

## M.A. Applied Economics

### Regulations for the Masters programme in Economics

- 1.1 **Eligibility** : For admission to the M. A. in Applied Economics programme shall be bachelor's Degree in Economics with 55% in Part III (Economic and subsidiary) or 60% with B.Com, B.B.A, B.B.M with economics as one of the subject or B.Sc. Mathematics or Statistics with 65% marks. .
- 1.2 Candidates who have appeared in the Final Year Degree Examination but awaiting results are permitted to seek provisional admission to the course. Such candidates required to provide evidence of the minimum academic qualification prescribed on or before their enrolment to the first semester M.A. in Applied Economics examination of CUSAT to be held for the same batch of students. If they fail to do so they shall be removed from the rolls.
- 1.3 Admission to the M.A. in Applied Economics shall be based on the scores obtained by the candidate in the CAT conducted by the University. The questions for the CAT are of multiple choices from Economics (50%), mathematics and Statistics (30%) remaining general awareness.
- 1.4 There shall be 20 seats of which five shall be reserved for foreign candidates recommended by the Government of India. If such candidates are not available the seats can be allotted to NRI who qualify the entrance test and satisfy the other qualifications prescribed for the degree. If NRI candidates not available these seats can be converted to general merit on the basis of the recommendations of the head of the Department.
- 1.5 Reservation rules applicable to nonprofessional courses in Kerala as laid down by the State Government from time are applicable in the case of admission to the degree.
- 1.6 Payment of fees: Fees for the programme must be paid as prescribed by the University.
- 1.7 Re-admission to the programme shall be permitted only if the candidate satisfies the conditions laid down by the University and with permission of the Registrar.
- 2.1 **Course study**: The course work for the M.A. in Applied Economics degree shall be in accordance with the schemes of examination and syllabus prescribed. The course shall extend over a period of two academic years comprising of four semesters. Each semester shall extend over a period of 16-18 weeks.
- 2.2 The minimum attendance required by the candidate shall be 75 percentage of the total number of working days.
- 3.1 **Scheme of studies** : A minimum of 20 (Twenty) credits shall be offered in each semester. In the fourth semester there shall be a project report and comprehensive viva voce. The Project Report is equivalent to 4 (four) credits. The Viva Voce examination is based on a presentation made by candidate in the department with an external expert.

## **SEMESTER - I**

Course Code	Title of Paper	Core/ Elective	Credits	Contact Hours/ Week	Continuous evaluation marks	External Evaluation Marks	Total Marks
ECO 2101	Micro Economics I	C	4	5	50	50	100
ECO 2102	Macro Economics I	C	4	5	50	50	100
ECO 2103	Mathematical Methods for Economics	C	4	5	50	50	100
ECO 2104	Statistics for Economic Analysis	C	4	5	50	50	100
ECO 2105	Indian Economy	C	4	5	50	50	100

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## **SEMESTER - II**

Course Code	Title of Paper	Core/ Elective	Credits	Contact Hours/ Week	Continuous evaluation marks	External Evaluation Marks	Total Marks
ECO 2201	Micro Economics II	C	4	5	50	50	100
ECO 2202	Macro Economics II	C	4	5	50	50	100
ECO 2203	Econometrics	C	4	5	50	50	100
ECO 2204	Optional	E	4	5	50	50	100
ECO 2205	International Economics	C	4	5	50	50	100

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### **SEMESTER - III**

Course Code	Title of Paper	Core/ Elective	Credits	Contact Hours/ Week	Continuous evaluation marks	External Evaluation Marks	Total Marks
ECO 2301	Development Economics	C	4	5	50	50	100
ECO 2302	Quantitative Optimisation Techniques	C	4	5	50	50	100
ECO 2303	Public Economics	C	4	5	50	50	100
ECO 2304	Optional	E	4	5	50	50	100
ECO 2305	Research Methodology	C	4	5	50	50	100

### **SEMESTER - IV**

Course Code	Title of Paper	Core/ Elective	Credits	Contact Hours/ Week	Continuous evaluation marks	External Evaluation Marks	Total Marks
ECO 2401	Optional	E	4	5	50	50	100
ECO 2402	Optional	E	4	5	50	50	100
ECO 2403	Optional	E	4	5	50	50	100
ECO 2404	Project Report	C	4	5	50	50	100
ECO 2405	Comprehensive Viva Voce	C	4	5	-	100	100

#### Optional Papers

1. Advanced Econometrics
2. Agricultural Economics
3. Industrial Economics
4. Kerala Economy
5. Portfolio Management
6. Project Planning and Appraisal
7. Social Exclusion and Inclusive Policy Studies
8. Marketing Management
9. Human Resources Management
10. International Finance
11. Environmental Economics
12. Financial Institutions and Markets

Total Marks 2000 and Total 80 credits (core 60 credits and optional 20 credits)

## ECO 2101 MICRO ECONOMICS PAPER I

### Module I

Modern theories of demand – compensated demand curve – revision of demand Theory revealed preference – Indirect utility function – Linear Expenditure System – Choice under uncertainty; lagged adjustment in inter related markets Cobweb theorem.

### Module II

Theory of Production and Cost Analysis. Production function – Short and long periods – Technical progress – Capital and labour deepening – Production function and factor shares – Harrod's and Hick's versions – Production function of multi production firm – Empirical production functions – Cobb Douglas, CES, VES and translog production functions – Derivation of cost functions from production functions – Derived demand for factors – Traditional and modern theories of cost – Engineering cost curves.

### Module III

Price and Output determination. Perfect competition Marshall – Sraffa views – Monopoly – Short and long run equilibrium – Bilateral Monopoly – Price determination - Monopoly – Control and Regulation. Monopolistic competition – Chamber in model – oligopoly – Non – Collusive (Cournot, Bertrand, Edgeworth, Chamberlin) Kinked demand curve – Sweezy's analysis Excess capacity under monopolistic competitor – Collusive oligopoly (Cartel and Mergers, Price leadership) Workable competition – Structure, conduct and performance norms – Game theory

### Module IV

Critique of Neo – Classical theory of firm. The basic assumptions of neo-classical theory – The Hall and Hitch Report and the full cost pricing principles – Gordon's attack on marginalism – Average cost pricing models – Bain's limit pricing – the models of Sylos - Labini – Baumol's theory of Sales maximization – Marris model of managerial enterprise; Williamson's model of managerial discretion – the behavior model of Cyert and March – Bounded rationality.

