

M.A. (Final) Economics-Compulsory Paper

Paper VI: Macro - Economics

1. Macroeconomy Equilibrium:

The classical model of full employment equilibrium its various equilibrating mechanisms : the Keynes model of underemployment equilibrium; the price Vs quantity adjustment-Clower and Leigohusved contribution; the wage cut and employment controversy.

2. Post-Keynesian Economics

Keynesian economics and economics of Keynes; Philips curve controversy; the grand synthesis; Friedman's natural rate of unemployment hypothesis; rational expectations; demand-side Vs Supply side economics; the theories of consumption function, investment function and the multipliers the post Keynesian trade cycle theories.

3. Theory of Money and prices

The traditional quantity theory –Fisher's equation and Cambridge equation; Keynesian theory; Modern quantity theory; Friedman's approach; the concept of constancy of velocity; the concept of real balance effect- Patinkin's integration of monetary theory and value theory.

4. Money Supply and its Control

Theory of money supply; commercial banks and money multiplier; central bank's instruments of money (credit) control-quantitative and qualitative ; monetary policy for growth and price stability.

5. Theory of International Trade

Classical theory –Absolute cost advantage and comparative cost advantage; neoclassical theory- opportunity cost and comparative cost advantage; modern theory; Hecksher-phlin theorem and Leontief paradox; trade off curves and terms of trade; trade theory and under developed economics.

6. Theory of Commercial Policy

Free trade Vs Protection; Trade restrictions-trade taxes, multiple exchange and quantities restrictions; effects of tariffs- Stroller-Samuelson theorem, effects on welfare; theory of customs union- Common markets.

7. International Payments System

Theories of balance of payments adjustments-classical, Keynesian and monetarist; theory of exchange rate determination the purchasing power parity theory; fixed Vs flexible exchange rates; the problem of international liquidating-international Monetary Fund and Special Drawing Rights; the problem of international debt trap.

References

1. Dornbush and Fishcher: Macro-Economics.
2. Leijonhufvud, Economics of Keynes and Keynesian Economics.
3. G.K.Shaw, Maoro Economic Policy.
4. Bell and Kristol, The crisis in Economic Theory.
5. Lucas and Sargent (Eds), Rational Expectations and Econometric Practice.
6. H Visser, The Quantity of Money.
7. S.B.Gupta, Monetary Economics.
8. Friedman(Ed), Studies in the Quantity theory of Money.
9. C.P Kindleberger, International Economics.
10. W.M Cordon, Recent Development in the Theory of International Trade.
11. H.G.Johnson, Money Trade and Economic Growth.
12. R.G.Lipsey, The Theory of Customs Union.
13. G.M. Meir, Problems of a world Monetary order.
14. W M Corden, Trade Policy and Economic Welfare.
15. M.C.Kempt, The Pure theory of International Trade.

Paper VII: Development Economics

1. Nature of the development problem- the meaning of economic development-distinction between economic growth and economic development, under developed and developing economics.
2. The characteristics of the less developed economics and the characteristics of the process of development.
3. Trends in international gap-the growing international gap.
4. Factors in economic development-economic and non-economic factors.
5. The Marxist model-smith and Ricardo.
6. The Marxist model-Marxist analysis of capitalist development and decay.
7. Schumpeter's model.
8. Harrod-Domar Model- Relevance of the model to under developed economic.
9. Mrs. Robinson's Model of Growth.
10. Growth models of Solow and Caldor.
11. Hansen's theory of secular stagnation.
12. Historical theories of growth-Rostow's theory of stages.
13. Problems of dualism-Sociological dualism and techno-logical dualism.
14. Balanced and unbalanced growth theories- A critical evaluation of these theories with reference to developing economics.
15. The relative importance of agriculture and industry in economic development.
16. Role of capital- capital output ration –Big push argument and the critical minimum effort thesis-mobilization of domestic resource for development; Role of taxation Public borrowing and deficit

- financing in resource mobilization Inflation and economic development, The structuralist Vs Monetarist controversy- Mobilization of external resources for development controversy- Mobilization of external resources for development-problems of foreign aid foreign private investment.
17. Foreign trade and economic development- Benefits of trade –trade Vs autarchy –export policy –import substitution.
 18. The problem of resource allocation A critical examination of the different criteria of investment.
 19. Choice of technology-capital intensive Vs labour intensive technology –intermediate technology.
 20. Human resources development population and economic development population and economic development, Malthusian conditions and underdeveloped countries- the problem of disguised unemployment and utilization of surplus labour the problem of qualitative improvement of population and manpower planning the role of education assessing the costs and benefits of education.

