

Central University of Karnataka

School of Business Studies

Department of Economic Studies and Planning

SYLLABUS FOR IMA ECONOMICS

As per New Choice Based Credit System 2016 August

SEMESTER V

Paper Code	Paper Title	Credits				Examination		Total Marks
		L	T	P	Total	IA	End Sem	
Core								
UCC-11	Basics of Financial Markets	5	1	-	6	25	75	100
UCC-12	Econometrics -I	4	-	2	6	25	75	100
Discipline Specific Elective								
UDSE-1	An Overview of Indian Economy	5	1	-	6	25	75	100
	Regional Economics	5	1	-				
	Introduction to Economic Thought	5	1	-				
USDE-2	Economics of Social Sector & Agrarian Issues	5	1	-	6	25	75	100
	Karnataka Economy	5	1	-				
	Industrial Economics	5	1	-				
Total Credits					24			

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

IMA V: UCC-11: BASICS OF FINANCIAL MARKETS (6 Credits)

Aim of the Course : The positive and significant role of financial institutions in the process of growth and development has been very well recognized in the literature and indeed has become more important during the last two decades as the financial systems of different countries have become integrated in the process of globalization. India is no exception and has taken far reaching measures since 1991 in this direction. It is, therefore, essential that the student of economics should be well conversant with the theory and practice of different financial institutions and markets to understand and analyze the interconnection between the monetary forces and real forces, their developmental role and limitations in shaping and influencing the monetary and related policies both at the national and international levels.

Unit 1: Indian Money Market: Meaning, Nature

Functions and Constituents of Indian Money Market - Money Market Instruments - Call Money- Treasury Bills - Certificates Of Deposits - Commercial Bills - Commercial Paper- Collateralized Borrowing and Lending Obligation (CBLO), Recent Trends In Indian Money Market - Capital Market- Primary And Secondary Markets, Financial Sector Reforms in India.

Unit 2: Mutual Funds and Insurance Business In India

Mutual Fund – Evolution – Types – Advantages – Goals – Mutual Fund Industry – NAV – The Future Of Mutual Funds; Insurance – Insurance Companies - New Product Development – Reforms – Liberalization Of Insurance; IRDA – Economic Change – Insurance Revolution – Reform Proposals – Constitution Of IRDA – Objectives Of IRDA – Duties And Powers Of IRDA – New Regulations – Policy Holders Interest – The Case For Interdependence – Banc Assurance In India.

Unit 3: Derivatives

Meaning And Purpose Of Derivatives - Forward Contracts, Future Contracts, Options and Swaps - Type Of Traders - Trading Future Contracts - Specification Of The Future Contracts - Operation Of Margins - Settlement And Regulations.

Unit 4: Foreign Exchange Markets

Foreign Exchange Markets: Nature- Organization And Participants. Exchange Rates-Determination, Types And System - Determination Of Exchange Rates Under Fixed And Flexible Exchange Rate Regimes - Role Of Hedging In The Determination Of Exchange Rates.

Compulsory Readings

Bhole, L.M (2004): Financial Institutions and Markets: Structure, Growth and Innovations, Tata McGraw Hill Company Ltd., New Delhi.

Bhole, L.M (1993): Indian Financial System, Chugh Publications, Allahabad.

Hull, John C., Options, Futures and Other Derivatives, Pearson Education, 6th edition, 2005

Other Readings

Johnson, H.J (1993): Financial Institutions and Markets, McGraw Hill, New York.

Machiraju, M.R (2002): Indian Financial Systems, Vikas Publishing House, New Delhi.

Ohlson, J.A (1987): The Theory of Financial Markets and Institutions, North Holland, Amsterdam.
Fenstermaker, J.V. (1969): Readings in Financial Markets and Institutions, Appleton, New York.
Bhatt, R.S. (1996): Unit Trust of India and Mutual Funds: A Study, UTI Institute of Markets, Mumbai.
Sahadevan, K.G. and M.T. Thiripalraju (1997): Mutual Funds, Prentice Hall of India, New Delhi.
Goss, B.A. and B.S. Yamey: The Economics of Futures Trading, Macmillan, London.
Crocker, A. (1982): International Money; Issues and Analysis, The English Language Book Society,
Nelson, London.
Niehans, J. (1994): International Monetary Economics, John Hopkins University Press, New York.

