ST. JOSEPH'S COLLEGE CREDIT SEMESTER SYSTEM (SJCCSS)

FOR

POSTGRADUATE PROGRAMME

OF

MA ECONOMICS

ST. JOSEPH'S COLLEGE (AUTONOMOUS) DEPARTMENT OF ECONOMICS



SCHEME & SYLLABUS

FOR

M A ECONOMICS (2016 Admission Onwards)

M A ECONOMICS (SJCCSS) 2016-17 ADMISSION:SCHEME OF THE COURSE

Semester	Course Code	Name of the Paper	Credit	Hours/	Total Mark	
		_		Week #	External	Internal
	DECO1B01T	Core Course I- Microeconomics: Theory and Applications I	4	7	80	20
	DECO1B02T	Core Course II- Macroeconomics: Theory and Policy I	4	6	80	20
I	DECO1B03T	Core Course III- Indian Economy: Problems and Policies	4	6	80	20
	DECO1B04T	Core Course IV- Quantitative Methods for Economic Analysis-I	4	6	80	20
	DECO2B05T	Core Course V- Microeconomics: Theory and Applications II	4	6	80	20
	DECO2B06T	Core Course VI- Macroeconomics: Theory and Policy II	4	6	80	20
II	DECO2B07T	Core Course VII- Public Finance: Theory and Practice	4	7	80	20
	DECO2B08T	Core Course VIII- Quantitative Methods for Economic Analysis-II	4	6	80	20
	DECO3B09T	Core Course IX- International Trade	4	6	80	20
	DECO3B10T	Core Course X- Growth and Development	4	6	80	20
	DECO3B11T	Core Course XI- Banking: Theory and Practice	4	6	80	20
	DECO3B12T	Core Course XII- Basic Econometrics	4	7	80	20
	DECO4B13T	Core Course XIII International Finance	4	6	80	20
	DECO4B14T	Core Course XIV Financial Markets	4	6	80	20
IV	DECO4E01T	Electives		0		
	DECO4E02T	Paper I -Advanced Econometrics Paper II Mathematical Economics	4 4	6 6	80 80	20 20
	DECO4B15D	Dissertation and Viva	4	1	80	20
	DECO4B14V	Theory Viva (At the end of each semester (4 X 20 marks) (4 Credits)	4		100	NIL
Total			72			

20 hours are allotted for seminars for each paper per semester [Students should take one seminar (compulsory) for theory paper for one hour duration for each course]*At the final semester each student should make a pre-submission project seminar as part of CIE.

Total Marks for the Entire Programme = 1800

ASSESSMENT AND EVALUATION

Assessment and evaluation of the course shall be according to the SJCCSS-PG-2016 Regulations of the St. Joseph's College(Autonomous). As per the regulations evaluation of the course shall contain two parts: Continuous Internal Evaluation (CIE) and End Semester Evaluation (ESE). Continuous Evaluation shall have a weightage of 20% and the remaining 80% for End Semester Evaluation. End Semester Evaluation is done by the College through End Semester examination through indirect grading system based on 7-point scale (A⁺, A, B, C, D, E or F), as suggested by the Regulations.

Continuous Evaluation done through the system of continuous assessment of the following four components, with a maximum of 20 marks, split up as presented in table 1 below.

EVALUATION SCHEMES

Components	Marks
Assignment	3
Seminar	4
Attendance	3
Test Paper 2X5	10
Total	20

 Table 1

 Distribution of Continuous Evaluation Marks

Two test Papers will be conducted during a course period for each papers and marks assigned as per the norms presented in the table II below.

Percentage of mark	Marks
80-100	5
60-below 80	4
40- below 60	3
20- below 40	2
10-below 20	1
Below 10	Nil

Table IIPercentage Distribution of Marks for Test Paper

Attendance of each course will be evaluated and marks assigned as per the norms presented in table III below.

Attendance	Marks
Above 90 %	3
80-below 90	2
75-below 80	1
Below 75	Nil

 Table III

 Percentage Distribution of Marks for Attendance

*The minimum required percentage of attendance for appearing in the various semester examinations is fixed as 75.

External Examination: Question Pattern

All examinations will have duration of 3 hours. Maximum marks for all courses will be 80.

- Each question paper will have four parts A, B and C
- Part A contains 12 short answer type questions and the candidates have to answer all questions. Each question carries two marks.
- Part B contains twelve short essay type questions and the candidates have to answer eight questions. Each question carries four marks.
- Part C contains four essay type questions and the candidates have to answer two questions. Each question carries 12 marks.

PART	No. of Questions	Questions to be answered	Total Marks
А	12	12 x 2	24
В	12	8 X 4	32
С	4	2 X 12	24
	80		

Table IV External Evaluation

Both CIE and ESE are carried out using the mark system. The grading on the basis of total marks scored in CIE and ESE will be done by the College for each Course and for each semester, using a 7 point scale indirect grading system as presented in table below.

Percentage of Marks	Grade	Interpretation	Class
90 and above	A+	Outstanding	First Class with
80 – below 90	Α	Excellent	Distinction
70 – below 80	В	Very Good	First Class
60 – below 70	С	Good	
50 – below 60	D	Satisfactory	Second Class
40 – below 50	E	Pass/Adequate	Pass
Below 40	F	Failure	Fail

Table IVDistribution of Marks, Grades and Class

LIST OF CORE PAPERS

- 1. Paper I Microeconomics: Theory and Applications I
- 2. Paper II Macroeconomics: Theory and Policy I
- 3. Paper III Indian Economy: Problems and Policies
- 4. Paper IV- Quantitative Methods for Economic Analysis-I
- 5. Paper V Microeconomics: Theory and Applications II
- 6. Paper VI Macroeconomics: Theory and Policy II
- 7. Paper VII Public Finance: Theory and Practice
- 8. Paper VIII Quantitative Methods for Economic Analysis-II
- 9. Paper IX International Trade
- 10. Paper X Growth and Development
- 11. Paper XI- Banking: Theory and Practice
- 12. Paper XII Basic Econometrics
- 13. Paper XIII International Finance
- 14. Paper XIV Financial Markets

LIST OF ELECTIVE PAPERS

- 1. Paper I Advanced Econometrics
- 2. PAPER II Mathematical Economics

M A ECONOMICS DISSERTATION FORMAT

STRUCTURE OF THE DISSERTATION

Cover Page and Front Page

- a. Title of the project
- b. Degree for which project is submitted
- c. Name of the Candidate & Roll Number
- d. Name of the College
- e. Month and year the project is presented

Contents

- a. Certificate of the supervising teacher.
- b. Certificate of the head of the department.
- c. Certificate of the college principal.
- d. Declaration by the student.
- e. Acknowledgement.
- f. Table of Contents
- g. List of Tables
- h. List of Figures
- i. Introductory Chapter
- j. Analyses Chapters
- k. Concluding Chapter
- l. Bibliography
- m. Appendix

CONTENTS OF THE INTRODUCTORY CHAPTER

- 1. Introduction
- 2. Statement of objectives
- 3. Hypotheses (optional)
- 4. Methodology
 - a. Data sources (primary/secondary)
 - b. Tools of analysis (statistical & mathematical)
- 5. Scope of the study (sample size & period of study)
- 6. Significance of the study
- 7. Limitations of the study
- 8. Conceptual framework-Optional (specification of terms and concepts)
- 10. Review of literature
- 11. Chapter outlines.

Note: Report Length: 60 to 80 pages excluding Appendix and Certificates

ASSESSMENT OF THE DISSERTATION

Internal - 20 Marks		External – 80 Marks		
Components	Marks	Components	Marks	
Relevance, Objectives		Relevance of the Topic, Statement of Objectives,		
methodology and	5	Methodology		
Neatness of			25	
Presentation				
	_	Neatness of Presentation, Quality of Analysis/Use	25	
Punctuality	5	of Statistical Tools, Findings and	25	
		recommendations.		
Seminar	10	Viva-voce	30	

SEMESTER I

Core	Course Code	Title of the Paper	Credits	Hours/
Course				Week
Ι	DECO1B01T	Microeconomics: Theory and	4	7
		Applications I		
II	DECO1B02T	Macroeconomics: Theory and Policy I	4	6
III	DECO1B03T	Indian Economy: Problems and Policies	4	6
IV	DECO1B04T	Quantitative Methods for Economic	4	6
		Analysis-I		

Core Course-I MA ECONOMICS (SJCCSS) I SEMESTER PAPER-I- MICROECONOMICS: THEORY AND APPLICATIONS-I Credit 4

Total Hours: 100 Lecture Hours: 80 Seminar Hours: 20

Module I Consumer Behaviour under Uncertainty and Risk

Choice under uncertainty-Bernoulli hypothesis- St. Petersburg paradox-Neumann-Morgenstern hypothesis-Choice under risk- Probability and variability in measuring risk- Risk aversion- Economics of insurance-Risk pooling and risk spreading-Friedman Savage hypothesis-Markowitz hypothesis.