### Module V

Transactional Cost Analysis – Transactional Cost paradigm – General Framework.

### Reference

1. Koutsoyiannis, A. (1979), Modern Microeconomics, (2<sup>nd</sup> Edition), Macmillan Press, London.
2. Hal.R.Varian, 1996, Intermediate Microeconomics: A modern Approach, W.W.Norton and Company, New York and London.
3. Willaim J.Bamoul & Allen.S.Blinder, Micro economics : Principles and Policy, Thomson Southwestern 2007.
4. Dominick Salvatore, Micro Economics Theory and Applications, OUP,2003
5. Robert S.Pindyck & Daniel L Rubinfeld, Micro Economics, Printice Hall India, New Delhi 2003.
6. Michael Dietrich, Transaction Cost Economics and Beyond, Roultdge 2000
7. Pushpundagadan & N.Santha, Dynamics of Competition: Indias Manufacturing Sector, Oxford University Press. New Delhi 2009.

## ECO 2102 MACRO ECONOMICS I

### Module I

Neo-classical and Keynesian Synthesis. ISLM model-Keynesian and classical versions-Extension of ISLM model with government sector-relative effectiveness of monetary and fiscal policies-Extension of the ISLM model with labour market and flexible prices-Unemployment and labour market-Three sectors macro model-Keynesian and neo-classical versions.

### Module II

Behavioral foundations of Macro economics. Sectoral demand functions – consumption demand-Keynesian Psychological law of consumption-Consumption function puzzle-Income consumption relationship-Absolute Income, Relative Income, Life cycle and permanent Income hypothesis.

### Module III

Investment demand; Keynesian Approach-post Keynesian Approach-New Keynesian Approach-Neo-classical Approach-Lags in investment demand-Accelerator theory of investment –Interaction of accelerates and multiplies-Financial theory of investment determination-policy measures that affect investment.

### Module IV

Demand and Supply of Money. Classical and Keynesian approaches to the demand for and supply of money-post-Keynesian approaches to the demand to the demand or money-Patinkin and Real balance effect- Approaches of Baumal and Tobin – Friedman and the modern Quantity theory –Challenges to Keynesianism and revival of monetarism –Money supply determination in an open economy-High powered money and money multiplies-control of money supply.

### Module V

Macro economics in an open economy. ISLM analysis for an open economy –Balance of payments and Keynesian analysis –external balance and prices – money capital flows and open economy –Mundell-Fleming Keynesian model-Asset markets expectations and exchange rate-monetary approach to balance of payments.

### Reference

1. Dornbusch R and F Stanley (2000), Macroeconomics, McGraw Hill, New York
2. Richard T Froyen (7<sup>th</sup> Edition), Macroeconomics: Theories and Policy, Pearson, Education, New Delhi., 2003
3. Levacic, R and A.Rehman ,Macro Economics, ELBS and Macmillan , 2000
4. Branson, W A (2000) Macro Economic Theory and Policy 3<sup>rd</sup> Edn, Harper and row, New York
5. G.Mankiw, Principles of Macroeconomics, Thomson Wouthwestern, 2007.

## **ECO 2103 MATHEMATICAL METHODS FOR ECONOMICS**

### Module I

Functions-Graphs, Slopes, and intercepts-Graphs of non-linear functions-exponential and logarithmic functions.

### Module II

Limits-Continuity-derivative-Rules of differentiation-Higher order derivations-Implicit differentiation-partial derivatives.

### Module III

Uses of derivatives in Economics-Increasing and decreasing function-Concavity and convexity-Inflection points-Marginal concepts-price elasticity of demand-relationship among total, marginal. And average concepts-Cobb Douglas production function-Eulers's theorem.

### Module IV

Maxima and Minima-constrained optimization with long range multipliers-Applications of maxima and minima in Economics-Cost minimization-Profit maximization.

### Module V

Matrices-Addition and subtraction of matrices-Multiplication of matrices-Determinant of matrices-Inverse matrices-Solving Linear equations with the inverse-Cramer's rule for matrix solutions –Application of matrices in input output analysis.

### Module VI

Integral calculus-Rules of integration-Evaluation of integration-Evaluation of integrals-Economic application of integration-Consumer's Consumer' surplus and producers surplus.

### Reference

1. Edward T. Dowling "Introduction to Mathematical Economics" McGraw Hill Ltd., New York
2. Taro Yamme " Mathematics for Economists", Prentice Hall of India Pvt. Ltd., New Delhi.
3. R.G.D.Allen, "Mathematical Analysis for Economists". Macmillan India Ltd.
4. Martin Anthony & Norman Biggs, Mathematics for Economics and Finance, Cambridge University Press, 2000.
5. Alpha.C. Chiang, Mathematics for Economics, TMH, 2000, .

## **ECO 2104 STATISTICS FOR ECONOMIC ANALYSIS**

### Module I

Basic Probability Theory-Discrete Random Variables-Continuous Random Variables-Probability distributions .Sampling Distributions. Inference based on a Single Sample-Test of Hypothesis. Inference Based on Two Samples: Confidence Intervals and Test of Hypothesis (Z,t,F tests)

### Module II

Correlation – Simple, partial and rank correlation Simple Linear Regression- Multiple Regression-Analysis of Variance Residual Analysis. Canonical correlation.

### Module III

Design Experiments and Analyses, Models and Forecasting Introduction to Multivariate Analysis. Design Experiments and Analysis of Variance.

### Module IV

Parametric and Non Parametric Statistics-Single Population Inferences-Comparing Two Populations-Test for a Completely Randomized Design-rank Correlation.

### Module V

Chi-Square Test and Analysis of Contingency Tables  
Decision Analysis.

### Reference

1. McClave James T, P.George Benson and Terry Sincich, 2000, Statistics for Business and Economics, Prentice Hall
2. Murray R Spigel, Probability Theory, Shoum Series, 1990.
3. Lipshutz, Theory Probability , Shaum Secies, 2000.
4. Damodar Gujariti, Econometrics, 2000.
5. Mario.F.Triola, Elementary Statistics, 7<sup>th</sup> Edn., Addison Wieley, 2000
6. Willaim.G.Kochran, Sampling Techniques, Wiley India, 2007.

