

UNIVERSITY OF PUNE
Department of Economics

Instructions:

- 1) The syllabus for the candidates of PET is given below, it includes the MA economics syllabus of Micro and Macro, also Growth and Development, Public Finance, International Economics and Statistics
- 2) The examination will take place tentatively on the 16th/17th/18th of January in the Department of Economics, Ambedkar Bhavan, first floor, University of Pune.
- 3) The exact date and time will be notified soon on the Net.
- 4) The question paper will be of 100 marks and it will contain 20 marks objective questions and 80 marks subjective question which will include short notes, answer the following, give reasons, explain the following statements and questions like that. The objective questions will be - fill in the blanks and match the following, write true or false and such type.

Syllabus for the PhD entrance

EC- 101 – Micro Economic Analysis – I

Topic 1. Introduction:-

- 1.1 Micro Economics: - Nature, Scope, Importance & Limitations.
- 1.2 Methodology of Economics: - Deductive V/s Inductive.
- 1.3 Economics - Statics & Dynamics
- 1.4 Basic Economic Problems :- Scarcity & Choice
- 1.5 Price Mechanism: - Functions & Limitations.

Topic 2. Demand Analysis –

- 2.1 Cardinal Utility Approach - Law of Diminishing Marginal Utility , Consumer's equilibrium, Derivation of Demand Curve, Law of Demand.
- 2.2 Ordinal Utility Approach:- Indifference curve, Properties Consumer's equilibrium, Price, income & substitution effects, Derivation of Demand Curve.
- 2.3 Revealed Preference Theory of Demand.
- 2.4 Recent Development in Demand Theory :- Hicksian Revised Theory – Neumann – Morgenstern Statistical Utility Theory, Armstrong's Marginal Preference Theory .

Topic 3. Consumer Surplus and Elasticity of Demand:-

- 3.1 Consumer Surplus: - Meaning, Marshall's Measurement of Consumer Surplus, Measurement of Consumer Surplus through indifference Curve analysis, Critical Evaluation.
- 3.2 Elasticity of Demand :- Meaning, Price Elasticity of Demand, Measurement of Price elasticity, Income Elasticity of Demand, Cross Elasticity of Demand, Numerical Problems .

Topic 4. Theory of Production:

3

- 4.1 Supply Analysis: Economies of Scale: - Internal Economies and

Diseconomies, External Economies and Diseconomies.

4.2 Production Possibility Curve.

4.3 Production Function :- Law of Variable Proportions

4.4 Returns to Scale.

4.5 Isoquants:- Properties , Producer's equilibrium

4.6 Linear Homogenous Production Function

4.7 Cobb - Douglas Production Function.

Topic 5. Cost and Revenue

5.1 Cost Concepts: - Accounting and Economic Cost, Private Cost and Social Cost, Opportunity Cost, Fixed and Variable Cost, Average, Marginal and Total Cost, Numerical Problems.

5.2 Short Run and Long Run Cost Curves

5.3 Revenue Concepts: - Average, Marginal and Total Revenue, Numerical Problems.

Basic Reading List:

□ Stigler G. (1996) Theory of Price, 4th Edition, Prentice Hall of India, New Delhi.

□ Sen A. (1999) Microeconomics: Theory and Application, Oxford University Press, New Delhi.

□ Kreps David M. (1990), A Course in Microeconomic Theory, Princeton University Press, Princeton.

□ Samuelson, P.A. and W.O. Nordhaus (1998), Economics, 16th Edition, Tata McGraw Hill, New Delhi.

□ Verian H. (2000) Microeconomic Analysis, W.W Norton New York.

□ Michale Perkin (1996) Economics, 3rd Edition, Addison Westey Publishing company, Inc. U.S.A.

□ Koutsoyiannis, A. (1979), Modern Microeconomics, 2nd edition Macmillan Press, London.

□ Layard, P.R.G. and A.W. Walters (1978) Microeconomic Theory, McGraw Hill, New York.

□ Ahuja H.L. (2003) Advanced Economic theory : Microeconomic Analysis, 13th Edition, S.Chand and Co. Ltd. New Delhi.

4

□ Sen, A/ (1999) Microeconomics: theory and Applications, Oxford University Press, New Delhi.

