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M.A. Paper I & M.A. Paper II (Economics)

The UGC has suggested in its Model Curriculum in all 11 paper for M.A. Course. But we have framed a Curriculum of 12 papers. The following is the Structure for M.A. Part-I and Part-II.

M.A. Part-I (Compulsory Papers)

- (1) Micro Economics
- (2) Macro Economics
- (3) Public Economics
- (4) Quantitative Methods.
- (5) Computer Application in Economic Analysis.
- (6) Economics of Social Sector and Environment.

M.A. Part-II

- (7) Economics of Growth and Development (Compulsory Paper).
- (8) International Trade and Finance (Compulsory Paper).
- (9) Indian Economic Policy (Compulsory Paper).
- (10) Optional Paper-I
 - (a) Agricultural Economics.
 - (b) Industrial Economics.
 - (c) Econometrics.
 - (d) Economics of Human Resources.
- (11) Optional Paper-II
 - (a) Agricultural Economics.
 - (a) Industrial Economics.
 - (b) Econometrics.
 - (c) Economics of Human Resources.
- (12) Seminar / Assignment Presentation, Viva (Compulsory). *7/7* (?)

*Level 1
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Level 3*

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Module – 1: Demand Analysis

Elasticities (price, cross, income) of demand – theoretical aspects and empirical estimation; elasticity of supply; Theories of demand – utility; indifference curve (income and substitution effects, Slutsky theorem, compensated demand curve) and their applications; Revealed preference theory; Revision of demand theory by Hicks; Characteristics of goods approach; consumer's choice involving risk; indirect utility functions (duality theory); Recent developments in demand analysis (pragmatic approach and linear expenditure systems); Consumer's surplus.

Module – 2: Theory of Production and Costs

Production function - short period and long period; law of variable proportions and returns scale; Isoquants – Least cost combination of inputs; Returns to factors; Economies of scale; Multi product firm ; Elasticity of substitution; Euler's theorem; Technical progress and production function; Cobb-Douglas, CES Traditional and modern theories of costs - Empirical evidence; Derivation of cost functions from production functions; derived demand for factors.

Module – 3: Price and Output Determination

Marginal Analysis as an approach to price and output determination; Perfect competition -- short and long run equilibrium of the firm and industry, price and output determination, supply curve; Monopoly – short run and long run equilibrium, price determination, welfare aspects, monopoly control and regulation; Monopolistic competition -- general and Chamberlin approaches to equilibrium, equilibrium of the firm and the group with product differentiation and selling costs, excess capacity under monopolistic and imperfect competition. Oligopoly – Non- Collusive (Cournot, Bertrand, Edgeworth, Chamberlin, Kinked demand curve and Stackelberg's solution) and collusive (Cartels and mergers, price leadership) models; price and output determination under bilateral monopoly.

Module – 4: Distribution

Neo-classical approach -- Marginal productivity theory; Product exhaustion theorem; Elasticity of technical substitution; technical progress and factor shares; theory of distribution in imperfect product and factor markets; Determination of rent, wages, interest and profit; Macro theories of distribution - Ricardian, Marxian, Kalecki and Kaldor's.

Module - 5: Welfare Economics

Pigovian welfare Economics; Pareto optimal conditions; Value judgment, Social welfare function; Compensation principle; Inability to obtain optimum welfare – Imperfections, market failure, decreasing costs, uncertainty and non-existent and incomplete markets; Theory of Second Best – Arrow's impossibility theorem.

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Module - 6: Economics of Uncertainty

Individual behaviour towards risk, expected utility and certainty equivalence approaches, risk and risk aversion-sensitivity analysis, gambling and insurance, the Economics of insurance, cost and risk, risk pooling and risk spreading, mean-variance analysis and portfolio selection.

