

I M.A ECONOMICS
M.A (Previous) Compulsory Subjects

Compulsory Paper I Micro Economic Theory

Module I: Economic Assumptions, Operational Economics, Methods of Analysis-Statics, Comparative Statics and Dynamics-Distinction between Micro and Macro, Equilibrium-Different kinds of Equilibrium.

Module II: Theory of Demand : Cardinal and Ordinal approaches to the theory of consumption-The Slutsky's Theorem-Ordinary and Compensated demand functions-The Revealed Preference and Neuman-Margenstern theory Utility Index-A Pragmatic approach to demand analysis add Linear expenditure systems.

Module III: Theory of Production Non-homogeneous and homogeneous functions. The Law of returns to scale and homogeneous production properties of Cobb-Douglas and CES Production functions-Elasticity of substitution and Factoral Shares. The Equilibrium of the Firm Output Maximization, Profit Maximization, and Cost minimization, Deviation of cost functions from production functions Equilibrium conditions in terms of cost curves under perfect competition. The Production function of a multi-product firm-The Production possibility curves.

Module IV: Market Structures : Perfect competition-Market equilibrium Long run equilibrium of an industry Walrasian and Marshallian static stability conditions-Cob, Web model and Dynamic stability Theory of imperfect competition : Equilibrium price and output determination under monopoly. Duopoly: Cournot, Collusion and stackel – berg solutions to the Duopoly problems-Monopolistic Competition: The concept of product differentiation-The concepts of industry and group equilibrium-Market share and Kinked demand curve solutions to the oligopoly model Extensions : Boumol's Sales maximation hypothesis-Static and Dynamic models-Maximum rate of growth and profits hypothesis of Harris-The Managerial discretion model of William-son-The behavioral model of cyert and March-The concept of workable competition.

Module V: Theories of Pricing : The basic assumptions and their implications of the classical and neoclassical theories of pricing-The Hall and Hitch report and the "Full cost" pricing principle-Price determination-The mark up rule-Predictions and critique of average cost pricing-Bain limit pricing-theory recent developments in the theory of limit pricing Models of Syles-Labini and France Modigliani-Baumol's theory of contestable

markets-Price-discrimination and its effects-Public sector pricing-Marginal cost pricing and problems of its applicability to public utilities.

Module VI: Theory of Distribution : Pricing of Production Classical and modern theories – The adding up controversy-Euler's theorem-Distribution in per capita terms-Effects of technical progress on factor shares Macro Economic Theories of distribution : Ricardian, Marxian and Keynesian-'Degree of monopoly theory of Kalecki-Neo-Keynesian-model of Kaldor-The modified model of Pissinatti-The widow's curse model of Joan Robinson and Kelecki-Functional and personal inequalities, in income distribution.

Module VII: General Equilibrium Analysis : The meaning of General equilibrium-Walras Law-Existence, uniqueness and stability of equilibrium-Hicksian perfect and imperfect stability conditions. A Geographical treatment of two person two commodity price exchange models Discussion of simple two factor commodity two person general equilibrium system.

Module VIII: Welfare Economics : Criteria for social welfare-Basic theorems of old and new welfare economics-Pareto Optimality and perfect competition-Welfare optimum under compensation rule. The concept of social welfare functions – Arrows impossibility theorem.

Module IX: The Economics of Uncertainty : Introduction and Overview Expected utility and certainty equivalence-Measures of risk aversion-Sensitivity analysis. The economics of search model-Variations of the basic model – Adaptive search-Alternative to the expected utility hypothesis –The competitive industry under uncertainty-The efficient market hypothesis-Stochastic models of inventory demand-Markets with incomplete information.

Reference

Backhouse R : A History of Modern Economic Analysis
Baumol W.J : Economic Theory and Operations Analysis
Friedman : Essays in Positive Economics
Koutsyoannis – Modern Microeconomics
Deaton and Muellbauer : Economics and Consumer Behaviour
Da Costa G.C: Production, Prices and Distribution.
Ferugson C.E : Microeconomic Theory
Jones H.G : An Introduction to the Modern Theories of Economic Growth
Stigler G : The Theory of Price
Archibald G. C : Theory of the Firm
Kamerschen D.R : Readings in Microeconomics

Kogiku K.C : Microeconomics models
American Economic Association : Readings in Price Theory
Bain J : Barriers to New Competition
Townsend H : Price Theory
American Economic Association : Readings in the Theory of Income Distribution
Dobo M : Theories of value and Distribution Since Adam Smith
Arrow K.J and H. Hahn : General Competitive Analysis
Debreu J : The Theory of Value
Hausen B : A Survey of General Equilibrium Theory
American Economic Association : Readings in Welfare Economics
Bruce N. and R. Broadway : Welfare Economics
Mishan E.J : Welfare Economics : An Assessment
Quick J. and R. Saposnick : Introduction of General Equilibrium and Welfare Economics
Arrow K.J : Essays in the Theory of Risk-Bearing
Borch K.H : The Economics of Uncertainty

Compulsory- Paper-II

QUANTITATIVE ECONOMICS

Module I: Mathematical Methods : Sets, relations and functions-Limits and continuity functions and diagrams in economic theory-Derivative and its interpretation-economic applications maxima and minima.