Module II Recent Developments in Demand Theory

Bandwagon effect-Snob effect and Veblen effect- Characteristic approach of Kelvin Lancaster-Demand for durable and nondurable goods-Constant elasticity demand function-Dynamic versions of demand functions-Nerlove, Houthakker and Taylor-Linear expenditure system.

Module III Theory of Production and Costs

Homogeneous production function- Linearly homogeneous production function-Cobb-Douglas production function and CES production function and their properties-Technological progress and production function-Economies of scale-Cost functions- Modern theories of costs-Short run costs- Long run costs-Engineering costs-Economies of scope- Learning curve.

Module IV Theory of Oligopoly Markets

Oligopoly- Characteristics- Collusive versus noncollusive oligopoly- Noncollusive models-Cournot model, Bertrand's model, Chamberlin's model-Kinked demand curve model of Sweezy- Stackelberg's model- Collusive models- Cartels- Price leadership-Mergers- Theory of Games - Basic concepts-Cooperative versus noncooperative game- Zero sum versus non- zero sum game- Prisoner's dilemma- Dominant strategies- Mixed strategies- Repeated games-Sequential games- Nash equilibrium.

Module V Managerial Theories and Theories of Limit Pricing

Managerial theories of the firm-Baumol's static model-Marris' model-Williamson's model-Theory of limit pricing-Models of Bain-Sylos-Labini-Franco Modigliani-Bhagwati and Pashigian.

- 1. A Koutsoyiannis (1979): Modern Microeconomics- 2nd Edition, Macmillan
- 2. Robert Y Awh (1976): Microeconomics: Theory and Applications- John Wiley & Sons
- 3. Robert S Pindyck and Daniel L Rubinfeld (2009): Microeconomics- 7th Edition, Pearson India
- 4. Dominick Salvatore (2003): <u>Microeconomics: Theory and Applications-</u> 4th Edition, Oxford University Press.
- 5. Christopher Snyder and Walter Nicholson (2008): <u>Fundamentals of Microeconomics-</u> 1st edition, Cengage Learning
- Thomas J Nechyba (2010): <u>Microeconomics: An Intuitive Approach with Calculus-</u> 1st Edition, South Western Cengage Learning.

- 7. Andrew Schotter (2008): <u>Microeconomics: A Modern Approach-</u> 1st Edition, South Western College
- 8. Andreu Mas-Colell, Michael D Whinston and Jerry R Greene (1995): <u>Microeconomic Theory</u>-1st Edition, Oxford University Press
- 9. Edgar K Browning and Jacqueline M Browning (1986): <u>Microeconomic Theory and</u> <u>Applications-</u> 2nd Edition, Kalyani Publishers
- G S Madalla and Ellen Miller (1989): <u>Microeconomics: Theory and Applications-</u> 1st Edition, Tata McGraw-Hill
- 11. James H Henderson and Richard E Quandt (1980): <u>Microeconomic Theory: A Mathematical</u> <u>Approach</u>- 8th Edition, McGraw-Hill
- 12. Watson and Getz (2004): Price Theory and its Uses- 5th Edition, AITBS Publishers and Distributors
- 13. Hugh Gravelle and Ray Rees (2004): Microeconomics- 3rd Edition, Pearson Education
- 14. Jeffrey M Perloff (2012): <u>Microeconomics: Theory and Applications with Calculus-</u> Pearson India.
- 15. Mark Blaug: Economic Theory in Retrospect- Vikas Publishing House.

Core Course-II MA ECONOMICS (SJCCSS) I SEMESTER PAPER-II- MACROECONOMICS: THEORIES AND POLICIES-I Credit 4

Total Hours: 90 Lecture Hours: 70 Seminar Hours: 20

Module I: Micro Foundations of Macro and Monetary Theory

The Walrasian system-barter economy and monetary economy- Say's Identity and Equality- The Homogeneity postulate - Quantity theory of money- –Classical Dichotomy – Invalid and Inconsistent Dichotomy – Patinkin's solution- real balance effect- Pigou effect and Keynes effect- Walrasian tradition- Over lapping generation's Model-Arrow Debreu model – Clower's Cash in advance model .

Module II: Demand for and Supply of Money

Demand for Money: Nominal versus real cash balances- Keynes liquidity preference theory -Friedman's restatement of the quantity theory of money- Baumol's inventory theory- Portfolio balance theory- Liquidity theory (Radcliff-Sayer's version & Gurley and Shaw version)- - Supply of money- Measures of money supply- The H theory of money supply- Money multiplier process-Behavioural and endogenous money supply models

Module III: Theories of Consumption and Investment

Consumption function: Keynes' psychological law- Absolute income hypothesis-Permanent income hypothesis- Life cycle hypothesis and Relative income hypothesis- Kuznet's consumption puzzle- Fisher's inter-temporal choice model- Investment function- Neo-classical theory of investment- Tobin's q-ratio- Accelerator theory of investment (simple and flexible acceleration models).

Module IV: Macroeconomic Equilibrium and Policy

IS-LM curve model: Goods market and IS curve-Money market and LM curve- Factors determining slope and shift in IS and LM curves. Fiscal and monetary policies in the IS and LM curve model. Slope of IS and LM curves and the relative effectiveness of fiscal and monetary policies. Liquidity trap and crowding out. The Neoclassical –Keynesian synthesis . Derivation of aggregate demand curve from IS-LM curve model. Labour Market and derivation of AS curve. Keynesian AS curve under different assumptions about money wage- price level flexibility. Keynesian AD schedule combined with classical AS curve. Policy analysis in the AS- AD model.

- 1. Mankiw, N. Gregory (2008): <u>Macroeconomics-</u> Worth Publishers NY, 6th ed.
- 2. Froyen, Richard T. (2005): <u>Macroeconomics: Theories and Policies-</u> Pearson (LPE), Seventh ed.
- 3. Levacic, Rosalind and Rebman, Alexander (1982): <u>Macroeconomics: An Introduction to</u> <u>Keynesian-Neoclassical Controversies</u>- 2nd ed. Macmillan
- 4. Eric Pentacost: Macroeconomics-An Open Economy Approach- Macmillan

- 5. Dornbusch, Rudiger; Stanley Fisher and Richard Startz (2004): <u>Macroeconomics</u>- Tata McGraw Hill, 9th ed.
- 6. D'Souza, Errol (2008): Macroeconomics- Pearson Education.
- 7. Junankar P.N, (1972): Investment: Theories and Evidence- Macmillan.
- 8. Fred R Glahe, (1985): Macroeconomics: Theory and Policy- Harcourt Publishers, New Delhi.
- 9. Veneries and Sebold, (1977): <u>Macroeconomics: Models and Policies</u>- John Wiley & Sons.
- 10. Gurley J and Shaw ES. 1960: <u>Money in a Theory of Finance-</u> Washington: Brookings Institution.
- 11. Samuelson and Nordhaus (1998): Macroeconomics-16th ed. Irwin McGraw hill
- 12. Robert J Gordon: Macroeconomics- Eastern Economy Edition.
- 13. Edward Shapiro: Macroeconomics- Galgotia Publications, New Delhi.
- 14. Merin K.Lewin and Paul D Mizen (2000): Monetary Economics- Oxford University Press
- 15. Jagadeesh Handa (2000): Monetary Economics-Routledge.
- 16. Brian Showdown, Howard Vane and Peter Wynarczyk (2001): A Modern Guide to Macroeconomics: An Introduction to Competing Schools of Thought-Edward Elgar.

