PREAMBLE

This paper analyses the economic behavior of individuals, firms and markets. It is mainly concerned with the objective of equipping the students in a rigorous and comprehensibve manner with the various aspects of consumer behavior and demand analysis, production theory and behavior of costs, the theory of traditional markets and equilibrium of firm in modern non- profit maximizing framework. The paper also deals with the micro and macro theories of distribution, welfare economics, and general equilibrium in closed and systems and analysis of economic behavior under uncertainly.

Module 1 : Introduction and Basic Concepts.

Basic economic Problem-choice and Scarcity; Deductive and Inductive Methods of Analysis; Positive and Normative Economics; Economic Models; Characteristics of Equilibrium and Disequilibrium Systems.

Module 2 : Demand Analysis.

Elasticities (price, cross, income) of demand- theoriticle aspects and empirical estimation; elasticity of supply; Theroies of demand-utility; indifference curve (income and substitution effects, Slutsky theorem, compensated demand curve) and their application; Revealed preference theory; Revision of demand theory by Hicks; Characteristics of goods approach; consumer's choice involving risk; Indirect utility function (duality theory); Recent developments in demandysis (pragmatic approach and liner expenditure system); Consumer's surplus; Inter-temporal sumption; Recent developments in demand; Eliminatry theory of price formation-demand supply equilibrium; Cobweb theorem;.

Module3: Theory of Production and costs.

Production function-short period and long period; law of variable proportions and returns ale; Isoquants-Least cost combination of inputs; Returns top factors; Economics of scale; product firm; Elasticity of substitution; Euler's theorem; Technical progress and production on; Cobb-Doglas, CES, Empirical work on production function; Traditional and modern things of costs-Empirical evidence; Derivation of cost function from production function;demand for factors.

Module 4 : Price and Output Determination

Marginal analysis as an approach to price and output determination: perfect competition short run and long run equilibrium of the firm and industry, price and output determination , supply curve; Monopoly –short run and long run equilibrium, price discrimination, welfare aspects monopoly control and regulation; Monopolistic competition-general and Chamberlin approaches to equilibrium, equilibrium of the firm and the group with product differentiation and selling costs. Excess capacity unber monopolistic and imperfect competition, criticism of monopolistic competition Oligopoly-Non-collusive (Cournot,Bertrand,Eddeworth, Chmberlin, kinked demand curve and Stackelberg, s solution) and collusive (cartels and mergers, price leadership and basing point price system) model a workable competition-Structure, conduct and performance norms.

Basic Reading List (Common to and II semester)

1. Desia. R. G&D.M Mithani (1998),Economic Theory, Himalalya publishing House, Mumbai
2. Kreps, David M.(1990), A Course in Microeconomic Theory, Princeton University press, Princeton.
3. Koutsoyiannis, A. (1979), MOdern Microeconomics, (2nd Edition) Macnillan press, London
4. Layard, P.R.G. and A.w. walters (1978), Microeconomic Theory, Mc Graw Hill, New York.
5. Sen, A. (1999), Microeconnomics: Theory and Applications, Oxford University press. New Delhi
6. Stigler, G. (1996), Theory of perice, (4th Edition), prentice Hall of India, New Delhi.
7. Varian, H (2000), Microeconomic Analysis, W.W. Norton, New York.
8. Hirshleifer I A Glazer (1997): price theory and Applications; prentice Hall of India, New Delhi.
9. Baumoul (2000) Economic Theory and operational analysis.

Paper-1.2-MA CRO ECONOMIC ANALYSIS-1

PREAMBLE

Macroeconomics or aggregative economic analyses and estadlishes the functiona between the large aggregates, The aggregate analysis has assumed such a lichigan press, recent times that a prior understanding of macroeconomic theoretical strlessent for the proper comprehension of the different issues and policie Chacago. Now is not only a scientific method of analysis; but also a body of eapplications of knowledge. The paper entitled Macro Economic Analysis; equips the student level to understand systemic facts and latest theoretical developments for em

Module 1: National Income and Accounts

Circular Flow of Income in two-three-and four-sector economy; dif of Minnesota income accounting –social accounting, input-output accounting flow o balance of payments accounting.

Module 2: Consumption Function

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

Module3: Investment Function

Marhinal efficiency of investment and level of investment; Marginal efficiency of capital and investment-long run and short run; The accelerator and investment behaviour-impact of inflation; Influence of policy measures on investment –empirical evidenxe Concept of Super multiplier.

Module 4: Supply of Money

Financial intermediation-amechanistic model of bank deposit determination ; A behavioural model of money supply determination, a demand deteremined money supply process; RBI approach to money supply; High powered money ad money multiplier; budget deficits and money supply money supply and open economy; control of money supply.

Module5: Demand for Money

Classicakl approach to demand for money –Quantity theory approach, Fisher s equation Cambridge quantity theory keyanes liquidity preference approach, transaction, precautionary and speculative demand for money –aggregatr demand for money; Derivation of LM curve.

Basic Reading List (Common to I and // semester)

1. Ackley, G. (1978), Macroeconomics: Theory and policy, Macmillan, New York
2. Blackhouse, R. and A. Salansi (Eds) (2000), Macroeconomics and the real World (2 vols.) Oxford University press, London.
3. Branson, W.A.(1989), Macroeconomics Theory and policy, (3rd Edition), Harper and Row New York.
4. Dornbusch, R. and F. Stanley (1997), Macroeconomics, McGraw Hill, Inc, New York.
5. Gupta S.B. (1993), Monetary Economics, s chand publications, New Delhi.
6. Hall, R.E.and J.B.Taylor (1986), Macroeconomic W.W. Norton New York.
7. Hall, R.E.and J.B. Taylor (1986) Macroeconomic, W.W. Norton New York.
8. Heijdra, B.J. and V.P. Fredericek (2001). Foundations of Modern Macroeconomics, Oxford University press. New Delhi.
9. Jha, R. (1991), Contemporary Macroeconomics Theory and policy Wiley Eastern Ltd New Delhi.
10. Romer, D>L.(1996) Advaneed Macroeconomic McGraw Hill Company Ltd, New York.
11. Scarfe. B.L.(1977) cycles, Growth and Inflation McGraw Hill, New York.
12. Shapiro, E. (1996), Macroeconomic Analysis, Galgotia publications New Dell.
13. Surrey,M.J.C. (Ed.)(1976), Macroeconomic Themes, Oxford University press, Oxford.

Paper-1.3-public economics-1

PREAMBLE

Role and functions of the Government in an economy have been changing with the passage of time. The term public Finance has traditionally been applied to the package of those policies and operations which involve the use of tax and expenditure measures while budgetary policy is an important part to understand the basic problems of use of resources distribution of income etc There are vast arrays of fiscal institutions –tax systems expenditure programs budgetary procedures stabilization instruments debt issues, levels of govermment etc which raise a spectrum of issues arising from the operation of these institutions. Further, The existence of externalities, concern for adjustment in the distribution of income and wealth, etc. require political processes for their solution in a manner which combines individual freedom and justice. This paper combines a through undersanding of scal institutions with careful analysis of the issues which underline budgetary policies in genereal and India experience in particular.

Module1: Introduction

Role of Government in organized society; Changing perspective-government in a mixed economy; public and private sector cooperation Government as an agent for economic planning and development; Government as a tool for operationalizing the planning process; private goods public goods and merit goods Market failure-imperfections decreasing costs, externalities public goods Uncertainty and non – existence markets; Informational asymmetry-theory of second best.

Module2: Public Choice

Private and public mechanism for allocating resources; Problems for allocating resources; problems of preference revelalion and aggregation of preferences voting systems Arrow impossibility theorem; An economic theory of democ politico-eco bureaucracy; Rent seeking and directly unproductive profit seeking (DUP) activities.

