

Central University of Karnataka

School of Business Studies

Department of Economic Studies and Planning

SYLLABUS FOR MA IN ECONOMICS

As per New Choice Based Credit System 2016 August

SEMESTER III

Paper Code	Paper Title	Credits				Examination		Total Marks
		L	T	P	Total	IA	End Sem	
	Core							
PCC-9	Research Methodology	3	1	-	4	40	60	100
PCC-10	International Trade	3	1	-	4	40	60	100
PCC-11	Growth and Development	3	1	-	4	40	60	100
PCC-12	Financial Economics	3	1	-	4	40	60	100
	Ability Enhancement Compulsory Course							
PAECC-3	Data Base of Indian Economy	1	-	2	3			
	Discipline Specific Elective							
PDSE-1	Econometrics – II	2	-	1	3	40	60	100
	Agriculture Economics	2	1	-				
	Demography	2	1	-				
	Total Credits				22			

Note: CC-Discipline Specific Core; DSE-Discipline Specific Elective, GE-Generic Elective; AECC-Ability Enhancement Compulsory Course; SEC-Skill Enhancement Courses; L-Lecture; T-Tutorial; P-Practical; IA- Internal Assessment; End Sem – End semester written exam

MA III: PCC-9 : RESEARCH METHODOLOGY (4 Credits)

Aim of the Course: The aim of this course is to enable the students to gain insight into how scientific research is conducted. Help them in critical review of literature and equip the students to undertake research. Train the students in documentation of research results.

Unit 1: Introduction

Meaning and definition of research- Classification of research(pure, applied, exploratory, descriptive, historical, diagnostic, experimental, qualitative, quantitative) - Importance, applications and limitations of social science research - Interdisciplinary and trans-disciplinary approaches - Statistics and information - Communication technology in research - Basic elements of the scientific method - theory and research- The meaning of methodology.

Unit 2: Research Problem and Design

An overview of the different steps in research process - Selection of the topic and formulation of the research problem in Economics with illustrations - Review of literature - Research design, features of a good design - Different research designs for exploratory, descriptive, diagnostic and experimental research.

Unit 3: Collection and Analysis of Data

Sample design - Probability and non-probability sampling - Complex random sampling designs - Methods of collecting primary data- Questionnaire and schedules - Sources of secondary data on Indian economy - Case study method - Processing of data- Testing of hypothesis – Parametric and non-parametric tests.

Unit 4: Interpretation and Preparation of the Report

Interpretation, drawing conclusions and reporting it - Structure of the research report - Types of reports - Documentation - Writing the research thesis - Introduction to statistical and econometric software - Methods of footnotes and referencing.

Compulsory Readings

William J Goode and Paul K Hatt: Methods in Social Research, McGraw- Hill. Latest Edition.

Wilkinson and Bhandarkar, (2012): Methodology and Techniques of Social Research, Himalaya.

Other Reading List

C R Kothari: Research Methodology, Methods and 35 Techniques, New Age International. Latest Edition.

W Lawrence Neuman, (2012): Social Research Methods, Quantitative and Qualitative Approaches, Pearson.

Laxmi Devi (Edited), (1997): Encyclopedia of Social Science Research, Anmol Publications.

Pauline V Young: Scientific Social Surveys and research, Prentice Hall India Pvt Ltd. Latest Edition.

Modern Language the MLA Handbook for Writers of Association of America, 2009 Research Papers.

P.S Mohanakumar (Edited): A Handbook on Research Methodology, Right Publishers, Kudavechoor Paneer Selvam – Research Methodology. Latest Edition.

MA III: PCC-10: INTERNATIONAL TRADE (4 Credits)

Aim of the Course: This course aims to provide micro foundation in the understanding of International Economics. The course consists of theories of international trade, multinational corporations, and theories of economic integration and terms of trade.

Unit 1: Theories of International Trade

Theories of absolute advantage, comparative advantage and opportunity costs - Modern theory of international trade - Empirical testing of theory of absolute cost and comparative cost - Heckscher - Ohlin theory of trade - Factor price equalization theory - Leontief paradox - Kravis and Linder Theory of Trade.