Core Course-III MA ECONOMICS (SJCCSS) I SEMESTER PAPER-III- INDIAN ECONOMY: PROBLEMS AND POLICIES Credit 4

Total Hours: 90 Lecture Hours: 70 Seminar Hours: 20

Module I: Growth and Structural Changes of the Indian Economy

Economic growth in India- Contribution of different sectors to GDP and employment-Trends in India's national income-Distribution of national income among four factors of production- Trends in savings and investment since reforms- Regional disparity in growth and development- Analysis of poverty in India- Migration- Unemployment and inequality since reforms-Environmental degradation- HDI related indicators of India-Millennium Development Goals- Inclusive growth in India.

Module II: Economic Planning in India

Planning and economic development-Objectives of planning-Techniques of planning-Planning in a market oriented economy-Achievements of planning- Agricultural development under the plans- Industrial development under the plans- Foreign trade under the plans- Population policy and demographic changes under the plans-Parallel economy in India- Evaluation of Five Year Plans-NITI Aayog.

Module III: Economic Reforms Since 1991

Background of economic reforms- Industrial policy reforms- Trade policy reforms- Fiscal policy reforms- Financial sector reforms- Foreign investment policy reforms- Second generation economic reforms-An appraisal of India's economic reforms.

Module IV: Kerala Economy

Structural changes of Kerala economy- Kerala model of development- Agricultural performance-Industrial backwardness- Health and education-Migration and foreign remittances-Economic impact of Gulf emigration on Kerala Economy- Decentralization- Achievements of decentralization- Poverty and unemployment in Kerala- State finances of Kerala-Fiscal crisis of Kerala-Causes and consequences.

- 1. Vijay Joshi and IMD Little: <u>India: Macroeconomics and Political Economy: 1964-1991-</u> Oxford University Press, New Delhi 1994.
- 2. Uma Kapila (ed): <u>Indian Economy Since Independence-</u> Academic Foundation, New Delhi 2004.
- 3. Vijay Joshi and I. M.D Little: <u>India's Economic Reforms: 1991- 2001-</u> Oxford University Press, New Delhi, 1996.
- 4. VM Dandekar and Nilakant Rath: <u>Poverty in India-</u> Indian School of Political Economy, Pune, 1971.
- 5. Sanjeev Kumar: Foreign Direct Investment in India- BR Publishing Company Delhi, 1996.
- 6. Balasubramanyan: <u>Selected Issues in Development Economics-</u> Oxford University Press, London, 1993.
- 7. Jagdish Bhagwati: India in Transition- Oxford University Press, Delhi, 1994.

- 8. Dr. S Murthy: Structural Reforms of Indian Economy- Atlantic Publishers, 1995
- 9. H W Singer, Neelambar Hatti and Rameshwar Tandon (eds): <u>Trade Liberalisation in the</u> <u>1990's-</u> Indus Publishing Company, New Delhi, 1990.
- 10. Jagdish Bhagwati and TN Srinivasn: <u>Foreign Trade Regimes and Economic Development:</u> <u>India-</u> NBER, New York, 1986.
- 11. Isher Judge Ahluwalia and IMD Little (ed): <u>India's Economic Reforms and Development:</u> <u>Essays for Manmohan Singh</u>- Oxford University Press, Delhi, 1998.
- 12. KR Gupta (Ed): <u>Liberalization and Globalization of Indian Economy-</u> Atlantic Publishers, New Delhi 1995.
- 13. Deepak Lal: India in the World Economy- Oxford University Press, 1999.
- 14. Datt. R. (2001): <u>Second Generation Economic Reforms in India-</u> Deep and Deep Publications, New Delhi.
- 15. Mahendra K Premi (2009): <u>India's Changing Population Profile</u>- National Book Trust, New Delhi.
- 17. B A Prakash (Ed): Indian Economy Since 1991-Pearson Education.
- 18. Acharya Shanker, Mohan Rakesh (Eds) (2011): <u>India's Economy: Performance and</u> <u>Challenges-</u> Oxford University Press, New Delhi.
- 19. Jayaraj D, Subramanian S (2010): <u>Poverty, Inequality and Population-</u> Oxford University Press, New Delhi.
- 19. Mahendradev S (2010): Inclusive Growth in India- Oxford University Press, New Delhi.
- 20. CT Kurien: <u>Poverty, Planning and Social Transformation in India-</u> Allied Publishers, Delhi, 1978.
- 21. BA Prakash (Ed): <u>Kerala's Economic Development: Issues and Problems-</u> Sage publishers, New Delhi, 1999.
- 22. ET Mathew (1997): Employment and Unemployment in Kerala- Sage publishers, New Delhi.
- 23. George K K (1999): Limits to Kerala Model of Development- CDS, Trivandrum.
- 24. Sunil Mani, Anjii Kochar, Arun M Kumar: <u>Crouching Tiger Sacred Cows-</u> D C Books, Kottayam.
- 25. K Rajan: <u>Kerala Economy: Trends during the Post-reform Period</u>-Serial Publishers, New Delhi.
- 26. CDS (1975): Poverty Unemployment and Development Policy: A Case Study of Selected Issues with Reference to Kerala- CDS, Trivandrum.
- 27. K.K. George and K.K. Krishnakumar (2012): <u>Trends in Kerala State Finances-1991-92 to</u> <u>2012-13: A Study in the Backdrop of Economic Reforms in India</u>-Working Paper N0.28-Centre for Socio-economic & Environmental Studies-Kochi (available online).
- 28. RBI Annual Reports.
- 29. Ministry of Finance: Economic Survey-Various Issues.

Core Course-IV MA ECONOMICS (SJCCSS) I SEMESTER PAPER-IV- QUANTITATIVE METHODS FOR ECONOMIC ANALYSIS-I Credit 4

Total Hours: 90 Lecture Hours: 70 Seminar Hours: 20

Module I Matrices & Determinants

Types of Matrices- Operations of matrices- Determinants-Properties of determinants-Minors and cofactors- Adjoint of a matrix- Inverse of a matrix-Rank of a matrix- Solution of a system of linear equations using matrices- Crammer's rule- Characteristic equations-Characteristic roots- Applications in economics.

Module II: Applications of Differential Calculus

Applications-Rate of change and the derivative-Derivative and slope of a curve-Rules of differentiation involving functions of different variables-Partial and total differentiation-Differentials and derivative-Differentials and point elasticity-Total derivatives-Economic applications of partial and total differentiation and differentials.

Module III: Optimisation and Integration

Unconstrained maxima and minima with single explanatory variables and its applications-Methods of integration-Simple applications.

Module IV: Probability Theory

Concept-Permutations Combinations- Definition classical, empirical-Axiomatic approaches-Addition and multiplication laws- Conditional probability- Bayesian probability - Bay's theorem random variable- Probability functions-Mathematical expectation-Moments.

References

1. Taro Yamane: Statistics-An Introduction.

- 2. Hoel P G: Introduction to Mathematical Statistics.
- 3. Simpson & Kafka: Basic Statistics.
- 4. RGD Allen: Mathematical Analysis for Economics.
- 5. Dowling E.T: Introduction to Mathematical Economics, Schaum's Outline Series, McGraw Hill, New York, 1992.

SEMESTER II

Core Course	Course Code	Title of the Paper	Credits	Hours/ Week
V	DECO2B05T	Microeconomics: Theory and Applications II	4	6
VI	DECO2B06T	Macroeconomics: Theory and Policy II	4	6
VII	DECO2B07T	Public Finance: Theory and Practice	4	7
VIII	DECO2B08T	Quantitative Methods for Economic Analysis-II	4	6

Core Course-V MA ECONOMICS (SJCCSS) II SEMESTER PAPER-I- MICROECONOMICS: THEORY AND APPLICATIONS-II Credit 4

Total Hours: 90 Lecture Hours: 70 Seminar Hours: 20

Module-I: Input Output Analysis and Linear Programming

Input-output analysis-Technical coefficients- Leontief's open and - closed system - Hawkin-Simon condition- -Linear Programming- Statement of the linear programming problem-Graphical solution

Module II: General Equilibrium and Welfare Economics

Elements of general equilibrium analysis-General equilibrium of exchange- General equilibrium of production- Welfare economics- Criteria of social welfare-Pareto optimality-Kaldor-Hicks compensation criterion- Social welfare function-Scitovsky criterion - Theory of second best-Arrow's impossibility theorem-Rawls theory of justice-Sen's theory of welfare.

