

Appendix to U.O.NO.Acad/C1/3099/2001

Dated, K.U. Campus. P.O 16.06.2008

KANNUR UNIVERSITY

Academic Branch

Regulation, Scheme and Syllabus for M.A Development Economics course
w.e.f.2008 admission

List of Core and Optional Papers:

Given below is the list of Core and Optional Papers proposed by the Board of Studies for the P.G. Course in Development Economics.

Core Papers:

1. Microeconomic Theory
2. Macroeconomic Theory
3. Quantitative Techniques for Economic Analysis
4. Development Issues of Indian Economy (With special reference to Kerala)
5. Basic Econometrics.
6. Environmental Economics
7. International Trade: Theory and Policy
8. Economics of growth and Development
9. Optional
10. Optional
11. Optional
12. International Financial System
13. Optional
14. Compulsory Dissertation
15. Compulsory Viva Voce

Optional Papers:

1. Business Economics
2. Demography
3. Mathematical Economics
4. Advanced Econometrics
5. Regional Economics
6. Industrial Economics
7. Local Level Planning
8. Agricultural Economics
9. Health Economics
10. Labour Economics
11. Development of Economic Ideas
12. Financial Markets
13. Public Economics

Question Pattern:

The Question Pattern is summarized in the following table:

| Nature of Question | No. of Questions | Maximum Marks | Pages | Time (in minutes) | Remarks |
|---------------------------|-------------------------|----------------------|--------------|--------------------------|------------------------|
| Objective type | 10(10) | 10x1 = 10 | 1 | 10x1 = 10 | |
| Very Short Answer type | 8(11) | 8 x 3 = 24 | 8x 1/2= 12 | 8x 7/2= 60 | 5 minutes for one page |
| Short answer type | 4(6) | 4 x 5 = 20 | 4x 2/2 =10 | 4x12 1/2 =50 | |
| Essay type | 2(4) | 2x13=26 | 2x 6=12 | 2 x 30 = 60 | |
| Total | 24(31) | 80 | 35 | 180 | |

M.A. DEGREE DEVELOPMENT ECONOMICS
Semester-wise Distribution of Core and Optional Papers with Marks, Break up of hours per Week and Scheme of Examination

| Semester | Nature of Paper | Sl.no | Name of paper | Distribution of mark | | | Hours of work allotted per week |
|--------------------|-----------------|--------------|---|----------------------|---------------------|-------------|---------------------------------|
| | | | | Theory | Internal assessment | Total marks | |
| I Semester | Core | I | Microeconomic Theory | 80 | 20 | 100 | 10 |
| | Core | II | Macroeconomic Theory | 80 | 20 | 100 | 9 |
| | Core | III | Quantitative Techniques for Economic Analysis | 80 | 20 | 100 | 6 |
| | | | Total | 240 | 60 | 300 | 25 |
| II Semester | Core | IV | Development issues of Indian economy (With special reference to Kerala) | 80 | 20 | 100 | 7 |
| | Core | V | Basic Econometrics | 80 | 20 | 100 | 6 |
| | Core | VI | Environmental Economics | 80 | 20 | 100 | 6 |
| | Core | VII | International Trade: Theory and Policy | 80 | 20 | 100 | 6 |
| | | Total | 320 | 80 | 400 | 25 | |
| III Semester | Core | VIII | Economics of Growth and Development | 80 | 20 | 100 | 7 |
| | Optional | IX | ----- | 80 | 20 | 100 | 6 |
| | Optional | X | ----- | 80 | 20 | 100 | 6 |
| | Optional | XI | ----- | 80 | 20 | 100 | 6 |
| | | Total | 320 | 80 | 400 | 25 | |
| IV Semester | Core | XII | International Financial System | 80 | 20 | 100 | 7 |
| | Optional | XIII | ----- | 80 | 20 | 100 | 6 |
| | Compulsory | XIV | Dissertation / project work | 80 | 20. | 100 | 12 |
| | Compulsory | XV | Viva- Voce | --- | --- | 100 | -- |
| | | | Total | 240 | 60 | 400 | 25 |
| Grand Total | | | | | | 1500 | |