Module3: Rationale of public policy

Allcoation of resources-provision of public goods Voluntary exchange model; Impossibility of decentralized provisions of public goods (contributions of Samuelson and Musgrave); Demand revealing scheme of public goods –Contributions of Clarks Groves and Leyard Tibout model theory of club goods stabilization policy-keynesian case for stabilization policy Uncertainty and Expectations; Failure of inter-temporal markets; Liquidity preference Social goods; Poverty Alleviation; Provision of infrastructural facilities, removing distributional inequalities and regional imdalances.

Module 4 : Public Expenditure

Wagner's law of increasing state activities; Wiesman-peacock hypothies; Pure theory of public expenditure; Structure and growth of public expenditure; Criteria for public investment; Social cost benefit analysis- Project evaluation, Estimation of costs, discount rate; Reforms in expenditure budgeting; Programme budgeting and zero base budgeting.

Basic Reading list (Common to I and II semester)

1. Atkinson, A.B. and J.E. siglitz (1980), Lectures on public Economics, Tata McGraw Hill, New York.
2. Auerbach, A.J. and M. Feldstern (Eds) (1985), Handbook of public Economics, Vol. I, North Holland, Amsterdam.
3. Buchanan, J.M. (1970), The public Finances, Richard D. Irwin, Homewood.
4. Goode, R. (1986). Government Finance Developing Countries. Tata McGraw Hill. New Delhi.
5. Houghton J.M. (1970), The public Finance: Selected Readings, Penguin, Harmondsworth.
6. Jha , R. (1998), Modern Public Economics, Routledge, London.
7. Menutt, P. (1998), The Economics of Public Choice, Edward Elgar, U.K..
8. Musgrave, R.A.(1959), The Theory of Public Finance, McGraw Hill, Kogakhusa, Tokyo
9. Musgrave,R.A. and P.B.Musgrave (1976), Public Finance in Theory and Practice, McGraw Hill, Kogakusha, Tokyo.
10. Shoup, C.S. (1970), Public Finance, Aldine, Chicago.
11. Shome, P. (Ed.) (1995), ax policy : Handbook; Tax Division, Fiscal Affairs Department, International Monetary Fund, Washington D.C

Paper-1-4- MATHEMATICAL METHODS FOR ECONOMISTS

PREAMBLE

The main objective of this paper is to train the students to use the techniques of mathematical and statistical analysis, which are commonly applied to understand and analyze economic problems. The emphasis of this paper is on understanding economic concepts with the help of mathematical methods rather than learning mathematics itself. Hence in this paper a student will be initiated into various economic concepts, which are amenable to mathematical treatment.

Module: 1

The concepts; Importance of Mathemiti9calmethods in Economics analysis: Revision of elen algebra ; Equations-Solution of linear and quadratic equation and their applications in economics. Theory of sets. Linear and non-functions: Linear, quardratic, cubic, parabolic, hyperbolic, logarithmic, and exponential functions and their graphs. Simple and compound Growth rates and their application.

Module 2 :

Concept of function and types of functions, Limit and continuity. Derivatives Rules of derivatives. Interpretation of derivative as marginal concept: Marginal revenue, marginal propensity to consume and save. Rules of particle differentiation and interpretation of partial derivatives; marginal productivity etc., Applications of derivatives: Elasticities-Theorems on elasticities. Price elasticity of demand. Partial elasticities of demand-Substitutes and compliments. Income elasticities of demand-Inferior and sprier commodities. Engel's curve. Cost elasticities. Elasticity of substation and fact oral shares.

Module 3 :

Homegenous functions; Cobb-Douglas and CES production functions their properties. Euler's theorem and adding up controversy. Market Equilibrium;Effects of specific and advalorem taxes on price and output. Effect of subsides. Walrasian and Marshallian statistic stability conditions. Hicksian Multi-market stability conditions.

Module: 4

Conditions for maximum and minimum in single and multivariable functions; Unconstrained and constrained optimization problems; Necessary and sufficient conditions for consumer equilibrium; numerical problems of utility maximization; derivation of ordinary and compensated demand function. Output revenue and pofit maximization and cost minimization problems under perfect competition. Profit maximization problems under monopolyu, duopoly and oligopoly markets.

Module: 5

Concepts of integration; Simple rules of integration; application to consumer's surplus and producer's surplus: Differential equations-Solution of first order differential equations; Applications in trade cycle models; Growth models and lagged market equilibrium models. Difference equations-Solutions of first order differential equation and their applications.

Module: 6

Determinants and their basic properties: Solution of simultaneous equations through Cramer's rule; Concept of matrix-their types, simple operations on matrices, matrix inversion and rank of a matrix; oncept of vector-its properties; Matrices and vectors; Concepts of quadratic forms-Eigen roots and Eigen vectors; Introduction ti input-output analysis;

Module 7 : Linear programming:

Linear programming- Basic concepts; Formulation of a programming problem-its structure and variables; Nature of feasible, basic and optimal solution; Solution of linear programming through graphical and simplex method; Statement of basic theorems of linear programming; Formulation of the dual of a programming and its interpretation; Shadow prices and their uses; Concept of duality and statement of duality theorems; Concepts of a game; Strategies simple and mixed; Value of a gane; Saddle point solution applications.

Basic Reading List:

1. veerachamy. R.(2002) Quantitative Methods for Economists, New Age International publisher New Delhi.
2. Allen, R.G.D. (1974), Mathematical Analysis for Economics, Macmillan Press and ELBS, London.
3. Chi9ang, A.C. (1986), Fundamental Methods of Mathematical Economics, McGraw hill, New York.
4. Handry, A.T.(1999), Operations Research, Prentice Hall of India, New Delhi.
5. Thah, H.A. (1997), Operations Research: An Introduction (6th Edition), Prentice Hall of India Pvt. Ltd., New Delhi.
6. Yamane, Taro (1975), Mathematics for Economists, Prentice Hall of India, New Delhi.
7. Handerson & Quandt, Micro Economic Theory: A Mathematical Approch.

Paper 1.5.1-AGRICULTURAL ECONOMICS

PREAMBLE

The objective of this course is to provide a detailed treatment of issue in agricultural economics to those intending to specialize in this area. Its objective is to familiarize students with policy issues that are relevant to Indian agriculture economics and enable them to analyze the issue, using basic micro-economic concepts.

Module 1: Agriculture and Economic Development:

Nature and scope of agricultural and rural economics; Traditional agriculture and its modemization; Role of agriculture in economic development; Interdependence between agriculture and industry-some empirical evidence; Models of interaction between agriculture and the rest of economy; Agricultural development, poverty and environment.

Module 2 : Economics of Rural Infrastructure:

use of land, water and energy; Rural transport, communication, banking, extension services, role, models and problems of rural electrification; Rural social infrastructure, - education and health and information dissemination

Module 4 : Agricultural Production and Productivity

Agricultural production- Resource use and efficiency; Production function analysises in agriculture; Foctor combination and resourse substitution; Cost and supply curves; Size of farm and laws of returns-Theoretical and empirical findings; Farm budgeting and cost concepts, Supply responses of individual crops and aggregate supply; Resource use efficiency in traditional agriculture; Technical change, labour absorption and gender issue in agricultural services.

Module 5 : Land Reforms and Land Policy

Principles of land utilization; Land distribution-Structure and trends; Land and rent;Land tenures and farming systems-peasant, capitalist, collective and state farming; Tenancy and crop sharing-forms, incidence and effects; Land reform measure and performance; Women and land reforms; Problems of marginal and small farmers.

Module 6: Cooperation in India

Cooperative movement; Genesis and growth of cooperative sector: Agricultural cooperation in India; Problems and prospects of cooperative institution.

Module 7: Agricultural Growth in India: Recent trends in agricultural growth in India; Inter-regional variations in growth of output and productivity; Cropping pattern shifts; Supply of inputs-Irrigation, powere, seed and fertilizers; procing if inputs and role of subsides; Distribution of gains from technological change; Role of public investment and capital formation in Indian agriculture; Strategy of agricultural development and technological progress; Sustainable agriculture-indigenous partices; Bio-technological practice and growth potential.

