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CORE COURSE

Semester-V

Core Course-11

100 Marks

80 Marks (End Sem) + 20 Marks (Mid Sem)

All Units carry equal marks

Core Economics Course 11: INDIAN ECONOMY I

- Unit-I:** Introduction to Indian Economy: British Rule: exploitation and under development in India; features of Indian economy – natural resources, infrastructure, population;
- Unit-II:** Population and Human Development: Demographic trends and issues; education; health and malnutrition.
- Unit-III:** National Income in India: National income : tends, sect oral composition;
- Unit-IV:** Economic Planning in India: Economic Planning: Planning commission and its functions, Planning exercises in India, Objectives, Strategies and achievements.
- Unit-V:** Current Challenges: Poverty: definition and estimate, poverty line, poverty alleviation programs; inequality: income and regional inequality – causes and corrective measures; Unemployment: Concepts, measurements, types, causes and remedies; Environmental challenges: Land, water and air.

Readings:

1. U. Kapila (2010): Indian economy since Independence, Academic Foundation, New Delhi
2. S. K. Mishra and V. K. Puri (Latest Year): Indian Economy – Its Development Experience, Himalaya Publishing House, Mumbai
3. S. Chakraborty (): Development Planning: The Indian Experience. Clarendon Press.
4. R. Dutta and K. P. M, Sundharam (Latest year): Indian Economy, S. Chand & Company Ltd., New Delhi.
5. A. Panagariya (2008): India: the emerging Giant, Oxford University Press, New York.
6. S. Acharya and R. Mohan (Eds.) (2010): India's Economy: Performance and Challenges, Oxford University Press , New delhi.
7. I. J. Ahluwalia and I. M. D. Little (Eds.) (1998): India's Economic reforms and Development: essays for Manmohan Singh, Oxford University Press, New Delhi.

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CORE COURSE

Semester-V

Core Course-12

100 Marks

80 Marks (End Sem) + 20 Marks (Mid Sem)

All Units carry equal marks

Core Economics Course 12: DEVELOPMENT ECONOMICS I

- Unit-I:** Conceptions of Development: Economic Development, Economic growth and development, Factors affecting economic development, obstacles to economic development, Indicators of economic development- National income, Per capita income; Basic needs approach, PQLI, HDI, GDI, Capital formation and economic development, Vicious circle of poverty, circular causation . Alternative measures of development, documenting the international variation in these measures, comparing development trajectories across nations and within them.
- Unit-II:** Theories of Economic Development & Growth: Classical theory, Marxian theory of capitalist development, Schumpeterian theory of capitalist development, Harrod – Domar model of steady growth, Neo-Classical growth Model- Solow, Rostow's stages of economic growth.
- Unit-III:** Growth Models and Empirics: The endogenous growth models, (Romar & Lucas), Human Capital & Evidence on the determinants of growth, Patterns of Economic Growth, Geography vs. Institution Debate.
- Unit-IV:** Poverty and Inequality: Definitions, Measures and mechanism: Understanding prosperity and poverty: Geography, institutions and the Reversal of Fortune, Measuring poverty, Inequality axioms; a comparison of commonly used inequality measures; connections between inequality and development; poverty measurement; characteristics of the poor; mechanisms that generate poverty traps and path dependence of growth processes.
- Unit-V:** Political Institutions and the Functioning of the State: Public goods and Economic Development, State ownership and regulation, government failures, Corruption and Development, The determinants of democracy; alternative institutional trajectories and their relationship with economic performance; within country differences in the functioning of State institutions.

Readings:

1. Debraj Ray (2009): Development Economics, Oxford University Press,
2. Partha Dasgupta (2007): Economics, A very Short Introduction, Oxford University Press.
3. Abhijit Banerjee, Roland Benabou and Dillip Mookerjee (2006): Understanding poverty, Oxford University Press.
4. Amartya Sen (2000): development as Freedom, OUP.
5. daron Acemoglu and James Robinson (2006): Economic origins of Dictatorship and Democracy, Cambridge University Press.
6. Robert Putnam (1994): Making Democracy Work: Civic traditions in Modern Italy, Princeton University Press.