- Note: 1. Paper with si. Nos. IX, X, XI and XIII are optional papers to be chosen by the concerned department from the list of optional appended
2. Internal assessment marks of 20 with respect to paper XIV dissertation / project work is to be awarded on the basis of viva-voce examination conducted by the concerned department in the college based purely on the dissertation / project work done by the candidate. The viva-voce examination is to be conducted by the Department with head of the Department as the chairman and all the supervising teachers of the Department who supervised the dissertation as the members.
3. For semester examination, each paper shall be of three hours duration carrying 80 marks for theory and 20 marks for internal assessment.
4. The weightage of marks and guidelines for the paper XIV Dissertation is fixed as follows:
- | | |
|-----------------|------------|
| a) Methodology | : 20 marks |
| b) Content | : 30 marks |
| c) Novelty | : 10 marks |
| d) Presentation | : 20 marks |
| Total | : 80 marks |
- i) Primary data composed is desirable
- ii) Methodology part of the dissertation should contain
- | | |
|----------------------------|--|
| a) data source | |
| b) sample frame | |
| c) tools used for analysis | |
- iii) dissertation should not exceed 80 papers
5. Internal assessment marks with respect to theory papers is fixed as follows:
- | | |
|----------------|---|
| a) Attendance | : 4 (Less than 75% zero mark, 75% 1 mark, 76 to 80% 2 marks, 81-85% 3 marks, 86 and above 4 marks.) |
| b) Test papers | : 8 (At least 2 papers of 4 marks each) |
| c) Assignment | : 4 (Two assignment of 2 marks each) |
| d) Seminar | : 4 (One seminar_ script 2 marks and performance 2 marks) |

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M.A. DEGREE IN DEVELOPMENT ECONOMICS - SEMESTER COURSE

(Core Paper - 1)

MICROECONOMIC THEORY

Module - I.

Theory of consumer choice : Individual behavior in the face of risk and uncertainty — choice between insurance and gambling— expected utility, risk aversion and risk preference — Neumann-Morgenstern method of constructing utility index — Friedman-Savage hypothesis — household portfolio decisions under conditions of uncertainty (risk reduction through diversification of portfolio) — the mean-variance analysis — the state preference theory.

Recent developments in the theory of market demand : Hick's logical ordering theory of demand — constant elasticity demand function — distributed lag models of demand (general form only) — linear expenditure systems.

Module -11

Theory of production : Production function — homogeneous production function — Cobb-Douglas production function — CES production function — surrogate production function — fixed coefficient production function — technical progress and production function — equilibrium of the multi product firm in terms of production-possibility curve and isorevenue curve — linear programming — input-output analysis.

Module-III

Duopoly and Oligopoly : Characteristics of duopoly and oligopoly — interdependence and indeterminateness of demand curve under oligopoly — Collusive and non-collusive models — Cournot's model — Edgeworth's model— Bertrand's model — Chamberlin's model — Stagelberg's model — Sweezy's kinked-demand model — price leadership models of low-cost price leader, dominant firm price leader and barometric price leadership — cartels aiming at joint profit maximization and market sharing cartels — theory of games — Baumol's theory of sales revenue maximization,— Marris's model of managerial enterprises — Williamson's model of managerial discretion.

Module-IV

Theory of product pricing and income distribution,: Basic assumptions i underlying the traditional theory of pricing — Hall and Hitch report and the "full cost' pricing principle — attack on marginalist price determination — l average cost pricing : the mark-up rule — Bain's limit-pricing theory —models of Sylos-Labini and Franco Modigliani.

Ricardian and Marxian theories of income distribution — 'degree of monopoly' theory of Kalecki — neo-Keynesian model of Kaldor — modified model of Pasinetti — technical progress and factor shares — product-exhaustion theorem : Euler's product-exhaustion theorem — Clark-Wicksteed-Walras product-exhaustion theorem.

Module - V

General equilibrium and welfare economics — partial and general equilibrium — Walrasian general equilibrium - existence, uniqueness and stability of general equilibrium.

Criteria of social welfare — Pareto optimality criterion — perfect competition and Pareto optimality — Kaldor-Hicks compensation criterion Scitovsky criterion — theory of second best.