Basic Reading List (Common to I and II semester)

1. Desai.R.G, (2002), (Second edition), Agricultural Economics-Theory, Problems & Policy, Himalaya publishing House, Mumbai.
2. Bhaduri, A.(1984), The Economic Structure of Backward Agriculture, Macmillan, Delhi.
3. Bilgrami, S.A.R.(1996), Agricultural Economics, Himalay Publishing House, Delhi.
4. Dantawala, M.L. et. Al (1991), India Agricultural Development Since Indipendence, Oxford & IBH, New Delhi.
5. Government of India (1976), Report of the National Commission on Agriculture, New Delhi.
6. Government of India, Economic Survey (Annual), New Delhi.
7. Gulati, A. and T.Kelly (1999), Trade Liberalisation and Indian Agriculture, Oxford University Press, New Delhi.
8. Joshi, P.C. (1975), Land Reforms in India; Trends and Prospects, allied publishers, Bombay.
9. Kahlon, A.S. and Tyagi D.S. (1983), Agriculture Price Policy in India, Allied Publishers, New Delhi.
10. Rao, C.H. Hanumantha (1975), Agriculture Price Policy in India, Allied Publishers, New Delhi.
11. Rao, C.H.. Hanumatha (1975), Agriculture Growth, Rural Poverty and Environmental Degradation in India, Oxford University Press, New Delhi.
12. Reserve Bank of India, Reprt on Currency and Finance (Annual), Mumbai.
13. Rudra, A.(1982), Indian Agricultural Economics: Myths and Reality, Allied Publishers, New Delhi.
14. Saini, G.R.(1979), Farm Size, Resource use efficiency and Income Distribution, Allied Publishers, New Delhi.

Paper-1.5.2-INDUSTRIAL EONOMICS

PREAMBLE

In the contemporary world with globalization and liberalization more attention is being given given to industry. This course intends to provide knowledge to the students on the basic issues such as productivity, efficiency, capacity utilization and debates involved in the industrial development of India. The objective is to provide a through knowledge about the economic of industry in a cogent and analytical manner, particularly in the Indian context.

Module 1 : Framework and Problems of Industrial Economics

Concepts and organization of a firm- ownership, control and objective of the firm; Passive and active behaviour of the firm.

Module 2 : Markets Structure

Sellers' concentration; Product differentiation; Entry conditions;Economics of scale; Market structure and profitability; Market structure and innovation; Theories of industrial location-Weber and Sargent Florence; Factors affecting locating.

Module 3 : Market Conduct

Product pricing- Theories and evidence; Investment expenditure-Methods of evaluating investment expenditure; Theories and empirical evidence on Mergers and acquisitions (M & As) and diversification.

Module 4: Market Performance

Growth of the firm-Size and growth of a firm; Growth and profitability of the firm; Constraints on growth; Productivity, efficiency and capacity utilization-Concept and measurement, Indian situation.

Module 5: Indian Industrial Growth and Pattern

Classification of industries policy in India- Rule of public and private sectors; Recent trends in Indian industrial growth; MNCs and transfer of technology; Liberalization and privatization; Regional industrial growth in India; Industrial economic concentration and remedial measure; Issues in industrial proferation and environmental preservation; Pollution control politics.

Module 6: Industrial Finance

Owned external and other components of funds; Role, nature, volume and types of institutional finance-IDBI, IFCI,SFCs, SIDC, commercial banks, etc., Financial statement-balance sheet, Profit and loss account, assessment of financial soundness, ratio analysis.

Module 7 : Project Appraisal

Cost-benefit analysis- Net Present Value (NPV) and internal rate of return (IRR) criteria-balancing private and social returns.

Module 8 : Industrial Labour

Structure of industrial labour, Employment dimensions of Indian industry; Industrial legislation; Industrial relations; Exit policy and social security; Wages problem of bonus-labour market reforms.

Module 9 : Current Problems of Selected Industries

Iron and steel; cotton textiles; Jute; Sugar; Coal; Cement and engineering goods; development of small-Scale and industries in India

Basic Reading List:

1. Ahluwalia, I.J. (1985), Industrial Growth in India, Oxford University Press, New Delhi.
2. Barathwal, R.R (1985), Industrial Economics, Wiley Estern Ltd., New Delhi.
3. Cherunilam, F. (1994), Industrial Economics: Indian Perspective (3rd Edition), Himalaya Publishing House, Mubai.
4. Desai, B. (1999), Industrial Economy in India (3rd edition), Himalaya Publishing House, Mumbai.
5. Divine, P.J. and R.M.Jones et. al. (1976), An introduction to industrial Economics, George Allen and Unwin Ltd., London.
6. Government of India, Economics Survey (Annual)
7. Hay, D. and D.J. Morris (1979), Industrial Economics; Theory and Evidence, Oxford University Press. New Delhi.
8. Kuchal, S.C. (1980), Industrial Economy of India (5th Edition), Chaitanya Publishing House, Allahabad.
9. Reserve Bank of India, Report on Currency and Finance (Annual).
10. Singh, A. and A.N.Sadhu (1988), Industrial Economics, Himalaya ublishing House, Bombay.

1.5.3

Development –Criteria to evaluate assets : Risk and financial assets, type of risk return on assets, Risk – Return trade off – Valuation of Securities.

Module 2 : Structure of Interest Rates

　　Theories of interest rate determination – Level of interest rates- long period and Short period rates – Term Structure of Interest rates – Spread between lending and deposit rates Administered interest rates – Appropriate interest rate policy.

Module 3 : The Central bank, Commercial Banks and Monetary Policy

　　Functions of Centarl Bank – The aims and Objectives of the monetary policy in developed and developing countries – Instruments of monetary policy – Proliferation of banking and non – bank financial intermediaries – Effectiveness of monetary policy – Credit creation and its control; Profitability and efficiency of banks; Development banks- role and functions; Investments banking and merchant banking; Financial sector reforms in India.

Basic Reading List (Common to I and II semester)

1. Bhole, L.M.(1999), Financial institutions and markets, Tata McGraw Hill Company Ltd., New Delhi.
2. Bhole, L.M.(2000), Indian Financial System, Chugh Publication, Allahabad
3. Edminster, R.O. (1986), Financial institutions, Markets and Management, McGraw Hill, New York.
4. Goldsmith, R.W. (1969), Financial Structure and Development, Yale, London.
5. hanson, J.A. and S.Kathuria(Eds.) (1999), India: A Financial Sector for the Twenty – first Century, Oxford University Press, New Delhi.
6. Harket, P.T. and S.A.Zenios(2000) (Ed.), Performance of Financial Institutions, Cambridge University Press, Cambridge.
7. Johnson, H.J. (1993), Financial Institutions and Markets, McGraw Hill, New York.
8. Khan.M.Y. (1996), Indian financial System, Tata McGraw Hill, New Delhi
9. Machiraju, M.R.(1999), Indian Financial Systems, Vikas Publishing House, New Delhi.
10. Ohlson, J.A. (1987), The Theory of Financial Markets and Institution, North Holland, Amsterdam.
11. Prasad, K.N. (2001), Development of Indian's Financial System, Sarup & Sons, New Delhi.
12. Robinson. R.I and D. Wrightman (1981), Financial Markets, McGraw Hill, London.
13. Smith, P.F.(1978), Money and financial Intermediation: The theory and structure of Financial System, Prentice Hall, Englewood-Cliffs, New Jersey.

PAPER -1.5.4 ECONOMICS OF NOBEL LAUREATES-

PREAMBLE

A critical study of the economic theories of the past and economic ideas of the great economic thinkers of the past is at once challenging and illuminating and enlightening. A historical reconstruction of the ideas of economic thinkers is essential for understanding and appreciating the many controversial questions in the history of economic ideas and development of social thought of which economic thought is only one part- significantly important part.