## **ECO 2105 INDIAN ECONOMY**

### Module I

Features and the structure of Indian Economy-Growth and Structural Change of Indian Economy since independence-The State as an autonomous actor-Role of Government.

### Module II

Poverty and unemployment – concept of poverty – Sen, Dandekar and Rath, Bardhan-changing trends and characteristics of poverty in India. Unemployment NSS estimates of unemployment –Changing trends and magnitude of unemployment-An assessment of poverty alleviation and employment generation programmes.

### Module III

Contribution of agriculture to economic development interrelationship between agriculture and industry-Agricultural performance of Indian since independence-growth, changing cropping pattern. Food problem and policy Review of agriculture policy prior to 1990. New agriculture policy –Issues in subsidy

### Module IV

Industrial performance in India since independence-Industrial policy; prior to 1990. New Industrial Policy Impact of New Industrial Policy.

### Module V

Economic Reforms- An assessment of India's Planned development-Development strategy up to 1980s – The Economic crisis of 1980s-An over view of Macro Economic Management since 1991. Economic Reforms –Foreign trade and policy, balance of payments financial sector reforms-Integration between real and financial sector-Liberalisation and stock market-Infrastructure, role of non banking financial companies, Monetary policy-India as a common market – Role of State.Economic Recession and its Impact on Indian Economy. Trade policies and problems of India – Recent Changes in the direction and composition of Indian trade – Trade Reforms of 1991 – New Trade policy of India – Problems of balance of payments – WTO and India.

### References

1. Kunal Sen and Rejendra R.Vaidya, The process of Financial Liberalisation in India, Oxford University Press, 1997
2. Vinay Joshi and I.M.D. Little, Indian Economic Reforms, 1991-2001, Oxford University Press 1997
3. Isher Judge Ahulwalia and IMD Little, India's Economic Reforms and Development, Oxford University Press, 1978
4. Veeramani.A, Indian Economic Growth, Oxford University Press, 2000
5. Panigraha.A, Indian Economic Growth, Columbia University, 2004.
6. Pushpundagadan & N.Santha, Dynamics of Competition: Indias Manufacturing Sector, Oxford University Press. New Delhi 2009.
7. Government of India, Economic Survey for various years.
8. Prakash.B.A, Indian Economy since 1991, Pearson Education,New Delhi,2009.



## Semester II

### ECO 2201 Micro Economics II

#### Module I

Distribution –Marginal productivity theory – Euler’s theorem and adding up problem. Limitations of marginal productivity theory. Macro theories of distribution – Ricardo, Marx, Kalecki and Kaldor

#### Module II

General equilibrium. Partial and general equilibrium – Walarasian Model – Theory of tatonament

#### Module III

Information Asymmetry. An overview – Efficiency of competitive markets, why markets fail. Externalities and public goods, Tragedy of commons Externalities and property rights, Common property resources. Markets with Asymmetric Information.

#### Module IV

Welfare economics. Criteria of social welfare, Pareto optimality, Kaldor –Hicks compensation criteria, Theory of second Best, arrow’s impossibility theory, Rawl’s theory of justice, Capability approach.

#### Module V

Financial Microeconomics: Interests, Investment and the cost of Capital. Lending and Borrowing Equilibrium, Saving – Investment equilibrium, Investment Decisions. Applications of financial Microeconomics.

#### References

1. Koutsoyiannis, A. (1979), Modern Microeconomics, (2<sup>nd</sup> Edition), Macmillan Press, London.
2. Varian, H. (2000), Microeconomic Analysis, W.W.Norton, New York.
3. Dominick Salvatore, Micro Economics Theory and Applications, OUP,2003
4. Robert S.Pindyck &Daniel L Rubinfeld, Micro Economics, Printice Hall India, New Delhi 2003.
5. Willaim J.Bamoul & Allen.S.Blinder, Micro economics : Principles and Policy, Thomson Southwestern 2007.
6. G.Makiw, Principles of Microeconomics, Thomson Southwestern, 2007.

## **ECO 2202 Macro Economics II**

### Module I

Walrasian and Keynesian Adjustment mechanisms – Walrasian equilibrium – Walrasian and the neoclassical –Keynesian synthesis –post Keynesian economics. Neo Keynesian quantity constrained models. Policy implications.

### Module II

The New Classical Macro economics - The new classical critique of Keynesian micro foundations – The new classical approach, Criticisms, empirical evidence.

### Module III

Inflation. Types- Theories approach to inflation in a closed economy. International monetarism - structuralist theories of inflation - Empirical evidence on the determinants of inflation – The cost and benefits of inflation- policies to reduce inflation.

### Module IV

Economic Policy - Policy analysis when asset stocks adjust – The theory of economic Policy – Macro economic theories and Policies

### Module V

Trade cycle. Phases of trade cycle Classical, Keynesian, Hicks & Samuelson.

### Reference

1. Dornbusch R and F Stanley (2000), Macroeconomics, McGraw Hill, New York
2. Richard T Froyen (7<sup>th</sup> Edition), Macroeconomics: Theories and Policy, Pearson, Education, New Delhi., 2003
3. Levacic, R and A.Rehman ,Macro Economics, ELBS and Macmillan , 2000
4. Branson, W A (2000) Macro Economic Theory and Policy 3<sup>rd</sup> Edn, Harper and row, New York
5. G.Mankiw, Principles of Macroeconomics, Thomson Wouthwestern, 2007.

# ECO 2203 Econometrics

## Module I

Econometric Modeling-Traditional Econometric Methodology-Alternative Econometric Methodology

## Module II

Single Equation Regression Models-Two-Variable Regression Models-Estimation and Inference-Multivariable Analysis-Multivariate Normal Distribution-Multiple Regression Analysis-problems of Estimation: Multicollinearity-Autocorrelation and Heteroscedasticity.

## Module III

Single equation problem –Dummy variables – Errors in variables – Instrument variables

## Module IV

Regression with Lagged Dependent Variables-Distributed Lag Models.