Book for Study:

1. Benjamin Higgins: Economics Development : Principles and Problems and Policies.
2. Everett,E. Hagen : The Economic of Development.
3. Meier and Baldwin : Economic Development, Theory, History &Policy.
4. Jagdish N. Bhagavathi: The Economics of Underdevelopoed Countries.
5. Agarwal A. N. and Singh, S. P. : The Economics of underdevelopment.
6. Meier, G. M.: Leading Issues in development Economics.
7. Cairncorss, A.K.K Factors in Economic Development.
8. Hirschman, A.O.: The Strategy of Economic Development.
9. Lelpensein, H . Econoic Growth and Economic Backwardness.
10. Lewis, W.A.: The Theory of Economic Growth.
11. Myrdal: Economic Theory and the Under Developed Countries.
12. Kuznets: Economic Growth and Structure.
13. Kuzents: Modern Economic Growth.
14. Richard, T. Gill Economics Development : Past and Present.
15. Hoselitx, B. F.:Theories of Economic Growth.

PAPER VII: INDIAN ECONOMICS

1. Data Base of Indian Economy.:

Sources of Statistics-Population Census, CSO and National Accounts Statistics-Population Census, CSO and National Accounts Statistics, NSS Land Use Statistics, Crop Cutting Experiments, Estimates of Cost of Cultivation, Fertilizer Statistics, forest Statistics Annual Survey of Industries Stock Exchange Directory, Wage Statistics, Index Number of Prices and Production and other data- concepts used and Methods of data collection strength and limitations of data.

2. Income, Employment and Growth in Indian Economy:

Concepts and determination of national income and growth-sect oral performance-capital formation and savings rates-capital output rations, their

trends and implication nature of employment, unemployment, underemployment, and their magnitude-trends in wage rates and wage differentials-concept, measurement and growth of productivity problems of informal sector.

3. Poverty and income distribution in India:

Concept and Measurement of Poverty trends poverty alleviation programme and their performance measurement and trends in income distribution determinants of poverty and income distribution quality of life and indicators food security India's position in comparative international perspective.

4. Sectoral Economy of India:

Agrarian Structure and production conditions-Land reforms-farmers Movements nature of big business and control of monopoly trade union movements environment movements consumer movement.

5. Money interest price level and relative price in India:

Factors determining the demand for and supply of money relationship between monetary and real factors money, liquidity and finance-factors determining the interest rate-relation between short-run and long run rates real and nominal rates portfolio analysis-factors determining the price level causes and consequences of inflation the various approaches there of the fixation and behavior of relative prices inter relations among the leading categories.

6. Foreign Exchange, Balance of payments in India and International Economic Policy:

Determination of Exchange rates the demand for and the supply of foreign exchange –exchange rate policy of India Theory of commercial policy factors determining the balance of payments components of current account and capital account international economic policy of India and the effects of international economic policy of India and the effects of international development on the Indian economy trade and exchange gap.

7. Public Economics:

The Indian tax system incidence of taxation on various sections of the society analysis of the union budget public expenditure public debt public investment and pricing centre state financial relations.

8. Development process, planning strategies and economic policy.

Lessons of India's Development experience alternative planning and development strategies: Export promotion Vs import substitutions Heavy industry Vs the wages goods approach economic policy goals constraints and instruments model components : monetary and fiscal policy industry policy administered prices physical and fiscal policy industry policy administered prices physical and fiscal controls parallel economy and its implications effectiveness of policies of liberalization nationalization and privatisation long term perspective on Indian economy.

Suggested Readings

(A part from the books recommended below emphasis has to be on going through current literature and journals like Economic & Political Weekly,

Indian Journal of Agricultural Economics, Indian Economic Review, Monthly Review of the Indian Economic Review, of the Indian Economy released by center for Monitoring Indian Economic Times etc.)

Raza, Moonis and others- Sources of Economic and Social Statistics of India, Eureka Publications, New Delhi, 1978

Seminar on Data Base of Indian Economy, Statistical Publications Society, Calcutta, 1976

India, Government of List of Indian Official Statistical Publications, Planning Commission, Statistics and Survey Division, 1985.