Discipline Specific Electives (DSE) Course I

Semester-V

100 Marks

80 Marks (End Sem) + 20 Marks (Mid Sem)

All Units carry equal marks

Basic Econometrics

- Unit-I: Basic Econometrics** :Nature, meaning and scope of econometrics, Simple and General linear regression model- assumptions, estimation (through OLS approach) and properties of estimators, gauss-Markov theorem, concepts and derivation of r-square; concept and analysis of variance approach and its applications in regression analysis; estimation of non-linear equations- parabolic, exponential, geometric, hyperbolic, modified exponential, geomertz and logistic functions
- Unit-II: Problems in Regression Analysis and Regression with Quantitative Independent Variables:** Nature, test, consequences and remedial steps of problems of heteroscedasticity, multicollinearity and auto-correlation; problems of specification error, errors of measurement. Dummy variable technique- Testing structural stability of regression models comparing to regressions, interaction effects, seasonal analysis, piecewise linear regression, use of dummy variables, regression with dummy dependent variables: The LPM, Logit, Probit and Tobit models.
- Unit-III: Dynamic Econometric Model:** Autoregressive and distributed lag models- Koyak model, partial adjustment model, adaptive expectations, instrumental variables, problem of auto-correlation- application, Almon Approach to distribute-Lag Model, Error Correlation mechanism, causality test, granger test and Sim's Test.
- Unit-IV: Simultaneous Equation Models:** Introduction and examples; the simultaneous equation bias and inconsistency of OLS estimators; the identification problem, rules of identification- order and rank conditions; methods of estimating simultaneous equation system, recursive methods and OLS, Indirect least squares (ILS) 2SLS, 3SLS and ML method- applications.
- Unit-V: Time series analysis, panel data techniques, multivariate analysis:** Time series analysis: stationary, unit roots, co-integration- spurious regression, Dicky-Fuller Test, Engle- Granger test, random walk Model, forecasting with ARIMA modeling: Box-Jenkins Methodology; Vector auto regression; problems with VAR modeling- Applications; time varying parameters and Kalman filter Panel data techniques: random coefficients model, fix effects model, random effect model.

Multivariate analysis: multivariate probability distribution, marginal and conditional probability distribution, multivariable normal distribution and its properties; Hotelling T-Scale, Discriminant Analysis.

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DSE-I

Discipline Specific Elective.
(DSE) Course-I

(vi) MONEY AND FINANCIAL MARKETS

Course Description

This course exposes students to the theory and functioning of the monetary and financial sectors of the economy. It highlights the organization, structure and role of financial markets and institutions. It also discusses interest rates, monetary management and instruments of monetary control. Financial and banking sector reforms and monetary policy with special reference to India are also covered.

Course Outline

1. Money

Concept, functions, measurement; theories of money supply determination.

2. Financial Institutions, Markets, Instruments and Financial Innovations

a. Role of financial markets and institutions; problem of asymmetric information - adverse selection and moral hazard; financial crises.

b. Money and capital markets: organization, structure and reforms in India; role of financial derivatives and other innovations.

3. Interest Rates

Determination; sources of interest rate differentials; theories of term structure of interest rates; interest rates in India.

4. Banking System

a. Balance sheet and portfolio management.

b. Indian banking system: Changing role and structure; banking sector reforms.

5. Central Banking and Monetary Policy

Functions, balance sheet; goals, targets, indicators and instruments of monetary control; monetary management in an open economy; current monetary policy of India.

Readings

1. F. S. Mishkin and S. G. Eakins, *Financial Markets and Institutions*, Pearson Education, 6th edition, 2009.
2. F. J. Fabozzi, F. Modigliani, F. J. Jones, M. G. Ferri, *Foundations of Financial Markets and Institutions*, Pearson Education, 3rd edition, 2009.
3. M. R. Baye and D. W. Jansen, *Money, Banking and Financial Markets*, AITBS, 1996.
4. Rakesh Mohan, *Growth with Financial Stability- Central Banking in an Emerging Market*, Oxford University Press, 2011. Baye

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Basic Econometrics References

REFERENCES:

1. Amemiya T 1985 Advanced Econometrics Harvard University Press, Cambridge, Mass
2. Baltangi BH 1998 Econometrics Springer, New York
3. Dongherty C 1992 Introduction to Econometrics, Oxford University Press, New York
4. Goldberger AS 1998 Introductory econometrics, Harvard University Press, Cambridge Mass
5. Gujarati DN 1995 Basic Econometrics (2nd Edition Me Graw Hill , New Delhi
6. Hill R.CEG William and GG Judge 1997 Undergraduate Econometrics, Wiley, New York
7. Kennedy P. (1998) A Guide to Econometrics(4th Edition) MIT Press, New York
8. Kmenta J. 1997 elements of Econometrics (reprint Edition) University of Michigan Press, New York
9. Koutsoyannis A 1997 Theory of econometrics 2nd Edition The Macmillan Press Ltd., London
10. Krishna KL (Ed) 1993 Econometric Applications in India, Oxford University Press, new Delhi
11. Maddala GS (ed) 1993 Econometrics Methods and Application (2 Vols) Aldershot UK
12. Theil H 1981 Introduction to Econometrics, Prentice Hall of India, New Delhi.