□ Chaturvedi, Gupta and Pal (2002) Business Economics: Text and Cases Galgotia Publishing Company, New Delhi.

Additional Reading List:

Topic 1:

□ Baumol W.J.(1982) Economic Theory and operations Analysis, Prentice Hall of India, New Delhi.

Topic 2:

- Baumol W.J.(1982) Economic Theory and operations Analysis, Prentice Hall of India, New Delhi.
- Green H.A.G.(1971) Consumer theory, Penguin Harmonds Worth.
- Henderson, A.M. and R.E. Quandt (1980) Microeconomic Theory. A Mathematical Approach, McGraw Hill, New Delhi.
- Hirshleifer J. and A.Glazer (1997) Price Theory and Applications, Prentice Hall of India, New Delhi.

Topic 3:

- Da Costa, Go Co (1980) Production Prices and Distribution, Tata MacGraw Hill New Delhi.
- Healthfields and Wibe (1987) An Introduction to cost and Production's Functions, Macmillan, London.
- Hirshleifer J. and A.Glazer (1997) Price Theory and Applications, Prentice Hall of India, New Delhi.

Topics 4 & 5:

- Da Costa, Go Co (1980) Production Prices and Distribution, Tata MacGraw Hill New Delhi.
- Hirshleifer J. and A.Glazer (1997) Price Theory and Applications, Prentice Hall of India, New Delhi.

EC- 102 – Public Finance

Topic 1. Introduction -

- 1.1 The Role of the Government in a Changing Perspective
- 1.2 Fiscal Functions of the Government.
- 1.3 Co-ordination among these Functions.
- 1.4 Provision of Private Goods, Public Goods, Social Goods, Merit Goods and Mixed Goods.

Topic 2. Principles of Taxation –

- 2.1 Principle of Fiscal Neutrality, Excess Burden, Doctrine Principle of Equity, Benefit Principle, Bowen and Lindhal Models, Ability to pay Principle Administrative Efficiency .
- 2.2 Application of Taxation Principles in Developing Countries.
- 2.3 Meaning, Types and Measurement of Taxable Capacity.

Topic 3. Impact and Incidence of Taxes

- 3.1 Meaning of Impact and Incidence
- 3.2 Distinction Between Impact and Incidence
- 3.3 Types of Incidence
- 3.4 Theories of Shifting Incidence
- 3.5 Shifting of Tax Incidence under Different Market Conditions.

Topic 4. Public Expenditure

- 4.1 Wagner's Law
- 4.2 Wiseman – Peacock Hypothesis
- 4.3 Pure Theory of Public Expenditure

4.4 Social Cost- Benefit Analysis

Topic 5. Public Debt.

5.1 Classical, Keynesian and Post – Keynesian Approaches of Public Debt.

5.2 Classification of Public Debt.

5.3 Burden of Public Debt.

5.4 Public Debt Management

5.5 Repayment of Public Debt.

6

Basic Reading List: - Public Finance

1.Richard A. Musgrave (1989), Public Finance in Theory and Practice McGraw Hill Book Company, New York.

2.Buchaman J.M. (1970), The Public Finances, Richard D.Irwin, Homewood.

3.Jha H. (1998), Modern Public Economics, Routledge, London.

4.Singh S.K. (1986) Public Finance in Developed and Developing Countries, S.Chand

and Company Ltd, New Delhi.

5.Chelliah R.J. (1971), Fiscal Policy in Underdeveloped Countries.

6.Hemlata Rao (2006) Fiscal Federalism –Issues and Policies, New Country Publications, New Delhi.

7.Atkinson A.B. and J.E. Siglitz (1980). Lectures on Public Economics, Tata MacGraw

Hill, New Delhi.

Additional Reading List :

Topic: 1

- Comes R. and T.Sandler (1986) The theory of Externalities, Public Goods and Club Goods, Cambridge University Press, Cambridge.

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

- Friedman A. (1986), Welfare Economics and Social Choice Theory, Martins Nighoff,

Boston.

Topic: 2 & 3

- Bird R. And O.Aidman (1967) Reading on Taxation in Developing Countries, The John

Hopkins University.