## Module V

Simultaneous Equation Models-Problems of Identification-Methods of Two stage and Three Stage Least Squares.

## References

1. Dougherty Christopher, 1995, Introduction to Econometrics, Oxford University Press, London.
2. Madalla, G.S. 1994, Econometrics, McGraw Hills
3. Damodar Gujariti, Econometrics, 2000.
4. Walter Enders, Applied Econometrics, John Wiley & Sons, 2004.
5. William.H.Greene, Econometric Analysis, Pearson , 2003.
6. Koutsoyiannis.A, Theory of Econometrics, Palgrave, 2004.

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## ECO 2204/Elective

### ECO 2205 International Economics

#### Module I

Pure Theory of International Trade –Theories of Absolute Advantage and comparative Advantage – Opportunity cost approach – specific factor model –specific factors and income distribution – H.O.Model –Factor price equalization theorem –Rybczynski Theorem – Empirical Testing of H.O Theorem –Leontief Paradox – Factor intensity reversal – Theory of immiserising growth – Demand and Supply of Capital - offer curves – Terms of Trade. Intra-industry trade and its impact.

#### Module II

Monopolistic Competition and international trade. Technology differences and trade. Technology differences and trade – trade based on product differentiation – Intra industry trade – limitation gap and product cycle models – Empirical test of intra industry trade.

#### Module III

The case of free trade and protection – Trade restriction –Tariff and non trade barriers – effects of tariff –partial Equilibrium Analysis – Effective Rate of Protection – General Equilibrium Analysis – Small Country and large country cases – Optimum Tariff – Tariff and real reward for factors – Stolper Samuelson Theorem – Metzler paradox, Lerner symmetry theorem.

#### Module IV

Forms of economic integration –FTA. Common market – Economic union, trade creating and trade diverting Customs Unions – Customs union and conditions for increasing welfare – higher forms of economic integration – Economic blocks in practice.

#### Module V

Trade as an engine of growth – Export promotion Vs import substitution strategies – problems facing developing economies – Developing Country borrowing and debt problems – MNCs and direct investment. Globalisation – WTO and World Trade System, Distortions in Trade – International Labour migration – International Banking and global Capital markets – Financial crisis in emerging economies – Lessons from developing countries. Foreign Direct Investment – International Portfolio Investment – International Financial Market instruments – Financial Swaps.

#### References

1. Paul R Krugman & Maurice Obstfeld, International Economics, Theory and Practice,Pearson Education, Singapore2003.
2. Bo Sodersten and Geoffrey Reed, International Economics, Macmillan, London 2003
3. Dominic Salvatore, International Economics, John Wilkey& Sons, New York, 2003
4. Francis Cherunilam, International Economics, TMH, 2000.
5. Sugata Margit, International Trade and Economic Development, Oxford University Press,2008.

## Semester III

### **ECO 2301 DEVELOPMENT ECONOMICS**

#### Module I

Economic Growth – Economic Growth and development – Factors affecting Economic growth: capital labour and technology; growth models – Harrod and Domar, instability of equilibrium: Neo classical growth models – Solow and Meade, Mrs. Joan Robinson's growth model; Cambridge criticism of Neo classical analysis of growth, The Capital Controversy.

#### Module II

Technical Progress – Embodied 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 Passinetti, Endogenous growth; Intellectual Capital; role of learning, education and research.

#### Module III

Development and under development; perpetuation of under development; Poverty- Absolute and Relative; Measuring development and development gap – Per capita income, inequality of income, Human development index and other indices of development and quality of life food security, education, health and nutrition; Human resources development, Population as limits to growth and as ultimate source. Population, Poverty and environment; Economic development and institutions-markets and market failure, state and state failure, issues of good governance.

#### Module IV

Theories of Development – Classical theory of development – contributions of Adam Smith, Ricardo, Malthus and James Mill; Karl Marx and development of Capitalistic economy –theory of social change, surplus value and profit; crisis in capitalism – Schumpeter and capitalistic development; innovation – role of credit, profit and degeneration of capitalism; structural analysis of development; Imperfect market paradigm. Partial theories of growth and Development – vicious circle of poverty, circular causation, unlimited supply of labour, big push, balanced growth, critical minimum effort thesis, low income equilibrium trap, Dualism – Technical, behavioral and Social; Ranis and Fei model. Dixit and Margin model, Kelly et al model; Dependency theory of Development, Structural view of development.

#### Module V

Sectoral aspects of development; Efficiency and Productivity in agriculture, New technology and Sustainable agriculture; Globalisation and agriculture growth; rationale and pattern of industrialization in developing countries; Choice of technology, appropriate technology; Terms of trade between agriculture and industry; Infrastructure and its importance; Factor markets and their working in developing countries.

#### Reference:

1. Adelman, I, Theories of Growth and Development, Stanford University Press, Stanford, 1961.
2. Deb Raj Ray, Economics of Development, Oxford University Press, New Delhi 2001.
3. Thirlwall.A.P., Growth and Development with Special Reference to Development Economics., Palgrave, 2003.
4. Michael .P.Todaro & Stephen C.Smith. Economic Development, 8<sup>th</sup> Edition, 2004.
5. David de La, Croix & Phillippe Michael, A theory of Economy Growth: Dynamics and Policy in Overlapping Generations. Cambridge University Press, 2002.
6. Barro & Xavier Sala –I Martin, Economic Growth, Prentice Hall, 2004

## **ECO 2302 Quantitative Optimisation Techniques**

### Module I

Methodology of Optimisation Techniques – Linear Economics -  
Linear Programming-Simplex Method-Sensitivity Analysis

### Module II

Transportation and Assignment Problems.

### Module III

Integer Programming-Nonlinear Programming Dynamic Programming.

### Module IV

Deterministic Economic Ordering Quantity.

### Module V

Inventory Models-Network Models-PERT/CPM and Markovits chains-elements of  
queuing Theory Element of Simulation.