5. L. M. Bhole and J. Mahakud, *Financial Institutions and Markets*, Tata McGraw Hill, 5th edition, 2011.
6. M. Y. Khan, *Indian Financial System*, Tata McGraw Hill, 7th edition, 2011.
7. N. Jadhav, *Monetary Policy, Financial Stability and Central Banking in India*, Macmillan, 2006.
8. R.B.I. – *Report of the Working Group: Money Supply Analytics and Methodology of Compilation*, 1998.
9. R.B.I. Bulletin, Annual Report and Report on Currency and Finance (latest).

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Discipline Specific Electives (DSE) Course II

Semester-V

100 Marks

80 Marks (End Sem) + 20 Marks (Mid Sem)

All Units carry equal marks

Public Economics

- Unit-I:** **Public choice, Rationale for Public Policy:** Public choice Private and public mechanism for allocating resources; problems for allocating resources; problems of preference revelation and aggregation of preferences; voting system; arrow impossibility theorem; an economic theory of democracy; politico-eco-bureaucracy, rent seeking and directly unproductive profit seeking activities.
Rationale for Public Policy: Allocation of resources- provision of public goods; voluntary exchange models; impossibility of decentralized provision of public goods (contribution of Samuelson and Musgrave); Demand-revealing schemes for public goods. Contribution of Clarks, groves and Leyard, Tiebout model, theory of club goods.
- Unit-II:** **Public Expenditure, Taxation:** Public expenditure: Wagner's law of increasing state activities: Peacock Wiseman- 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, discount rate.
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 measurement of dead weight losses; the problem of double taxation.
- Unit-III:** **Public Debt, Fiscal Policy:** 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.
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 simplifications; Fiscal policy for stabilization-automatic vs. discretionary stabilization; Alternative measures of resource mobilization and their impact on growth, distribution and prices; Balanced budget multiplier.
- Unit-IV:** **Fiscal Federalism:** Principle of multi-unit finance: Fiscal federalism in India; Vertical and horizontal imbalance; Assignment of function and sources of revenue; Constitutional provisions; Finance commission and Planning Commission; Devolution of resources and grants; Theory of grants: Resource transfer from Union. To States-Criteria for transfer of resources; Centre-State financial relations in India; Problems of State's resources and indebtedness; Transfer of resources from Union and States to local bodies.
- Unit-V:** **Indian Public Finances:** Trends in public expenditure and public debt; Fiscal crisis and fiscal sector reforms in India, Reports of Finance Commission in India.

Reference:

1. Atkinson A.B. and J.E. Stiglitz 1980 Lectures on Public Economics Tata Mc Graw Hill, New York
2. Auerbach A.J. And M. Feldstern (ed) 1985 Handbook of Public Economics, Vol-I, North Holland, Amsterdam
3. Buchanan J.M. 1970 the public finance Richard D. Erwin Home-wood
4. Goode R. 1986 Government finance in developing countries Tata Mc Graw 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, 1996 the Economics of Public Choice Edward eigar U.
8. Musgrave RA & Musgrave PB 1976 Public finance in theory and practice Mc Graw Hill Kogakusha Tokyo
9. Shome P 1995 Tax Policy handbook Tax Division Fiscal Affairs Department , IMF, Washington DC

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Page 21 of 25
21

CORE COURSE

Semester-VI

Core Course-13

100 Marks

80 Marks (End Sem) + 20 Marks (Mid Sem)

All Units carry equal marks

Core Economics Course 13: INDIAN ECONOMY II

- Unit 1:** Economic Development Planning In India: Economic Development; approaches to Economic Development & measurement. Sustainable development, role of state, market and other institutions, indicators of development- PQLI, Human Development index, Gender development Indices
Planning in India; Objectives and strategy of planning, failures and achievements of plan, developing grass root organization for development.
- Unit-II:** Agricultural Development in India: Indian Agriculture: nature, importance, trends in agricultural production and productivity, factors determining production, and reforms, new agricultural strategies and green revolution, rural credit; Agricultural marketing and warehousing.
- Unit-III:** Industrial Development in India: Trends in industrial output productivities; Industrial Policies of 1948, 1956, 1977 and 1991; Industrial Licensing Policies – MRTP Act, FERA and FEMA; Growth and problems of SSIs, Industrial sickness; Industrial finance; Industrial labour.
- Unit-IV:** Tertiary Sector and HRD: Tertiary Sector: Growth and contribution of service sector to GDP of India, share of services in employment; Human development – Concept, evolution, measurement; HRD: indication, importance, education in India, Indian education policy; Health and Nutrition.
- Unit-V:** External Sector: Foreign Trade : role, composition and direction of India's foreign trade, trends of export and import in India, export promotion verses import substitution; Balance of Payments of India; India's Trade Policies; Foreign Capital – FDI Aid and MNCs.