Unit 2: Role of Dynamic Factors

Role of dynamic factors i.e., changes in tastes, technology and factor endowments in explaining the emergence of trade - The Rybczynski theorem - Concept and policy implications of immiserizing growth -- theories of MNCs- Intra Industry Trade-Grubel-Lloyd Index.

Unit 3: Balance of Payments

Anatomy of Balance of Payments (BOP) – Function of foreign exchange markets - Hedging, Speculation, Interest Arbitrage, Exchange rate determination- Purchasing power parity theory- Fixed and flexible exchange rates- BOP disequilibrium – Adjustment mechanism – Automatic mechanism – Price and income adjustment under fixed and flexible exchange rate system – Policy measures – Monetary approach and Devaluation - Revaluation – Elasticity approach – J curve effect – Absorption approach.

Unit 4: Gains from Trade and their Distribution

Special gains to small countries - Terms of trade, their uses and limitations, concepts, measurement, Mill's doctrine - Trade and development - Trade as an engine of economic growth, Prebisch - Singer Thesis - Trade in services, features and restrictions - Role of India - Trade barriers, tariff barriers, classification of tariffs, impact of tariff - Non-tariff barriers and their implications.

Unit 5: Economic Integration and Forms of Integration

Theory of Economic Integration- Types of Economic Integration - Static and dynamic effects of a customs union - South cooperation - Rationale and economic progress of SAARC, SAPTA and ASEAN regions - Problems and prospects of forming a customs union in the Asian region - Regionalism (EU, EFTA, NAFTA) - Indian trade integration with other countries, CECA, CEPA etc.

Compulsory Reading Salvatore, D. (1997): International Economics, Prentice Hall, Upper Saddle River, N.J., New York.

Dunning John and Sarianna M Lundan (2008): Multinational Enterprises and the Global Economy, Edward Elgar Publishing.

Other Reading List

Paul Krugman, Maurice Obstfeld, and Marc Melitz (2012): International Economics: Theory and Policy, Addison – Wesley (Pearson Education – Indian Edition).

Kindelberger C.P (1973): International Economics R. D. Irwin, Homewood.

Kenan P.B (1994): The International Economy.

Soderston, Bo (1991): International Economics, The Macmillan Press Ltd., London. .

Bhagwati, J. (Ed.) (1981): International Trade, Selected Readings, Cambridge, University Press, Massachusetts.

Chacholiades, M. (1990): International Trade: Theory and Policy, McGraw Hill, Kogakusha, Japan.

Krugman, P.R. and M. Obstfeld (1994): International Economics: Theory and Policy, Glenview, Foresman.

Manmohan Singh (1964): India's Export Trends and the Prospects for Self-Sustained Growth, Oxford University Press, New Delhi.

MA III: PCC-11: GROWTH AND DEVELOPMENT (4 Credits)

Aim of the Course: The course provides an advanced treatment of development economics with a strong focus on theory and application. The course is divided into five modules, introducing students to the basic concepts, theories and applications in development economics.

Unit 1: Different approaches to Growth and Development

Conceptualization and measures of development - Per capita income - Inequalities in income distribution - Lorenze curve - Gini co-efficient - Inverted U hypothesis - Human development indicators - Sen's capability approach - Structural view of under development

Unit 2: Theories of Development

Smith-Ricardo – Malthus – Mill – Marx – Schumpeter – Harrod - Domar model – Solow - Meade - Joan Robinson – Kaldor - Technical progress function of Kaldor - New theories of growth (Lucas, Romer, Grossman and Helpman - Convergence/Divergence debate).

Unit 3: Theories of Growth and Development

Critical minimum effort thesis - Lewis model of surplus labour - Rostow's stages in economic growth - Balanced growth - Unbalanced growth - Theory of 'big push' - Myrdal on economic growth - Dependency theory

Unit 4: Sectoral aspects of Development and Planning

Role of agriculture in economic development - New technology and sustainable agriculture - Globalization and agricultural growth - Rationale and pattern of industrialization in developing countries - WTO and developing countries - Planning and development - Democratic, decentralized and indicative planning - Micro-level planning - Review of Indian plan models and planning.