Basic Reading List:

- Kreps, David M. (1990), A Course in Microeconomics Theory, Princeton University Press, Princeton
 - Koutsoyianis, A. (1979), Modern Microeconomics, (2nd Edition), Macmillan Press, London.
 - Layard, P.R.G. and A.W. Walters (1978), Microeconomic Theory, MacGraw Hill, New York.
 - Sen, A. (1999), Microeconomics : Theory and Application, Oxford University Press, New Delhi.
 - Stigler, G. (1996), Theory of Price, (4th Edition), Prentice Hall of India, New Delhi.
 - Varian, H. (2000), Microeconomic Analyses, W.W. Norton, New Delhi.
 - Baumol, W.J. (1982), Economic Theory and Operations Analysis, Prentice Hall of India, New Delhi.
 - Hirshleifer, J. and A. Glazer. (1997), Price Theory and Applications, Prentice Hall of India, New Delhi.
 - Henderson, J. M. and R.E. Quandt (1980), Micro Economic Theory: A Mathematical Approach, McGraw Hill, New Delhi.
 - Da Costa, G. C. (1980), Production, Prices and Distribution, Tata McGraw Hill, New Delhi.
 - Archibald, G. C. (Ed.) (1971), Theory of the Firm, Penguin, Harmondsworth.
 - Bain, J. (1958), Barriers to New Competition, Harvard University Press, Harvard.
 - Bronfenbrenner, M. (1979), Income Distribution Theory, MacMillan, London.
 - Broadway, R.W. and N. Bruce (1984), Welfare Economics, Basil Blackwell, London.
 - Graff, J. De. V. (1957), Theoretical Welfare Economics, Cambridge University Press, Cambridge.
 - Mishan, E. J. (1969), Welfare Economics; An Assessment, North Holland, Amsterdam.
 - Weinturb, E. R. (1974), General Equilibrium Theory, Macmillan, London.
 - Borch, K. H. (1968), The Economics of Uncertainty, Princeton University Press, Princeton.
 - Diamond and Rothschild (Eds.) (1970), Uncertainty in Economics, Academic Press, New York.
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MA PART - I

MACRO ECONOMICS PAPER-II

Module - 1: National income and Account

Circular flow of income in two, three and four sector economy, different forms of national income accounting – Social accounting.

Module - 2: Consumption Function

Keynes' psychological law of consumption-implications of the law; short-run and consumption function; Empirical evidence on consumption function; income-consumption relationship – absolute income, relative income, life cycle and permanent income hypotheses.

Module - 3: Investment Function

Marginal efficiency of investment and level of investment; Marginal efficiency of capital and investment – long run and short run; The accelerator and investment behaviour – impact of inflation; Influence of policy measures on investment – empirical evidence.

Module - 4: Supply and Money

Financial intermediation – a mechanistic model of bank deposit determination; A money supply determination, a demand determined money supply process; RBI approach to money supply; High powered money and money multiplier; budget deficits and money supply; money supply and open economy; control money supply.

Module - 5: Demand of Money

Classical approach to demand for money – Quality theory approach, Fisher's equation, Cambridge quantity theory, Keynes's liquidity preference approach, transaction, precautionary and speculative demand for money – aggregate demand for money; Deviation of LM curve.

Module - 6: Neo - classical and Keynesian Synthesis

AD/AS Model- Classical and Keynesian view-Income Determination.

Neo - classical and Keynesian views on interest; The IS-LM model; Extension of IS-LM model with government sector; Relative effectiveness of monetary and policies; Extension of IS-LM models with labour market and flexible prices.

Module - 7: Post - Keynesian Demand for Money

Post - Keynesian approaches to demand for money – Patinkin and Real Balance Effect. Approach of Baumol and Tobin. Friedman and modern quantity theory; Crisis in Keynesian economics and the revival of monetarism.

Module - 8: Theory of Inflation

Classical, Keynesian and Monetarist approaches to inflation; Structuralist theory of inflation; Philips curve analysis – Short run and long run Philips curve, the natural rate of unemployment hypothesis, modified Philips curve, Adaptive expectations and rational expectation; Policies to control inflation.

Module - 9: Business Cycle

Real and Monetary theory of Business Cycles-relative efficacy of fiscal policies.

Module - 10: New Classical Macro Economics

The new classical critique of micro foundation, the new classical approach; Policy implication of new classical approach empirical evidence.