Readings:

1. U. Kapila (2010): Indian economy since Independence, Academic Foundation, New Delhi.
2. S. K. Misra and V. K. Puri (Latest Year): Economy – Its Development Experience, Himalaya Publishing House, Mumbai.
3. S. Chakraborty (): Development Planning : The Indian Experience. Clarendon Press.
4. R. Dutt and K. P. M, Sundharam (Latest Year) : Indian Economy, S. Chand & Company Ltd., New Delhi.
5. A. Panagariya (2008): India: the Emerging Giant, Oxford University Press, New York.
6. S. Acharya and R. Mohan (Eds) (2010): India's Economy: Performance and Challenges, Oxford University press, New Delhi.
7. I. J. Ahluwalia and I. M. D. Little (Eds) (1998): India's Economic Reforms and Development: Essays for Monmohan Singh, Oxford University Press, New Delhi.

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CORE COURSE

Semester-VI

Core Course-14

100 Marks

80 Marks (End Sem) + 20 Marks (Mid Sem)

All Units carry equal marks

Core Economics Course 14: DEVELOPMENT ECONOMICS II

- Unit-I:** Demography and Development: Demographic concepts; birth and death rates, age structure, fertility and mortality; demographic transitions during the process of development; gender bias in preferences and outcomes and evidence on unequal treatment within households; connections between income, mortality, fertility choices and human capital accumulation; migration.
- Unit-II:** Land, Labour and Credit Markets: The role of Agriculture in Development, The distribution of land ownership; land reform and its effects on productivity; contractual relationships between tenants and landlords; land acquisition; nutrition and labour productivity; information problems and credit contracts; microfinance; interlink ages between rural factor markets, Credit, Intermediation and Poverty Reduction, Risk faced by poor.
- Unit-III:** Individuals, Communities and Collective Outcomes: Individual behaviour and social environments, multiples social equilibria; governance in organizations and in communities; individual responses to organizational inefficiency.
- Unit-IV:** Environment and Sustainable Development: Defining sustainability for renewable resources; a brief history of environmental change; common-pool resources; environmental externalities and state regulation of the environment; economic activity and climate change.
- Unit-V:** Globalization: Globalization in historical perspective; the economics and politics of multilateral agreements; trade, production patterns and world inequality; financial instability in a globalized world, Political Economy of Foreign Aid & Development.

Readings:

1. Debraj Ray (2009): Development Economics , Oxford University Press
2. Partha Dasgupta (2007): Economics, A Very Short Introduction, Oxford University Press.
3. Abhijit Banerjee, Roland Benabou and Dilip Mookerjee (2006): Understanding Poverty, Oxford University Press.
4. Thomas Schelling (1978): Micromotives and Macrobehavior, W. W. Norton.
5. Albert O. Hirschman (1970) : Exit Voice Loyalty: Responses to Decline in Firms, Organizations and States, Harvard University Press.
6. Elinor Ostrom (1990) governing the Commons: Evolution of Institutions for Collective Action, Cambridge University Press.
7. Dani Rodrik (2011) : The Globalization Paradox : Why Global Markets, States and Democracy Can't Coexist, Oxford University Press.
8. Michael D. Bordo, Alan M. Taylor and Jeffrey G. Williamson (ed.) (2003): Globalization in Historical Perspective, University of Chicago Press.

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Discipline Specific Electives (DSE) Course III

Semester-VI

100 Marks

80 Marks (End Sem) + 20 Marks (Mid Sem)

All Units carry equal marks

Environmental Economics

- Unit-I:** **Introduction:** What is environmental economics; review of microeconomics and welfare economics.
- Unit-II:** **The Theory of Externalities:** Pareto optimality and market failure in the presence of externalities; property rights and the Coase Theorem.
- Unit-III:** **The Design and Implementation of Environmental Policy:** Overview; Pigouvian taxes and effluent fees; tradable permits; choice between taxes and quotas under uncertainty; implementation of environmental policy.
- Unit-IV:** **International Environmental Problems:** Trans-boundary environmental problems; economics of climate change; trade and environment.
- Unit-V:** **Measuring the Benefits of Environmental Improvements and Sustainable Development:** Non-Market values and measurement methods; risk assessment and perception. Concepts; measurement.

Readings:

1. Charles Kolstad, *Intermediate Environmental Economics*, Oxford University Press, 2nd edition, 2010.
2. Robert N. Stavins (ed.), *Economics of the Environment: Selected Readings*, W.W. Norton, 5th edition, 2005.
3. Roger Perman, Yue Ma, James McGilvray and Michael Common, *Natural Resource and Environmental Economics*, Pearson Education/Addison Wesley, 3rd edition, 2003.
4. Maureen L. Cropper and Wallace E. Oates, 1992, —Environmental Economics: A Survey, *Journal of Economic Literature*, Volume 30:675-740.

Discipline Specific Electives (DSE) Course IV
Semester-VI

100 Marks

Dissertation / Project

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