

MA (ECONOMICS)

Syllabus and Courses of Reading for M.A. Economics I & II Year Examination

First Year

Subject Code	Subject Name
001	Micro Economic Analysis
002	Macro Economic Analysis
003	Mathematics For Economists
004	Economics of Growth and Development
005	Indian Economic Policy

Second Year

Subject Code	Subject Name
006	Public Finance
007	Money and Banking
008	Research Methods in Economics
009	Computer Applications in Economic Analysis
010	International Trade
011	Financial Institutions and Markets
012	Project Work

Course001-MICRO ECONOMICS

Unit –I Role and significance of assumption in economic models, Empirical testing of economic models. Theory of Demand: Utility analysis of demand; Indifference curves theory; Income and substitution effects: The Slutsky theorem; Compensated demand curves; The revealed preference theory.

Unit-II Theory of Production : Stages of production function; Returns to factor proportions ; Return to scale; Elasticity of substitution; Technical progress and production function ; Cost and Revenue Analysis (traditional and modern theories of cost). Equilibrium of the firm-marginal analysis: Optimum factor combination and product combination

Unit-III

Market Structures and Pricing Process : Equilibrium of firm and industry under perfect competition ; Monopoly; bilateral monopoly; and Monopolistic competition ; Excess capacity and imperfect competition: Pricing and output behaviour under oligopoly : Collusive and non-collusive models: Extensions of the oligopoly : models : Models of Bamuol, Marris and willamson.

Unit-IV

Theory of Distribution: The Marginal Productivity Theory of Distribution; The adding up Problem and Euler's theorem. Modern theory of distribution. Theory of Rent : Ricardian and Modern. Theories of Interest : Classical, Neo-classical, Keynesian and IS-LM curve theories Theories of Wages : Wage determination under perfect and imperfect competition; wage determination under trade unionism. Theories of profits. Classical, Marxian and Kaleski's theories.

SUGGESTED READING

Koutsoyiannis, A. "Modern Microeconomics" (Mac millan) Lipsey, R.G. and Chrystal, K. Alec " An Introduction to Positive Economics " (OUP) Salvatore, D. "Microeconomic Theory" (Shaum's Outline series, Tata Mc Graw Hill)

Course002-MACRO ECONOMICS

Unit-I Macro Economic Theories of Investment : The Keynesian Post-Keynesian, New-keynesian, and the financial theory of investment determination. Lags in investment. Portfolio disequilibrium and the transmission mechanism. The Demand for Money ; The classical, keynesian and Post-keynesian approaches.

Unit-II

The supply of Money and Definitions of Money Supply: Inside and outside money, the neutrality of money Equilibrium in money market. The classical and keynesian dichotomies and their resolution by patinkin's real balance effect and through IS-LM model respectively. Keynesian and post- keynesian theories of rate of interest.

Unit-III

Growth Models : Harrod-Domar model; Neo – classical model; Golden rule of accumulation; Optimal growth turnpikes. Theories of Trade Cycles : Multiplier-Accelerator interaction model, Kaldor and Hicks' models. Determination of General Price Level; Classical and Keynesian approaches. Theories of Inflation ; Demand – pull and cost-push inflation; short and long-run phillips curve analysis; The keynesian, the monetarist and the rational expectationists analysis.

Unit-IV

Keynesian and monetarist perspectives on monetary, fiscal and income policies. Stabilisation policies : Rules Vs Discretion: lagged effects of policies and role of expectations. Crowding out effect and government budget constraint. Rational expectations and effectiveness of stabilisation policies.

SUGGESTED READINGS

Ackley, G (1978), Macroeconomics : Theory and Policy, Macmillan, New York. - Banson, W.A. (1989), Macroeconomic Theory and Policy, (3rd Edition), Harper and Row, New York. - Dorn Busch, R. and F. Stanley (1997), Macroeconomics, McGraw Hill, Inc. New York. - Heijdra, B.J. and V.P. Fredricck (2001), Foundation of Modern Macroeconomic, Oxford University Press, New Delhi.

Course003- MATHEMATICS FOR ECONOMISTS

Unit-I

Basics : real number system, sets and set operations, relations and functions, inverse functions; solution of linear equations in two variables, solution of quadratic equations, logarithms and exponents; exogenous and endogenous variables.

Unit - II

Fundamentals of Matrices; Determinants. Solution of a system of upto 3 equations by matrix inversion and Cramer's rule. Input- Output analysis - Static open model.

Unit-III

Differentiation-idea of limit (but not its evaluation), meaning and economic interpretations of derivative. Rules of differentiation including logarithms and exponential functions. Unconstrained optimization - single choice variable; global and local.

Unit-IV

Calculus of multivariable functions, higher order derivatives, constrained optimization with up to 2 equality constraints.