REFERENCES

- 1) H.A. John Green, *Consumer Theory*, Mac Millan, 976, Chapters - 13,14 and 15
- 2) *Hicks, A revision of Demand Theory*, Oxford University Press, 1956
- 3) David Laidler, *Introduction to Microeconomics*, Heritage Publishers, New Delhi, 1981, Chapter- 7
- 4) Robert. H. Frank, *Microeconomics and Behavior*, Irwin Me Graw - Hill, 2000, Chapter-6
- 5) Robert Y Awh, *Microeconomics : Theory and Applications*, John Wiley and Sons, 1976, Chapter - 3
- 6) David Begg, Stanley Fisher and Rudiger Dornbusch, *Economics*, Me Graw - Hill Publishing Company, 1994, Chapter- 14.
- 7) Richard G. Lipsey and K. Alec Chrystal, *Principles of Economics*, Oxford University Press, 1999, Chapter - 12
- 8) William J. Baumol, *Economic Theory and Operations Analysis*, Prentice Hall of India Pvt. Ltd., 1982, Chapter- 22.
- 9) Koutsoyiannis, *Modern Microeconomics*, Mac Millan, 1983, Chapter - 2.
- 10) G.C. da Costa, *Value and Distribution in Neoclassical and Classical Systems*, Himalaya Publishing House, Second Edition, 1992, Chapters 2,11
- 11) Kalman J. Cohen and Richard M. Qyert, *Theory of the Firm : Resource Allocation in a Market Economy*, Prentice Hall of India Pvt. Ltd., New Delhi, 1981, Chapter 16.
- 12) Henderson and Quant, *Microeconomic Theory : A Mathematical Approach*, Me Graw-Hill, 1971, Chapters 3,5,9.
- 13) Peter Calvo and Geoffrey Waugh, *Microeconomics : An Introductory Text*, Tata Me Graw-Hill, 1979, Chapter- 12
- 14) . Asimakopulus, *An Introduction to Economic Theory, Microeconomics*, Oxford Uni versity Press, Delhi, 1978, Chapter- 15
- 15) Luigi L Pasinetti, *Growth and Income Distribution, Essays in Economic Theory*, Cambridge University Press, 1974, Chapter-4.

Supplementary reading :

Hal R. Varian, *Intermediate Microeconomics*, Third Edition, W.W. Norton, New York.

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M.A. DEGREE IN DEVELOPMENT ECONOMICS - SEMESTER COURSE

(Core Paper - II)

MACROECONOMIC THEORY

Module- I

The Development of Macroeconomics - Micro-foundations of Macroeconomics - Models of closed economy - One sector Neoclassical and Keynesian models - the ISLM model - Keynesian and Neoclassical versions.

Fiscal and monetary policy analysis in an ISLM model - the labour market - Neoclassical and Keynesian labour market equilibrium - Three sector macro model - Neo classical and Keynesian versions - Policy implications

Module - II

Open economy model - balance of payments and Keynesian analysis - Absorption and BOP - Keynesian approach to BOP - effect of devaluation on BOP, Marshall - Lerner condition - Mundel- Fleming model.

Module -III

Demand for money : Monetarist counter developments - Friedman's Restatement of the Quantity Theory - Keynes' Theory - Patinkin Theory

Supply of Money : Financial inter-mediation¹ and the supply of money - behavioral model of money supply determination - inside money and outside money - Gurley and Shaw thesis.

Module - IV

Dynamics of the real sector - consumption - theories of consumption -absolute income hypothesis - permanent income hypothesis - life cycle hypothesis - wealth and consumption function - the consumption function in macro models.

Investment : Capital investment' and rate of interest — the term structure of interest rates - Tobin's q-ratio, accelerator theory of investment - policy measures which affect investment.

Module - V

Controversies in macroeconomics.; a) Walrasian general equilibrium models b) Keynesian counter revolution *dual decision* hypothesis c) Neo-Keynesian quantity constrained models d) *output* and inflation - the natural rate theory - the Phillip's curve, e) the Neo-classical macroeconomics f) supply side economics, g) some Indian themes in Macroeconomics -Macroeconomic character of the Indian economy.