Module III: Externalities and Public Goods

Externalities-Negative externalities in consumption and production-Positive externalities in consumption and production-Externalities and inefficiency-Ways of correcting market failure-Externalities and property rights-Coase theorem-Tragedy of commons-Public goods-Characteristics-Provision of public goods-Public goods and market failure.

Module IV-Economics of Information

Search cost-Searching for the lowest price-Search and advertising- Asymmetric information: Market for lemons- Implications of asymmetric information - Adverse selection- Insurance markets-Market signaling- Moral hazard- Principal-agent problem-The efficiency wage theory.

Module V-Macro Theories of Distribution

Theories of Ricardo, Marx, Kalecki and Kaldor-Euler's theorem and adding up problem.

- 1. A Koutsoyiannis (1979): <u>Modern Microeconomics-</u> 2nd Edition, Macmillan
- 2. Robert Y Awh (1976): Microeconomics: Theory and Applications- John Wiley & Sons
- 3. Robert S Pindyck and Daniel L Rubinfeld (2009): Microeconomics- 7th Edition, Pearson India
- 4. Dominick Salvatore (2003):<u>Microeconomics: Theory and Applications-</u> 4th Edition, Oxford University Press.
- 5. Christopher Snyder and Walter Nicholson (2008): <u>Fundamentals of Microeconomics-</u> 1st edition, Cengage Learning
- Thomas J Nechyba (2010): <u>Microeconomics: An Intuitive Approach with Calculus-</u> 1st Edition, South Western Cengage Learning.
- Andrew Schotter (2008): <u>Microeconomics: A Modern Approach-</u> 1st Edition, South Western College
- 8. Andreu Mas-Colell, Michael D Whinston and Jerry R Greene (1995): <u>Microeconomic Theory</u>-1st Edition, Oxford University Press

- 9. Edgar K Browning and Jacqueline M Browning (1986): <u>Microeconomic Theory and</u> <u>Applications-</u> 2nd Edition, Kalyani Publishers
- 10. G S Madalla and Ellen Miller (1989): <u>Microeconomics: Theory and Applications</u>- 1st Edition, Tata McGraw-Hill
- 11. James H Henderson and Richard E Quandt (1980): <u>Microeconomic Theory: A Mathematical</u> <u>Approach-</u> 8th Edition, McGraw-Hill
- 12. Watson and Getz (2004): <u>Price Theory and its Uses-</u> 5th Edition, AITBS Publishers and Distributors
- 13. Hugh Gravelle and Ray Rees (2004): Microeconomics- 3rd Edition, Pearson Education
- 14. Jeffrey M Perloff (2012): <u>Microeconomics: Theory and Applications with Calculus-</u> Pearson India.

Core Course-VI MA ECONOMICS (SJCCSS) II SEMESTER PAPER-II- MACROECONOMICS: THEORIES AND POLICIES-II Credit 4

Total Hours: 90 Lecture Hours: 70 Seminar Hours: 20

Module I: Theories of Inflation and Unemployment

Keynesian and monetarist approach to inflation- Structuralist theory of inflation- Phillips Curve- Short run and long run Phillips curve -The natural rate of unemployment hypothesis- Modified Phillips curve- Adaptive expectation hypothesis- Expectation Augmented Phillips curve- NAIRU- Okun's Law- Fisher effect -.Costs of Inflation- Search theory-DMP (Diamond, Mortenson, Pissarides) model.

Module II: Theories of Business Cycles

Business cycles- Monetary theory of Hawtrey- Over investment theory of Hayek- Innovation theory of Schumpeter-Models of Samuelson, Hicks and Kaldor-Keynesian theory of business cycle-The real business cycle theory- Political business cycle theory- Current global recession.

Module III: Modern Developments in Macroeconomics

A. Classical Tradition

An over view of major themes in monetarism -The new classical macroeconomics - Rational expectations hypothesis-continuous market clearing –aggregate supply hypothesis Lucas' surprise supply function- The inter-temporal substitution model- The new classical Policy ineffectiveness argument-The Lucas critique of econometric models -Supply-side macroeconomics-Supply shocks and stagflation-Laffer curve-Policy implications-

B. Keynesian Tradition

Disequilibrium Keynesians: Re-interpretation of Keynes by Clower and Leijonhufvud-The dual decision hypothesis-Rationing model of Malinvaud-Post Keynesians: Kalecki's pricing theory-Financial instability theory of Minsky -The New Keynesians: Nominal Rigidities- Real Rigidities-Small menu cost model-Implicit wage contract model- Efficiency wage theories-Insider-outsider model and hysteresis-Coordination failure-Policy implications- The Dynamically Stochastic General Equilibrium model (DSGE).

Module IV: Macroeconomic policy debates

Objectives of macroeconomic policies- Target variable and instrument variable-Rules for monetary policy-Inflation targeting -- The issue of central bank autonomy-Rules versus discretion- The Taylor rule-Time inconsistency of policy- Fiscal policy- Instruments- Policy lags - Inside and outside lags-Fiscal policy and budget deficit- The size of the govt debt - The traditional view of govt debt-The Ricardian view and Ricardian equivalence .

References

1. Gregory Mankiw (2008): Macroeconomics- Worth Publishers NY, 6th ed.

2. Richard T Froyen (2005): Macroeconomics: Theories and Policies- Pearson (LPE), Seventh ed.

3. Brian Snowdown and Howard Vane (2005): Modern Macroeconomics: Its Origin, Development and Current State- Edward Elgar pub., Cheltenham, UK. Northampton, MA, USA.

4. Levacic, Rosalind and Rebman, Alexander (1982): Macroeconomics: An Introduction to

Keynesian-Neoclassical Controversies- 2nd ed. Macmillan.

5. Eric Pentacost: Macroeconomics-An Open Economy Approach- Macmillan.

6. Rudiger Dornbusch: Stanley Fisher and Richard Startz (2004) Macroeconomics- Tata Mc Graw Hill, 9th ed.

7. Hargreaves Heap S.P (1992): The New Keynesian Macroeconomics: Time, Belief and Social Independence Edward Elgar Publishing.

8. D'Souza, Errol (2008): Macroeconomics- Pearson Education.

9. Fred R Glahe, (1985): Macroeconomics: Theory and Policy- Harcourt Publishers, New Delhi.

10. Veneries and Sebold, (1977): Macroeconomics: Models and Policies- John Wiley & Sons.

11. Samuelson and Nordhaus (1998): Macroeconomics- 16th ed. Irwin McGraw Hill.

12. Robert J Gordon: Macroeconomics- Eastern Economy Edition.

13. Edward Shapiro: Macroeconomics- Golgotha Publications, New Delhi.

14. Brian Showdown, Howard Vane and Peter Wynarczyk (2001): A Modern Guide to

Macroeconomics: An Introduction to Competing Schools of Thought- Edward Elgar.

15. Mervyn K.Lewis and Paul D Mizen (2000): Monetary Economics- Oxford

Core Course-VII MA ECONOMICS (SJCCSS) II SEMESTER PAPER-III- PUBLIC FINANCE: THEORY AND PRACTICE Credit 4

Total Hours: 100 Lecture Hours: 80 Seminar Hours: 20

Module I: The Case for Public Sector

The role of government in economic activity-Allocation, distribution and stabilisation functions- Market failure and rationale for government intervention-Concepts of private, public and merit goods-Club goods-Externalities-Tiebout hypothesis-merit goods-Pigovian tax- Property rights and Coase theorem.

Module II: Budgeting

Performance, programme and zero based budgeting-Stages involved in the preparation, presentation and execution of government budget-Budget deficit concepts and its measures-Problem of fiscal deficit-Corrective measures-FRBM Act.

Module III: Public Revenue

Theory of tax- Partial and general equilibrium analysis- Shifting and incidence of tax -Musgrave's approach-Elasticity and buoyancy-Taxable capacity-Theory of optimal taxation-Distributional considerations in public finance-Compensatory finance-Functional finance-Balanced budget multiplier.

