

VEER NARMAD SOUTH GUJARAT UNIVERSITY

M.A PART-I

External programme

PAPER-I : MICRO ECONOMICS

Module - 1 : Demand Analysis (20%)

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 development in demand analysis (pragmatic approach and linear expenditure systems); Consumer's surplus.

Module- 2 : Theory of Production and Costs (20%)

Reduction 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 (20%)

Marginal Analysis as an approach to price and output determination; Perfect competition- short and long run equilibrium of the firm and industry, price 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 (20%)

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 (20%)

Pigovian welfare Economic; Pareto optimal conditions; Value judgment; Social welfare function; Compensation principal; 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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PAPER-II : MACRO ECONOMICS

unit :-1

(20%)

(I) New classical Macro Economics :

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

(II) National income and Account :

Sircular flow of income in two, three and four sector economy, different forms of national accounting - Social Counting.

Unit :-2

(20%)

(I) Consumption Function :

Keyne's psychological law of consumption implications of the law; short-run and consumption function; Empirical avoidance on consumption function; income- consumption relationship - absolute income, relative income life cycle and permanent income hypotheses

(II) 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 behavior - impact of inflation; Influence of policy ,measures on investment empirical evidence.

Unit :- 3

(20%)

(I) Supply and Money :

Financial intermediation - a mechanistic model of bank deposit determination; A money supply aermnation , a demand aetermuned money supply process; RBI approach to money supply; High powered money and money supply; money supply and open economy; Control money supply.

(II) Demand of Money :

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

Unit :- 4

(20%)

(I) 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.

(II) Post - Keynesian Demand for money :

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

(I) Theory of Inflation :

Classical, Keynesian and Monetarist approaches to inflation; structuralism 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.

(II) Business Cycle :

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

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PAPER-III : PUBLIC ECONOMICS

Module : 1 Introduction :

(20%)

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 operation aliasing the planning process; market failure - imprecation -decreasing costs externalities and public goods.

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

Module : 2 Rational for public policy :

(20%)

Allocation of resources provision of public goods voluntary exchange models ; impossibility of decentralization provision of public good (contributions of Samuelsson and Musgrave)- Theory of club goods -stabilization policy and state - provision of infrastructural facilities -removing distribution inequalities and onegional imbalances.

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 : Taxation

(20%)

Allocative and equity aspects of taxation - The benefit and ability theories of taxation; Theory of optimal taxation - excess burden of taxes - Theory of tax incidence - introduction to various forms of direct tax.

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 :- 4 Fiscal Policy

(20%)

Objectives of fiscal policy - full employment, anti-inflation , economic growth, redistribution of income and wealth, interdependence of fiscal and monetary policies, budgetary deficits and implication, fiscal policy for stabilization -automatic V/S discretions any stabilization, alternative measures of resource mobilization and their impact on growth , distribution and prices.

Fiscal Federalism :- Principles of multi-unit finance, fiscal Federalism in India -assignment of functions and sources of revenue constitutional provision -finance commission V/S planning commission approaches to revenue sharing - revenue transfer from center to state - centre-state financial relations in India - problems of state resource and indebtedness transfer of resources from union -to-state-to-local bodies.

Module :-5 Indian Public Finance

(20%)

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 service

, non-tax revenue of centre , state and local Bodies , Analysis of central and state Government Budgets-Lack of flexibilities in central and budgets -shrinking size or development finance through budgets- Trends in public Expenditure and public debt -fiscal crises and fiscal sector reforms in India- Reports of the finance commissions of India.

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PAPER-IV : QUANTITATIVE METHODS FOR ECONOMICS

Module - I Basic Concepts

(20%)

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

Matrices and Determinants

Various types of matrices, Determinants, Inverse of matrix , crammer's rule.

Module - II Calculus

(20%)

Differentiation , Maxima and Minima , Elasticity ,Interrelation ships among total, marginal and average cost and revenue, concept of partial Derivatives ,Integration, consumer and producer surplus.

Module - III

(20%)

(I) Introduction to Statistic

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

(II) 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, Measure of skewness.

Module -Iv

(20%)

(I) Correlation and Regression

Person's Correlation coefficient, rank Correlation, Regression line, Method of least square, interpretation.

(II) Index numbers

Index numbers-concept, Laspeyre's, paasche and Fisher's index numbers, Family budget method, problems index numbers.

Module -V

(20%)

(I) Probability and Distribution

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

(II) Statistical Inference

Desirable properties of a good estimate - Testing of hypothesis-Z,t,f,x² tests.

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PAPER-V : ECONOMICS OF SOCIAL SECTOR AND ENVIRONMENT

Module : 1 Welfare Economic, Social Sector and Environment

(20%)

Pareto optimality and competitive equilibrium fundamental Theorems of welfare economics externalities and market , property Rights and externalities -non-convexities and externalities, pare to optimal provision Revaluation problem and impure and mixed public goods common property Resources.

Measurement of Environment Values :-

Use -values, option values and Non-use values-valuation Methods -Methods based on observed market behavior. Hedonic properties values and household production models -Methods based on response to hypothetical contingent valuation methods.

Module : 2 The Theory of Environmental Policy

(20%)

Environmental Externalities -pigouvian taxes and subsidies -Marketable pollution permits and mixed instruments -case's bargaining solution and collective action informal regulation and the new model of pollution control-monitoring and enforcement of the environmental regulation-Environmental institutions and Grass root movements. Global environmental externalities and climatic change. Tradable pollution permits and international carbon tax -Trade and Environment.

Module :3 Economic of Natural Resources Management and sustainable Development : (20%)

Theories of optimal use of exhaustible and renewable resources - Environmental and development trade off and the concept of sustainable development- integrated environmental and economic accounting and measure of Environmentally corrected GDP- Macro economics policies and environment.

Environmental and Natural Resources Problems in India :

Mechanism for environment regulation in India - Environmental laws and their implementation -policy instruments for controlling water and air pollution and forestry policy-people's participation in the management of common and forest lauds -The institution of Joint forest management and the joint protected area management -Social forestry -Rationale and Benefits.

Module :-4 Economics of Education

(20%)

Education as a instrument for economic growth Human capital -Human capital V/S physical capital-components of Human capital -Demand for education -private demand and Social demand Determinants of demand -cost of education-expenditure on education -private costs and social costs and wastage and stagnation -benefit of education-Direct and indirect Benefit -private and social benefits, Educational planning and Economic growth -cost benefit analysis production function models-Growth accounting equations of Schultz and Denison manpower requirements approach -programming and input-output models -Educational financing-Resource mobilizations and utilizations-pricing and subsidies and effects of educational financing on income distribution -Education and labour

market -o-m effects of education-ability and family background on earnings -poverty and income distribution - education and employment -Economics of Educational planning in developing countries with special emphasis on India.

Module:-5 Health Economics

(20%)

Health-Dimensions of Development -Determinants of Health -poverty , malnutrition and Environmental issues -Economic dimensions of Health care -Demand and supply of health care-financing of health care and resource constraints -The concepts of human life value -Theory and empirical studies of production of health care -Inequalities in Health -class and gender perspectives -mstitutional issued in health care delivery.