REFERENCES

1. C. Harcourt (ed.), *The Micro Economic Foundations of Macroeconomics* – Macmillan 1997.
2. Brian Snowdon and Howard R. Vane, *A Macroeconomic Reader* Routledge, New York, 1997.
3. Karl Brunner and Allan H. Meltzer, *Money and Economy, Issues on Monetary Analysis - University of Cambridge, New York, 1993.*
4. Steven E. Lands Burg and Lauren J. Feinstone, *Macroeconomics*, Me. Graw Hill Pub. New York, 1997.
- 5) R. Levasic and A. Rebmann, *Macroeconomics*, Macmillan Pub. 1982.
- 6) Me J Surrey (ed),. *Macroeconomic Themes*, Oxford University Press, 1997.
- 7) Edward Shapiro, *Macroeconomic Analysis, 1978.*
- 8) Richard T. Froyen, *Macroeconomics, Maxwell Macmillan*
- 9) Harry G. Johnson, *Selected Essays in Monetary Economics, George Alien and Unwin..*
- 10) Juankar P.N., *Investment, Theories and Evidence, Macmillan, 1972*
- 11) Fred R. Glahe, *Macroeconomics Theory and Policy, Harcourt Publishers, New Delhi, 1985.*
- 12) L. Harris, *Monetary Theory, Me. Graw Hill, 1985*
- 13) Muller M.G. (ed), *Readings in Macroeconomics, 1971*
- 14) Bennett T. Me. Callurn, *Monetary Economics, Tlieory and Policy* Macmillan, 1989
- 15) William H. Branson, *Macroeconomics Theory and Policy, Princeton University. v.*
- 16) Dornbusch R. and Fischer, *Macroeconomics*
- 17) Prabhat Patnaik (ed), *Macroeconomics, Oxford University Press, Delhi, 1999.*
- 18) Veneries and Sebold, *Macroeconomics, Models and Policies.*

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M.A. DEGREE IN DEVELOPMENT ECONOMICS - SEMESTER COURSE

(Core Paper – III)

QUANTITATIVE TECHNIQUES FOR ECONOMIC ANALYSIS

Module - I

Matrix Algebra : Matrices and Vectors - Rank of a Matrix - Matrix and Vector Operations - Laws of operations - Identity and Null Matrices -Transpose and Inverse - Non-singularity of Matrix - Determinants and their properties - Computation of Inverse using determinants - Solution of simultaneous equations using Cramer's Rule.

Module - II ,

Standard Distribution : Probability Theory - Addition and Multiplication Theorem - (Conditional Probability] - Mathematical Expectations - Standard Distribution - Binomial - Poisson - Normal -Lognormal - Pareto Distribution - Properties and applications.

Module-III

Population and Sample : Random Sampling - Parameter and Statistic - Sampling from Normal Population - Sampling Distribution and Standard Error - Distribution of \bar{x} , t c^2 and F- Central limit theorem - Statement and application.

Module- IV

Theory of estimation : Point estimation '- Basic concepts -Unbiasedness, consistency, efficiency and sufficiency - Interval estimation -Basic concepts - Confidence interval for mean, difference of means based on large and small samples.

Module -V

Tests of hypothesis : Basic concepts - Null and alternative hypothesis - Simple and Composite hypothesis - Two types of errors - Tests concerning means of large and small samples - Tests for difference between means based on large and small samples - Tests concerning proportion and tests of variance using F and one way ANOVA - Tests of Goodness of fit and independence of attributes.

Module - VI

Research methodology : Meaning of research - Objectives - Types of research - Research methods Vs. methodology - Research and scientific methods - Research process - Defining research problems - Selection of research problem - Research design - Need for and feature of a good research design.

Note : Sixth Module is not for written examination, but for equipping the students for dissertation work.

REFERENCES

1. Taro Yamane, *Mathematics for Economists*, Printice Hall of India, New Delhi
2. Murray S. Speigel, *Statistics*, Schaum Series
3. Murray S. Speigel, *Probability Schaum Series*
4. C.R. Khothari, *Research Methodology- Methods and Techniques*, Wiley Eastern Limited
5. Alpha C. Chiang, *Fundamental Methods of Mathematical Economics*, Me. Gravy Hill, 1984.

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M.A. DEGREE IN DEVELOPMENT ECONOMICS - SEMESTER COURSE

(Core Paper - IV)

DEVELOPMENT ISSUES OF INDIAN ECONOMY (WITH SPECIAL REFERENCE TO KERALA)

MODULE -1.

Growth Vs Change: Structural changes in agriculture, industry and tertiary sectors of Indian Economy -Structural transformation from Nehruvian socialism to market friendly economy.

MODULE-II

Demography, Poverty and unemployment -Population statistics- sex ratio-gender discrimination-HDI, HP I -Demographic changes - Problem of ageing and health. Concept of poverty - Approaches to poverty by Bardan, B.S.Minhas, Dandekar and Rath Planning Commission, Amartya Sen - Entitlement and standard of living approach -environment, gender & poverty - Capability of poverty. Changing trends & magnitude of unemployment

MODULE-III:

Agriculture & Industry -Inter-relationship between Industry & Agriculture. New agricultural policies - Agreement on Agriculture with reference to India — Intellectual Property Rights - Patenting - trademarks - Impact of WTO on Indian Agriculture viz.-food crops, commercial crops - Issues of self sufficiency -Household food security. Industrial policy of 1991-Impact of Liberalisation, Privatisation and Globalisation on Indian industry including small scale and traditional industries.