Module II: Lag arithmetic derivation and evaluation of elasticities-Partial derivatives and their economic applications-homogeneous functions and Euler's theorem-Concept of integration application in the analysis of consumer surplus.

Module III: Constrained optimization : concept and simple economic applications-Introduction to matrix algebra and determinants: Applications in basic static input-output analysis introduction to linear programming.

Module IV: Statistical Methods : Methods of collection and presentation of data-Analysis of univariate data: Measures of dispersion-range, variance, standard deviation and coefficient of variation-concept of skewness.

Module V: Analysis of bivariate data: Correlation and regression for grouped data-method of least squares with one independent variable. Lorenz curve, Gini Coefficient.

Module VI: Nature and sources of macro-economic data in India : national income, price level and money supply-Population census and National Sample Survey.

Module VII: Index Numbers : concept-Laspeyres, Paasche and fixed weight formula-Time series analysis: components of time series-determination of trend calculation of growth rates.

Module VIII: Elementary probability theory-concept of random variable-binomial and normal probability distributions-Marginal, conditional and Joint Probability distributions. Concept of independence.

Module IX: Expected value, covariance, and correlation Partial Correlation, Multiple Correlation. Concept of sampling distribution and uses-standard error-Multiple regression with two independent variables: concept-calculation and interpretation of regression coefficients.

Reference :

1. Allen, R.G.D (1974), Mathematical Analysis for Economists, Macmillan Press, London.
2. Archibald, G. and Lipsey, R.G (1973), Introduction to a Mathematical Treatment of Economic Theory, 2e, Weidenfeld and Nicolson, London.
3. Baumol, W.J (1965), Economic Theory and Operations Analysis, 2e, Prentice Hall, Englewood Cliffs, New Jersey.
4. Chiang, A.C (1986), Fundamental Methods of Mathematical Economics, 3d, McGraw Hill, New York.
5. Yamane, T. (1968), Mathematics for Economists, 2e, Prentice Hall, Englewood Cliffs, New Jersey.
6. Crixibm F.E. Crowden, D.J. & Kleings, S. (1973). Applied General Statics, 3e, Prentice Hall of India, New Delhi.
7. Fox, K.A. (1972), Intermediate Economic Statistics, Wiley Eastern Pvt. Ltd., New Delhi.
8. Kenny, R. and Keeping, L. (1954), Mathematics of Statistics, Vol. 1, 3e, D. Van Nostrand and Co., Princeton.
9. Nagar, A. L. and Das, R.K. (1976), Basic Statistics' Oxford University Press, Bombay.
10. Theil, H. (1981), Introduction to Econometrics, Prentice Hall of India, New Delhi.

Compulsory Paper-III

PUBLIC ECONOMICS

Module Public Economics Nature and Scope

- A. What is Public Economics- Its relationship with : Economic Theory : Monetary Economics, Welfare Economics and Development Economics.
- B. Role of Government
 - i. Economic Justification for Government-Market failure (Externality, decreasing cost and public goods).
 - ii. Classical approach, Neo-classical approach, Keynesians approach, Post-Keynesian approach.
 - iii. Government in a mixed economy-public and private sector : Cooperation or competition?
- C. A. Multiple Theory of Public Household
 - 1. Theories of Public Economy and criteria and public goals of fiscal policy.
 - i. Allocation, ii. Distribution, and iii. Stability: price stability, employment stability and output stability.
- D. Public Goods and Services
 - Public goods-the range of collective goods-pro-vision of public goods Pigou Lindah samuelson and Timeout Models.
- E. Public Choice
 - Public choice and voting. Arrows criteria for a rational voting system.
 - Normative and positive approaches (Musgravian and Buchanan models) to public choice Group interest and group alliance. Public choice approach to bureaucracy. Directly unproductive profit-seeking (DUO activities).

Module 2: Government Budget

- A. Concept of Budget.
- B. Types and classification of budget
 - 1. Functional budget
 - 2. Performance budget
 - 3. Zero-base budget
 - 4. Budget classification-Revenue, capital economic, functional.