SUGGESTED READING

Chiang, Alpha C. "Fundamental Methods of Mathematical Economics" (Mcgraw Hill). - Dowling, Edward T. "Mathematics for Economists" (Schaum's Outline Series, Tata Mcgraw Hill)

Course004- ECONOMICS OF GROWTH AND DEVELOPMENT

Unit-I

Sectoral Aspects of development; Importance of agriculture and industry in economic development. Role of institutions - government and markets. Poverty - indicators and measurement.

Unit-II

Trade and development : trade as an engine of growth, two gap analysis, Prebisch, Singer and Murdal views, gains from trade and LDCs; Role of foreign Direct investment (FDI) and Multi- national corporations(MNCs) in the emerging scenario.

Unit-III

Objects and role of monetary and fiscal policies in economics development; Choice of techniques and appropriate technology; Investment Criteria; Cost benefits analysis.

Unit-IV

Techniques of planning : Plan Models in India ; Planning in a market- oriented economy; Endogenous growth; role of education research and knowledge - Explanantion of Cross country differentials in economic development and growth

SUGGESTED READING

Meir, G.M. (1995), Leading Issues in Economic Development, Oxford University Press, New Delhi. - Mishra S.K. and V.K. Puri, Economics of Development and Planning, Himalaya Publishing House, Mumbai. - Todaro, M.P. Economic Development, Latest Edition, Longman, London. - Hogendorn, J. (1996), Economic Development, Addison, Wesley, New York. - Thiwal, A.P. (2003), (6th Edition), Growth and Development, Macmillan, New York

Course005- Indian Economic Policy

Unit – 1

Growth and Structure of Indian Economy Since 1950. Growth of Indian economy since 1950. Measures for raising economic growth. Trends in the nature and magnitude of poverty, inequality and unemployment. Changes in occupational pattern, Demographic trends and economic development. Rate and trend in saving, investment and growth rate.

Unit – II

Growth of Agricultural and Industrial Sectors : Trends in agricultural production and productivity. Food policy and public distribution system (PDS). Impact of liberalization in agricultural sector. Industrial Growth performance and problems. Industrial concentration; its nature and extent. Cottage and small scale industries. Impact of liberalization and privatization on the industrial sector.

Unit – III

Money Supply, Inflation and Public Policies : Factors determining interest rates. Money supply and inflation in India. Financial sector reforms during 1990's. recent tax reforms. Growth and structure of subsidies in India. Macro-economic policies – fiscal policy, income policy and stabilization policy. Parallel economy and its implications.

Unit – IV

International Trade Policies : Composition and directions of India's foreign trade. Factors determining the balance of payment. Disequilibrium in the balance of payment. Causes, consequences and policy measure. India's policies towards foreign capital; collaboration, export promotion and import substitution. Exchange rate policy and the convertibility of Rupee.

SUGGESTED READING

Sen, R.K. and . Chatterjee (2001), Indian Economy : Agenda for 21st Century. – Dhar, P.K., Indian Economy- Its growing dimensions, Kalyani Publishers, New Delhi (Latest Edition) – Mishra, S.K. and V.K. Puri Indian Economy - 1st Development Experience, Himalaya Publishing House, Mumbai, Latest Edition. – Economic Surveys, Government of India, various issues. – Reserve Bank of India, Report on Currency and Finance (Annual).

Course006- Public Finance

Unit – 1

Principles of public Finance: Principles of maximum Social Advantage. Role of public finance in the developing Economics. Fiscal economics : An overview. Of allocation, distribution and stabilization. Functions. Market failure. Public goods and externalities. Public goods and free-rider problem.

Unit –II

Principles of Taxation : Meaning and type of taxes; requirements of a good tax structure. Approaches to taxation : micro analysis of direct and indirect taxes; individual income tax, corporation income tax, sales tax including value-added tax and expenditure tax. Incidence of taxes; nature of tax burden and principles of tax incidence. Theories and measures of tax incidence. Effects of taxes on work efforts, savings, investment, and growth. Trade-off between equity and efficiency. Taxable capacity.

Unit – III

Economics of Public Debt and Public Expenditure : Sources of public debt. Classical theory of public debt. Compensatory aspects of debt policy. Burden of public debt. Management of public debt. Growth of internal and external public debt. in India. Theories of growth of public expenditure. Pattern of public expenditure. Pure theory of public expenditure. Growth of public expenditure in India.

Unit – IV

Reforms in Budgeting System and Stabilization Policies : Performance and programming budgeting. Classification of budgets. Fiscal policy : traditional and modern views on fiscal policy. Instruments of fiscal policy; built-in-stabilizers and compensatory fiscal policy. Fiscal policy for stability and growth. Fiscal policy and economic development.