- Musgrave R.A. and C. Shoup (ed) (1970), Reading in the Economics of Taxation, George Alien and Unwin, London.

Topic: 4.

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

- Premchand A. (1966), Control of Public Expenditure in India, Allied Publishers, New

Delhi.

Topic: 5

- Barman K. (1986) Public Debt Management in India, Uppal Publishing house, New Delhi.

- Sreakantaradhya B.s. (1972) Public Debt and Economic Development in India, New

Delhi.

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EC- 201 – MICRO ECONOMIC ANALYSIS – II

Topic 1. Price & output Determination (I) -

1.1 Perfect Competition - Features, Price Determination, Equilibrium of the Firm and Industry.

1.2 . Monopoly: - Price and Output Determination.

1.3 Comparison between Monopoly equilibrium in and perfect Competition Equilibrium

1.4 Discriminating Monopoly – Price Discrimination, Equilibrium under Discriminating Monopoly.

1.5 Regulation of Monopoly – Through Taxation, and Price Regulation

Topic 2. Price & output Determination (II) -

2.1 Monopolistic Competition – Price and Output Determination.

2.2 Critique of Chamberlin's Theory of Monopolistic Competition

2.3 Excess Capacity under Monopolistic Competition

2.4 Selling Cost.

2.5 Oligopoly – Price and Output Determination.

2.6 Cournot's Model and Chamberlin's Model of Oligopoly.

2.7 Kinked Demand Curve in Oligopoly.

2.8 Game Theory of Oligopoly.

2.9 Duopoly – Price and Output Determination.

Topic 3. Alternative Theories of the Firm –

3.1 Baumol's Model of Sales Revenue Maximization.

3.2 Marris's Managerial Model of the Firm.

20

3.3 Williamson's Managerial Model of the Firm.

Topic 4. Factor Pricing –

4.1 Marginal Productivity Theory.

4.2 Euler's Theorem and Product Exhaustion Problem or Adding up Problem.

4.3 Modern Theory of Rent.

4.4 Wage Determination under Collective Bargaining.

4.5 Fixation of Minimum Wage.

4.6 Modern Theory of Interest, IS-LM Curve Model.

4.7 Dynamic Theory of Profit, Innovation Theory, Risk and Uncertainty Theory.

Topic 5. Welfare Economics.

5.1 Pigou's Theory of Welfare Economics

5.2 Conditions of Pareto Optimality.

5.3 Bergson – Samuelson's Social Welfare Function.

5.4 Arrow's Impossibility Theorem.

Basic Reading List :-

□ Michael Perkin (1996) Economics 3rd Edition, Addison Westey Publishing Company, Inc. U.S.A.

□ Stigler G. (1996) Theory of Price, 4th Edition, Prentice Hall of India, New Delhi.

□ Samuelson P.A. and W.O. Nordhaus (1998) Economics 16th Edition Tata Mc Gram Hill, New Delhi

- Dewett K.K. Modern Economic Theory, S. Chand & Company Ltd., Revised Edition 2005.
- Ahuja H.L. Modern Economics 13th Edition, 2008, S.Chand and Company Ltd., New Delhi.
- Layard P.R.G. and A.W. Walters (1978) Micro – Economic Theory, Mc Gram Hill, New York.
- Kreps David M.(1990) A Course in Micro Economic Theory Princeton University Press, Prencetion.
- 21
- Sen A. (1999) Micro Economics Theory and Application , Oxford University Press , New Delhi
- Broadway R.W.and Bruse (1984) Welfare Economics, Busil Blackwell, London.

Topic 1

- Archibald G.C. (1971) Theory of the firm, Penguin, Harmondsworth.
- Bain J. (1958) Barriers to New Competition, Harrard University Press, Harvard.

Topic 2

- Hirshleifer J. and A.Glazer (1997) Price Theory and Applications, Prentice Hall of India, New Delhi.

Topic 3

- Broadway R.W. and Bruce (1984) Welfare Economics, Busil Blackwell, London.
- Graff J. De V. (1957) Theoretical Welfare Economics, Cambridge University Press, Cambridge.
- Henderson, A.M. and R.E. Quandt (1980) Microeconomic Theory. A Mathematical Approach, McGraw Hill, New Delhi.