IMAV: UCC-12: ECONOMETRICS-I (6 Credits)

Aims of the Course: Basic Econometrics provides an elementary introduction to econometrics without resorting to matrix algebra, calculus, or statistics beyond the elementary level.

Unit 1: Introduction

Nature and Scope of Econometrics - Classical methodology of econometrics.

Unit 2: Single Equation Regression Models

Nature of Regression Analysis - Basic ideas of two variable regression model - Concept of population regression function - Sample regression function - Stochastic specification of the function - Significance of the disturbance term.

Unit 3: Single Equation Regression Model: Estimation

The method of Ordinary Least Squares - Assumptions underlying the method - Gauss Markov theorem - Properties of the estimators - Measure of goodness of fit.

Compulsory Reading

Damodar Gujarati (2004): Basic Econometrics, Mc Graw Hill Publication, Fourth Edition.

Humberto Barreto and Frank M. Howland: Introductory Econometrics, Cambridge University Press.

Reading List

Johnston, J. and J. Dinardo (1997): Econometric Methods, Fourth Edition, McGraw-Hill, latest edition.

Stewart, J. and L. Gill (1998): Econometrics, Second Edition, Prentice Hall.

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

IMA V: UDSE-1: AN OVERVIEW OF INDIAN ECONOMY (6 Credits)

Aim of the Course: It is to enhance the understanding and awareness about the basic components, evolution, prospects and challenges of the Indian Economy.

Unit 1: Strategies for Development

Status of the Economy at the time of independence - Political, Economic and Demographic challenges – Adoption of various developmental Strategies – Socialist Approach, Capitalist Approach and Mixed Economy – Constraints and institutional framework.

Unit2: Nature of state – govt - Policies

Bi-Polar and Uni – Polar world - Self-reliance – Five year plans, Rolling Plans–Yearly plans: Objectives -Obstacles – Performances – Prospects and challenges. Political instability – wars – emergency – green revolution. Social and physical infrastructure. Reflections on budget composition: defence.

Unit3: Growth and Distribution

Self – sustainability - Sectoral distribution of growth - Income inequalities – Poverty – measurement of poverty – URP - MRP, unemployment, illiteracy - Policy initiatives to combat inequalities – Food security or national security - NFSA. NREGA. Hunger and nutrition.

Unit4: Sectoral Comparison

Evolution of agricultural progress – FARMER SUICIDES – degrading natural resources – sustainable development - challenges, policy framework and obstacles - Growth of industrial sector - FDI and Disinvestment - Service sector growth and challenges ahead. GST

Unit 5: Trade Integration

Debates of Nature and relevance of neo economic policies – Structural adjustment programs - Liberalisation of trade and inclusive growth – Social safety net programmes and trade liberalisation - Policies of LPG and WTO.

Compulsory Reading

Uma Kapila (2013): [*India's Economic Development Since 1947, 2013\(latest edition\)*](#), OUP

Jean Drèze & Amartya Sen (2013), *An Uncertain Glory: India and its Contradictions*, Princeton University Press.

Omkarnath G (2012): *Economics: A Primer for India*, Orient Blackswan.

Other Reading Lists

Rakesh Mohan, (2008), “Growth Record of Indian Economy: 1950-2008. A Story of Sustained Savings and Investment”, *Economic and Political Weekly*, May.

S.L. Shetty, (2007), “India’s Savings Performance since the Advent of Planning”, in K.L. Krishna and A. Vaidyanathan, editors, *Institutions and Markets in India’s Development*.

IMA V: UDSE-1: REGIONAL ECONOMICS (6 Credits)

Aim of the Course: This course aims to equip the students with the analytical skills required to understand the problems of any regional economy. There will be a focus on case studies drawn from different regions of India.

Unit 1: Introduction: Regional Disparities and Regional Economics

The concept of a region - Definition of and the need to study regional economics - Reasons for regional differences in economic activities.

Unit 2: Models of Regional Growth

Export base models - Neoclassical models - Cumulative causation models - Spatial location theory - Krugman's New Economic Geography - Social and Political factors in regional growth.

Unit3: Theories of Economic Growth and Regional Analysis

Implications of Growth Models of Solow-Swan - Ramsey-Cass-Koopmans and Endogenous growth for analysing regional growth and convergence - Applications of growth theories to the analysis of regional growth disparities in India.