I S Gulati (ed) Centre State Budgetary Transfers, UUP, Delhi Nadkarni, M. V. Seetharamu A S and Aziz, Abdul (Eds) India The Emerging Challenges Sage Publication, India, New Delhi, 1991

Nadkarni M. V. Farmers Movements in India, Allied Publishers New Delhi, 1987.

Rao, V.K.R.V. (Ed) Planning in Perspective Policy Choices in Planning for Karnataka Allied Publications New Delhi, 1978

Sundrum, R M Growth and Income Distribution in India: Policy and Performance Since independence, Sage, New Delhi, 1987

Choudhury R A: Gamkhar, Sharma: and Ghose, Aurobindo (Eds) The Indian Economy and Its Performance Since Independence, OUP, Delhi. 1990.

A C Joshi: Law Reforms in India Allied New Delhi, 1975.

K S Krishnaswamy (ed) Poverty and Income Distribution OUP Delhi, 1990

Dantwala, M L : Poverty in India Then and Now 1970 1987 Macmillan, Delhi, 1973.

Dandekar, V M and N Rath (1971), Poverty in India, Indian School of Political Economy, Bombay.

Datta, Badhatosh (1977), The Contents of Economic Growth and other Essays, Research Indian Publications, Calcutta

Andre Befeille Studies in Agrarian Social Structure OUP New Delhi. 1974.

Ghatak, S (1978) Development Economics,

Rao V K R V India's National income:

Chakravarty, C Report of the Reserve Bank of India Committee to Review the Working of the Monetary System,

Little, IMDT Industry and Trade in Some Developing Countries : A Comparative Study.

Chelliah Retak Trends and Issues In Indian

Nanjundappa, D. M. Inter Governmental Financial Relations in India Ahuwalia I J Industrial Growth in India,

Amiya Kumar Bagchi (ed) Economy Society and Polity Essays in the Political Economy of Indian Planning,

M L Sastry & G K Reddy Centre State Financial Relations G
Parthasarathy Agricultural Growth, Rural Development and Poverty

P C Bansi Agricultural Statistics in India,
Aziz, Abdul & V M Rao Poverty Alleviation in India- Programmes and
Action,

K. Venkatagiri Gowda Fiscal Revolution in India : A Macro Economic
Analysis of long Term Fiscal Policy , Indus Publishing Co, D. T. Nanje
Gowda Public Expenditure under planning, Indus

Paper VI: International Economics

Module I: Pure theory of International Trade (Compulsory)

1. Classical Theory : Absolute cost advantage and comparative cost advantage-Neo-Classical theory. Advantage production possibilities frontier Heckscher, Opportunity Cost and Comparative-Ohlin theorem : factor Endowments theory-factor. Intensity and factor abundance-factor intensity reversal Linder's Demand oat earn hypothesis Leontief paradox-factor price equalization theorem.

Demand aspects : Theory of reciprocal demand offer curve technique terms of trade-different concepts of terms of trade-secular deterioration hypothetic-community indifference curve and their application to international trade.

Module II: Commercial policy

Free trade versus protection-Infant industry argument protection in the context of developing economics : Young economy argument-Effects of tariffs-parting effects and effects on income distribution-stolper-Sameuision theorem-optimum tariff-nominal and effective tariff quotas : types of quotas and effects of quotas-State trading-Commodity agreements-GAITUNITAD and trade policies of less developed countries-Regional trade group-theory of custom union-basic theory and its relevance to developing countries-EEC : A. Review of its progress-Regional economic co-operation with particular reference to SAARC.

Module III : Trade and Economic Development: Foreign trade multiplier-Theory of comparative coast in the context of growth and under-development-Rybozysks : Theorem-Technical progress, terms of trade and social welfare : Immiserising growth-Domestic distortions and Welfare-Role

of foreign capital in economic development-issue in foreign direct-investment Multi National Corporation.

Module IV: Foreign Exchange and Capital Movements Exchange rate determination-the purchasing power parity theory-fixed and flexible exchange rate system-Exchange Control-Multiple exchange rates-Capital movement : the transfer problem Euro-Dollar Market.

Module V: Aspects of Balance of Payment Balance of payment accounting-Source of disturbance to balance of payments equilibrium-Methods of correcting Monetary, cyclical structural and secular type of disequilibrium balance of payments adjustment : Elasticities approach and income absorption approach the problem of simultaneous internal and external balance.