C. Balanced and unbalanced Budget

1. Balanced budget. Balanced budget multiplier
2. ii) Financing deficit budget

Module 3 Taxation

A. Taxation

Types of taxes-Direct, indirect-taxes an income and wealth taxes on goods and services.

- B. i) Theories of taxation-cans of taxation progressive proportional and regressive taxation-sacrifice theories-ability to pay and benefit theories. Theories of incidence, alternative concepts. A locative and equity aspects of taxes. Trade off between equity and efficiency theory and measurement of dead weight losses. Ramsay theorem Optimal taxation. Laffer Curve.
- ii) Meaning and measures of taxable capacity, tax effort, tax elasticity and buoyancy).

Module 4: Public Debt

Economic theories of public debt Classical, compensatory-functional aspects of public debt. Burden of public debt-internal and external.

Module 5: Public Enterprises

Role of public enterprises in a mixed economy-Growth of public Enterprises in India (Share in national income, savings and capital formation).

Module 6: Pub, lic Expenditure

- A. Theories of public Expenditure : Wagner's Law Displacement effect-circular and two-way causation theories.
- B. Classification of public expenditure.
- C. Criteria for public investment-social cost-benefit analysis-project appraisal, benefit estimation and evaluation-estimation of project costs-selection at discount rate.
- D. Economy Vs efficiency in expenditure programme.

Module 7: Fiscal Policy

Link between fiscal and monetary operations-Budgetary deficit and its measurement-fiscal policy for stabilization-automatic vs discretionary stabilization.

Module 8: Fiscal Federalism

- A. Federalism : Concept, type and nature
- B. Distribution of resources and responsibilities. Vertical and horizontal fiscal imbalances-meaning. Nature and extent.
- C. Federal Fiscal Transfer Methods
 - 1. Grant-in aid : General and specific. Conditional, Unconditional (Block) : Matching and non-matching : Open ended and closed ended.
 - 2. Loans : Tied and open : Short-term-loans

Module 9: Indian Federal Fiscal System

- a) Evolution of federalism-nature and uniqueness
- b) Vertical fiscal imbalance
- c) Horizontal fiscal imbalance
- d) Federal fiscal transfers
- e) Finance Commission-fiscal transfer schemes of various Finance Commissions-criteria for fiscal transfers, gap filling approach, normative approach. Planning commission-a) Plan Grants, b) Plan Loans, c) Centrally aided and sponsored schemes.

Module 10: Indian Public Finance

- 1. Major taxes in India personal income taxation, capital gains taxation. Corporate income – Tax treatment of depreciation and other expenses. Shifting and incidence of corporate income tax and taxation of agricultural income tax and land revenue MODVAT, sales tax, excise duties.
- 2. Growth pattern and composition of public expenditure in India. Effects of public expenditure on growth distribution and stability in India.
- 3. Deficit financing in India.
- 4. Public debt burden in India.

Module 11: Local Finance

Theories of local finance. Finances of municipalities district boards in India.

Paper – IV (Electives)

(d) Agricultural Economics and Rural Development

Module I : Agriculture in a Growing Economy

Agriculture in a growing economy-changing importance of agriculture-Subsistence (traditional) agriculture and its modernization – Interdependence between agriculture and industry : Some empirical evidence – Institutional changes and technological change-Farming systems – Traditional, subsistence, commercial, co-operative, collective, state farming.

Module II The Economics of Agricultural Production

Production functions in agriculture – Resource use efficiency Farm Size and productivity relationship in Indian agriculture – Farm budgeting concept of cost – supply of individual crops and aggregate supply-Price relationship-Technical change and labour absorption.

Module III Agricultural Factor-Markets

Production factors –Characteristics of factor markets –interlinkages between land, labour produce and capital markets in traditional and developing agriculture-Tenancy and crop sharing Mobility of labour and segmentation in labour markets –Extent of employment and unemployment-Conceptual and data biases in labour statistics.

Module IV Agricultural capital credit

Role of capital and agriculture credit-organized and unorganized capital market-Characterization of Indian agriculture-Mode of production debate-Agrarian structure-Rural class analysis Uncertainty and crop insurance – Agricultural markets and marketing efficiency.

Module V Determination and Behavior of Agricultural Prices

Agricultural growth in Indian-Inter-regional variations in growth of output and productivity-Agricultural growth in the state Cropping pattern changes in India-Institutional changes – land reform, credit structure, marketing, etc., Supply of inputs-irrigation, power, seed and fertilizer-pricing of inputs-problem of mobilization of resources from agriculture.