Unit 5: Poverty, Migration and Environment

Definition of poverty and its measurement - Migration and development - internal migration - international migration - Migration and poverty – Inequality - Migration and its impact on destination countries/regions - Migration and its impact on sending countries/regions - Environmental issues - Global warming and climatic change - Global efforts for environmental preservation - Environmental problems and policy in India.

Compulsory Reading

Ray, Debraj (1998): *Development Economics*, Oxford University Press, Calcutta.

Hayami, Yujiro and Yoshihisa Godo: *Development Economics*, Oxford University Press, New Delhi.

Meier and James E Rauch, (2005): *Leading Issues in Economic Development*, Oxford University Press, New York.

Other Reading List

Sen, Amartya, (2000): *Development as Freedom*, Oxford University Press, New Delhi.

Thirlwall (1978): *Growth and Development*, MacMillan, London.

Todaro, M (1980): *Economic Development in the Third World*, Longman Group Limited, London.

Leibenstein, Harvey (1957): *Economic Backwardness and Economic Growth*, New York.

Lewis, W A, *The Theory of Economic Growth*.

MA III: PCC-12: FINANCIAL ECONOMICS (4 Credits)

Aim of the Course: The basic objective of the course is to provide a comprehensive introduction to the functioning of the financial markets in the emerging context of deregulations and globalization of market.

Unit 1: Financial Market and Financial Instruments

Money And Capital Markets - Money Market- Meaning, Constituents, Functions Of Money Markets; Money Market Instruments - Call Money, Treasury Bills, Certificates Of Deposits, Commercial Bills, commercial papers and Collateralized Borrowing and Lending Obligation (CBLO) - Recent Trends In Indian Money Market - Capital Market - Primary And Secondary Markets; Stock Exchanges - Over The Counter Exchanges - Recent Developments In Financial Market.

Unit 2: Mean-Variance Portfolio Theory

Measuring portfolio return and risks, effect of diversification, minimum variance portfolio, perfectly correlated assets, minimum variance opportunity set, optimal portfolio choice; mean variance frontier of risky and risk-free asset, portfolio weights

Unit 3: Portfolio Analysis and Evaluation of Portfolio Performance

Efficient Market Hypothesis - Capital Asset Pricing Model- Capital market line, Security market line – Arbitrage Pricing Theory. Composite Portfolio Performance Measures - Treynor Portfolio Performance Measure - Sharpe Portfolio Performance Measure- Jensen Portfolio Performance Measure.

Unit 4: Derivatives

Meaning and purpose of derivatives - Forward contracts, future contracts, options, swaps and other derivatives - Type of traders - Trading future contracts - Specification of the future contracts - Operation of margins - Settlement and regulations.

Compulsory Readings

Luenberger, D.G. (2013): Investment Science, Oxford University Press.

Hall, J.C: Options, Futures and Other Derivatives, Pearson Prentice Hall Publication.Latest Edition.

Other Reading List

Ackert, L F and B.F. Smith (1993): Stock Price Volatility, Ordinary Dividends.

All India Management Association (1998): Global Trends in Finance, Excel, New Delhi.

Arrow, K.J. (1981): Future Markets: Some Theoretical Perspectives, Journal of Future Markets, 1(2): 107-16.

Avadhani, V.A. (2000): Financial Economics: Theory and Practice, Himalaya Publishing House, Mumbai.

Barsky, R. and J. De Long (1993): Why Does Stock Market Fluctuate?, Quarterly Journal of Economics, 108: 291-311.

Basu, S. (1977): The Investment Performance of Common Stocks in Relation to their Price to Earnings Ratios: A Test of Efficient Market Hypothesis, Journal of Finance, 32: 663-82.

Benninga, S. (1997): Financial Modelling, MIT Press.

Bhole, L.M. (1991): Financial Institutions and Markets: Structure, Growth and Innovation, Tata McGraw-Hill Publishing Company Limited, New Delhi.

Black, F. and M. Scholes (1973): The Pricing of Options and Corporate Liabilities, Journal of Political Economy, 44:1471-88.