### Reference:

1. Winston, Wayne L, 1994, Operations Research: Applications and Algorithms, Duxbury Press, California.
2. Hamdy.A, Taha, Operation Research & Introduction, 8<sup>th</sup> Edn. Pearson, 2007,
3. Raveendran, Phillips & Solberg, Operations Research Principles and Practice, Wiley, 2005.
4. Natarajan.A.M., Balasubraniam.P. & Tamil Arasi.A. – Operations Research, Pearson, 2005.
5. Ajay.S.Gaur & Sanjay.S.Gaur – Statistical Methods for Practice and Research, Response Books, 2009.

## **ECO 2303 PUBLIC ECONOMICS**

### Module I

Role of Government in an organized society, allocation, distribution and stabilization functions; changing role of government. Public Goods, Private goods and merit goods; market failure – imperfections, decreasing costs, externalities, public goods; uncertainty and non existence of future markets; Informational asymmetry – Theory of second best.

### Module II

Public choice. Private and public mechanism for allocating resources; Problems for allocating resources; problems for preference revelation and aggregation of preferences; voting system. Arrow's impossibility theorem; An economic theory of democracy.

### Module III

Public Expenditure and Taxation – Wagner's law, Wiseman – Peakcock hypothesis; pure theory of public expenditure; structure and growth of public expenditure, Criteria for public investment; Social cost-benefit analysis – project evaluation, Estimation of costs. Theory of incidence; Alternative concepts of incidence and effects of taxation – allocative and equity aspects of individual taxes; Benefit and ability to pay approaches, taxable capacity; Theory of optimal taxation; Excess burden of taxes. Trade between equity and efficiency, measurement of deadweight losses, the problem of double taxation.

### Module IV

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; debt management and repayment.

### Module V

Fiscal policy. Objectives and functions, interdependence between fiscal and monetary policy; Fiscal policy and stabilization. Budget, functions, components, formulation, zero based budgeting, Balanced budget multiplier. Fiscal federalism, Sources and sharing of revenue. Theory of grants, Resource transfer from Union to states and to local bodies. Finance commissions, functions, objectives and role. Local finance. Decentralisation of local self governments, functions and problems. Trends in Indian public finance, Fiscal reforms.

### References

1. R.A Musgrave & P.BV Musgrave, Public Finance in theory and Practice, TMH, Tokyo, 2002
2. Stiglitz, Joseph E. 2000, Economics of the Public Sector, W.W.Norton & Company, New York
3. Dietmar Wellisch, Theory of Public Finance in a Federal State, Cambridge University Press, 2000.
4. Sudipto Mundle, Public Finance, 2000.
5. Sury.M.M, Finance Commissions of India, New Century, 2005.

### **ECO 2304 Elective**

## ECO 2305 RESEARCH METHODOLOGY

### Module I

Meaning of Research-Types of research-process of research- statement of objectives- research in Social science. Selection and formulation of research problem. Research design.

### Module II

Approach to research problems - inductive and deductive methods- historical and dialectical methods. Scientific method. Hypothesis and testing

### Module III

Data collection, sources of data- primary and secondary – Time series and cross section data – Sample survey – Methods - interview methods-questionnaire methods – Construction of questionnaire. Data Analysis

### Module IV

Scaling: Problems and Techniques

### Module V

Research report writing.

### References

1. William J Goode & Paul K Hatt, Methods in Social Research, McGraw Hill Book Company, 1985.
2. Pauline V. Young, Scientific Social Surveys and Research, Printice Hall India, New Delhi, 1984.
3. C.R. Kothari, Research Methodology Methods and Techniques, Wiley Eastern Limited, New Delhi 2000.
4. William .M.K.Traochim, Research Methods, 2<sup>nd</sup> Edn., Biztantra, 2003.
5. Ellen.R.Griden, Evaluating Research Articles, SAGE, 2001.
6. Bridget Somekth & Cathy Liwin (Ed) Research Methods in Social Sciences, Vistar, 2005.
7. John Adams, Research Methods for Graduate Business & Social Science Students, Response, 2007.



## **Semester IV**

ECO 2401 ELECTIVE

ECO2402 ELECTIVE

ECO2403 ELECTIVE

ECO2404 PROJECT REPORT

ECO2405 VIVA VOCE

## ELECTIVE

### 1. PORTFOLIO MANAGEMENT

#### Module I

Investment objectives, characteristics & policies – Risk return relationship Measures of risk & return – Time value of money – determinants of required return – Financial market instruments – Money and Capital market instruments – Mutual funds – Tax implications on income.

#### Module II

Fixed income securities – Characteristics – Concept of yield – Types and measurement of risk – Valuation methods – Investment management and risk avoidance techniques – use of credit rating information.

#### Module III

Common stock – Characteristics – Estimation of income – Economy, industry. Company analysis – Valuation models – Dividend discount models. P/E Ratio. Capital Asset Pricing Model. Markowitz Model, Sharp Index Model, Arbitrage Pricing Theory.

#### Module IV

Technical Analysis-Charting-Dow theory and wave principles – patterns & indicators – Moving averages – Trends – Efficient market Hypothesis & Anomalies.

#### Module V

Portfolio Management : Construction, Evaluation, Revision.

#### Reference

1. Francis, Jack Clark. Management of Investments, mc Grow Hill International Edition
2. Sharpe, William F. etc. Investments, New Delhi, Prentice Hall of India
3. Bhalla, V.K. Investment Management: Security analysis and Portfolio Management, New Delhi, S. Chand 2004
4. Fisher, Donald E. and Jordan, Ronald J. Security Analysis and Portfolio Management, new Delhi, Prentice hall of India.
5. Prasanna Chandra. Investment Analysis, TMH, New Delhi 2007

## 2. Project Planning and Appraisal

### Module I

Concepts, Scope and Uses of Project Evaluation-Project Evaluation & Project Cycles.

### Module II

Analysis – Market and Demand analysis, Technical analysis – Financial analysis.  
Appraisal Criteria.

### Module III

Analysis of risk: Types, Measures, Emperical Testing

### Module IV

Elements of Cost-Benefits Accounting-Classes of Project Costs and Benefits-Indicators of Cost Benefit Comparison-Traditional Cost-Benefit Analysis  
Valuation of Unmarketable Item-Effects of Induced Prince Changes.

### Module V

The New Methodologies-Value-Added Method-Uncertainty: Sensitivity and Risk  
Analysis-An Integrative Framework of Project Evaluation.