Topic 4& 5

- Mishan E.J. (1969) Welfare Economics: an Assessment, North Holland, Amsterdam.
- Ahuja H.L. (2003) Advanced Economic theory: Microeconomic Analysis, 13th Edition, S.Chand and Co. Ltd. New Delhi.



EC- 202 – Indian Public Finance

Topic 1. Government Budgeting -

- 1.1 Budget – Meaning and Components.
- 1.2 Preparation, Presentation and Execution of Budget.
- 1.3 Economic Classification of Budget
- 1.4 Budget Deficits and Their Implications.

Topic 2. Revenue, Expenditure and Public Debt.-

- 2.1 Trends in Revenues of Union , State and Local Bodies since 1991.
- 2.2 Trends in Expenditure of Union , State and Local Bodies since 1991.
- 2.3 Burden of Public Debt on Indian Economy
- 2.4 Public Debt Policy Since 1991.
- 2.5 Reforms in Direct and Indirect Taxes

Topic 3. Deficit Financing -

- 3.1 Meaning and Objectives of Deficit Financing.
- 3.2 Trends in Different Types of Deficits Since 1991.

- 3.3 Deficit Financing in India.
- 3.4 Effects of Deficit Financing on Indian Economy.
- 3.5 Assessment of the Recent Central Government Budget.

Topic 4. Fiscal Policy –

- 4.1 Meaning and Objectives.
- 4.2 Interdependence of Monetary and Fiscal Policies.
- 4.3 Automatic Vs Discretionary Stabilizers.
- 4.4 Balanced Budget, Multiplier & Crowding Out Effects.
- 4.5 Indian Fiscal Policy since 1991.
- 4.6 Indian Fiscal Imbalance - Indicators, Causes, Effects & Remedial Measures.

Topic 5. Federal Finance.

23

- 5.1 Principles of Federal Finance.
- 5.2 Assignment of Functions & Devolution of Resources and Grants.
- 5.3 Vertical and Horizontal Imbalance.
- 5.4 Transfer of Resources from Union to States.
- 5.5 Recommendations of Eleventh and Twelfth Finance Commissions.
- 5.6 Centre – States conflicts on Finances

Basic Reading List :- India Public Finance

- 1. Tripathy R.N. Public Finance in Underdeveloped Countries.
- 2. Dr. Joshi P.L. Zero Base Budgeting Technology in Government, Dhruv and Deep Books, Bombay.
- 3. Dr. Tyagi B.P., Public Finance, Jai Prakash Nath Pub. Meerat (UP).
- 4. Mithani D.M. Principles of Public Finance and Fiscal Policy Himalaya Publishing House, New Delhi.
- 5. Raddar Datt and K.P.M. Sundharam (2006), Indian Economy, S.C.Chand and Company Ltd, New Delhi.
- 6. Ashutosh Raravikar, Fiscal Deficit and Inflation in India, Macmillan India Ltd. New Delhi.

Topic 1

- Sheth C.S. Theory and Practice of Public Finance, Himalaya Publishing House, New Delhi.
- Nanjundappa D.M. Studies in Public Finance, Asia Publishing House New Delhi.

Topic 2

- Bhargave R.N. (1967), The Theory and Working of Union Finance in India, Chaitanya Publishing House, Allahabad.

Topic 3.

- American Economic Association (1955) Readings in Fiscal Policy, George Alien and unio, London.

Topic 4. & 5

- Bhargave R.N. (1969), Indian Public Finance, B.D. Shargava and Sons, Chandausi.
- Bhargave P.K. (1976), Taxation of Agriculture in India, Vora and Co. Bombay.
- Bhargave P.K. (1991), Indian's Fiscal Crisis, Ashish Publishing House, New Delhi.
- Gandhi V.P. (1970), Some Aspects of India's Tax Structure, Vora and company,

Bombay.

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EC- 207 – Statistical Techniques

Topics I: Descriptive Statistics

- 1.1 Collection, Organization and Presentation of Data.
- 1.2 Measures of central tendency and dispersion- mean, median, mode, standard deviation, variance, covariance and correlation coefficients.
- 1.3 Correlation and regression analysis.
- 1.4 Measures of skewness and peaked ness.