Unit 4: Infrastructure and Regional development

Inter-state disparity in energy, transport and telecommunication infrastructure - Infrastructure as a determinant of regional development.

Unit 5: Intra-State Disparity in India

Cases of intra-state disparities in Gujarat, Karnataka, Kerala, Orissa, Punjab, and West Bengal - Industrial location policies - Regional disparities.

Compulsory Reading

Harry W Richardson (1973): *Regional Growth Theory*, Macmillan.

Harry W Richardson (1969): *Regional Economics: Location theory, Urban structure and regional change*.

Other Reading List

MacKay, R. (2003): Twenty Five Years of Regional Development, *Regional Studies*, 37(3), pp. 303-17.

Hudson, R. (2007): Regions and Regional Uneven Development Forever? Some reflective Comments upon Theory and Practice, *Regional Studies*, 41(9), pp. 1149-1160.

Keshab Das (2004): Uneven Development and Regionalism: A Critique of Received Theories, *Economic and Political Weekly*, 39(45), pp. 4917-4925.

B. B. Bhattacharya and S. Sakhivel (2004): Regional Growth and Disparity in India: Comparison of Pre- and Post-Reform Decades, *Economic and Political Weekly*, 39(10), pp. 1071-1077.

Bishwanath Goldar and Vijay Seth (1989): Spatial Variations in the Rate of Industrial Growth in India, *Economic and Political Weekly*, 24(22), pp. 1237-1240.

Buddhadeb Ghosh, SugataMarjit and Chiranjib Neogi (1998): Economic Growth and Regional Divergence in India, 1960 to 1995, *Economic and Political Weekly*, 33(26), pp. 1623-1630.

Dipankar Dasgupta, Pradip Maiti, Robin Mukherjee, Subrata Sarkar and Subhendu Chakrabarti (2000): Growth and Interstate Disparities in India, *Economic and Political Weekly*, 35(27), pp. 2413-2422.

- Gaurav Nayyar (2008): Economic Growth and Regional Inequality in India, *Economic and Political Weekly*, 43(6), pp. 58-67.
- N. J. Kurian (2000): Widening Regional Disparities in India: Some Indicators, *Economic and Political Weekly*, 35(7), pp. 538-550.
- R. Nagaraj, A. Varoudakis, M. A. Véganzonès (2000): Long-run growth trends and convergence across Indian States, *Journal of International Development*, 12(1), pp. 45–70.
- Sanjoy Chakravorty (2003): Industrial location in post-reform India: patterns of inter-regional divergence and intra-regional convergence, *Journal of Development Studies*, 40(2).

IMAV: UDSE-1: INTRODUCTION TO ECONOMIC THOUGHT (6 Credits)

Aim of the Course: The objective of this course is to provide students basic notion in the evolution and theories in economics

Unit 1: Introduction

Aim and scope of economic thought- why economic thought is essential-evolution of economic ideas-different paradigms in the discipline of economics-early period ideas on economics

Unit 2: Classics

Classicals - Adam Smith, David Ricardo, Thomas R. Malthus - Karl Marx –Schumpeter-J.S Mill-J.B Say.

Unit 3: Keynesian Revolution

Classicals versus Keynes – assumptions-labour market-real wages-aggregate demand-aggregate supply-level of employment-theory of money-demand for money-Liquidity trap

Unit 4: Marginalist School

Marginalists -The marginalist revolution: Jevons, Walras and Menger - Bohm-Bawark -Marshall and Neoclassicism - Pigou: Welfare economics

Unit 5: Post Keynesian and Recent Developments

Friedman and the New Chicago school - Quantity theory of money - Public choice and constitutional economics - Recent developments.

Compulsory Reading

A. Roncaglia (2006), *Wealth of Ideas: A History of Economic Thought*, Cambridge University Press.

Blackhouse, (1985), *A History of Modern Economic Analysis*, Basil Blackwell, Oxford.

Other Reading Lists

Ganguli, B.N. (1977): *Indian Economic Thought: A 19th Century Perspective*, Tata McGraw Hill, New Delhi.

Gide, C. and G. Rist (1956): *A History of Economic Doctrines*, (2nd Edition), George Harrop & Co., London, Economics 42.

Grey, A. and A.E. Thomson (1980): *The Development of Economic Doctrine*, (2nd Edition), Longman Group, London.