### Reference

1. Sang Mend-Rang, 1999, Project Evaluation: Techniques and Practicals for Developing Countires, Avebury, and Aldershot.
2. Prasanna Chandra, Projects Planning Analysis Implementation & Review, TMH, New Delhi 2007.
3. Doug de Cario, Extreme Project Management, Wiley, 2007
4. Gido & Clemens, Successful Project Management, Thompson, 2003.
5. Anita Rosen, Effective IT Project Management, Prentice Hall, New Delhi, 2008.

### **3. Human Resource Management**

#### Module I

Introduction to Human Resource Management

#### Module II

Human Resource Management and the Labour Market-Human Resource Planning-Job Design.

#### Module III

Recruitment and Selection

#### Module IV

Learning and Development-Training-Management Development (Career Planning)

#### Module V

Employment Relationship and Contractual Regulations-Collective Bargaining-Remuneration and Reward-Employee Involvement-Managing Human Resource in the Public Sector. International Human Resource Management-in-Japan Europe-USA and India

#### Reference

1. Bearwell, Ian and Len Holden, 1997, Human Resource Management: A contemporary Perspectives, pitman Publishing, London.
2. Cynthia de Fisher et al, Human Resource Management, 5<sup>th</sup> Edn., Bizintra, New Delhi 2004.
3. William P.Anthony, Human Resource Management, A Strategic Approach, 4<sup>th</sup> Edn., Southwestern, Australia, 2000.
4. Biswanth Khose, Human Resource Development and Management, Vikas Publishing, 2003.
5. Srinivas.R, Kandula, Strategic Human Resource Development, Prentice Hall of India, 2004.

## **4. MARKETING MANAGEMENT**

### Module I

Nature and scope of marketing, Corporate orientations towards the market place, The Marketing environment and Environment scanning, marketing information system and marketing research.

### Module II

Understanding consumer and Industrial markets, buyer behavior Market segmentation, Targeting and positioning.

### Module III

Product decisions – product mix product life cycle, new product development branding and packaging decisions, Pricing methods and strategies.

### Module IV

Promotion decisions promotion mix, advertising sales promotion, publicity and personal selling; channel management - selection, co-operation and conflict management, vertical, horizontal and multi channel systems.

### Module V

Organising and implementing marketing in the organization Evaluation and control of marketing efforts; New issues in marketing – Globalisation Consumerism, Green marketing, Legal issues.

### Reference

1. Philip Kotler, Kelvin Lane, Keller, Abraham Koshy, et al, Marketing Management, 13<sup>th</sup> Edn., Pearson 2009.
2. Thapan.K.Panda, Marketing Management, Text and Cases, Indian Context, Excell Books, 2007.
3. Czinkota & Kotabe, Marketing Management, Thompson 2007
4. Subash.C.Jaqin, Marketing : Planning & Strategy, 7<sup>th</sup> Edn., Thompson 2007.
5. Keith Blois, Text Book of Marketing, Oxford Univeristy Press, 2008.

## **5. KERALA ECONOMY**

### Module I

Development Experiences of Kerala economy. Growth and structural change, Kerala Model and other hypothesis. Economic reforms and development since 1991. Limits to Growth.

### Module II

Demographic transition in Kerala since 1956. Urbanisation Issues.

### Module III

Agriculture and Industry. Agriculture growth performance, land use pattern, cropping pattern, Productivity trends. Current problems. Structure of Industry, Industrial backwardness.

### Module IV

Unemployment and Poverty. Nature and magnitude – Rural and urban . Educated and female unemployment. Emigration – Nature - factors - Impact –Problems. Nature and magnitude of Poverty – Trends in Poverty during the post liberalisation period.

### Module V

State finance. Structure revenue and expenditure –fiscal crisis – causes and consequences. Growth of local self governments – Peoples Planning.

### Reference

1. Centre for development studies, Poverty Development and Unemployment Policy, Orient Logman, Bombay, 1977.
2. B.A.Prakash, 50 years of Kerala's Development, Performance and Problems, Department of Economics, University of Kerala, 2006.
3. D.Rajesanan & Gerard de Grout, Kerala Economy – Projectories, Chanllenges and Implications, Directorate of Publications and Public Relations, CUSAT, 2005.
4. B.A.Prakash, Kerala's Economic Development : Performance and Problems in the post liberalization period, SAGE, 2004.
5. B.A.Prakash, Keralas Development : Issues in the New Millenium, Serial Publications, 2008.
6. M.Meerabai, Kerala Economy : Slumber to Performance, Serials, 2009.
7. K.Rajan, Kerala Economy, Friends during post liberalization period, Serial, 2009.

## 6. AGRICULTURAL ECONOMICS

### Module I

Nature and scope of agricultural and rural economics, traditional agriculture and its modernisation, role of agriculture in economics development. Interdependence between agriculture and industry, Agricultural development, poverty and environment –White revolution, fishery and poultry development, forestry, horticulture and floriculture.

### Module II

Agriculture production – resource use and efficiency, production function analysis in agriculture –Factor combination and resource substitution. Tools of farm management: Budgeting and Linear programming.

### Module III

Production conditions in Indian agriculture –farm size –productivity relationships – labour absorption and gender issues in agriculture services.

### Module IV

Principles of Land utilisation land distribution – structure and trends – land tenures and farming systems, peasant, capitalist, collective and state farming. Tenancy and crop sharing. Factor Market Interlinkages. Land reforms measures and performance; problems and managerial and small farmers –rural unemployment – Agricultural wages. Sources of rural credit \_NABARD

### Module V

Agriculture marketing and state policy behavior of agricultural prices – Food security and public distribution system. WTO and agriculture: Issues in liberalisation of domestic and international trade in agriculture; Nature and features of agribusiness, Role of MNCs, Globalisation of Indian Economy and problems and prospects of Indian agriculture; Impact of WTO on Indian agriculture.