1. Gupta, G S [2001], Macroeconomics: Theory and Applications, Tata McGrawHill Publishing Company Limited, New Delhi.
2. Gupta, S B Monetary Economics, Vikas Publishing House.
3. Froyen, Richard [1998], Macroeconomics, Prentice Hall, International Editions.
4. Acley, Gardner: Macroeconomics
5. Samuelson [1997], Paul: Economics, Tata MacGrav:Hill, 17th Edition.
6. Don Bush and Fischer: Macroeconomics.

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MA PART I

PUBLIC ECONOMICS PAPER III

Module: 1. Introduction

Normative system of public finance – Role of government in an organized society – changing perspectives – government in a mixed economy, public and private sector, cooperation or competition; government as an agent for economic planning and development; government as a tool for operationalising the planning process; - provisioning of public, private and merit goods; market failure – imperfection- decreasing costs- externalities and public goods

Module – 2. ; Public Choice

Private and public mechanism for allocating the resources – problems for allocating the resources- problems of preference revelation and aggregation of preferences – voting systems – Arrow's impossibility theorem.

Module 3: Rationale for public policy.

Allocation of resources- provision of public goods – voluntary exchange models; impossibility of decentralized provision of public goods (Contributions of Samuelson and Musgrave – Theory of club goods –Stabilization policy and state – Provision of infrastructural facilities- removing distribution inequalities and regional imbalances

Module 4: Public Expenditure

Normative and Positive theories of public expenditure – Structure and growth of Public expenditure – Criteria for public investment – social cost-benefit analysis – project Evaluation- estimation of costs, discount rate - Reforms in Public expenditure budgeting – programme budgeting and zero-based budgeting

Module 5: Taxation

Allocative and Equity aspects of taxation - The Benefit and Ability theories of taxation; Theory of optimal taxation – Excess burden of taxes – Theories of tax incidence – introduction to various forms of direct and indirect taxes; commodity taxation – Value added tax

Module 6: Public Debt

Theories of public debt – burden of public debt – sources of public debt - debt through created money – crowding out of private investment and activity , debt management and repayment method –

Module 7: Fiscal Policy

Objectives of fiscal policy – full employment, anti-inflation, economic growth, redistribution of income and wealth; interdependence of fiscal and monetary policies; budgetary deficits and implications; fiscal policy for stabilization – automatic v/s discretionary stabilization ; alternative measures of resource mobilization and their impact on growth, distribution and prices.

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Module 8: Fiscal Federalism

Principles of multi-unit finance; fiscal federalism in India- assignment of functions and sources of revenue constitutional provisions- finance commissions V/s Planning commission – approaches to revenue sharing – revenue transfer from centre to state – centre-state financial relations in India- problems of state resources and indebtedness 0- transfer of resources from Union-to state-to – local bodies

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Module-9. Indian Public Finance

Indian Tax system – Revenue of the Union, states and Local Bodies; Major taxes in India: Base of Taxes, direct and indirect taxes, taxation of agriculture, expenditure tax, - Reform in direct and indirect Taxes - Tax reforms – Taxes on Services; Non-tax revenue of Centre, state and Local Bodies; Analysis of Central and State Government Budgets- Lack of Flexibility in Central and state budgets- shrinking size of development finance through budgets- Trends in Public Expenditure and public debt- fiscal crises and fiscal sector reforms in India- Reports of the Finance Commissions in India

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Select References:

Duff L (1997) .: Government and Market; Orient Longman, New Delhi

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Spulber, N(1998).: Redefining the State: CUP, Cambridge

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Glennester, H and J.Hills (1998).: The State of Welfare: The Economic and Social Spending OUP, London

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Mishan E.J (1982).: Cost-Benefit Analysis: An Informal Introduction George Allen and Unwin, London

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Premchand A (1966).: Control of Public Expenditure in India Allied New Delhi

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MA PART - I

QUANTITATIVE METHODS: PAPER IV

MODULE 1 : Basic Concepts

Variables, sets, Functions, Equations, Identities, Systems of equations, straight line, slope
Homogeneous function.