Topic II: Sampling and sampling methods

- 2.1 Sample and Population, Parameters and Statistics.
- 2.2 Variables and Attributes; sampling and non-sampling errors;
- 2.3 Types of sampling

Topics III: Theory of Probability

- 3.1 Probability, distribution, Events spaces.
- 3.2 Joint, Marginal and Conditional Probability under conditions of certainty and uncertainty. 3.3 Random variable: Expectation and Distribution.
- 3.4 Addition and Multiplication Theorems.
- 3.5 Probability Distribution, discrete and continuous and Expected values.

Topic IV: Probability Distribution Function

- 4.1 Binomial, Poisson,
- 4.2 Normal t-test, chi-square, t-test.

Topic V: Statistical Estimation and Testing of Hypothesis

- 5.1 Types of estimators and their properties.
- 5.2 Sampling distribution for sample mean and Proportion.
- 5.3 Point and Interval estimation.
- 5.4 Null and Alternate Hypothesis.
- 5.5 Level of significance and Level of confidence, Confidence limits and Critical Region;
- 5.6 Tests of significance- Type I and II errors.

Topics VI: Time series

- 6.1 Nature and decomposition of a time series-trend.
- 6.2 Cyclical, seasonal and random components.
- 6.3 Fitting trend curves.

34

Topic VII: Index numbers

- 7.1 Laspeyer's, Paasche's and Fisher's Indices

Books

Croxtton and Dudley: Applied General Statistics

Gupta S. P.: Applied Statistics

EC 301 Macro Economic Analysis I

1. National Income and Accounts :

Key concepts in Macro Economics, Circular flow of income: two three and four sector economy – different forms of national income accounting, flow of funds accounting and balance of payment accounting, Social Accounting

2. Consumption Function

Keynes Psychological law of consumption – Implications of the law of consumption

– short run and long run consumption function ; Empirical evidence of consumption

function, Income consumption relationship – absolute income, relative income, life

cycle and permanent income hypothesis.

3 : Investment Function

Marginal efficiency of capital and investment — long run and short run; Investment

Multiplier, The accelerator and investment behavior.

4 : Supply of Money

Financial intermediation — a mechanistic model of bank deposit determination;

A behavioural model of 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;

5 : Demand for Money

Classical approach to demand for money, Quantity theory approach, Fisher's equation, Cambridge quantity theory, Keynes's liquidity preference approach, transaction, precautionary and speculative demand for money, Liquidity trap — aggregate demand for money; Derivation of LM curve.

3

BASIC READING LIST :

- Ackley, G. (1978), *Macroeconomics : Theory and Policy*, Macmillan, New York.
- D'souza Errol (2008) *Macroeconomics : Person Publication*, New Delhi.
- Blackhouse, R. and A. Salansi (Eds.) (2000), *Macroeconomics and the Real World (2 Vols.)*, Oxford University Press, London.
- Branson, W.A. (1989), *Macroeconomic Theory and Policy*, (3rd Edition), Harper and Row, New York.
- Dornbusch, R. and F. Stanley (1997), *Macroeconomics*, McGraw Hill, Inc., New York.
- Hall, R.E. and J.B. Taylor (1986), *Macroeconomics*, W.W. Norton, New York.
- Jha, R. (1991), *Contemporary Macroeconomic Theory and Policy*, Wiley Eastern Ltd., New Delhi.
- Romer, D.L. (1996), *Advanced Macroeconomics*, McGraw Hill Company Ltd., New York.
- Scarfe, B.L. (1977), *Cycles, Growth and Inflation*, McGraw Hill, New York.

□ Shapiro, E. (1996), Macroeconomic Analysis, Galgotia Publications, New Delhi.

□ Surrey, M.J.C. (Ed.) (1976), Macroeconomic Themes, Oxford University Press, Oxford.

ADDITIONAL READING LIST

□ Edey, M. and A.T. Peacock (1967), National Income and Social Accounts, Hutchinson University Library, London.

□ Powelson, J.P. (1960), National Income And Flow of Funds Analysis, McGraw Hill, New York.

□ Rao, V.K.R.V. (1983), India's National Income : 1950 to 1980, Sage Publications, New Delhi.