### Reference

1. Theodore Schultz, Transforming Traditional Agriculture, Yale University Press, New Haven, 1964
2. C.H Hanumantha Rao, Agricultural Growth, Rural Poverty and Environmental Degradation, OUP, New Delhi 2000.
3. Krishna.K.L. and Uma Kapila, Readings in Indian Agriculture and Industry, Academic Foundations, 2009.
4. Y.K. Alagh, An Overview of the State of Indian Farmer : A Millenium Study (Vol.I), Academic Foundations, 2004.
5. Badhuri.A. et al, The Dual Role of Terms of Trade : The Indian Experience Agriculture, Industrial Interaction, University of East Anglia, 2004.
6. G.S.Bhalla, Globalisation and Indian Agriculture, Vol. 19: State of Indian Farmer, A Millenium Study, Academic Foundation, 2004.

## **7. Industrial Economics**

### Module I

Nature and scope – Plant, Industrial structure, Market, Market structure, market power, Market conduct, Market performance – Concept and organisation of a firm – Ownership, control and objectives – Pricing decisions – Investment decisions – Project appraisal – risk and uncertainty – OECD and UNIDO approaches to investment decisions.

### Module II

Location and Regional Development. Industrial location – determinants - Theories of industrial location – Weber and sergeant Florence – Factors affecting location – Regional growth –regional imbalances.

### Module III

Industrial fiancé. Mode of Finance –owned, external and other components funds – Institutional finance – IDBI, IFCI, SFCS,SIDC, Commercial Banks, Share Market, Insurance companies, pension funds, non banking source and FDI – role of foreign capital for direct and portfolio investment

### Module IV

Industrial Labour. Structure of industrial labour – Employment dimensions of Indian industry – Industrial legislation, industrial relations, exit policy and social security –wages and problems of bonus –Labour market reforms – problems – policies and reforms in India.

### Module V

Indian Industrial Growth and Pattern. Classification of Industries – Industrial policy in India – Role of public sector – Public sector reforms - Development of small scale and cottage industries.

### Reference

1. Ahulwalia.I.J, Industrial Growth in India OUP, New Delhi 1985.
2. Barthwal.R, Industrial Economics, Wiley Easter Ltd, New Delhi 1985.
3. Government of India, Economic Survey for various years.
4. Krishna.K.L. and Uma Kapila, Readings in Indian Agriculture and Industry, Academic Foundations, 2009.
5. Rajasenana.D, & Gerard de Groot Eds, Industrial Economy of Kerala : Ndoes and Linkages, Directerate of Publications and Public Relations, CUSAT, 2006.
6. Deepak Nayyar, Industrial Growth and Stagnation, Oxford University Press, 2004,
7. Deepak Nayyar, Trade and Indusgtrilisation, Oxford University Press, 2004.
8. Dileep Mukherjee, Indian Industry, Oxford University Press, 2000.



## **8. Advanced Econometrics**

### Module I

Consumer & Producer Behavior. Derivation of Demand functions and theoretical restrictions and estimation of demand functions – Elasticities – Engel curve. Producer's Behavior – Specification and estimation of Production functions – Cobb-Douglas – Translog and CES Production function – Measurement of partial and total factor productivity. Identification of Demand and Supply Models.

### Module II

Macro Economic Models. Simple Keynesian Model – Estimation and Testing

### Module III

Dummy variable technique – Use of dummy variables, regression with dummy variables. Logit, probit and Tobit models.

### Module IV

Forecasting. Time series models. Smoothing and Extrapolation of Time series – Simple extrapolation models, Smoothing and seasonal adjustment. Properties of stochastic Time series: Introduction to stochastic time series models. Stationary and Non stationary Time series, Linear Time Series Models. Moving average models, ARIMA Models and Specification of ARIMA models.

### Module V

Application of Statistical Packages.

### Reference

1. Kerry Patterson, An Introduction to Applied Econometrics: A time series Approach, Macmillan Press, London 2000.
2. Robert. S.Pindyck & Daniel Rubinfeld, Econometric Models and Economic Forecasts, MacGraw Hill, 1998.
3. K.L Krishna, Econometric Applications in India, OUP, New Delhi 1999.
4. Walter Enders, Applied Econometric Time Series, 2<sup>nd</sup> Edn., Wiley, 2008.
5. Christian Gourieroux, Econometric of Qualitative Dependent Variables, Cambridge University Press, 2000.

## 9.Social Exclusion and Inclusive Policy

### Module I

Social Exclusion Concept, Meaning, Scope; Different forms of exclusion: Economic, Political, social; Sociological foundations of social exclusion; Economics understanding of social exclusion; Structural context of exclusion; The nature and dynamics of exclusion: The forms and dynamics of market discrimination (in land, capital, employment, product, input, and consumer markets) and Non-market discrimination (in the provision of social services and in public institutions and political bodies).

### Module II

Social Exclusion, Poverty and human development Marginalisation and social exclusion; Relation between the concept of social exclusion and other concepts such as deviation, poverty, marginalization, inequality. Delimiting of the concept of social exclusion: Situations of exclusion: intervening factors. The concept of human development; Social exclusion and human development.

### Module III

Social Stratification of Indian society :Social Differentiation – Social Stratification: Theories of social stratification; Functional and Conflict theories – Dimensions of Social Stratification; Class, Caste, Power and Gender. Varna and Jati - Definition, features and functions of Caste system; Changing trends in caste system. Caste and Class; Class in India: Agrarian and Non Agrarian classes, Emergence of middle class-

### Module IV

Other dimensions of social exclusion:Gender and social exclusion, Tribes and social exclusion, Disability and social exclusion, other minorities and social exclusion; Exclusion associated with caste, ethnicity, religion,color, and other forms of group identity; the effects of such forms of discrimination on economic growth and governance; Social exclusion and health: Social determinant approach to health.

### Module V

Combating social exclusion :Remedies against discrimination and deprivation; Strategies for combating social exclusion;. The role social policy; Prevention of atrocities, Act, Forest Bill, Minority Rights Bill; ICTs and Exclusion.