Black, F, M.C. Jensen and M.A. Scholes: The Capital Pricing Model: Some Empirical Tests, in M.C. Jensen (ed.) Studies in the Capital Markets, Praeger, New York.

Bradford, C. and A.C. Shapiro (1988): Financing Corporate Growth, Journal of Applied Corporate Finance, 1(2): 6-22.

Brahmaiah, B. and P. Subba Rao (1998): Financial Futures and Options, Himalaya Publishing House, Mumbai.

Campbell, J.Y, A.W. Lo and A.C. Mackinlay (1997): The Econometrics of Financial Markets, Princeton University Press.

MA III: PAECC-3: DATA BASE OF INDIAN ECONOMY (3 Credits)

Aim of the Course: This course aims to introduce students to major secondary data bases on Indian economy. To provide training in doing tabulation and analyzing the secondary data set using simple statistical techniques.

Unit I

Introduction- Data- Concept meaning, Importance, Introduction to different sectors of the Indian economy on which data are available

Unit II

Crop and Production Statistics, Horticulture and Livestock Statistics, Cost of Cultivation and Agriculture Prices, Agriculture (NSS Data), Marketing Information System in Agriculture, Agriculture census and Irrigation,

Unit III

Data on Urban and regional research, Labor and Migration, Poverty, Poverty Measurement, Public Finance (Revenue and Expenditure), Price and Price Index, Migration, Electronic Data

Unit IV

Health Statistics, Demography statistics, Infrastructure Statistics, Foreign Trade Statistics, Data on Micro Finance , Sustainable Development and Measurement, Water resources

Reading List

Chandrasheker C P and Jandhyala P G Tilak (Eds.) 2001, India's Socio Economic Database – Survey of Selected Areas” Taluka Publishers, New Delhi.

Central Bureau of Health Intelligence (Various Years), “Health Information of India”, CBHI, Ministry of Health, New Delhi.

Central Pollution Control Board (various years), “Water Quality Monitoring”, CPCB, New Delhi.

Central Statistical Organisation (various years), “Basic Statistics Relating to Indian Economy”, Government of India, New Delhi.

Central Statistical Organisation (various years), “Statistical Abstract - India”, Government of India, New Delhi.

Reserve Bank of India (various years), “Finances of India”, RBI, Government of India.

Reserve Bank of India (various years), “Banking Statistics”, RBI, Government of India.

Reserve Bank of India (Annual Publications), “Handbook of Statistics on Indian Economy”, RBI, Government of India.

EPW Research Foundation, “National Accounts Statistics of India: 1950-51 to 2000-01”, EPW, Mumbai.

Government of India, “Annual Survey of Industries”, Government of India, New Delhi.

Indian Applied Manpower Research, “Manpower Profile of India”, IAMR, 2001, New Delhi.

Ministry of Finance (various years), “Budget Documents”, Government of India, New Delhi.

MA III: PDSE-1: ECONOMETRICS– II (3 Credits)

Aim of the Course: This course is a continuation of the Econometrics-I. It is methods oriented course. It deals with methods relating to both single equation and simultaneous equation system. The student is expected to be thorough with calculus, matrix algebra, statistics and econometrics-I. It would be advantageous if the student is familiar with the use of computer in general and a regression package in particular.

Unit 1: Special problem in Single Equation Regression Model

Errors in variables - Method of instrumental variables - Distributed-lag models: specification, estimation and causality - Limited dependent variables - LPM, Logit, Probit and Tobit models - Other problems: Generalised, restricted and non-linear least squares and SURE estimation.

Unit 2: Introduction to Panel Data and Time Series Analysis

Simple Panel Data Methods - Pooling independent cross sections across time - Policy analysis with pooled cross sections - Two period panel data analysis - Time Series Data: Nature, Examples, Functional Forms, Trends and Seasonality.

Unit 3: Simultaneous Equation Approach

Simultaneous equations model - Example (Demand-Supply, Keynesian income determination, wage-price, Recursive and IS-LM Models) - Identification problems: Under , Exact and over tests of simultaneity and order erogeneity - Methods of estimation - ILS, 2SLS, LIML, K-Class Estimators, 3SLS and FIML methods - Simulation and Monte- Carlo Studies.