SUGGESTED READING

Mishan, E. J. (1986). Introduction to Normative Economics, Oxford University Press, New York,
Buchanan, J. M. (1968). The Demand and Supply of Public goods, Rand McNally-Chicago. Auerbach,
A. J. and Feldstein, M. (Ed.) 1985. Handbook of Public Economics, Vol. I, North Holland, Amsterdam,
Buchanan, J. M. (1960). Fiscal Theory and Political Economy, Selected essays, University of North
Carolina Press Chapel Hill.

Course007- Money and Banking

Unit – I

Theory of Commercial and Central Banking : Money markets and capital markets; commercial banks. Theories of commercial banking; Process of credit creation; Non-bank financial intermediaries (NBFIs); Objectives and role of central banks in economic development; The currency and credit schools; Quantitative and qualitative methods of credit-controls.

Unit – II

The Theories of Demand and Supply of Money : Theories of demand for money; Classical Keynesian and Monetarist. Theories of money supply; The 'H' Theory of money Supply; Money multiplier process and its determinants; Commercial banks and the money multiplier; Factors affecting 'H' RBI analysis of money supply; Control of the money stock; Money stock and interest rates; monetary equilibrium : money in equilibrium and Non-equilibrium states; Neutrality of money.

Unit – III

Principles of Monetary Policy : Monetary Policy: Its meaning, objectives, frame work, targets and indicators of monetary policy; Transmission mechanism of monetary. Policy; Restrictive Vs. accommodating monetary policy; Need and effectiveness of monetary policy; Lags in monetary policy; Role of monetary policy in developing countries; Monetary and credit planning; Monetarist and keynesian views on monetary policy.

Unit – IV

Indian Money Market and International Financial Institutions: India and NBARD. Reserve Bank of India (RBI); Its working, functions, performance and role in the economic development of India; RBI's monetary policy; International Financial Institutions IMF, IBRD (World Bank), Asian Development Bank (ADB). International Development Association (IDA).

SUGGESTED READING

Gupta, S. B. (1983). Monetary Economics, 2/e. S. Chand. & Co., New Delhi, Harris, L. (1985). Monetary Theory, McGraw-Hill, New York, Goodhart, C. (1977). Money Information & Uncertainty, 2/e, Macmillan, London. Friedman, M. (Ed.) (1956). Studies in the Quantity Theory of Money, University of Chicago Press, Chicago. Laidler, d. (1977). Demand for Money, 2/e., Dun-Donnelly, New Yo

Course008- Research Methods in Economics

Unit - I

Introduction and History of OR, different features of operations re- search approach. Some definitions, Scientific methods in OR, Models and Modelling in OR. General methods for solving OR Models, meth-odology of OR, Basic operation research models, computer software for operations research. Linear programming, structure of LP Model, General Mathematical Model of Linear programming problem, LP model formulation of production, marketing finance, agriculture and transportation.

Unit-II

Graphical solution methods of LP problems, including Isoprofit (cost) function line approach. Some special cases : Simplex method, duality in LP programming problem and its economic interpretation, difference between primal and dual, dual simplex method.

Unit-III

Goal programming, difference between LP and GP approach, concept of goal programming, GP model formulation, Graphical solution method of GP. Modified simplex method of goal programming. Alternative simplex method for goal programming.

Unit-IV

Transportation problem, mathematical model of transportation problem, the transportation method, Methods for finding initial solutions Tests for optimality.

SUGGESTED READINGS

Taha, Hamdy, A, " Operations Research", seventh Pearson education. – Sharma, L.K. "Operations Research" Theory and application, second edition. – Kambo, N.S. "Mathematical programming techniques". – Kaufmann-A, Methods and modles of operations Research. Pretice-Hall International Series in management. – Sasieni M. Yaspan A., Friedmon L. Operations Research methods. Wiley International Edition.

Course009- Computer Application in Economic Analysis

Unit I

Introduction to Computers

History and Evolution of Computers; Generations of Computers; Computer : Definition, Characteristics and Limitations; Components of a Personal Computer System; Classification of Computers and their applications; Model and Functioning of a Digital Computer, Computer Vs. Human – Being.

Unit II

Computer Fundamentals

System – Meaning and Concept; Hardware, Software and Types of Software; Operating System-Meaning and Functions; Memory – RAM and ROM; Input-Output Devices.

Unit III

Computer Codes and Programming Fundamentals: Computer Languages - Machine, Assembly and High-Level Languages; Computer Translators - Assemblers, Compilers and Interpreters; Computer Codes; BCD, EBCDIC, ASCII and Collating Sequence; Planning the Computer Program : Algorithm, Flowcharts and Computer Program.