MODULE 2 : Calculus

Differentiation, Maxima and Minima, Elasticity, Interrelationships among total, marginal and
average cost and revenue, Concept of Partial Derivatives, Integration, consumer and producer
surplus.

MODULE 3 : Matrices and Determinants

Various types of matrices, Determinants, Inverse of matrix, Cramer's rule

MODULE 4 : Introduction to Statistics

Basic concepts, Population, sample, parameter, Frequency distribution, data collection, sampling,
primary and secondary data.

MODULE 5 : Central Tendency and Dispersion

Measures of central tendency: mean, median, mode, Geometrical and Harmonic Mean,
Measures of dispersion: range, mean deviation, standard deviation, coefficient of variation,
quartile deviation, Measures of skewness.

MODULE 6 : Correlation and regression

Pearson's correlation coefficient, rank correlation, regression line, Method of least square,
interpretation.

MODULE 7 : Index Numbers

Index numbers-concept, Laspeyre's, Paasche's and Fisher's index numbers, Family budget
method, problems in construction and limitations of index numbers.

MODULE 8 : Probability and Distribution

Probability: concept, addition and multiplication rules, Random variable, Mathematical
Expectations, Binomial, Poisson and Normal distributions, properties and uses.

MODULE 9: Statistical Inference - Desirable Properties of a good estimate - Testing of
hypothesis - z, t, f, χ^2 tests

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References:

1. BERRY TANUJ (1994), MATHEMATICAL METHODS FOR ECONOMISTS, ARCHETYPAL PUBLICATIONS, NEW DELHI.
2. EDWARD T DOWLING (1992), THEORY AND PROBLEMS OF INTRODUCTION MATHEMATICAL ECONOMICS, 2ND ED, SCHAUUM'S OUTLINE SERIES MCGRAW HILL, NEW YORK.
3. EDWARD T DOWLING (2001), MATHEMATICAL METHODS FOR BUSINESS AND ECONOMICS, SCHAUUM'S OUTLINE SERIES MCGRAW HILL, NEW YORK.
4. F M WILKES (1999), MATHEMATICS FOR BUSINESS FINANCE AND ECONOMICS 2ND ED. INTERNATIONAL THOMSON BUSINESS PRESS, LONDON.
5. EDWARD T DOWLING (2001), MATHEMATICAL METHODS FOR BUSINESS AND ECONOMICS SCHAUUM'S OUTLINE SERIES MCGRAW HILL, NEW YORK.
6. MARTIN ANTHONY AND NORMAN BIGGS (2000), MATHEMATICS FOR ECONOMICS AND FINANCE - METHODS AND MODELLING 3RD ED, CAMBRIDGE UNIVERSITY PRESS, NEW YORK.
7. R S BHARADWAJ (2000), MATHEMATICS FOR ECONOMICS AND BUSINESS 1ST ED, EXCEL BOOKS, NEW DELHI.
8. R G D ALLAN (2000), MATHEMATICAL ANALYSIS FOR ECONOMISTS 7TH ED MACMILLAN INDIA LIMITED - NEW DELHI.
9. H A SPOONER & D A L WILSON (1997), THE ESSENCE OF MATHEMATICS FOR BUSINESS 1ST ED PRENTICE -HALL OF INDIA. PVT.LTD, DELHI.
10. A S RAMSASTRI (2000), QUANTITATIVE METHODS FOR VALUATION OF FINANCIAL ASSETS 1ST ED RESPONSE BOOKS, NEW DELHI.
11. G S MONGA (2000), MATHEMATICS AND STATISTICS FOR ECONOMICS 2ND ED, VIKAS PUBLICATIONS - NEW DELHI.
12. H A SPOONER & D A L WILSON (1997), THE ESSENCE OF MATHEMATIC FOR BUSINESS 1ST ED PRENTICE -HALL OF INDIA. PVT.LTD, DELHI.
13. HOODA R P (1994), STATISTICS FOR BUSINESS AND ECONOMICS, MACMILLAN.
14. ANTHONY & BIGGS (2000), MATHEMATICS FOR ECONOMICS AND FINANCE, CAMBRIDGE UNIVERSITY PRESS, LOW PRICE EDITION.
15. SIEGEL S (1956) NONPARAMETRIC STATISTICS., MACGRAHILL
16. CHANDAN J (1998), STATISTICS FOR BUSINESS AND ECONOMICS, VIKAS PUBLISHING HOUSE.
17. NAGAR A L (1997), BASIC STATISTICS, OXFORD UNIVERSITY PRESS. 15TH ED
18. G V SHENOY & LATE. MADAN PANT (1994) STATISTICAL METHODS IN BUSINESS AND SOCIAL SCIENCES 3RD ED MACMILLAN INDIA LTD, NEW DELHI
19. K K SHARMA, SUKHPAL SINGH (2000), INTRODUCTORY ECONOMIC THEORY AND ELEMENTARY STATISTICS, 1ST ED ABHISHEK PUBLICATIONS. CHANDIGARH
20. R H HOODA (2000), STATISTICS FOR BUSINESS AND ECONOMICS, 2ND ED, MACMILLAN INDIA LIMITED - NEW DELHI
21. G S MONGA (2000) MATHEMATICS AND STATISTICS FOR ECONOMICS 2ND ED, VIKAS PUBLICATIONS - NEW DELHI
22. A L NAGAR AND R K DAS (1983) BASIC STATISTICS 2ND ED, OXFORD UNIVERSITY PRESS, NEW YORK
23. RICHARD : LEVIN DAVID S RUBIN (2000) STATISTICS FOR MANAGEMENT 7TH ED, PRENTICE -HALL OF INDIA. PVT.LTD, DELHI
24. MICHAEL C FLEMING & JOSEPH G NELLIS (1997) THE ESSENCE OF STATISTICS FOR BUSINESS 2ND ED, PRENTICE -HALL OF INDIA. PVT.LTD, DELHI