□ Ruggles, R. and N. Ruggles (1956), National Income Accounts and Income Analysis, McGraw Hill, New York.

□ United Nations (1974), Year Book of National Account Statistics.

4

□ Duesenberry, J.S. (1949), Income, Saving and the Theory of Consumer Behaviour. Harvard University Press, Harvard.

□ Friedman, M. (1957), The Theory of Consumption Function, Princeton University Press, Princeton.

□ Keynes, J.M. (1936), The General Theory of Employment, Interest and Money, Macmillan, London.

□ Mueller, M.G. (1966), Readings in Macroeconomics, Holt Rinehart and Winston, New York.

□ Gordon, R. and S.G. Harris (1998), Macroeconomics, Addison Wesley.

□ Culbertson, J.M. (1968), Macroeconomic Theory and Stabilization Policy, McGraw Hill, Kogenkosh, Tokyo.

□ Chakravarty, S.C. (1985), Report of the Committee to Review the Working of the Monetary System, Reserve Bank of India, Bombay.

□ Gupta, S.B. (1995), Monetary Planning in India, Oxford University Press, New Delhi.

□ Gurley, J. and E.S. Shaw (1960), Money in a Theory of Finance, Brookings Institution, Washington.

□ Mckinen, G.E. (1978), Money, The Price Level and Interest Rates, Prentice Hall of India, New Delhi.

□ Reddy, Y.V. (2000), A Review of Monetary and Financial Sector Reforms in India — A Central Banker's Perspective, UBSPD, New Delhi.

□ Friedman, M. (1956), Studies in the Quantity Theory of Money, The University of Chicago Press, Chicago.

□ Keynes, J.M. (1936), The General Theory of Employment, Interest and Money Macmillan, London.

□ Laidler, D.E.W. (1977), Demand for Money : Theory and Evidence, Dum-Don Valley, New York.

□ Mckinen, G.E. (1978), Money, The Price Level and Interest Rates, Prentice Hall of India, New Delhi.

□ Leijonhufvud, A. (1968), On Keynesian Economics and Economics of Keynes, Oxford University Press, London.

□ Levacic, R. and A. Rebman (1986), Macroeconomics : An Introduction to

Keynesian and Neo-classical Controversies, Macmillan, London.

□ Mankiw, N.G. and D. Romer (Eds.) (1991), New Keynesian Economics, (2 Vols.), MIT Press, Cambridge.

□ Rakshit, M. (1998), Studies in the Macroeconomics of Developing Countries, Oxford University Press, New Delhi.

□ Friedman, M. (1956), Studies in the Quantity Theory of Money, The University of Chicago Press, Chicago.

□ Hicks, J.R. (1974), The Crisis in Keynesian Economics, Oxford University Press, New Delhi.

□ Jha, R. (1999), Contemporary Macroeconomic Theory and Policy, New Age International (P) Ltd., New Delhi.

□ Laidler, D.F.W. (1977), Demand for Money : Theory and Evidence, Dum-Don Valley, New York.

□ Leijonhufvud, A. (1968), On Keynesian Economics and Economics of Keynes, Oxford University Press, London.

□ Patinkin, D. (1965), Money, Interest and Prices, Harper and Row, New York.

□ Gordon, R. and S.G. Harris (1998), Macroeconomics, Addison Wesley, Massachusetts.

□ Mankiw, N.G. and D. Romer (Eds.) (1991), New Keynesian Economics, (2 vols.), MIT Press, Cambridge.

□ Frisch, H. (1983), Theories of Inflation, Cambridge University Press, Cambridge.

□ Hagger, A.J. (1977), Inflation : Theory and Policy, Macmillan, London.

□ Hudson, J. (1982), Inflation : A Theoretical Survey and Synthesis, George Allen and Unwin, London.

□ Sheffrin, S.M. (1996), Rational Expectations, Cambridge University Press, Cambridge.

□ Gordon, R.A. (1961), Business Fluctuations, Harper and Row.

□ Gordon, R.A. and L.R. Klein (Eds.) (1965), Readings in Business Cycles, Irwin, Homewood.

6

□ Hicks, J.R. (1950), A Contribution to the Theory of Trade Cycles, Clarendon Press, Oxford.