Roll, E. (1973): *A History of Economic Thought*, Faber, London.

Mark Blaug (1962): *Economic Theory in Retrospect*, 5th revised edition, Cambridge University Press.

IMAV: UDSE-2: ECONOMICS OF SOCIAL SECTOR AND AGRARIAN ISSUES (6 Credits)

Aim of the Course: This paper provides an exposure to the graduate students of Economics the basics of social sector and Agrarian issues. It will enrich the students to imbibe the insights pertaining to the most crucial issues of our developing economy.

Unit I: Economics of Education:

Role of Education in human life and in Economy. Determinants of Education: Rural – Urban, Male – Female, Primary –Higher, Technical and Traditional. Education and labour market. Status of India's Education – Global Position. Costs and Funding of Education. Social and Religious dynamics in access to education.

Unit II: Health Economics

Determinants of health; Economic dimensions of health care, Appraisal of health care financing; inequalities in health and class and gender perspectives: perspectives: institutional issues in health care delivery. Health status in India. Public and Private health care. Health Infrastructure.

Unit III: Social Infrastructure:

Access to Drinking water, sanitation, hygiene and vaccination. Availability and access to electricity, transport, communication, toilets and cooking gas. Social stratification and mobility. Evaluation of social welfare Schemes and employment Programs. Poverty and Demographic dividend.

Unit IV: Agriculture and Economy

Status and importance of Agriculture in India. Social Hierarchy and Land Distribution in India. Rural Development – agriculture. Small & marginal farmers, tenants, landless labourer, women and agriculture..

Unit V: Challenges to Food security

Environment – agriculture and Food security. WTO and Indian Agriculture. Public investment and Indian agriculture. Food Inflation.

Compulsory Readings

Baru, R.V. (1998), Private Health care in India; Social Characteristics and trends, sage publications, New Delhi.

Bhattacharya, R.N. (Ed.) (2001), Environmental Economics; an Indian perspective, oxford University Press, New Delhi

Blaug, M. (1970), An introduction to Education, Cambridge University Press, Cambridge

Cohn, E. and T. Gaske (1989) Economics fo Education, Pergamon Press, London.

Klarman, H.E. (1965) The Economics of Health, Columbia University Press, New York.

Kolstad, C.D. (2000), Environmental Economics, Oxford University Press, Oxford.

Markandya, A. and J.Richardson (Eds), The Earth Scan Readers in environment Economics, Earth Scan, London.

Panchimukhi, P.R. (1980), Economics of Health; A Trend Report in ICSR, A survey of Research in Economics, Vol. VI, Infrastructure, Allied publishers, Delhi

Pearce, D.W. and R.K. Turner (1991), Economics of Natural Resource Use and Environment, Johns Hopkins University Press, Baltimore.

Schultz, T.W. (1963), Economic Value of Education, Columbia University Press, new York.

Other Reading Lists

Beman, P. and M.E. Khan (1993), paying for India's Health care, sage publications, New Delhi.
Cooms, P.H. and J.Hallak (1988), cost Analysis in Education, John Hopkins University Press, Baltimore
Murty, M.N. A.J. A. James and S.Misra (1999), The Economics of water pollution in India. Oxford University Press, New Delhi
Sengupta, R.P. (Ed) (2001) Ecology and Economics: An Approach to sustainable Development. Oxford University Press, New Delhi.
Woodhall, M (1992), Cost-Benefit Analysis in educational Planning, UNESCO, Paris.
World Bank (1993), The World Development Report, 1993: Investing in Health, Oxford University press, New York.

IMAV: UDSE-2: KARNATAKA ECONOMY (6 Credits)

Aim of the Course: The basic objective of the course is to introduce students to the basic features of Karnataka economy and thereby enhance their analytical and critical ability to understand the dynamics of a regional economy.

Unit 1: Basic Concepts

Approaches to development - Income approach - GDP- Inequality - Human Development approach - Human development Index – Poverty.

Unit 2: Basic Structure of Karnataka Economy

Basic features – Geography - Composition and growth trends in population - Human Resource Development - Human Development Index - Structural composition of State income.

Unit3: Agriculture and Industry

Role of Agriculture - Land use pattern - Cropping pattern - Land reforms - Public distribution system - Role of industry - Small scale and cottage industries -Infrastructure.