Compulsory Readings

Jonston, J (1971) : Econometric Methods, McGraw-Hill.

Dawn C Porter, Sangetha Gunasekar and Gujarati, D.N: Basic Econometrics, 5th edition, Tata McGraw.

G. S. Maddala, Kajal Lahiri: Introduction to Econometrics, 4th Edition, Wiley Publication.

Other Reading List

Klein, L.R. : An Introduction to Econometrics. Latest Edition.

–Do- : A Text Book of Econometrics. Latest Edition.

Theil, H. : Introduction to Econometrics. Latest Edition.

Nachane : Econometrics, IGIDR. Latest Edition.

Wooldridge, J.M. (2000): Introductory Econometrics: A Modern Approach, Southwestern College Publications.

William H. Greene: Econometric Analysis (7th Edition), Pearson Education India.

Johnston, J. and J. Dinardo: Econometric Methods, Fourth Edition, McGraw-Hill, latest edition.

MA III: PDSE-1: AGRICULTURE ECONOMICS (3 Credits)

Aim of the Course: The objective of this course is to provide a thorough outlook over agriculture and its role in development of a backward economy.

Unit 1: Introduction

Meaning and scope of economics of agriculture - Factors affecting agricultural development: technological; institutional and general - Interdependence between agriculture and industry - Approaches to agricultural development - Law of returns to scale – Lewis- Ranis-Fei - Schultz Mellor and Boseup - Cobweb model.

Unit2: System of Farm

Systems of farming: Peasant farming; capitalistic farming; state farming; collective farming and co-operative farming - Land reforms - The theoretical issues: meaning; ownership vs. tenancy cultivation, large farms vs. small farms - Causes for persistence of small farms in developing economies - Objectives of land reforms and role of land reforms in economic development.

Unit 3: Agricultural Production and Marketing

Concept of production function - Input-output product relationship in farm production - Risk and uncertainty, instability: difference, types and remedies - Terms of trade between agricultural and non-agricultural prices - Marketing and state policy in Indian agriculture - Objectives of MSP and market regulation.

Unit 4: Agricultural Growth in India

Recent trends - Inter-regional variations in growth of output and productivity - Cropping pattern shifts - Supply of inputs - Pricing of inputs and role of subsidies - Role of technological change - Public investment and capital formation - Sustainable agriculture and Food Security act, share and trends in international trade - Impact of WTO on Indian agriculture.

Compulsory Reading

Dev; Mahendra (2012): Inclusive Growth in India: Agriculture, Poverty, and Human Development, OUP.

Thorat; Sukhadeo (2008): Rainfed Agriculture: Search For Sustainable Livelihood. Anamika Publishers.

Other Reading Lists Bilgrami S.A.R. (2000): An Introduction to Agricultural Economics, (2nd Edition), Himalaya Publishing House, Mumbai.

Sadhu A.N. and J. Singh (2000): Agricultural Problems in India, (3rd Edition), Himalaya Publishin House, Mumbai.

Government of India: Economic Survey (Annual), New Delhi.

Sony R.N. (2000): Leading issues in Agricultural, Arihant Press, Jalandhar.

Mahendra Dev, "Agriculture Development," in KaushikBasu and Annemie Maertens, (Eds), *The New Oxford Companion to Economics in India*, op.cit.

Dantwala M.L. Et al, (1991): Indian Agricultural Development since Independence, Oxford & IBH New Delhi.

Gulati, A. and t. Kelly (1999): Trade Liberalisation and Indian Agriculture, Oxford University Press, New Delhi.

Joshi, P.C. (1975): Land Reforms in India: Trends and Prospects, Allied Publishers, Bombay.

Kahlon, A.S. and Tyagi D S (1983): Agriculture Price Policy in India Allied Publishers, New Delhi.

Rao, C.H. and Hanmantha (1975): Agricultural Growth, Rural Poverty and Environmental Degradation in India, Oxford University Press, New Delhi.

Rudra, A (1982): Indian Agricultural Economics, Myths and Reality, Allied Publishers, NewDelhi.