Module IV: Public Expenditure and Debt

Theories of public expenditure- Wagner's law- Wiseman- Peacock hypothesis-Critical limit hypothesis-Structure and growth of public expenditure of centre and states - Developmental and non developmental-Plan and non-plan expenditure- Control and management of public expenditure-Concept of subsidy-Financing social infrastructure and human development-Public debt-Sources, burden and its management-Sustainability of public debt-Domar stability condition. **Module V Fiscal Federalism**

Theory of fiscal federalism-Theory of intergovernmental transfers-Fiscal decentralization-Center state financial relations- Problems of center-state financial relations in India- Vertical and horizontal imbalance in inter governmental transfers in India- Reports of finance commissions in India.

Module VI: Indian Public Finance

Indian tax system: Revenue of the union, states and local bodies-Major taxes in India-Non tax revenue of center, state and local bodies- Reforms in direct and indirect taxes- Trends in revenue, expenditure and public debt in the post reform period- Analysis of the latest union and Kerala budgets.

- 1. Robin.W. Boadway: Public Sector Economics
- 2. Due and Fridlander: Government Finance
- 3. P.H.Jackson and C.V.Brown: Public Sector Economics
- 4. David Hyman: Economics of Government Activity
- 5. Musgrave and Musgrave: <u>Public Finance in Theory and Practice-</u> McGraw Hill Book Company (1989).
- 6. Richard.A.Musgrave: Theory of Public Finance.

- 7. Mankar: Public Finance in Theory and Practice
- 8. Browning, J.M and Browning E.K: <u>Public Finance and the Price System-</u> Macmillan, New York.
- 9. Sudipto Mundle: Public Finance: Policy Issues for India- OUP, 1997.
- 10. Divedi. D.N: <u>Readings in Public Finance</u>.
- 11. Duff L. (1997): Government and Markets- Orient Longman- New Delhi.
- 12. R.Goode (1986): Govt Finance in Developing countries- Tata McGraw Hill.
- 13. Atkinson A and J Stiglitz (1980): Lectures in Public Economics- McGraw Hill.
- 14. Bailey S.J (2004): Public Sector Economics- Macmillan.
- 15. Ragabendara Jha (1999): <u>Modern Public Economics</u>- Routledge, London.
- 16. Singh S K (1986): <u>Public Finance in Developed and Developing Countries-</u> S. Chand and Company Ltd, New Delhi.
- 17. Rosan S Harve: Public Finance- Irwin Publications in Economics, USA.
- 18. John Cullis and Philip Jones (2010): Public Finance and Public Choice- Oxford.
- 19. S K Singh: <u>Public Finance in Theory and Practice</u>-S Chand Publishing.
- 20. RBI Bulletins.

MA ECONOMICS (SJCCSS) II SEMESTER PAPER-IV- QUANTITATIVE METHODS FOR ECONOMIC ANALYSIS-II Credit 4

Total Hours: 90 Lecture Hours: 70 Seminar Hours: 20

Module I: Probability Distributions

Discrete distribution- Distribution function- Properties of distribution functions-Mathematical expectation-Binomial distribution- Mean of binomial distribution- variance of binomial distribution-Skewness and kurtosis of binomial distribution- Fitting of binomial distribution- Poisson distribution- Mean of Poisson distribution- variance of Poisson distribution- Fitting of Poisson distribution.

Module II: Continuous and Normal Distributions

Concept of continuous distribution- Normal distribution- Properties of normal distribution-Importance of normal distribution- Area under normal distribution- problems in normal distribution using normal distribution tables- Lognormal distribution (concept and applications only).

Module III: Concept of Population

Sample-Theory of sampling distributions-Standard error- Sampling distribution of Sample mean- Chi square distribution-Student t distribution-F distribution- Central limit theorem.

Module IV: Estimation Theory

Point estimation- Properties of point estimation- Interval estimation- Confidence intervals- Test of hypothesis- Null and alternative hypothesis-Type I and Type II errors-Critical region- Level of significance- Power of a test- Critical value- Neymann Pearson Lemma.

Module V: Testing

Testing Mean of a population- Testing equality of means of two populations- Test of proportion of success of a population- Testing of equality of two population proportionst test for the population mean- t test for the equality of two population means -Paired t test-ANOVA.

- 1. Taro Yamane: Statistics: An Introduction
- 2. Hoel PG: Introduction to Mathematical Statistics
- 3. YP Agarwal: Basic Statistics, Statistics for Behavior Sciences
- 4. K X Joseph: <u>Quantitative Techniques</u>
- 5. S P Gupta: Statistics

SEMESTER III

Core Course	Course Code	Title of the Paper	Credits	Hours/ Week
IX	DECO3B09T	International Trade	4	6
Х	DECO3B10T	Growth and Development	4	6
XI	DECO3B11T	Banking: Theory and Practice	4	6
XII	DECO3B12T	Basic Econometrics	4	7

Core Course-IX MA ECONOMICS (SJCCSS) III SEMESTER PAPER-I- INTERNATIONAL TRADE Credit 4

Total Hours: 90 Lecture Hours: 70 Seminar Hours: 20

Module I: International Trade and Economic Development

Importance of trade to development-Trade as an engine of growth-Contributions of trade to development- Terms of trade-Types- Terms of trade and economic development.

Module II: Developments in Trade Theories

Offer Curves- Reciprocal demand theory- Opportunity cost analysis- Factor intensity-Factor abundance-Heckscher-Ohlin Theory- Leontief Paradox- Factor intensity reversal-Factor Price Equalization Theorem- Stolper Samuelson theorem- Metzler Paradox- Economies of scale and international trade- Imperfect competition and international trade-Product differentiation and international trade- Technological gap and product cycle models- Transportation cost and international trade- Porter's diamond theory.

Module III: Economic Growth and International Trade

Growth of labour and capital- Rybcyznski theorem-Technical progress (neutral, labour saving and capital saving)-The effect of growth on trade-Immiserising growth- Dutch disease-Prebisch - Singer Thesis-Myrdal's views-Two gap analysis.

Module IV: International Trade Policies

Import substitution versus export orientation - Export instability and economic development- Trade restrictions-Tariffs- Partial and general equilibrium analysis-Optimum tariff-Effective rate of protection-Non tariff barriers and new protectionism-Import quotas-Effects of an import quota-Comparison of quota and tariff-International cartels- Dumping and anti dumping duties-Exchange control- Export subsidies- Countervailing tariff- Voluntary export restraints-Technical standards- Administrative and other regulations- Strategic trade policy.

Module V: Economic Integration

Economic Integration - Theories of customs union- Trade creating customs union-Trade diverting customs union-Static welfare effects of customs union-Dynamic benefits from customs union- NAFTA-WTO-South Asian Association of Regional Co-operation (SAARC)- Association of South East Asian Nations (ASEAN).

References

1. Dominick Salvatore: International Economics-11th Edition John Wiley & Sons (2014)

- 2. Bo Sodersten and Geoffrey Reed: International Economics- Macmillan (2008)
- 3. Paul. R. Krugman and Maurice Obstfeld: International Economics- Pearson Education (2009).
- 4. Kindleberger, C.P: International Economics- R.D. Irwin, Homewood
- 5. Bhagwati, J.N(Ed): International Trade: Selected Readings- MIT Press, 1987.
- 6. Robert J Carbaugh (2011): Global Economics- Cengage Learning.
- 7. Giancarlo Gandolfo: International Trade-Spinger International Edition- 2006.
- 8. Dennis R Appleyard and Alfred J Field: International Economics- McGraw Hill.

- 9. Appleyard and Field: International Trade: Theory and Policy
- 10. Richard .E. Caves and Harry G. Johnson: <u>Readings in International Economics.</u>
- 11. Corden .W.M: <u>Recent Developments in the Theory of International Trade</u>- Princeton University Press.
- 12. Thomas A. Pugel: International Economics-McGraw Hill.
- 13. James C Ingram and Robert M Dunn: International Economics-John Wiley and Sons.
- 14. Richard Caves, Jeffrey Frankel and Ronald Jones: <u>World Trade and Payments</u>-Pearson Education.
- 15. Theo Eicher, John Mutti and Michelle Turnovsky (2009): <u>International Economics</u>-Routledge.