□ Lucas, R. (1981), Studies in Business Cycle Theory, M.I.T. Press, Cambridge, Massachusetts.

□ Taylor, L. (1983), Structuralist Macroeconomics, Basic Books, New Longman.

□ Turnovsky, S.J. (1977), Macroeconomic Analysis and Stabilization Policy, Cambridge University Press, Cambridge.

EC 302 ECONOMICS OF GROWTH

1. Introduction

Economic growth - Meaning, characteristic, Factors affecting economic growth : capital, labour and technology;

2. Classical theories of Growth

Contributions of Adam Smith, Ricardo, Malthus, James Mill; Karl Marx and

development of capitalistic economy — Theory of social change, surplus value and profit; Immutable laws of capitalist development; Crisis in capitalism — Schumpeter and capitalistic development; innovation — role of credit, profit and degeneration of capitalism; Structural analysis of development; Imperfect market paradigm.

3. Growth Models - I

Harrod and Domar, instability of equilibrium; Neo-classical growth models — Solow and Meade, Mrs. Joan Robinson's growth model; Cambridge criticism of Neoclassical analysis of growth, The capital controversy.

4. Growth Models - II

Technological progress — embodied and disembodied technical progress; Hicks, Harrod; learning by doing, production function approach to the economic growth; Total factor productivity and growth accounting; Growth models of Kaldor and Pasinetti, Optimal savings and Ramsay's rule, Golden rule of accumulation, Stability of equilibrium; Money in economic growth, Tobin, Levhari, Patinkin and Johnson; Endogenous growth; Intellectual capital: role of learning, education and research; AK model — Explanations of cross country differentials in economic growth.

8

BASIC READING LIST

- Adelman, I. (1961), *Theories of Economic Growth and Development*, Stanford University Press, Stanford.
- Behrman, S. and T.N. Srinivasan (1995), *Handbook of Development Economics*, Vol. 3, Elsevier, Amsterdam.
- Brown, M. (1966), *On the Theory and Measurement of Technical Change*, Cambridge University Press, Cambridge, Mass.
- Chenery, H.B. et. al. (Eds.) (1974), *Redistribution with Growth*, Oxford University Press, Oxford.
- Dasgupta, P. (1993), *An Enquiry into Well-being and Destitution*, Clarendon Press, Oxford.
- Ghatak, S. (1986), *An Introduction to Development Economics*, Allen and Unwin, London.
- Gillis, M., D.H. Perkins, M. Romer and D.R. Snodgrass (1992), *Economics of Development*, (3rd Edition), W.W. Norton, New York.

ADDITIONAL READING LIST

- Barrell, R., G. Mason and M.O. Mahoney (2000), *Productivity, Innovation and Economic Performance*, Cambridge University Press, Cambridge.
- Barrow, R. and X. Sela-I, Martin, *Economic Growth*, McGraw Hill, New York.
- Chakravarti, S. (1982), *Alternative Approaches to the Theory of Economic Growth*, Oxford University Press, New Delhi.
- Hayami, Y. (1997), *Development Economics*, Oxford University Press, New York.
- Meadows, D.H. et. al. (1972), *The Limits to Growth*, Universe Books, New York.

□ Sen, A.K. (Ed.) (1990), Growth Economics, Penguin, Harmondsworth.

□ Solow, R.M. (2000), Growth Theory : An Exposition, Oxford University Press, Oxford.

9

□ Taylor, L. (1979), Macro Models for Developing Countries, McGraw Hill, New York.

□ Therberge, J.D. et. (1968), Economics of Trade and Development, John Wiley, New York.

□ Dasgupta, P. (1993), An Enquiry into Well-being and Destitution, Clarendon Press, Oxford.

□ Hirsch, A.O. (1958), The Strategy of Economic Development, Yale University Press, New York.

□ Lewis, W.A. (1955), The Theory of Economic Growth, George Allen and Unwin, London.

□ Mehrotra, S. and J. Richard (1998), Development with a Human Face, Oxford University Press, New Delhi.

□ Meier, G.M. and D. Seers (Eds.) (1987), Pioneers in Development, Oxford University Press, New York.

□ Myrdal, G. (1957), Economic Theory and Underdeveloped Regions, Duckworth, London.