Saini, G.R. (1979): Farm Size, Resource Use Efficiency and Income Distribution, Allied Publishers New Delhi.

Thorat, Sukhadeo (2008): Rainfed Agriculture: Search For Sustainable Livelihood. Anamika Publishers.

MA III: PDSE-1: DEMOGRAPHY (3 Credits)

Aim of the Course: The main objective of this paper is to make the students aware of the importance of population in economic development and the various theories that explain the growth of population in a country. The paper also enlightens the student on the qualitative and the quantitative aspects and characteristics of the population through various demographic techniques.

Unit 1: Population and Development

Meaning and scope of demography; Components of population growth and their inter-dependence; Measures of population data; Theories of population – Malthus, Optimum theory of population; Theory of Demographic transition- Views of Medows, Enke and Simon; Population and Development.

Unit 2: Fertility, Nuptiality and Mortality

Importance of study of fertility- total fertility rate, Gross reproduction rate and net reproduction rate; Levels and trends of fertility in more and less developed countries; factors affecting fertility- Socio-economic factor, economic status, health, education, nutrition, caste, religion, race, region, rural-urban and status of husband and wife; Nuptiality- Concept and analysis of material status, single mean age at marriage; Synthetic cohort method; Trends in age at marriage; Mortality- Death rate, crude and age – specific, Mortality at birth and infant mortality rate; Levels and trends in more and less developed countries; Sex and age pattern of mortality; Factor for decline in mortality in recent past; Life table-construction and uses; Concept of stable population; Methods of population projection.

Unit 3: Demographic Dividend and Data Base in India

Study of censuses in India—Methodology and characteristics of census; Nature of information collected in 1971, 1981, 1991, and 2001 census in India; National Family Health survey 1 and 2 and Rapid Household Survey; Changing characteristics of population in India; Population growth rates, trends and regional variations in sex ratio; Age structure of population, foetal, infant and child mortality rates; Maternal mortality rates; Life expectancy; Appraisal of Kerala model; pattern of migration and Urbanization in India.

Unit 4: Population and Development with Reference to India

Population, economy and development linkages—population, health, nutrition, productivity nexus; population and human development issues; Culture and fertility; Education and fertility, Demography and household economic behaviour

Unit 5: Population policy in India

Evolution of population policy in India—The shift in policy from population control to family welfare, to women empowerment; Family planning strategies and their outcome; Reproductive health, material nutrition and child health policies; population and strategies and their regulation; The new population policy; Task before the National population Commission.

Compulsory Reading

- Agarwal S.N (1972), India's population problem, Tata McGraw-Hill Co, Bombay
Bose, A. (1996) India's Basic Demographic Statistics, B.R.Publishing Cooperation, New Delhi
Bogue, D.J (1971) Principles of Demography, John Wiley, New York
Chenery H and T.N.Srinivasan (Eds.) (1989), Hand Book of Development Economics, Vol 1 & 2 Elsevier, Amsterdam.
Choubey, P.K. (2000), Population Policy in India, Kankshka Publications, New Delhi.
Coale A.J. and E.M. Hoover (1958), Population Growth and Economic Development in low income countries: A case studies of India's prospects, Princeton University press, Princeton.
Gulati, S.C. (1988), Fertility in India: An Econometric Study of Metropolis, Sage, New Delhi

United Nations (1973), The Determinants and Consequences of population Trends, Vol 1, UNO publications, New York

Other Reading List

Coale A.J. and E.M. Hoover (1958), Population Growth and Economic Development in low income countries: A case studies of India's prospects, Princeton University press, Princeton.

Gulati,S.C. (1988), Fertility in India: An Econometric Study of Metropolis, Sage, New Delhi

Srinivasan,K. (1998), Basic Demographic Techniques and Application, Sage, New Delhi.

Agnihotri, S.B (2000), Sex ratio in Indian Population: A fresh Exploration, Sage, New Delhi.

Amsden, A.H. (Ed.) (1980), The Economics of women and work, Penguin, Harmondsworth

Krishnaji M, R.M.Sudarshan and A. Shariff (1999), Gender population and Development, Oxford University Press, New Delhi