Core Course-X MA ECONOMICS (SJCCSS) III SEMESTER PAPER-II- GROWTH AND DEVELOPMENT Credit 4

Total Hours: 90 Lecture Hours: 70 Seminar Hours: 20

Module I: Concept and Measurement of Economic Growth and Development

Concepts of growth and development-Indicators of economic development-National income-Per capita income-PQLI-Human development index-Gender related development index-Gender empowerment index-Human poverty index and deprivation index-Inequality in income distribution- Kuznets inverted U hypothesis- Lorenz Curve and Gini-coefficient-Development gap-Development as freedom-Perpetuation of underdevelopment-Structural view of underdevelopment-Vicious circle of poverty.

Module II: Grand Theories of Economic Growth

Theories of Adam Smith- David Ricardo- Thomas Malthus- Karl Marx and Joseph Schumpeter-Comparison of the theories of economic growth-Ricardo and Marx- Schumpeter and Marx- Schumpeter and Ricardo- Marx and Schumpeter.

Module III Models of Economic Growth

Harrod-Domar growth model-Knife-edge equilibrium-Neo Classical model of Solow-Growth models of Joan Robinson, Meade and Kaldor-Convergence hypothesis-Extensions of simple growth model- Vintage model-Solow-Phelps model-Dependency theory of development-Arguments against the neoliberal propositions- Institutions and economic growth-Endogenous growth theory-Plan models in India.

Module IV: Partial Theories of Economic Growth and Development

Critical minimum effort thesis - Balanced vs unbalanced growth- Surplus labour and Lewis's theory-Fei-Ranis model- Theory of big push-Concept of dualism- Technological, social, geographical and financial- Myrdal- Backwash and spread effect- Circular and cumulative causation- Centre- periphery thesis-Todaro model.

Module V: Environment and Development

The limits to growth- The techno centre approach- Brudtland commission approach to suitable development- Sustainable development- International environmental issues (Trade and environment- Rio declaration- Kyoto Protocol)-Climate-economy interaction-Martin Weitzman's Dismal Theorem.

- 1. Thirlwal, AP (2003): <u>Growth and Development: With Special Reference to Developing</u> <u>Economies</u>- Palgrave Macmillan, Seventh Edn.
- 2. B.H. Dholakia, R.H. Dholakia: <u>Theory of Economic Growth and Technical Progress: An</u> <u>Introduction</u> -Macmillan 1998.
- 3. Michael.P.Todaro: Economic Development in the Third World- Orient Longman.
- 4. Ray, Debraj (2003): Development Economics- Oxford India Paperbacks, OUP

- 5. Skarstein, Rune (1997): <u>Development Theory: A Guide to Some Unfashionable Perspectives</u>-OUP.
- 6. Ahulwalia and IMD Little: India's Economic Reforms: Essays for Dr Manmohan Singh.
- 7. Higgins Benjamin (1976): <u>Principles of Economic Development</u>- Universal Book Stall, New Delhi.
- 8. R.T.Gill: Economic Development: Past and Present- Prentice Hall of India Pvt.Ltd, New Delhi.
- 9. Meir.G M and Riuch.J.E (2000): Leading Issues in Economic Development- Oxford.
- 10. Hagen, Everette (1975): The Economics of Development.
- 11. Ghatak, S (2003): An Introduction to Development Economics- Routledge (4th edn).
- 12. Adelman, Irma (1961); <u>Theories of Economic Growth and Development</u>- Stanford University Press.
- 13. Todaro and Smith, S.C: Economic Development- Pearson
- 14. Sen, Amartya (1970): Growth Economics: Selected Readings- Penguin Books.
- 15. Jones, Hywel (1976): Introduction to Modern Theories of Economic Growth- McGraw-Hill.
- 16. Kindleberger, C.P (1958): Economic Development- Tata McGraw-Hill, New York.

Core Course-XI MA ECONOMICS (SJCCSS) III SEMESTER PAPER-III- BANKING: THEORY AND PRACTICE Credit 4

Total Hours: 90 Lecture Hours: 70 Seminar Hours: 20

Module I Central Banking

Structure and functions of central banks-Federal Reserve System-Bank of England-Bank of Japan-European Central Bank-Reserve Bank of India- Monetary policy- Objectives and instruments- Liquidity management- Autonomy of the RBI-Monetary sector reforms in India since 1991- Recent monetary and credit policy of RBI-Impact of RBI's monetary policy on economic growth and price stability.

Module II Commercial and Cooperative Banks

Structure of commercial banks-Public sector banks-Private sector banks-New generation banks-Foreign banks-Functions of commercial banks-Commercial banks and credit creation-Branch expansion programme and policy-Deposit mobilization and sectoral allocation of bank credits- Priority sector lending- Social banking-Lead bank scheme- Cooperative banks-Central cooperative banks-State cooperative banks-Land development banks- Regional rural banks.

Module III Specialized Financial and Investment Institutions

Development financial institutions (IFCI, IDBI, IIBI, SIDBI) - Specialized financial institutions (EXIM Bank-National Housing Bank-NABARD-MUDRA bank)-Specialized investment institutions (Pension funds-Hedge funds-Mutual funds-UTI)- Non Banking Financial Companies-Investment banks-Merchant banks.

Module IV Innovations in Banking Transactions

Mail transfer-Telegraphic transfer-MICR clearing-Automated clearing system-Electronic funds transfer-Digital payment system-E-banking-Virtual payments systems-Internet banking-Mobile banking-Home banking-Tele-banking-Core banking.

Module V Banking Sector Reforms in India

Banking sector reforms since 1991- Context, need and objectives-Implementations of the Narsimham Committee recommendations- Issues in banking sector reforms-Priority sector lending-Asset classification-Non-performing assets-Capital adequacy norms-Regulation of the banking sector-Board for Financial Supervision-Credit Information Bureau of India Limited (CIBIL)-Banking Ombudsman.

Module VI International Banking

International banking-Reasons for the growth of international banking-Offshore banking-Multinational Banking.

References

1. M H de Kock: Central Banking-Universal Book Stall, New Delhi.

- 2. Meir Kohn (1996): Financial Institutions and Markets-Tata McGraw Hill.
- 3. Roger LeRoy Miller and David VanHoose (1993): <u>Modern Money and Banking</u>-McGraw-Hill International.
- 4. Jawed Akhtar and Shabbir Alam: Banking System in India: Reforms and Performance

Evaluation- New Century Publications, New Delhi

- 5. Y.V. Reddy: Monetary and Financial Sector Reforms in India- UBSPD, New Delhi.
- 6. Suraj.B. Gupta: Monetary Planning for India.
- 7. K. Rao: Management of Commercial Banks.
- 8. Harendra Badhav (ed): <u>Challenges to Indian Banking: Competition, Globalisation and Financial Markets</u>- Macmillan.
- 9. N.S. Kher: Non-Perfoming Advances in Banks, Skylark, New Delhi.
- 10. Hansen and Kathuria (ed.) <u>A Financial Sector for the 21st Century</u> OUP.
- 11. Muraleedharan (2009) Modern Banking: Theory and Practice- PHI Learning Private Limited.
- 12. Shekhar and Shekhar: Banking Theory and Practice-Vikas Publishing House Limited.
- 13. Bharati V Pathak (2011): The Indian Financial System- Pearson Education.
- 14. RBI: Report on Trend and Progress of Banking in India.
- 15. Report of the Commitee (Narsimham) on the Financial System Nov., 1991.
- 16. Raghuram Rajan Committee Report on Financial Sector Reforms- Planning Commission.

Core Course-XII MA ECONOMICS (SJCCSS) III SEMESTER PAPER-IV- BASIC ECONOMETRICS Credit 4

Total Hours: 100 Lecture Hours: 80 Seminar Hours: 20

Module I: Nature and Scope of Econometrics

Econometrics, economic theory and mathematical economics-Methodology of econometrics-Uses of econometrics.

Module II: Simple Linear Regression Model

The concept of PRF -Significance of stochastic error term-The SRF-Problem of estimation-Method of ordinary least squares-Assumptions underlying the method of least squares-Properties of estimators- Gauss Markov theorem- Coefficient of determination, r^2 -Normality assumption-Hypothesis testing- t and F test procedures-Prediction-Method of maximum likelihood-Maximum likelihood estimation of two variable model.

Module III: Extensions of the Two Variable Regression Model

Regression through the origin-Functional forms of regression models, log-log, log-lin, linlog and reciprocal models.