The subject of history of economic analysis or history of economic thought, as is taught is Universities and colleges, covers the analysis of economic ideas from Mercantilism to Keynesianism. As is well Known, the progress of the subject economics and evolution and development of economic ideas has not come to a stop with Keynesianism. The subject has shown rapid progress since then and is showing further healthy developments in the present also.

The paper "Economics of Nobel Laureates of Modern Economic Analysis" is an attempt to make the student of economics acquainted with the ideas and work of economists and thinkers who received Nobal Memmorial Prize in Economics. The development of ideas by the Nobel Laureates in Economics is breathtaking and covers almost all areas of economic analysis, a relatively new branch.

In a semester or year course it will be, of course, not possible to cover this paper which is divided into eight modules. The University/ College concerned will have to choose one or two modules, on the basic of faculty availability and student interest, among others.

Module 1 **: THEORY OF VALUE, GENERAL EQUILIBRIUM, GAME THEORY, WELFARE**

Samuelson, Paul A,- Hicks, John R.- Arrow, Kenneth J.- Debreu, Gerard G.- Allais, Maurice- Coase, Ronald H.- Nash, John R.- Harsanyi, JohnC.-Selten, Reinhard-

Module 2: Statics, Dynamics, Macromodels, Econometrics

Frisch, Rangner- Tinbergen, Jan – Klein, Lawrence R.-Haavelmo, Trygve

Module 3: Macroeconomics, Monetary Economics and Financial Economics

Friedman, Milton – Tobin, james – Modigliani, Franco-Markowitz, Harry M- Sharpe, William R.- Miller, Merton H.-Scholes, Myron- Merton, Robert C.

Module 4 : Economic Development and economic Growth

Kuznets, Simon – Schultz., Theodore W.-Lewis, Sir W. Arthur – Solow, Robert M.

Basic Reading List
Module 1

1.   Allais, M.(1943), In Quest of Economic Discipline.
2.   Allias,M.(1945), Pure Economic and social Efficiency.
3.   Allias,M (1978), Contributions to Economic Science.
4.   Arrow, K.J.(1983), Collected Papers of Kenneth J.Arrow, Vols.I & II, MIT Press, Cambridge.
5.   Arrow, K.J (1951), Social Choice and Individual Values, Wiley, New York.
6.   Arrow, K.J.(1971), Essays in the Theory of Risk-Bearing, Markham, Chicago.
7.   Burnner, K.(1992), Ronald Coase – Old Fashioned Scholar, Scandinavian Journal of Economics, Vol.94.
8.   Coase, R.(1937),. The Nature of the firm, Economica, Vol.IV.
9.   Coase, R.(1946), the Marginalist Controversy, Economic, Vol.XIII.
10.   Coase, R.(1959), the problem of social Cost, Journal of Law and Economics, Vol.2
11.   Coase, R.(1968), Consumer's Surplus in International Encylopaedia of the Social Science.
12.   Coase, R. (1988), The Firm, the Market and the Law, Chicago University Press, Chicago.
13.   Debreu , G.G.(1959), Theory of Value : An Axiomatic Analysis of Economic Equilibrium, John Wiley, New York.
14.   Debreu, G.G., Existence of Competitive Equilibrium in handbook for Mathematical Economics, Vo. II, Edited by K.j. Arrow and M.D. Intriligator, North Holland, Amsterdam.
15.   Debreu, G.G., (1981), mathematical Economic: Twenty Papers of Gerard G. Debreu., Ed., W. Hildembrand, MIT Press, Cambridge, mass.
16.   Debreu, G.G.(1983), Economic theory in Mathematical Mode, Nobel Lecture.
17.   Harsanyi, C.J.(1982), Papers in game Theory, Dordrecht.
18.   Harsanyi, C.J (1977), Rational Behaviour and Bargaining Equilibrium in games and Social Situation, MIT Press, Cambridge, Mass.
19.   Harsanyi, c.j.(1995), Games with Incomplete Information, The American economic review, Vol. 85.
20.   Hicks, J.R.,Collected Essayss on Economics Theory, Vols. I, II and III Basil Blackweel, Oxford, 1981,82, 83.
21.   Hicks,J.R, (1949), Value and Capital, Clarendon, Press, Oxford.
22.   Hicks, J.R(1965), Capital and Growth, Clarendon Press, Oxford
23.   Hicks,J.R.(1973), Capital and Time:A Neo Austrian Theory, Clarendon Press, Oxford.
24.   Nash, J.F.(1950), Equilibrium points in n-person games, proceedings of the National Academy of Science of U.S.A.
25.   Nash, J.F. (1951), Non-Cooperative games, Annals of Mathematics.
26.   Nash, J.F.(1953), Two-Person Cooperative Games, Econometrica, Vol.XXI.
27.   Rubinstein,A.(1995), John Nash: The Master of Economic Modelling, Scandinavian Journal of Economics, Vol.97.
28.   Samuelson, P.A., The Collected Scientific Papers of P.A. Samuelson, Vols, I to V, 1966, 1972,1977 and 1986, MIT Press, Cambridge, Mass.
29.   Samuelson, P.A(1947), Foundations of Economic Analysis, Harvard University Press, cambridge, Mass.
30.   Selten, R.A., And C.J. Harsanyi; A general Theory of Equilibrium Selection in Games, MIT Press, Cambridge, Mass
31.   Selten, R.A., and C.J. Harsanyi (1988), Models of Strategic Rationality: Theory and Decision Library, Series C. Game Theory, Mathematical Programming and operation Research, Wiley, New York.

32. Yoram, B., and L.A. Kochin (1992), Ronald Coase on the Nature of Social Coast : A Key to the Problem of the Firm, Scandinavian Journal of Economics, Vol.94

Module 2

33. Ball, R.J.(1981), On Lawrence R.Klein's Contributions to Economics, Scandinavian journal of Economics, Vol.83.
34. Frisch,R.(1933), Propagation Problems and Impulse Problems in Dynamic Economics, Longman, London.
35. Frisch, R.(1960), Planning in India: selected Exploration in Methodology, Indian Statistical Institute, Calcutta.
36. Frisch, R.(1970), from Utopian Theory to Practical Application : The Case of Econometrics, Nobel Memorial Lecture.
37. Haavelmo, T.(1943), Statistical Testing of Business cycle Theories, Review of Economic and Statistics, Vol.30.
38. Haavelmo,T.(1944), The Probability Approach in Econometrics, Econometrica: Supplement, Vol. XII.
39. Haavelmo, T.(1960), A Study of the Theory of Investment, Chicago University Press, Chicago.
40. Haavelmo, T.(1989), Econometrices and the Welfare State, Nobel Lecture.
41. Klein, L.R.(1947), The Keynesian Revolution, Macmillan, New York.
42. Klein, L.R.(1950), Economic Fluctuations in the United States, 1991-41, Macmillian, New York.
43. Klein, L.R.(1965), With J.Duesenberry, G. Fromm and E. Kuth, Econometric Model of the United Sttaes, The Brookings quarterly, Rand Mcnally, Chicago.
44. Klein, L.R. (1969), An Essay on the Theory of Economic Predictions, Yrjo Johnson Lectures, Helsinki.
45. Klein, L.R. (1979), with a Tishler, Long- run Projections of the LINK World Trade Model, North Holland, Amsterdam.
46. Klien, L.R.(1980), Use of Econometric Models in Policy Process, Economic Modelling, Ed., P. Ormerod, Oxford, London.
47. Nerlove, M.(1990), Trygve Haavelmo; A Critical Appreciation, Scandinavian Journal of Economics, Vol.92.
48. Tinbergen,j.(1939), Business Cyclesin the United States of America, 1919-32,I.L.O., Geneva.
49. Tinbergen, J.(1950), The Dynamics of Business Cycles- A Study in Economic Fluctuations, Chicago University Press, Chicago.
50. Tinbergen, J. (1959), Selected Papers, North Holland, Amsterdam.
51. Tinbergen, J.(1952), on the Theory of Economic Policy, North Holland, Amsterdam.