Module VI: International Monetary System

In I.M.F and International Monetary System: Origin of the Bretton Woods System: International liquidity : IMF facilities and International liquidity-SDSRs and International liquidity-IMF and the Exchange Rate System: Par value system-Collapse of par value system collapse of Par Value system – Floating Exchange Rate System Working of the floating exchange rate system.

Reference

American Economic Association (1970) readings in the Theory of International Trade George Allen and Unwin, London.

American Economic Association (1968) Readings in International Economics, George Allen and Unwin London.

Haberier G (1935) the Theory of International trade William Hodge Company, London,

Kindlebergol (1976) International Economic R.D. Erwin, Homewood.

Sodersten .B (1980) International Economic Macmillon London.

Corden W.H. (1955) Recent Development in the Theory of International Trade Princeton Unviersity Press, Princeton

Chehliadeo M. (1978) International Trade Theory and Policy MC Graw-Hill Kogkusho, Tokyo.

Clament M.O.R Pister and K. Rothwell (1967) Theoretical issues in International Economics Constable Publication, London.

Ronald W.J. (1979) International Trade : Essays in Theory, North Holland, Amsteridam.

Bhagawati J. (1968) Theory and practice of Commercial Policy Princeton University Press, Princeton.

Bhagawati J (1969) International Trade Slected Readings R.J Irwin, Home Wood.

Johnson H.G (1969) New Trade Strategy for the World Economy allen and Unwin, London.

Lipsey R.G (1970) the Theory of Customs Union, Widefoldonbe Nieelson, London.

Bardhan P.K. (1970) Economic Growth Development and Foreign Trade Wiley Interscience, New York.

Viner J (1950) The Customs Union Issue

Robson P (ed) (1971) International Economic Integration Penguin Harmondsworth.

Meier G.M (1968) The International Economic of Development Harpur and Row, New York.

Meier G.M (1962) Problems of World Monetary Order (2nd ed) Oxford University Press, New York.

Kenen Peter B. (1989) The International Economy Prentice-hall of India, New Delhi.

Seammal W.M (1975) International Monetary Policy Brettonwoods and After, Macmillan, London.

Gowda, K.V.G Euro-Dollar market rao and Raghavan, Mysore.

Simha S.L.J (1973) International Monetary Reform Institute for Financial Mangement and Research, Madras.

Machiup F (1970) International Monetary Economics George Allen Unwin, London.

I.M.F Survey
Annual Reports of IMF

PAPER X: COMPARITIVE BANKING

Module I : Indian Banking System : Evolution of banking in India Its trends and pattern Public Sector bank theory organizational problems Cooperative Banks Regional Rural Banks Central Banking Cooperative Banks Reginoal Rural Banks Central Banking in India Reserve Bank of India Its organizational and functions. Its role in monetary policy credit control by RBI Indian money market Organised and unorganized money market Problems integration between the money markets.

Module II : Banking system in U K : Evolution, Constitutions and functions of the Bank of England relation between the Bank of England and the treasury Bank of England and the Clearing Banks London money market Front door and open back door assistance Monetary policy of the Bank of England Bank of England and Public Debt Management.

Module III: Banking System of the U S A : The Federal Reserve system structure, Functions and operations. The New York Money market Commercial Banking system Unit and branch banking Chain banking Federal Depositus, Insurance corporations
Monetary policy of the Federal Reserve system.

Module IV : Banking system of the USSR : Banking in a Socialist set up The Go bank and is functions Credit rationing Channing Phase of the Russian Banking System visit of the market economy and its impact.

Module V : International Financial Institutions: IMF, IBRD, IFC, IDA, Asian Development Bank.

References

Sayers R S: Modern Banking
Sayers R S : Central Banking after Bagehot
Sayers R S: Banking in the British Commonwealth
Chander L V and Goldfeld : Economics of Money and Banking
Whitlessay & Others: Money and Banking
Panandikar S G : Banking in India
Sihma S L N : Reform of the Indian Banking System
Karkal G L : Perspective in Indian in Indian Banking
Francies A Less: International Financial Markets
Francies A Less: International Banking and Finance
John White Regional Development Banks
Sakeena R M : Development Banking in India
R B I : Report on Currency and Finance Annual Report of R B I Trend and Progress of Banking in India
Alak Ghosh : Control Techniques in Indian Monetary Management.