Module IV: Multiple Regression Analysis

The three variable model-OLS estimation of partial regression coefficients-Multiple coefficient of determination R^2 and adjusted R^2 -Hypothesis testing- Testing the overall significance of the regression model- F test-Testing the equality of two regression coefficients-Restricted least squares- General k variable regression model- Matrix approach to estimation and derivation of the properties of OLS estimators.

Module V: Dummy Variable Regression Models

ANOVA models-ANCOVA models-Dummy variable trap- Dummy variables and seasonal analysis-Piecewise linear regression.

Module VI: Econometric Problems

Multicollinearity- Nature, consequences, detection and remedial measures-Autocorrelation- Nature, consequences, detection, and remedial measures- Heteroskedasticity-Nature, consequences, detection and remedial measures.

Module VII: Model Specification and Diagnostic Testing

Types of specification errors- Detection and consequences-Errors of measurement-Consequences, remedies.

References

1. Damodar N Gujarati and Dawn C Porter (2009): <u>Basic Econometrics</u>, Fifth edition, McGraw Hill International Edition.

2. James H Stock and Mark W Watson (2008): <u>Introduction to Econometrics</u>, Pearson, Addison Wesley.

3. Christopher Dougherty (2007): <u>Introduction to Econometrics</u>, Third edition, Oxford University Press.

4. G S Maddala (2002): Introduction to Econometrics, Third Edition, John Wiley and Sons.

5. Robert S Pyndick and Daniel L Rubinfeld (1998): <u>Econometric Models and Economic</u> <u>Forecasts</u>, Fourth Edition, McGraw Hill international edition.

6. Jeffrey M Wooldridge (2006): <u>Introductory Econometrics: A Modern Approach</u>, Third Edition, Thomson South Western.

7. Chandan Mukherjee, Howard White and Marc Wuyts (1998): <u>Econometric and Data Analysis</u> for Developing Countries, First Edition, Routledge.

8. Johnston J: Econometric Methods, McGraw Hill.

9. AH Studenmund: <u>Using Econometrics: A Practical Guide</u>, Fifth Edition, Pearson Education.

SEMESTER IV

Core Course	Course Code	Title of the Paper	Credits	Hours/ Week
XIII	DECO4B13T	International Finance	4	6
XIV	DECO4B14T	Financial Markets	4	6
	DECO4E01T	Elective Paper 1	4	6
	DECO4E02T	Elective Paper 2	4	6
	DECO4B15D	Dissertation	4	1

Core Course-XIII MA ECONOMICS (SJCCSS) IV SEMESTER PAPER-I- INTERNATIONAL FINANCE Credit 4

Total Hours: 90 Lecture Hours: 70 Seminar Hours: 20

Module I: Balance of Payments

Balance of payments- Components- Equilibrium and disequilibrium in BOP- Methods of correcting BOP deficit-Adjustment mechanisms-Automatic, price and income adjustments-Elasticity approach- Marshall-Lerner condition- Absorption approach-Monetary approach- J curve effect- Currency convertibility- Current and capital account convertibility-The Indian experience-FEMA.

Module II: Exchange Rate and Theories of Exchange Rate

Exchange rate-Nominal, Real, Effective, NEER, REER- Exchange rate systems- Relative merits and defects of fixed and flexible exchange rates- Hybrid exchange rates- Exchange rate in India-Purchasing power parity theory-Monetary approach- Asset market (portfolio balance) model- Exchange rate overshooting.

Module III: Foreign Exchange Market

Foreign exchange market-Functions-Participants- Stability of foreign exchange markets-Spot and forward market- Currency futures and options- Swap market- Foreign exchange risk-Hedging- Speculation- Stabilizing and de-stabilizing- Currency arbitrage-Policy adjustments-Expenditure changing and expenditure switching policies- Internal and external balance under alternative exchange rate regimes- Assignment problem- Swan diagram- Mundell-Fleming model-The policy mix under fixed and flexible exchange rates.

Module IV International Capital Flows

Portfolio investment and direct investments- Motives for capital flows- Effects of international capital flows-FII- Multinational corporations- Advantages and disadvantages of MNCs- Foreign investment in India since 1991.

Module V International Monetary System

International monetary system-The gold standard and its breakdown-Bretton Woods system and its breakdown- Present international monetary system- European monetary union-Euro-Optimum currency areas- Currency boards- Dollarization.

References

1. Dominick Salvatore: International Economics (JohnWiley and Sons).

- 2. Keith Pilbeam: International Finance (Macmillan).
- 3. Bo Sodersten and Geoffrey Reed: International Economics (Macmillan, London).
- 4. Paul R Krugman and Maurice Obstfeld: <u>International Economics: Theory and</u> <u>Practice</u> (Pearson Education, Singapore).
- 5. Thomas A. Pugel: International Economics (TMH).
- 6. Michael Melvin: International Money and Finance (Pearson Education)

- 7. James C Ingram and Robert M Dunn: International Economics (JohnWiley and Sons)
- 8. Keith Pilbeam: Finance and Financial Markets (Palgrave)
- 9. Dennis R Appleyard and Alfred J Field: International Economics (McGraw Hill)
- 10. Robert J Carbaugh (2011): <u>Global Economics-</u> Cengage Learning.
- 11. Giancarlo Gandolfo: International Finance and Open Economy Macroeconomics (Springer).
- 12. Van den Berg: <u>International Finance and Open Economy Macroeconomics</u> (World Scientific).
- 13. Lawrence Copeland: Exchange Rates and International Finance (Pearson Education).
- 14. M Levi: International Finance (McGraw Hill).
- 15. Richard Caves, Jeffrey Frankel and Ronald Jones: <u>World Trade and Payments</u> (Pearson Education).
- 17. Sumati Varma: Currency Convertibility: Indian and Global Experiences-New Century.
- 18. Theo Eicher, John Mutti and Michelle Turnovsky (2009): International Economics- Routledge.

Core Course-XIV MA ECONOMICS (SJCCSS) IV SEMESTER PAPER-II- FINANCIAL MARKETS Credit 4

Total Hours: 90 Lecture Hours: 70 Seminar Hours: 20

Module I: Financial Markets

Functions of financial markets-Types of financial markets- Participants in financial markets- Role of financial intermediaries-Financial innovation-Financial inclusion and inclusive growth.

Module II: Money Market

Functions of money market-Instruments of the money market-Call money-Bill of exchange-Commercial bills-Treasury bills- Commercial paper-Interbank market-Federal funds-Negotiable certificate of deposits- Banker's acceptance-Repurchase agreements-Money market mutual funds- Features of a developed money market-Structure of Indian money market- Money market reforms in India since 1991.

Module III: Capital Market

Functions of capital market-Primary market-Instruments of the primary market-Secondary market-Functions- Instruments of the secondary market-Demutualisation of stock exchanges-Trading mechanism of the stock exchanges- Liquidity products (margin trading, short sales, securities lending and borrowing)-Foreign institutional investment-Participatory notes (P-notes)-Insider trading-Investor protection- Credit rating-Capital market institutions-Discount and Finance House of India-Stock Holding Corporation of India-Securities Trading Corporation of India-SEBI-Functions and powers- Capital market reforms in India since 1991.

Module-IV Derivatives Market

Types of derivatives-Participants in the derivative markets-Uses of derivatives- Options-Types of options-Uses of options-Platforms for options trade-Trading mechanics-Option premium-Profits and losses with options-Stock options and stock index options in India-Futures-Types of futures (stock index futures-foreign currency futures-interest rate futures-commodity futures)-Uses of futures-Market mechanics-Market participants- The clearing process- Stock futures and stock index futures in India-Difference between options and futures-Swaps-Interest rate swaps-Foreign currency swaps.

Module V: Global Financial Markets

Instruments- American Depository Receipts (ADR)-Global Depository Receipts (GDR)-Foreign Currency Convertible Bonds (FCCB)-External commercial borrowings-International bonds-Eurobonds-Euronotes-Euro commercial papers-Eurodollars-Eurocurrency market-Reasons for the growth-Features-Effects of the eurocurrency market.

- 1. Anthony Santomero and David Babbel: <u>Financial Markets, Instruments and Institutions</u>-McGraw Hill Higher Education.
- 2. Keith Pilbeam: Finance and Financial Markets- Palgrave.
- 3. Anthony Saunders and Marcia Millon Cornett: Financial Markets and Institutions: A Modern

Perspective- TATA McGraw Hill.