Module 3

52. Friedman . (1957), A Theory of the Consumption Function, Princeton University Press, Princeton, New Jersey.
53. Friedman, M, (1959) , The Demand for Money: Some Theoretical and Empirical Results, Journal, of Political Economy, Vol. 67.
54. Friedman, M. with A.J. Schwartz (1963), A Monetary History of the United States, University press, Princeton, New Jersey.
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64. Markowitz, H.M. (1990), Foundations of Portfolio Theory: Nobel Lecture.
65. Merton, R.C. (1990), Continuous-Time Finance, Oxford University Press, New York.
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67. Miller, M.H. (1988), The Modigliani-Miller Prospositions after Thirty Years, Journal of Economic Perspectives, Vol 6.
68. Miller, M.H. (1991), financial Innovations and Market Volatility, Oxford, New York.
69. Miller, M.H. (1990), Leverage: Nobel Lecture.
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71. Modigliani F. (1949), Fluctuation in the Saving-IncomeRatio: A Problem in Economic Forecasting, studies in Income and Wealth, NBER, New York.
72. Modigliani F. (1985), Life Cycle, Individual Thrift and the wealth of Nations: Nobel Lecture.
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74. Purvis, D. (1982), James Tobin's Contribution to Economics, Scandinavian Journal of Economics, Vol. 84.
75. Scholes, M. with Fischer Black (1972), The Valuation of Option Contracts and a Test of Market-Efficiency, the Journal of Finance, Vol. 27.
76. Scholes, M. with Fischer Black (1973), The Pricing of Options and Corporate Liabilities, Journal of Political Economy, Vol. 81.
77. Scholes, M. with Fischer Black and M> Jensen (1972), The Capital Asset Pricing Model: Some Empirical Tests in M. Jensen (ed.) Studies in the Theory of Capital Markets.
78. Sharpe, W.F. (1963), A Simplified Model for Portfolio Analysis, Management Science, Vol. 9.
79. Sharpe, W.F. (1964), Capital Asset Prices-A Theory of Market Equlibrium under Conditions of Risk, The Journal of Finance, Vol. 19.
80. Sharpe, W.fF. (1965), Risk-Aversion in the Stock Market: Some Empirical Evidence, the Journal of Finance, Vol. 20.
81. Sharpe, W.F. (1970), Portfolio Theory and Capital, McGraw-Hill, New York.
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83. Tobin J.Essays in economics, Vols. I to III, 1971, 75, 82, North Holland, Amsterdam.
84. Tobin, j. (1980), Asset Accumulation and Economic Activity, Oxford University Press, Oxford.
85. Tobin, j. and D, Hester (Eds.) (1967), Financial Markets and Economic Activity, John wiley, New York.
86. Tobin, J. (1967), studies of Portfoilo Behavior, John Wiley, New York.
87. Tobin, J. (1981), Money and Finance in the Macroeconomic Process: Nobel Lecture.
88. Thygesen, N. (1977), The Scientific Contributions of Milton Friendman, Scandinavian Journal of Economics, Vol. 79.

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90. Findlay, R. (1980), On W. Arthur Lewis's contribution to Economics, Scandinavian journal of Economics, vol.82
91. kuznets, S. (1937), National income 1919-35, W.W. New york.
92. kuznets, S. (1933), National income in Encyclopedia of the social sciences.
93. Kuznets, S. (1953), Economic Change: Selected Essays in Business cycles, National Income and Economic Growth, W.W. Norton, New York.
94. Kuznets, S. (1959), Six Lectures on Economic Growth, NBER, New York.
95. Kuznets, S.(1965), Economic Growth and Structure: Selected Essays, W.W. Norton, New York.
96. Kuznets, S., Modern Economic Growth : Rate, Structure and spread, Yale University Press, New Haven.
97. Kuznets ,S. (1979), Growth, Population, Income Distribution : Selected Essays,W.W.Norton. NewYork.
98. Kuznets, S.(1971), Modern Economic Growth : Findings and Reflections, nobel Lecture.
99. Lewis, W.A. (1954), Economic Development with Unlimited Supplies of Lobour, Manchester School, Vol. 22.
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101. Lewis, W.A. (1949), Overhead Costs – Some Essays in Economic Analysis, George Allen and Unwin, London.
102. Lewis, W.A. (1955), The Theory of Economic Growth, Macmillan, London.
103. Lewis, W.A. (1973), Reflection on Unlimited Labour in International Economics and Development –Essays in honour of Raul Prebisch, (Ed) V. Di Marco, W.W. Norton, New York.
104. Lewis, W.A.(1979), The Slowing Down of the Engine of Growth: Nobel Lecture.
105. Schultz, T.W. (1961), Investment in Human Capital, American Economic Review, Vol. 51.
106. Schultz, T.W. (1963), The Economic Value of Education, Columbia University Press, New York.
107. Schultz, T. w. (1968), Human capital in International Encyclopaedia of the Socail Sciences.
108. Schultz, T.W. (1972), Investment in Education: The Equity- Efficiency Quandry, Journal of Political Economy: Supplement, Vol. 80.
109. Schultz, T.W. (1979), The Economics of Being Poor: Noble Lecture.
110. Solow, R.M. (1955-56), The Production Function and Theory of Capital, Review of Economics, Vol. 70.
111. Solow, R.M. (1957), Technical Change and the aggregate Production Funciton, Review of Economics and Statisctics, Vol. 39.
112. Solow, R.M. 1963), Capital Theory and the Rate of Return, North Holland, Amsterdam.
113. Solow, R.M. (19700, Growth Theory: An Exposition, Oxford University Press, Oxford.
114. Solow, R.M. (1987), Growth Theory and After: NobelLecture.

Paper 1.5.5- ECONOMIC AND LAW

In order to understand the basic tools and methods of economic analysis both at the micro and macro levels, it is imperative to underative to understand the basic provisions of law relating to consumer activities, business organizations, environment, custom duties, public sector undertakings, direct foreign investment and the law relating to international organizations and vice versa. However, economists have often taken for granted the various legal provisions which affect the economic behaviour which is not true. In order to meet this requirement, this course is essential and has been designed in a way that the students of economics would be able to comprehend the basic economic issues affecting the economy along with the related legal provisions. This would enable the economists to frame their models that are closer to reality, besides making them understand the consequences of legal rules, primarily as an exercise in applied microeconomics, macroeconomics, industrial and international economics.

Module 1: Introduction

Economics analysis of law-Introduction to legal reasoning, Efficiency; Market failure; Coase theorem and related ideas, welfare economics; Compensation principles; Social welfare function; Maximization problem; Nature of economic reasoning; Economic approach to law – history and criticism.

Module 2: An Introduction to Law and Legal Institutions

The Civil Law and the Common Law Traditions; The Institutions of the federal and State Court systems; The nature of legal rules evolve.

Module 3: Law Relating to Consumer Activities

Bargain theory; Economics role of contract; Economics theory of contract; Remedies as incentives, formation, defense and performances excuses; Duress; Bargaining power and unconscious ability; Defining tort law, economic of tort liability; Tort liability and economic models; Economics of accidents, fault, victim; Fault and strict liability; Function of damages; Consumer protection; Consumer courts.

Module 4: Law of Business Organizations

Structure of firm- kinds, Corporations, Corporate vest, Capital, Shares, Debentures, Insiders' trading, Antitrust, RBI, IRDA,MRTP, Role of SEBI, Economics of mergers, Amalgamations and takeovers.

Module 5: Economics Theory of Crime and Punishment

The traditional theory of criminal law; Economic theory of crime and Punishment; Does Punishment deter crime? Efficient punishment; Efficacy of capital sentence; Addictive drugs and crime; Plea bargaining; Reforms of criminal procedure and Futility Thesis; Law relating to economic offences; corruption and human rights.