Unit 4: Education, Health and Local Governance

Education – Health – Gender – Poverty – Inequality - Panchayat raj institutions -Decentralized planning.

Unit 5: Regional Disparities

Extent of regional disparities - High Power Committee for Readdressal of Regional Imbalances - Concept of backward area - Causes and consequences - Measures to reduce regional imbalances.

Compulsory Readings

Human Development Report (2005): Karnataka, Various years.

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

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

Other Reading Lists

S Rajendran, (2001): Drought in Karnataka – Need for Long term Perspective, *Economic and Political Weekly*, 36 (36), September, pp.3423-26.

M V Nadakarni and RS Deshpande, (1982): Agricultural Growth, Instability and Rainfall: A Case of Karnataka, *Economic and Political Weekly*, 17 (52), December.

G.Thimmaiah, (1983): Caste and Class in Karnataka, *Social Scientist*, 11 (2), Feb. pp.31-42.

Chandrashekar Damle, (1989): Land Reforms Legislations in Karnataka- Myth of Success, *Economic and Political Weekly*, 24 (33), August, pp.1896-1906.

Government of Karnataka: Human Development Report, Bangalore: Department of Planning and Statistics, 1999 and 2005.

Kadekodi, Gopal et al., (2007): Governance and the Karnataka Model of Development, *Economic and Political Weekly*, February.

Sen, Gita, AditiAiyer and Asha George, (2007): Systematic hierarchies and systematic failures: Gender and Health inequalities in Koppal district, *Economic and Political Weekly*, February.

Ananthpur, Kripa, (2007): Dynamics of Local Governance in Karnataka, *Economic and Political Weekly*, February.

Thimmaiah G and Abdul Aziz, (1983): The Political Economy of Land Reforms in Karnataka, A South Indian State, *Asian Survey*, Vol. 23 (7), pp.810-29

IMAV: UDSE-2: INDUSTRIAL ECONOMICS (6 Credits)

Aims of the Course: This course intends to provide knowledge to the students on the basic issues such as productivity, efficiency and debates involved in the industrial development in India. The objective is to provide a thorough knowledge about the economics of industry.

Unit 1: Basic Problems in Industrial Economics

Concept and organization of a firm - Ownership, control and objectives of the firm - Passive and active behaviour of the firm.

Unit 2: Market Structure and Conduct

Product differentiation - Economies of scale - Theories of industrial location – Methods of evaluating investment expenditure - Mergers and acquisitions.

Unit 3: Market Performance

Growth of the firm - Constraints on growth – Productivity - Efficiency – Capacity utilization.

Unit 4: Indian Industry Growth and Pattern

Growth and Pattern - Industrial policy - Regional industrial growth in India. SIC- Industry classification, MSMED Industrial classification, Industrial sickness in India. Recent trends in industrial growth in India (1991-2001). Industrial policy of India, Role of public and private sectors in India. Effects of liberalization and privatization on industrial development in India. Role of MNCs in industrial development. Regional industrial growth, its industrial and economic concentration and remedial measures. Industrial productivity, regional disparities.

Unit 5: Industrial Finance

Pollution control policies - Industrial finance.

Compulsory Reading

Hay, D and D.J Morriss (1979): Industrial Economics: Theory and Evidence, Oxford University Press, New Delhi.

Clarke, R, (1985): Industrial economics, Basil Blackwell, Oxford.

Tendulkar Suresh, Mitra, Narayan and Das (eds) (2006): India: Industrialization in a Reform Economy, Academic Foundation, New Delhi.

Sharma A.K (2006): Industrial Economics, Anmol Publication, New Delhi.

Other Reading List

Barthwal, R.R, (1985): Industrial Economics, Wiley Eastern Limited, New Delhi.

Cherunilam, F, (1994): Industrial Economics: Indian Perspective, Himalaya Publishing House, Mumbai.

Desai, B, (1999): Industrial Economy in India, Himalaya Publishing House, Mumbai.

Divine P.J and R.M Jones et al., (1976): An introduction to industrial economics, George Allen and Unwin Limited, London.

Government of India, Economic Survey (annual). Various Issues.

Kuchhal S.C, (1980): Industrial Economy of India, Chaitanya Publishing house, Allahabad.

Reserve Bank of India, Report on Currency and Finance (annual) Various Issues.

Singh A and A.N Sadhu, (1988): Industrial Economics, Himalaya Publishing House, Bombay.