- 4. Fabozzi, Modigliani, Jones and Ferri: <u>Foundations of Financial Markets and Institutions</u>-Pearson Education.
- 5. Jeff Madura (2008): Financial Markets and Institutions-Cengage Learning.
- 6. Stephen Valdez and Julian Wood (2003): <u>An Introduction to Global Financial Markets</u>-Palgrave Macmillan.
- 7. Robert A Strong (2002): Derivatives: An Introduction- Thomson South-Western.
- 8. John C Hull (1995): Introduction to Futures and Options Markets -Prentice Hall India.
- 9. Sunil K Parameswaran (2003): Futures Markets- Tata McGrawHill.
- 10. Michael Durbin (2006): All About Derivatives Tata McGrawHill.
- 11. Giancarlo Gandolfo: International Finance and Open Economy Macroeconomics- Springer.
- 12. Rajesh Chakrabarti and Sankar De (2010): <u>Capital Markets in India-</u>Response Sage New Delhi.
- 13. S Gurusamy (2009): Financial Markets and Institutions-McGraw Hill Higher Education.
- 14. H R Machiraju (2010) Indian Financial System Vikas Publishing House New Delhi.
- 15. Y.V. Reddy: Monetary and Financial Sector Reforms in India- UBSPD, New Delhi.
- 16. Bharati V Pathak (2011): The Indian Financial System- Pearson Education.
- 17. National Stock Exchange of India (NSE): <u>Indian Securities Market: A Review</u>, Various Issues.

ELECTIVE PAPERS

Elective	Title of the Paper	Credits	Hours/Week
1	Advanced Econometrics	4	6
2	Mathematical Economics	4	6
3	Business Economics	4	6
4	Demography	4	6
5	Environmental Economics	4	6
6	Gender Economics	4	6
7	Health Economics	4	6
8	Industrial Economics	4	6
9	Labour Economics	4	6
10	Local Level Planning	4	6
11	Agricultural Economics	4	6
12	Regional Economics	4	6
13	Research Methodology and Computer Applications	4	6

Elective Course I MA ECONOMICS (SJCCSS) IV SEMESTER PAPER-I- ADVANCED ECONOMETRICS (Credit 4)

Total Hours: 90 Lecture Hours: 70 Seminar Hours: 20

Module I: Qualitative Response Regression Models

The linear probability model (LPM)- The logit model- The probit model- The tobit model. **Module II: Dynamic Econometric Models**

Autoregressive and distributed-lag models-Role of lag in economics-The Koyck approach-The adaptive expectations model- Stock adjustment model-Estimation of autoregressive models-The method of instrumental variable (IV)- Durbin h test- Almon approach to distributed lag models.

Module III: Panel Data Regression Models

Fixed effects regression model-The random effects model.

Module IV: Simultaneous Equation Methods

Simultaneous equation bias-The identification problem-Rules of identification- Rank and order condition- Simultaneous equation methods-Limited information versus full information methods-Recursive models and ordinary least squares-The method of indirect least squares (ILS)-The method of two stage least squares (2SLS)-Instrumental variable estimation- Properties of various estimators.

Module V: Instrumental Variables Regression

Instrumental variables estimator with a single regressor and a single instrument- The general IV model-Checking instrument validity, instrument relevance and instrument exogeneity.

Module VI: Time Series Econometrics

Stochastic processes, stationary versus nonstationary stochastic processes-Unit roots-Trend stationary versus difference stationary stochastic processes- Spurious regression-Testing for unit roots- Dickey Fuller and Augmented Dickey Fuller tests-Cointegration and error correction models

Module VII: Modelling Stochastic Processes

The Box Jenkins methodology -AR, MA, ARMA and ARIMA models-Estimation and forecasting- Vector autoregression (VAR)-Measuring volatility- The ARCH and GARCH models.

- 1: Damodar N Gujarati and Dawn C Porter (2009): <u>Basic Econometrics</u>- Fifth Edition, McGraw Hill International Edition.
- 2: James H Stock and Mark W Watson (2008): <u>Introduction to Econometrics</u>- Pearson, Addison Wesley.
- 3: Christopher Dougherty (2007): <u>Introduction to Econometrics</u>, Third Edition, Oxford University Press.
- 4: Robert S Pyndick and Daniel L Rubinfeld (1998): Econometric Models and Economic

Forecasts- Fourth Edition, McGraw Hill International Edition.

- 5: Jeffrey M Wooldridge (2006) -<u>Introductory Econometrics: A Modern Approach</u>- Third Edition, Thomson South Western
- 6: Chandan Mukherjee, Howard White and Marc Wuyts (1998): <u>Econometric and Data</u> <u>Analysis for Developing Countries-</u> First Edition, Routledge
- 7: Gary Koop (2005): Analysis of Economic Data- Second Edition, John Wiley and Sons
- 8: Kerry Patterson (2000): <u>An Introduction to Applied Econometrics: A Time Series</u> <u>Approach</u>- First Edition, Palgrave.
- 9: Jack Johnston and John Dinardo (1998): <u>Econometric Methods</u>- Fourth Edition, The McGraw Hill Companies.
- 10: William H Greene (2003): Econometric Analysis- Fifth Edition, Pearson Education
- 11: Walter Enders (2004): <u>Applied Econometric Time Series</u>- Second Edition, Wiley India Edition.
- 12: Richard Harris and Robert Sollis (2006): <u>Applied Time Series Modelling and</u> <u>Forecasting</u>- First Edition, Wiley Student Edition.

Elective Course II MA ECONOMICS (SJCCSS)

IV SEMESTER PAPER-II- MATHEMATICAL ECONOMICS (Credit 4)

Total Hours: 90 Lecture Hours: 70 Seminar Hours: 20

Module I Theory of Consumer Demand

Utility maximization- Demand functions - ordinary and compensated– Elasticity- measurement-Constant elasticity models - Slutsky equations -Direct and cross effects - Indirect utility functions - Linear expenditure systems.

Module II Theory of Production

Production Function – Producers equilibrium – Output, Cost and Profit optimization - derivation of input demand functions - Cobb-Douglas and CES production function: Properties - VES and Translog production function (concept only). Cost function: Derivation of cost as a function of output-Duality - derivation of supply function- generalized Leontief cost function - Technological progress and production function.

Module III Theory of Markets

Mathematical treatment of market equilibrium- Monopoly: discriminatory and multi plant model-Oligopoly: Cournot and Stackelberg models, Price leadership – Fixed Market Share model.

Module IV Linear Models

Linear programming: Primal and dual problem - linear programming formulation -Simplex solution - Complementary slackness theorem, **Input Output Analysis**: Static and Dynamic Leontief System – Open and closed model – Prices in the system - Technological viability -Hawkins-Simon's conditions -**Theory of Games**: Two person zero-sum game - Pure and mixed strategy - Saddle point.

- 1. Allen R.G.D (1956): Mathematical Economics- Macmillan Co. Ltd.
- 2. Birchcnhall C and Grout P (1984): <u>Mathematics for Modern Economics</u>- Philip Allen. Harness and Noble Books, Oxford.
- 3. David. F Heithfield and Soren Wibe (1987): <u>Introduction to Cost and Production Functions</u>- Macmillan Education Ltd.
- 4. Eugene Silberberg (1990): <u>The Structure of Economics: A Mathematical Analysis</u>- Second Edition, McGraw Hill International Ltd.
- 5. J.M Henderson and R.E Quandt (1980): <u>Microeconomic Theory: A Mathematical Approach</u>- McGraw Hill International Ltd.
- 6. Michel D. Intriligator (1980): <u>Econometric Models, Techniques and Applications</u>- Prentice Hall of India Ltd.
- 7. Alpha C. Chiang (1988): <u>Fundamental Methods of Mathematical Economics</u>- McGraw Hill International Edition.
- 8. Amitabh Kundu, et. al (1976): <u>Input Output Framework and Economic Analysis</u>- Centre for the Study of Regional Development, New Delhi.
- 9. Krishna K.L (ed.) (1987): Econometric Applications in India- Oxford University Press, New Delhi.
- 10. Barry Bressler: A Unified Introduction to Mathematical Economics.