Module VI Rural Development

Nature and Scope of Rural Development-History of Rural Development in India Pre-Independence Experiments and lessons-Post Independence Developments-Community development and Panchayati Raj experiments, Green Revolution phase – Rural Poverty

– Poverty alleviation programmes and their implementation-Gandhian thought on rural development-Role of voluntary agencies.

Module VII

Rural Industrialisation-Concept and its importance in rural development-Gandhi an approach to rural industrialization-Role of Khadi and village industries-Rural Industrial Estate and the concept of village production centers.

References

Dasgupta, The New Agricultural Technology in India.
Harris. Rural Development : Theories of Peasant Economy and agrarian Change.
Hayami, Agricultural Development : An International Perspective, Schultz. Transferring Traditional Agriculture,
Southworth N and A Johnston, Agricultural Development and Economic Growth.
Bharadwaj, K. Production Conditions in Indian
Production Function.
Rao. C.H Hanumantha, Agricultural Production Function, Costs and Returns in India.
Rudra A. Indian Agricultural Economics : Myths and Realities.
Bardhan.P.Land. Labour and Rural Poverty, Parthasarathy, G. "Agricultural Growth, Rural Development and Poverty, Basu, K.Less Developed Economy : A Critique of Contemporary Theory.
Bhaduri, A. The Economic Structure of Backward Agriculture, Thorner, D. Land and Labour in India, Cochrane, W. Farm Prices-Myth and Reality, Eicher, C. and L. Witt, Agriculture in Economic Development, Mitra, A. Terms of Trade and Class Relations.
Subbarao, K. and de Janvry Agricultural Price Policy and Income Distribution in India,
Bhalla, G.S. and Y.K. A Study of the Performance of Indian Agriculture A district wise study,
Dantwala, M.L. Agricultural.

Paper (Electives) : (a) Money and Banking

Module I : Basic Concepts : Money and the payment system-Functions of money-Kinds of money-Measure of money supply-Inside money and the outside money. The Neutrality of Money- Money and Uncertainty-Money in Equilibrium and Economic Balance.

Module II: Banks, Non-Banks and the Capital Market Credit and the Financial system-Kinds of Credit-Financial Markets : Money markets and Capital markets Commercial Banks-Changing Theories commercial Banking-Concept of Credit-creation-Co-operative Banks and their structure-Development Banks-Non-Bank Financial Intermediaries (NBFI) – Unregulated Credit markets and credit agencies.

Module III: The Theory of Money supply : The 'H' Theory of money supply – The money multiplier process Determinants of the money-multiplier-Commercial Banks and the money multiplier-Factors affecting H! –RBI's analysis of money supply- Control of the Money stock and Interest rates.

Module IV: Instruments of Monetary Control :General Instruments – Government's instrument of control: Deficit financing-RBI's instrument of control : Open market operations – Role of the Bank rate-Variable Reserve Requirements – General versus selective credit controls – The Statutory Liquidity Ratio (SLR) – The Credit Authorization scheme- Credit planning-The Techniques of implementation.

Module V: Principle of Monetary Policy : Monetary Policy Frame-work, Objectives and Characteristics Goals, Targets and Indicators of Monetary Policy – Transmission mechanism of monetary policy- Restrictive VS. Accommodating monetary policy – Guide for monetary management Problem of Debt management-Discriminatory Effects of Monetary policy-Lags in Monetary policy Current issues in monetary policy.

Module VI: Growth, Stability and Equilibrium : The Policy mix and the Growth objective – Growth without inflation – Monetary stability with/flexible monetary policy – Money and the Business Cycle-The policy mix and international equilibrium – Appropriate monetary/ Fiscal policies for External stability,

Reference

Davidson P. Money and the Real world

Goodhart C. Money, information and Uncertainty

Gupta S.B Monetary Economics

Harris L. Monetary Theory

Friendman Studies in the quantity Theory of Money

Laidle D. Demand for Money

Chandler L.V and S.M Goldfeld: Economics of Money and Banking

Mitra S: Money and Banking

Sayers R.S : Modern Banking

Chandler L.V : Central Banking and Economic Development

Radcliffe Committee : Report of the committee on the working of the monetary system

Dornbusch R. and S. Fischer : Macroeconomics

Gobson W. and G. Kaufman : Monetary Economics: Readings on current issues

Reserve Bank of India : Money Supply : Concepts, compilation and Analysis

Chick V : The Theory of Monetary Policy

Culbertson J. M: Macroeconomic Theory and Stabilization Policy

Surrey M.C.J Macroeconomics.