### Reference

- 1) B S Baviskar and George Mathew "Inclusion and exclusion in local governance field studies from rural India, Sage Publication
- 2) Byrne, David "Social exclusion", Routledge Publisehers, 2005 Edition2
- 3) Estivill, Jordi "Concepts and strategies for combating social exclusion: An overview" International Labour Organisation 2005
- 4) Haan, [Arjan de.](#) "Reclaiming Social Policy : Globalization, Social Exclusion and New Poverty Reduction Strategies", Palgrave Macmillan, August 2007
- 5) M.N. Srinivsa : "Indian Social Structure"Hindustan Public Corporation (India) , Delhi
- 6) Marmot, Michael and Wilkinson G Richard (2006) "Social determinents of health" Oxford University Press, Oxford New York.
- 7) Nussbaum, Martha C. (2000) Women and Human Development: The Capabilities Approach (Cambridge University Press, Cambridge).
- 8) Pierson, John. "Tackling social exclusion" Routledge, 2004
- 9) Sen, A. (1998), 'Social Exclusion: A Critical Assessment of the Concept and Its Relevance' Paper presented at the Asian Development Bank.
- 10) Sen, Amartya K "Social exclusion: concept, application, and scrutiny" Critical Quest, 2004.
- 11) Silver, H. and Wilkinson, F. (1995), 'Policies to Combat Social Exclusion, A French-British Comparison', ILS Discussion Papers No.83. Geneva: ILO.Thorat, Sukhadeo. Ed. B. R. Ambedkar perspectives on social exclusion and inclusive policies. --New Delhi: Oxford University Press, 2008`
- 12) Human Development Report of Kerala, Oxford University Press, 2008.

## 10. INTERNATIONAL FINANCE

### Module I

International Monetary System: The gold standard - Brettonwoods conference and afterwards: European monetary systems – Role and functions of IMF- Present International Monetary system – Present Exchange Rate arrangements, optimum currency areas – European Monetary Union – Euro.

### Module II

Anatomy of Balance of payments – Functions of foreign Exchange Markets – Hedging, speculation, interest arbitrage, Exchange rate determination – Purchasing Power parity Theory – Fiscal and flexible Exchange rates – Exchange rate overshooting . BOP disequilibrium – Adjustment mechanism –Automatic mechanism – Price and income adjustments under fixed and flexible Exchange Rate system. Policy measures – devaluation – Revaluation – elasticity approach –J curve effect – Absorption approach – Monetary approach and devaluation.

### Module III

Foreign Exchange Market, Meaning, Features, Participants, Rate of Exchange, Types of Exchange Rates, Spot Market, Forward Market, Market for Currency Features and options. Foreign Exchange Exposure Management: Meaning of Exposure – Types of Exposure – Hedging Operations.

### Module IV

Exchange Rate determination. Purchasing power parity and floating exchange rate. Monetary Models of Exchange rate determination. Portfolio Balance Model. Fixed, flexible and managed exchange rates.

### Module V

Currency derivatives: Futures, Options and Swaps. The growth of derivative markets, the pricing of futures, the pricing of currency options. Distinguishing characteristics of swap market from the forward and futures markets.

### References

1. Paul R Krugman & Maurice Obstfeld, International Economics, Theory and Practice, Pearson Education, Singapore 2003
2. Bo Sodersten and Geoffrey Reed, International Economics, Macmillan, London 2003
3. Govt of India, Economic Survey for various years.  
Keith Pilbeam, International Finance, Mac Millan, 4<sup>th</sup> Edn., 2000.
4. P.K.Jain, Josette Peyrard, Surendra S.Yadav, International Financial Management, Mac Millan, 2007.
5. Thomas.A. Pugel, International Economics, TMH, 2004.

## 11.Environmental Economics

### Module I

Economy and the Environment - the sustainable Economy, Ethics and the Environment - Utilitarianism and Discounting-Ethics and Sustainable development.

### Module II

Welfare Economics-Efficiency and Optimality - The efficient and optimal use of Environmental Resources Extraction costs and Renewable resources-Optimal Resource Extraction: Non-Renewable and Renewable Resources-Forest Resources

### Module III

Market failure and public policy-cost benefit Analysis Accounting for the Environment

### Module IV

Pollution control-Targets and instruments-valuing the Environment-irreversibility, Risk, and uncertainty- Valuing the environment, Theory of environmental valuation, Dimension of valuation, techniques of valuation

### Module V

International Environmental problems

### Reference

1. Perman, Roger, Yue Ma, James, McGilvray and Michael Common, 2000, Natural Resource and Environmental Economics, Longman
2. Buchholz, Rogene A., 2000, Principles of Environmental Management: The Greening of Business (Chapter 12 and 13), Prentice Hall.
3. Tom Tietenberg, Environment and Natural Resources Economics, Pearson Education, 2005, New Delhi.
4. Katar Singh & Anil Shishodia, Environmental Economics, Sage Publishers, New Delhi, 2007
5. U.Sankar, Environmental Economics, Oxford University Press, New Delhi 2000.

## **12. Financial Institutions and Markets**

### Module I

Nature and Role of Financial System – Structure, financial system and Economic Development, Theories of the Impact of Financial Development, Financial sector and Economic Development, Criteria to evaluate financial system.

### Module II

Overview of Indian financial system- Indicators of financial Development, Structure of financial Institutions, Financial sector reforms. Regulatory and Promotional Institutions – RBI and SEBI, NABARD, IRDA- Role of Commercial Bank during post liberalization period, Growth of New Generation Banks – Banking Sector Reforms.

### Module III

Non-Banking Financial Intermediaries – Insurance Companies, Mutual funds, Miscellaneous Non-Banking financial intermediaries – Structure and Growth – Hire Purchase, Lease Finance, Housing finance, Venture Capital, Credit rating agencies, Depository and Custodial Services.

### Module IV

Markets – Call Money Market, treasury Bills Market, Commercial Bills Market, Industrial Securities Market. Markets for Futures, Options and other financial derivatives.

### Module V

Security markets in India – Money and capital market in India – New Issue market – Methods of Issue – Secondary market – Stock exchange – Role & Functions – Listing – Trading procedures and settlement – Regulatory and supplementary organizations and regulatory measures.

### References

1. L.M.Bhole, Financial Institutions and Markets, TMH, New Delhi,2007
2. Prasanna Chandra, Managing Investment, TMH, New Delhi, 2007
3. Sriram Khanna, Financial Markets in India & Protection of Investors, New Century Publications, 2004.
4. Mark Grinblatt & Sheridan Titman, Financial Markets and Corporate Strategy, TMH, 2003.
5. Frank .J.Fabozzi et al Foundations of Financial Markets and Institutions, Pearson, 2002

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