgrave R.A. and P.B. Musgrave (2004), "**Public Finance in Theory and Practice**", *Tata McGraw Hill*, New Delhi.
5. Moore, W.S and R. Penner (eds) (1980), "**The Constitution and the Budget**", *American Enterprise Institute*, Washington, D.C.
6. Musgrave R.A. (1959), "**The Theory of Public Finance**", *McGraw Hill*, New York.

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ECO C08 – Applied Econometrics

This paper tests the priori relationship among economic variables. Also this paper enriches the student's capability to approach economic theory quantitatively.

Unit – I: Simultaneous Equation Model

General Simultaneous Equation Model: Reduced Form, Structural Vs Reduced Forms, Final Form, Recursive Model – Instrumental Variables (IV).

Unit – II: Time Series Analysis

Stationary and non-stationary – Transforming non-stationary Time Series – Forecasting – Economic Applications.

Unit – III: Time Series Techniques

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 – IV: Optimization Techniques

Input – Output Analysis – Linear Programming.

Unit – V: Applications of Econometric Techniques

Demand – Production Function – Cobb-Douglas – Computer Applications.

References:

1. Gujarati D (1998), '**Essentials Of Econometrics**', *Irwin Mcgraw Hill*, Newyork.
2. Jack Johnston & John Dinardo (1997) '**Econometric Methods**' *McGraw Hill Companies Inc*, New York.
3. Koutsoyiannis A (1999), '**Theory of Econometrics**', *Palgrave Publishers Ltd*, Newyork.
4. Krishna K L (2000), '**Econometric Applications in India**', *Oxford Publications*.
5. Maddala G S (2002) '**Introduction to Econometrics**', *John Wiley & Sons Ltd*, Newyork.
6. Nachane D (2006), "**Econometrics**" *Oxford University Press*, New Delhi
7. Peter Kennedy (2003) '**A Guide to Econometrics**' *Blackwell Publishing*, U.K.
8. Robert S. Pindyck & Daniel L. Rubinfeld (1998), '**Econometric Models and Economic Forecasts**', *Irwin McGraw Hill*, Newyork.

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ECO C09 – Monetary Economics – Theory and Practice

The increase in volume of economic activity led to more circulation of money. Against this there is a need to understand the theory and the State's policy. This paper offers a few dimensions.

Unit – I: Monetary theories

Monetary theories – The 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 – Radeliffe Committee – Sayer's thesis.

Unit – II: Money Supply and Banking

Money supply Components (M1, M2+M3 ... M) 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 – Expectation Theory (Yield curve – short-run and long run.)

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, hedging, swap (Only concepts).

Unit – V: Monetary Policy

Role of monetary policy in Developing economy – Lags in monetary policy – Monetary Vs Fiscal policy, the great debate – Inflation – Inflationary Gap – stagflation – Philips curve- Samuelson and Solow model – Impact of financial sector reforms in India.

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 Dehi.
4. Hajela T.N (1998), "**Monetary Economics**", *Konark Publishers Private Ltd.*, New Delhi.
5. Rudiger Dorn Busch (2005), "**Macro Economics**", *Tata McGraw Hill Publishing Company Limited*, New Delhi.

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ECO E03 – Agricultural Economics

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 a few issues.

Unit – I: Nature and Scope of Agriculture

Agriculture and Economic Development – Characteristics of Agriculture - Comparative Study of Traditional and 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.

References:

1. Acharya.S.S. & N.L Agarwal (2005), “**Agricultural Marketing in India**”, *Oxford & IBH Publishing Co Pvt Ltd*. New Delhi.
2. Evan Drummond.H and John W. Goodwin (2006), “**Agricultural Economics**”, *Pearson Education, Inc Dorling Kindersley (India) Pvt, Ltd*, Delhi.
3. Mamoria.C.B and B.B.Tripathi (1991), “**Agricultural Problems of India**”, *Kitab Mahal*, New Delhi.
4. Shovan Ray (2002), “**Hand Book of Agriculture**”, *Oxford University Press*, New Delhi.
5. Shrivastava A.K (2003), “**Agricultural and Food**”, *APH Publishing Corporation*, New Delhi.
6. Shrivastava.O.S (1996), “**Agricultural Economics**”, *Rawat Publications*, New Delhi.
7. Subba Reddy S (2005), Raghu Ram.P, Neelakanta Sastry.T.V, Bhavani Devi.I. “**Agricultural Economics**”, *Oxford & IBH Publishing Co. Pvt Ltd*, New Delhi.
8. Tampem Kumar Shomdilya and Umesh Prasad (2004), **Agricultural Credit and NABARD**”, *Deap and Deap Publications*, NewDelhi.
9. Tyagi. B.P (1990), “**Agricultural Economics and Rural Development**”, *Jai Prakash Nath & Co*, Meerut (U.P).

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ECO C10 – Research Methodology

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

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. Testing of hypothesis: Parametric and non-parametric tests: 'Z' test, 't' test, Chi-square test and ANOVA (two-way).