Module 6: Macroeconomics and Law

Law and distribution of Income and Wealth; Inequality; Contract theory of Distributive justice; Economic and social costs of poverty; Wealth distribution by Liability Rules; Taxation deficiently; Personal and corporate taxation; Progressive principles; Economics of federalism; freedom of Inter-state trade and commerce; National and global environmental problems and international environmental agreements-their legal and economic implications; Economics of Social sector, disinvestments in PSUs.

Module 7 : International Aspects

GATT/WTO- TRIPS and TRIMS; Export – import policy; Custom duties; MNCs and Direct eign investment; FEMA.

Basic Reading List :

1. Bouckaert,B.and G.De Geest(Ed.) (1999), Encyclopaedia of Law and Economics, (Volume 1 to V), Edward Elgar Publishing Ltd., U.K.
2. Cooter,R.D. and T.S.Ulen,(2000), Law and Economics, (3rd Edition), Addision Wesley, New york.
3. Dan- Schmidt, K.G. and T.S. Ulen(Ed.) (2000), Law and Economics Anthology, Addison Wesley, New York.
4. Newman, P.(Ed.)(1998), The New Palgrave Dictionary of Economics and law, Stockton Press, New York.
5. Oliver, J.M.(1979), Law and Economics, George Allen and Unwin, London.
6. Posner, R.A.(1998), Economics Analysis of Law,(5th Edition) Little Brown, Boston.
7. Posner, R.A. and R.Parisi (Eds.) (197), Law and Economics, Edward Elgar Publishing Ltd., U.K.
8. Massey, I.P. (1995), Administrative Law, Eastern Book Company, Lucknow.
9. Indian Law institute, Annual Survey of Indian Law, Indian Law Institute, New Delhi.

Paper -2.1- Micro Economic Analysis-II

Module 1: Alternative Theories of the Firm.

Critical evaluation of marginal analysis; Baumol's sales revenue maximization model; Williamson's model of managerial discretion; Marris model of managerial enterprise; Full cost pricing rule; Bain's limit pricing theory and its recent developments including Sylos- Labini's model; Behavioural model of the firm; game theoretic models.

Module 2 : Distribution.

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

Module 3: Welfare Economics.

Pigovian welfare economics; Pareto optimal conditions; Value judgement; Social welfare function; Compensation principle; inability to obtain optimum welfare – Imperfections, market failure, decreasing costs, uncertainty and non-existent and incomplete markets; Theory of Second Best – Arrow's impossibility theorem ; Rawl's theory of justice, equity –efficiently trade off.

Module 4 : General Equillibrium.

Partial and general equilibrium, Walrasian excess demand and input – Output approaches to general equilibrium, existence, stability and uniqueness of equilibrium and general equilibrium, coalitions and monopolies; Production without consumption-one sector model, homogenous functions, income distribution: Production without consumption – two sector model, relationship between relative commodity and factor prices (stolper-Samuelson theorem) , relationship between output mix and real factor prices, effect of changes in factor supply in closed economy (Rybczynski theorem), production and consumption.

Module 5: Economics of Uncertainty.

Individual behaviour towards risk, expected utility and certainty equivalence approaches, risk and risk aversion – sensitivity analysis, gambling and insurance, the economics of insurance, cost and risk, risk pooling and risk spreading, mean – variance analysis and portfolio selection, optimal consumption under uncertainty, competitive firm under uncertainty, factor demand under price uncertainty, the economics of search – different models, the efficient market hypothesis, Stochastic models of inventory demand; Market with incomplete information, search and transaction costs, the economics of information.

Paper -2.2-Macroeconomic Analysis-II

Module 1 : Neo – classical and Keynesian Synthesis

Neo-clasical 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.

Module 2: Post- Keynesian Demand for money

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

Module 3: Macroeconomics in an Open Economy

Mundell- Fleming model – Asset markets expectations and exchnge rates; Monetary approach to balance of payments.

Module 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; Adaptive expectations and rational expectations; Policies to control inflation.

Module 5: Business Cycles

Theories of Schumpeter, Kaldor, Samuelson and Hicks, Goodwin's model; Control of business cycles – relative efficacy of monetary and fiscal policies.

Module 6: New Classical Macroeconomics

The new classical critique of micro foundations, the new classical approach; Policy implicationsof new classical approach – empirical evidence.

Paper-2.3- PUBLIC ECONOMICS –II

Module 1: Taxation

Theory of incidence; Alternative concepts of incidence – Allocative and equity aspects of individual taxes; Benefit and ability to pay approaches; Theory of optimal taxation; Excess burden of taxes; Trade off between equity and efficiency; Theory of measurements of dead weight losses; the problem of double taxation.

Module 2: Public Debt

Classical view of public debt; Compensatory aspect of debt policy; Burden of public debt; Sources of public debt; Debt through created money; Public borrowings and price level; Crowding out of private investment and activity; principles of debt management and repayment.

Module 3: Fiscal Policy

Objectives of fiscal policy – full employment, anti – inflation, economic growth, redistribution of income and wealth; Interdependence of fiscal and monetary policies; Budgetary deficits and its implications; Fiscal policy for stabilization – automatic vs. discretionary stabilizations; Alternative measures of resource mobilization and their impact on growth, distribution and prices; Balanced budget multiplier.

Module 4: Fiscal Federalism

Principles of multi – unit finance; Fiscal federalism in India; Vertical and horizontal imbalance; Assignment of function and sources of revenues; Constitutional provisions; Finance Commission and planning Commission; Devolution of resource and grants; Theory of grants; Resource transfer from Union to States – Criteria for transfer of resources; Centre – State financial relations in India; Problems of states' resources and indebtedness; Transfer of resources from Union and States to local bodies.

Module 5: Indian Public Finances

Indian tax system; Revenue of the Union, States and local bodies; major taxes in India; Base of taxes, direct and indirect taxes, taxation of agriculture, expenditure tax, reforms in direct and indirect taxes, tax on services; Non – tax revenue of Centre, State and local bodies; Analysis of Central and State government budgets; Lack of flexibility in Central and State Budgets, Shrinking size of development finance through budgets; Trends in public expenditure and public debt; Fiscal crisis and fiscal sector reforms in India; Reports of finance Commissions in India.

Paper-2.4-STATISTICAL METHODS FOR ECONOMISTS

Module 1:

Basic concepts : Population, Sample, Parameter, Frequency Distribution, Cumulative frequency; Graphic and diagrammatic representation of data, Techniques of data collection; Sampling vs. Population, primary and secondary data.

Module 2:

Measures of central tendency; Mean, median, Mode, Geometric a mean and Harmonic mean. Measures of dispersion; Range, Mean Deviation, Standard Deviation, Coefficient of variation, Quartile deviation, Skewness and kurtosis.

Module 3:

Correlation: Simple, Coefficient of correlation – Karl Pearson and Rank Correlation, Partial and Multiple correlation Analysis, Regression analysis – Estimation of regression line in a bivariate distribution – Least squares method, interpretation of regression coefficients.

Module 4 :

Time series analysis – Concept and components – Determination of regular, trend and seasonal indices; Index numbers – Concept, price relative, quanity relative, value relative: Laspeyer's Paasche's and fisher, family budget method; Problems in the construction and limitations of index numbers, Tests for ideal index number.

Module 5 :

Meaning, assumptions and limitations of simple correlation and regression analysis; Pearson's product moment and spearman's rank correlation coefficients and their properties; Concept of the least squares and the lines of regression; Standard error of estimate; Partial and multiple correlation and regression (applications only); Methods of estimation of non-linear equations-parabolic, exponential, geometric, modified exponential, Gompertz and logistic relationships.

Module 6:

Deterministic and non-deterministic experiments; Various types of events – classical and empirical definitions of probability; Laws of addition and multiplication; Conditions probability and concept of interdependence; Baye's theorem and its applications; Elementary concept of random variable; Probability, mass and density functions; Expectations, moments and moment generating functions; Properties(without derivations) of Binomial, Poisson and Normal distributions.