MA PART I

COMPUTERS APPLICATION IN ECONOMIC ANALYSIS PAPER V

1. **INTRODUCTION** –Importance of Computer –Fundamentals of Computer Use – Social and Economic Impact of Computers.
2. **OPERATING SYSTEMS-** DOS-Windows-Linux/Unix - NETWARE – LAN – WAN and networking
3. **MS OFFICE-** Ms-word - Some basic commands –file saving - Retrieval-Delete-Rename-Formatting Text – Working with Tables-Creating References.
4. **SPREAD SHEET** – Introduction to Excel – Some basic commands – Interface with other softwares.
5. **MATHEMATICAL OPERATIONS WITH EXCEL**– Simple Mathematical operations – Financial functions – Simple and Compound Interest – Depreciation – Present Value – Growth Rates- Applications in Economics.
6. **STATISTICAL ANALYSIS WITH EXCEL** – Measures of Central Tendency – Measures of Dispersion – Correlation – Regression – Applications in Economics.
7. **INTRODUCTION TO SPSS** – Some Basic Commands – Data Entry, Defining Variables, Adding Files Horizontally and Vertically, Selecting Cases– Interface with other packages.
8. **ADVANCED ANALYSIS WITH SPSS** – Descriptive Statistics – Measures of Central Tendency and Dispersion – Testing Significance of Mean – Analysis of Variance - Correlation and Regression Analysis – Creating Dummy and Lag Variables - Creating Charts - Non-Parametric Tests – Mann Whitney and Kruskal Wallis Tests – Applications in Economics.
9. **INTRODUCTION TO MICROFIT** – Some Basic Commands – Regression Analysis – Time Series Analysis - Applications in Economics.
10. **INTERNET AND ITS USES**

Assessment

Internal:

Total: 30 Marks

Written Test: 15 Marks

Assignment: 15 Marks

External:

Total Marks: 70

Written Test: 35

Practical: 35

Examination Duration: 1 Hour for External

Teaching Requirements:

2 Hours Theory + 4 hours laboratory [Batch of 20 or 25 students]