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.

References:

1. Kerlinger F N (2000), "**Foundation of Behavioural Research**", *Rinehard & Winstion*, New York.
2. Kothari C R (2004), "**Research Methodology: Methods and Techniques**", *New Age International Publishers*, New Delhi.
3. Kotler Philip (20005), "**Marketing Management – Analysis, Planning, Implementation and Control**", *Prentice Hall*, New Delhi.
4. Ranjit Kumar (2006), "**Research Methodology: A Step-by-Step Guide for Beginners**", *Sage Publishers*, New Delhi.
5. Raymond Kent (2000), "**Data Construction and Data Analysis for Survey Research**", *MacMillan*, London.

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ECO C11 – Development Economics

This paper aims to study the concepts and issues of economic growth and development, models and theories and developmental policies.

Unit – I: Concepts and Issues in Economic growth

Distinction between Economic growth and Economic development – Characteristics of Modern Economic growth – Inter-relations among Modern Economic growth – Obstacles of Economic Development and growth.

Unit – II: Economic Development

Harrod – Domar growth model – Strategy of Economic Development – Big Push strategy – Inducement to invest – Nurksian, Singer's and Hirschman's doctrine – Mahalanobis strategy

Unit – III: Theories of Economic growth and Development (Modern & Partial)

Modern theories: The Neo-classical growth model with and without technical progress – Kaldor-Mirrlees, Solow, Denison Abramovitz and Kendrick – Partial theories – Big Push – Rosentein-Roden – Nelson – Rostow – Dual theory – Surplus – Lewis – Ranis Fei – Jorgenson – Dixit-Margin.

Unit – IV: Planning and Development

Concept – Types of planning – Policy models – Projection models – Development planning models – The Wage Goods model in development planning – Input-output analysis in planning and development – Linear programming and development planning.

Unit – V: Policies and Development

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

References:

1. Ahmed Waguar (2009), “**New Economic Policy in India**”, *New Asia Books*, New Delhi.
2. Datt R and Sundharam (2006), “**Indian Economy**”; *Sultan Chand and Sons*, New Delhi.
3. Ghatak S (1986), “**An Introduction to development Economics**”, *Allen & Unwin*, London.
4. Higgins B. (1998), **Economic Development: Problems, Principles and Policies**, Universal Book Stall, New Delhi.
5. Higgins B. (1959), “**The Theory of Economic Growth**”, George Allen & Unwin, London.
6. Uma Kapila (1998), **Indian Economic Reforms**, Academic Foundation, New Delhi.

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ECO E04 – Industrial Economics

The manufacturing sector has been on the forefront in industrialized economics. Fast developing countries like India too give attention to this core sector. The units, incorporated in this paper draw both theoretical and policy dimensions of industrial economics.

Unit – I: Introduction

Industrialization and Economic Growth – Employment – Agriculture – Foreign Trade – Social Change – Factors of Industrialization – Developing Countries and Industrialization – Adverse Effects of Industrialization- Industrial Spectrum: Size and nature based Classification – Proprietary Based Classification.

Unit – II: Location and Regional Development

Location, Localisation and Planned Location of Industries – Theories of Location – Criticism – Factors Influencing Location – State and Industrial Location – Measures of Control – Need for Balanced Regional Development of Industries.

Unit – III: Industry and Labour

Types of Labour Force – Labour Legislation – Labour Welfare and Social Security – Trade Unions – Industrial Relation – Workers Participation in Management.

Unit – IV: Industry and Finance

Capital Market – Stock Exchange and Its Regulation – Industrial Finance (Types) – Industrial Financial Institutions – Commercial Banks – Foreign Investment and Collaboration – Non-Resident Investment-Joint Ventures – Multinational Corporation.

Unit – V: Industrial Development in India

Industrial Evolution – Industrial Estates – Village, Small and Ancillary Industries – Industrial Sickness – Industrial Policy -1991.

References:

1. Arun Monappa (1994), **Industrial Relations**, *Tata McGraw – Hill Publishing Company Limited*, New Delhi.
2. Barthwal.R.R (2003), **Industrial Economics**, *New Age International Pvt Ltd Publishers*, New Delhi.
3. Francis Cherunilam (2004), **Industrial Economics**, *Himalaya Publishing House*, New Delhi.
4. Gadgil P.G. and Gadgil P.L (2002), **Industrial Economy of India**, *Eurasia Publishing House (Pvt) Ltd*, New Delhi.
5. Kuchhal. S.C (1989), **“The Industrial Economy of India”**, *Chaitanya Publishing House*, Allahabad.
6. Misra S.K. and Puri.V.K (2000), **Indian Industrial Economy**, *Himalaya Publishing House*, New Delhi.
7. Sivayya.K.V.and Das.V.B.M (1999), **Indian Industrial Economy**, *S.Chand and Company Ltd*, New Delhi.

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