Module 7:

Basic concept of sampling – random and non –random sampling; Simple random; Stratified random and p.p.s. sampling; Concept of an estimator and tis sampling distribution; Desirable properties of an estimator; Formulations of statistical hypotheses – Null and alternative ; Goodness of fit ; Confidence intervals and level of significance; Hypothesis testing based on Z,t,$\div^2$ (Chisquare) and F tests; Type 1 and Type 2 errors.

Basic Reading List :

1. Veerachamy. R (2002) Quantitative Methods For Economists, New Age International Publisher, Newdelhi
2. Gupta, S.C.(1993), Fundamentals of Applied Statistics. Chand & Sons, New Delhi.
3. Speigal, M.R.(1992), Theory and problems of statistics, McGraw Hill Book Co., London.
4. Nagar A.L and R.K Das (1993), Basic Statistics, oxford Unversity press, New Delhi

Paper 2.5.1 AGRI - BUSINESS

Module 1 : Agriculture Prices

Marketing and state policy; Agriculture markets and marketing efficiently – Marketing functions and costs; Market structure and imperfection; Regulated markets; Marketed and marketable surplus; Behaviour of agriculture prices- Cobweb model; Price and income stability; State policy with respect to agricultural marketing; Warehousing; Prices; Taxation and crop insurance; Terms of trade between agriculture and non-agriculture prices; Need for state intervention; objectives of agriculture price policy – Instruments and evaluation; Food security in India and public distribution system.

Module 2: Diversification of Rural Economic Activities

Livestock economics – Livestock resources and their productivity; Problems of Marketing; White revolution; Fishery and Poultry development, Forestry, horticulture and floriculture; Issues and problems in rural industrialization and development of agro – based industries.

Module 3 : Rural Labour Market

Rural labour supply; Interlocking of factor markets;Mobility of labour and segmentation in labour markets; marginalization of rural labour ; Nature, extent and trends in rural unemployment; Agriculture wages in India; Male – female wage differences; Non-agriculture rural employment Trends and determinants.

Module 4: Rural Finance

Role of capital and rural credit; Organized and unorganized capital market; Rural savings and capital formation; Characteristics and sources of rural credit – Institutional and non-institutional; Reorganization of rural credit – cooperatives, commercial banks, regional rural banks; Role of NABARD.

Module 5: Agriculture and External Sector

International trade in agriculture commodities; Commodity agreements- role of World Trade Organization; Issues in liberalization of domestic and international trade in agriculture Nature and features of agri-business; Role of MNCs; Globalization of Indian economy and problems and Prospects of Indian agriculture; Impact of World Trade Organization on Indian agriculture.

Paper-2.5.2 –LABOUR ECONOMICS

PREAMBLE

Issues pertaining to the labour market, wage theories, employment policies, trade unions and collective bargaining in the globalized economy have become vitally important for developing countries. In a country like India where the bulk of the labour force is in the unorganized sector and the organized sector is witnessing "Jobless" growth, the importance of issues such as employment and unemployment as well as livelihood and social security for the growing millions continues to assume significance. This Paper exposes students to theoretical as well as empirical issues relating to the labour market with special reference to India

Module 1: Labour Markets

Nature and Characteristics of labour markets in developing countries like India; Paradigms of labour market analysis - Classical, neo-classical and dualistic economy; Demand for labour in relation to size and pattern of investment; Choice of technogies and labour policies; Supply of labour in relation to growth of labour force; Labour market policies; Mobility and productivity of labour; Rationalization; Method of recruitment and placement; Employment service organization in India.

Module 2: Emplyment

Employment and development relationship – poverty and unemployment in developing countries; Unemployment – Concept, Types, and Measurement, particularly in India; Impact of rationalization, technological change and modernization on employment in organized private industry, public sector and employment in agriculture sector; Analysis of educated unemployment; Employment policy in Five Year Plans and its evaluation.

Module 3 : Wage Determination

Classical, neo-classical and bargaining theories of wage determination; Concepts of minimum wage, living wage and fair wage in theory and practice; Discrimination in labour markets; wage determination in various sectors- rural, urban, organized, unorganized and in informal sectors; Non- wage component of labour remuneration; Inflation-wage relationship at micro and macro levels: Productivity and wage relationship: Analysis of rigidity in labour markets; Asymmetric information and efficiently of labour markets in wage determination; National wage policy; Wages and Wage Boards in India; Bonus system and profit sharing.

Module 4: Industrial relations

Theories of labour movement – Growth, pattern and structure of labour unions in India, Achievements of labour unions; Causes of industrial disputes and their settlement and prevention mechanism; Role of tripartism ; Current trends in collective bargaining; Role of judicial activism; Labour legislation in India; Indian labour laws and practices in relation to international labour standards.

Module 5: State and Labour

State and social security of labour –Concept of social security and its evolution: social assistance and social insurance; Review and appraisal of states policies with respect to social security and labour welfare in India; Special problems of labour: Child labour, Discrimination and gender bias in treatment of labour; Receding state and its effect on working of labour market; Labour and market reform – Exit policy, nee for safety nets, measures of imparting flexibility in labour markets; Second National Commission on Labour, Globalization and labour markets

Basic Reading List :

1. Datt, G Baraining power, Wages and Employment: An Analysis of Agriculture Labour Markets in India, Sage Publications, New Delhi.
2. Hajela, P.D (1998), Labour Restructuring in India: ACritique of the NewEconomic Policies, Commonwealth Publishers, New Delhi.
3. Jhabvala, R.and R.K. Sburahmanya (Eds.) (2000), The Unorganised Sector: Work Security and Social Protection, Sage Publication, New Delhi.
4. Lester, R.A. (1964), Economics of Labour, (2nd Edition), Macmillan, New York .
5. McConnell, C.R.and s.L. Brue (1986),Contemporary Labour Economics, New York.
6. Papola, T.S.,P.P. Ghosh and A.N. sharma (Eds.) (1993), Labour, employment and Industrial Relations in India. B.R. Publishing corporation, New Delhi.
7. Rosenberg M.R. (1988), Labour Markets in Low Income Countries in Chenery, H.B. and T.N. Srinivasan, (Eds.), The Handbook of Development Economics, North-Holland, New York.
8. VenkataRatnam, C.S. (2001), Globalization and Labour-Management Relations: Dynamics of Change, Sage Publications/Response Books, New Delhi.

Paper-2.5.3-FINANCIL INSTITUTIONS AND MARKETS-II

Module 1:Non-bank Financial intermediaries

Definition and types of non-bank financial institutions: Their growth and impact on India's economic development, Measures taken to control their operations.

Module 2: financial Markets

Role and structure of money market and capital market –Call money market. Treasury bill market, Commercial bill market including commercial paper and certificate of deposits, Discount market – Government securities market –Markets for derivatives: future and options, and other derivatives: types, uses and pricing of derivatives – Primary and secondary market for securities; SEBI: its impact on the working of capital market in India; IRDA and its role in financial markets.

Module 3: international Financial Markets

Nature, organization and participants – Exchange rates –devaluation, and depreciation-Working of floating exchange rates since 1973 –risk hedging and futures in exchange rates – International Financial Flows, forms and volume – Rise and fall of Brettonwood Institutions- International Liquidity – Post Maastricht development – Reforms in International monetary system for developing countries – Lending operation of World Bank and its affiliates –Working of IDA andIFC. The Theory of optmum currency areas –Growth of Regional financial institutions. Asian Development bank and its lending activities ; Asian Development Bank and India. Euro- dollar and Euro- Currency markets: their developmental role and regulation at the International level.

Module 1: Input-Output Analysis, Programming, Social accounts, Economic and Social Systems.