Unit IV

Business Data Processing Concepts Data and Information: Meaning, Types, Data Storage Hierarchy; Data base Concepts; Data base Management System, Data Base Structuring Techniques, Advantages and Limitations of Database System; Information Technology in Business : Internet, Intranet, Extranet, LAN, MAN, WAN, WWW, E-Mail, Search Engines and EDI.

SUGGESTED READINGS

Sinha, P.K. (1992), Computer Fundamental, BPB Publications, New Delhi. Marketing Research by Kinneer and Taylor, McGrawhill. Gupta, S.C. and V.K. Kapoor (1983), Fundamentals of Applied Statistics, S. Chand and Sons, NewDelhi.Huda, R.P., Koutsoyanis, A, An Introduction to Econometrics, Intrilligator, M.D. (1978), Econometric Models, Techniques and Applications, Prentice Hall,Englewood Cliffs, N.J.Greenstein, Marilyn and Fein Man, M. Todd, Electronic Commerce: Security, Risk Management and Control, Tata McGraw Hill, New Delhi.

Course010- International Trade

Unit - I

Foreign trade multiplier with and without foreign repercussions and determination of national income and output; Relative merits and demerits of fixed and flexible exchange rate in the context of growth and development in developing countries. Forms of economic cooperation; Static and Dynamic effects of custom union and free trade areas.

Unit-II

International Monetary System and Trade Policies in India: Multilateralism and WTO; rise and fall of gold standard and Brettonwood system; Need, adequacy and determinants of international reserves; Conditionality clause of IMF; Emerging International Monetary System with special reference to Post Maastricht developments and developing countries; Reforms of the International Monetary System, Theory of regionalism at global level – collapse of Brettonwood system. Optimum currency Areas – Theory and impact in the developed and developing countries.

Unit-III

Indian and developing countries; Functions of GATT/WTO (TRIPS, TRIMS); Recent changes in the direction and composition of trade and their implication; Rationale and impact of trade reforms since 1991 on balance of payments, employment and growth.

Unit-IV

Problems of India's International debt; Working and regulations of MNCs in India, Instrument of export promotion and recent import and export policies and agenda for future.

Course011- Financial Institutions and Market

Unit - I

Proliferation of banking and non-bank financial intermediaries- Effectiveness of monetary Policy - Credit creation and its control; Profitability and efficiency of banks. Commercial banks and Co-operative banks.

Unit-II

Development banks- Role and functions; Investment and merchant banking; Financial sector reforms in India- Definition and types of non- bank financial institutions : Their growth and impact on India's economic development, Measures taken to control their operations.

Unit-III

Role of money market and capital market : Call money market, Treasury bill market, Commercial bill market including commercial paper and certificate of deposits, Discount market- Government securities market- Market for derivation : future and options, and other derivatives : types, uses and pricing of derivation- Primary and secondary market of securities.

Unit-IV

SEBI : its impact on the working of capital market in India; IRDA and its role in financial markets - Theory of optimum currency areas - Euro- dollar and Euro-Currency markets-Their development role at international level.

SUGGESTED READINGS

Bhole, L.M. (1999), *Financial Institutions and Markets*, Tata McGraw Hill Company Ltd., New Delhi – Bhole, L.M. (2000), *Indian Financial System*, Chugh Publications, Allahabad. – Edminster, R.O. (1986), *Financial Institutions, Market and Management*, McGraw Hill, New York. – Goldsmith, R.W., (1969), *Financial Structure and Development*, Yale London. – Hanson, J.A. and S. Kathuria (Eds.) (1999), *India: A Financial Sector for the Twenty-first Century*, Oxford University Press, New Delhi. – Karker, P.T. and S.A. Zenios (2000) (Ed.), *Performance of Financial Institutions*, Cambridge University Press, Cambridge. – Johnson, H.J. (1993), *Financial Institutions and Markets*, McGraw Hill, New York. – Khan M. Y. (1996) - *Indian Financial Systems*, Tata McGraw Hill, New Delhi.

Course012- Project Work

The student is expected to conduct an in-depth study on a topic and reveal his/her analytical and presentation skills. Therefore, the topic for project report should be precise. Project Report should be of about 8000-10000 words (about 50-60 pages), typed double space. a Project Guide is dispatched to students along with study material to help them in preparing the Project Report.

The Study Centre provides a supervisor (one of the Academic Counsellors for this Course) at the Study Centre for preparation of the Project Report. The student is expected to develop a Project Proposal in consultation with the supervisor allotted to him/her by the Study Centre. The Project Proposal duly endorsed by the supervisor is submitted to the University, for approval. Project Report submitted without a supervisor or without the approval of the proposal by the University will not be accepted for evaluation.