□ Schumpeter, J.A. (1949), The Theory of Economic Development, Harvard University Press, Cambridge, Mass.

□ Todaro, M.P. (1971), Development Planning : Models and Methods, Oxford University Press, Oxford.

EC- 401 Sub – Macro Economic Analysis II

1. Current issue and controversy in Macro Economics

The school of thoughts: Classical, neo classical, Keynesian and post Keynesian.

2 : Neo-classical and Keynesian Synthesis

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

3 : Post-Keynesian Demand For Money

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

4 : Theory of Inflation

Classical, Keynesian and Monetarist approaches to inflation; Structuralist theory of inflation; Philips curve analysis — Short run and long run Philips curve; Samuelson and Solow — the natural rate of unemployment hypothesis; Tobin's modified Philips curve; Policies to control inflation.

5 : Business Cycles

Theories of Schumpeter, Keynes's, Kaldor, Samuelson and Hicks, Goodwin's model; Control of Business Cycles — relative efficacy of monetary and fiscal policies.

30

BASIC READING LIST

- Ackley, G. (1978), *Macroeconomics : Theory and Policy*, Macmillan, New York.
- Blackhouse, R. and A. Salansi (Eds.) (2000), *Macroeconomics and the Real World (2 Vols.)*, Oxford University Press, London.
- Branson, W.A. (1989), *Macroeconomic Theory and Policy*, (3rd Edition), Harper and Row, New York..
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33

EC - 402 Economics of Development

1: Social and Institutional Aspects of Growth

Perpetuation of underdevelopment; Poverty — Absolute and relative; Quality of life

- Food security, education, health and nutrition; Human resource development; Population problem and growth pattern of population- Theory of demographic transition; Population as limits to growth as ultimate source

2: Approaches to Development

Partial theories of growth and development — vicious circle of poverty, circular causation, unlimited supply of labour, big push, balanced growth, unbalanced growth, critical minimum effort thesis, low-income equilibrium trap; Dualism — technical, behavioral and social; Ranis and Fei model; Dixit and Marglin model, Kelly et. al. Model; Dependency theory of development; Structural view of development.

3: Sectoral Aspects of Development

Role of agriculture in economic development; Efficiency and productivity in agriculture, New technology and sustainable agriculture; Globalization and agricultural growth; Rationale and pattern of industrialization in developing countries; The choice of techniques and appropriate technology and employment;

Efficiency of small-scale vs. large-scale production; Terms of trade between

34

agriculture and industry; Infrastructure and its importance; Labour markets and their

functioning in developing countries.

4: Trade and Economic Development

International trade as engine of growth; Static and dynamic gains from trade; Prebisch, Singer and Myrdal theories vs. free trade; Export-led growth; Dual gap analysis.

5: Macroeconomic Policies and Development

Role of monetary and fiscal policies in developing countries — Prior savings, inflation and growth — Empirical evidence; External resources — FDI, aid vs. trade,

technology inflow; MNC activity in developing countries; Borrowings — domestic and external; Burden of borrowing

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EC- 403 INTERNATIONAL ECONOMICS

1. Theories of International Trade

Comparative Cost advantage, Heckscher-Ohlin theory of trade and Neo Heckcher-

Ohlin theorem. Kravis, Samuelson's Factor Price Equalization Theory, Linder theory of trade. Leontief paradox, Stoper-Samuelson's theorem, New Theories of Intra- industry trade and economies of Scale.

2. Terms of trade and Determination of Exchange Rate

Concept and types of terms of trade. Terms of trade and Less developed countries.

Theories of exchange rate determination, Fixed and Flexible Exchange control – meaning objectives & methods of exchange control. Meaning types and effects of tariffs and Non-tariff barriers.

3. Balance of Payments

Meaning and components of balance of payments; Theories of balance of payments,

Equilibrium and disequilibrium in the balance of payments.

4. Trade policies in India

Recent changes in the direction and composition of trade and their implications.

Instruments of export promotion, Recent import and export policies.

5. International Financial Movements

International trade and financial institutions – IMF, World Bank & WTO. Foreign investment and their impact on the Indian Economy. Role of Multinational corporation.

39

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