Leontief, Wassily W.-Kantorovich, Leonid-Koopmans C. Tjalling-Stone, Sir Richard- Hayek, Fredriech-Myrdal, Gunnar

Module 2: International trade and Capital Movement

Meade, James E.-Ohlin, Bertil-Mundell, Robert A

Module 3: Quantitative Economic History

 North, Douglas C.-Fogel, Robert w.-

Module 4:Others

Simon, Herbert A. –Decision-making within Economic organization-Stigler, George J. – Industrial Economics-Buchanan, James M.- Theory of Public Choice-Backer, Gray S. –Extension of Economic Rationality to sister social sciences-lucas, Robert J.- Rational Expectations

Approach to Macro-economics-Vickery, William J.- Asymmetric Information and Attention theory.-Mirrlees, James–Asymmetric Information and Tax Theor-Sen, Amareya K. Applic Welfare Economics

Basic Reading List :

Module:1

1. Dorfman,R.(1973), Wassily Leontief's contribution to Economic, Swedish Journal of Economics, Vol.75.
2. Hayek,F.(1933), Monetary Theory and the Trade Cycle, Duckworth,London.
3. Hayek,F.(1941), The pure Theory of Capital, Duckworth, London.
4. Hayek,F.(1944), The Road to Serfdom, University of Chicago Press, Chicago.
5. Hayek,F.(1967), Studies in Philosophy, Politics and Economics, University of Chicago Press, Chicago.
6. Hayek,F.(1944), The Collected Works of F.A. Hayek, George Allen and Unwin, London.
7. Jungenfelt,G.K.(1976), Koopmans and the Recent Development of Growth Theory, Scandinavian Journal of Economics, Vol.78.
8. Kantorovich, L., Mathematical Methods of Production Planning and Organisatin,(ed.) by A. Nove, Oliver and Boyd, Edinburg and London.
9. Kantorovich,L.(1965),Economics Calculations of the Best Use of Resoruces, Wiley, New York.
10. Kantorovich,L.(1976), Economics Problems of Scientific and Tehcnical Progress, Scandinavian Journal of Economics, Vol.78.
11. Koopmans, T.D.(Ed.) (1951), Activity Analysis of Production and Allocation, Wiley, New York.
12. Koopmans, T.C.(1957), Three Essays on the State of Economic Science, Wiley, New York.
13. Leontief, W.W.(1951), The Structure of the American Economy: 1919-39, Second Edition, Oxford University Press, New York.
14. Leontief, W.W.(Ed.) (1953), Studies in the Structure of American Economy, Oxford University Press, New York.

15. Leontief,W.W(1966), Input – Output economics, Oxford, New York.

16. Leontief, W.W.(1966), Essays in Economics: Theories and Theorizing, Vols, I & II, 1966,1977, Oxford, New York and London.

17. Machlup,F.(1974),'Frederick Von Hayk's Contributions to   Economics, 'Scandinavian Journal of Economics, Vol.76

18. Myrdal,G.(1956), Development and Underdevelopment: A Note on the Mechanism of national and International Inequality, Cairo.

19. Myrdal, G.(1957), Economic Theory and Under Developed Regions, Duckworth, London .

20. Myrdal, G.(1968), Asian Drama: An Inquiry into the Poverty of nations, Modern Library, New York.

21. Myrdal,G.(1975), The Equality Issue in World Development: Nobel Lecture.

22.   Reynolds, S.G. (1974), Gunnar Myrdal s Contributions to Economics,1940-70 andiavian Jouernal Economics, Vol. 76.

23. Stone, R.(1944), National Income and Expenditure with J.E. Meade Oxford University press oxford .

24. Stone,R. (1959), Social Accounting and Economic Models with G.C. Murray, George Allen And Unwin, London.

25. Stone, R. (1980) political economy economics and Beyond The economic Journal, Vol. 90.

26. Stone, R. (1984) The Accounts of Society: Nobel Lecture.

27. Coase, R.E. (1979), Bertil Ohlin, s Cotnributions to Economics Scandinavian Journal of Economics Vol.81.

28.   Johnson, H (1978) James Meade s Contributions to Economics Scandinavian Journal of Economics Vol.80

29. Meade J.E. (1971) and(1978) Principlec of political Economic Vols. I to IV Duckworth London.

30. Meade, J.E (1988) The Collected Papers of James Meade, Vols. 1 to 4 Duckorth, London.

31. Meade J.E (1955) The Theory of Customs Union North Holland Amsterdam .

32. Meade J.E (1951) and 1955) The Theory of international policy, Vols. I & III, Duckworth, London.

33. Mundell, R.A. (1971), monetary Theory, W.W.Norton, New York.

34. Mundell,R.A.(1960), The Public Dept, Corporate Income Taxes and the Rate of Interest, Journal of Political Economy, Vol.68.

35. Mundell, R.A. (1962), The Appropriate Use of Monetary and Fiscal Policy for Internal and External Stability, IMF Staff Papers, Vol 9.

36. Mundell, R.A. (1960), The Monetary Dynamics of International Adjustments Under Fixed and Floating Exchange Rates, Quarterly Journal of Economics, Vol.74..

37. Ohlin, B. (1933), International Trade, Harvard University Press, Cambridge Mass.

38. Ohlin, B. (1931), The Course and Phases of World Economic Depression, I.L.O., Geneva.

39. Ohlin, B. (1977), Some Expansion Policy Problems in Cases of Unbalancedand International Economic Relation : NobelLecture.

Module: 3

40. Eichengreen, B. (1994), the Contributions of Robert W.Fogel to Economics and Economic History, Scandinavian Journal of Economics, Vol.96.

41. Fogel, R.W. (1965), The Re-identification of Economic History and Economic Theory, American Economic review, Vol.55.

42. Fogel, R.W. (1966), The New Economic History : Its Findings of Methods, Economic History Review, Vol. XIX.

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Paper-3.2

INTERNATIONAL TRADE AND FINANCE-I

PREAMBLE

The Course Provides a deep understanding about the broad principles and theories, which tend to govern the free flow of trade in goods services and capital –both short-term and Long –tern –at the global level. Besides preparing the students about the relevance and limitations of these principles the contents of the paper spread over different modules, lay stress on the theory and nature of the subject which, in turn will greatly help them to examine the impact of the trade policies follower both at the national and international levels as also their welfare implications at macro level and the distribution of gains from trade to North and South whit particular reference to India. The study of the paper under the present era of globalization will train the students about the likely consequences on income, employment and social standards and possible policy solutions as the world move into the 21st century.

Module 1: Theory of International Trade

The pure theory of international trade –Theories of absolute advantage comparative advantage and opportunity cost, modern theory of international trade ; Theorem of factor price equalization 0Empirical testing of theory of absolute cost and comparative cost-Heckscher-Ohlin theory of trade. Kravis and Linder theory of trade Role of dynamic factors i.e., changes in tastes, technology and factor endowments in explaications of immiserizing growth; Causes of emergence and measurement of intra –industry trade and its impact on developing economics.

Module2: Measurement of gains and Theory of Interventions

Measurement of gains from trade and their distribution; Concepts of terms of trade their uses and limitations; Hypothesis of secular deterioration of terms of trade its empirical relevance and policy implications for less developed countries; Trade as an engine of economic growth; welfare implications –Empirical evidence and policy issues; The Theory of Interventions (Tariffs, Quotas and non-tariff bamiers)Economic effects of tariffs and quotas on national income output employment terms of trade income distribution Balance of payments on trading partners both in partial and general equilibrium analysis The polilitical economy of non tariff barriers and their implications: nominal effective and optimum rates of tariffs their measurement impact and welfare implications trade under imperfectly competitive market.

BASIC READING LSIT (Common to III and IV Semester)

1. Bhagwati J Ed 1981 International Trade Selected Readings Cambridge University Press Massachusetts.

2. Carbough R.J (1999) International Economics International Thompsonj Publishing New York
3. Chacholiades M (1990) Internation Trade Theory and policy McGraw Hill Kogakusha Japan
4. Dana M.S (2000) International Economics Study Guide and work book (5th Edition) Routledge Publishers London
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7. Kindleberger, C.P. (1973) international Economics, R.D Irwin Homewood.

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