MODULE-IV:

India & World Economy-Economic crisis - Economic reforms - Fiscal reforms (Raja Chelliah report, Kelkar report) - Financial reforms - Narasimham report (1991, 98) -Public sector reforms - BOP reforms - second generation reforms-India in a global economy - WTO - Capital flows - TRIMs - TRIPs - Boxes.

MODULE-V:

Kerala Economy :Traditional issues -A profile of Kerala Economy Since its formation — Kerala Model of Development - Structural changes in Kerala economy - Demographic changes - issues of sex - ratio - gender discrimination - ageing - health - migration - immigration - labour culture- Emerging issues- Kerala and WTO - Impact on crop pattern - food crops - cash crops - issue of food self sufficiency — household food security - Education - Social sector -Fiscal crisis in Kerala - Nature and conditionality of development loans to Kerala - rural infrastructural development in Kerala - Micro credit units - Peoples' plan - role of Panchayat Raj - Impact of cultural and ayurvedic tourism - mass media

REFERENCES

1. Pranab Bardhan, The Political Economy of Development in India; Oxford University Press, New Delhi, 1994.
2. C.T.Kurian, Poverty Planning and Social Transformations-An Alternative in Development Planning; Allied Pub Ushers, New Delhi, 1978
3. V.M. Dandekar, The Indian-Economy 1947-97; transforming traditional Agriculture Vol.1
4. Bimal Jalan, Indian Economic Crisis: The "Way Ahead; Oxford University Press, "New Delhi, 1991
5. ——— India's Economic Policy Preparing for the 21st Century, Penguin, New Delhi, 1996.
6. A.P.Thirwall, Growth and Development, 6th Edition Macmillan Press Ltd., 1999
7. Vijay Joshi, IMD Little; India's Economy Reforms; Oxford University Press, New Delhi", 1991-2001 ;
8. M.A Oomman Essays on Kerala Economy.
9. B.A.Prakash, Kerala Economy-Problems and Prospects; Sage Publications, New Delhi, 1994.
10. P.Surendran, The Kerala Economy; Vrindapublications Delhi, 1999 & 2002.
11. Uma Kapila, Indian Economy Since Independence; Vol.1, n,&IH, Academic Foundation, New Delhi.
12. ———, Recent Developments in Indian Economy, Part 3&4 Academic Foundation, New Delhi, 1994&95.
13. R.K. Sinha, Economic Development Planning and Policy in India, Deep&Deep, 1998
14. Robert.E.B.Lucas and Gustar.F. Papaneck, Indian Economy-Recent Development and Future Prospects, Oxford University Press, New Delhi, 1989
15. P.P.Pillai, Kerala Economy-Four Decades of Development, 1994
16. Terry Byres, Major Debates on Indian Economy.
17. Amartya Sen. Poverty and Famine-An Essay on Entitlement and Deprivation Oxford University Press, New Delhi, 1982.
18. -----The Standard of Living: Tanner Lectures -Cambridge University Press, 1987.
19. ———, Development as Freedom. Oxford Uni. Press, 1999.
20. ——— India Development and participation, Oxford University Press, 2002.
21. Brahmananda and Pancharuki, Development Process of Indian Economy; Himalaya Publishers. 1987.
22. S.S.T'arapore, Issues in Financial Sector Reforms, UBS Publishers' Distributors Ltd. New Delhi; 2000.
23. C.RangaRajan, Indian Economy; UBS Publishers Distributers Ltd; New Delhi, 1998.
24. Ruddar Dutt & KPM Sundaran, Indian Economy, S.Chand & Company Ltd, New Delhi, 2004.
25. A.D.N. Bajpai, S.K. Chaubey, N.G.Pendse, S.K. Shrivastava .Emerging Trends in Indian Economy, Atlantic Publishers & Distributors, New Delhi, 1995.
26. Various Issues of EPW, Economic Survey, Kerala Calling, Development Review, Yojana.
27. South Indian Development Report, Oxford University Press, 2001.

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M.A. DEGREE IN DEVELOPMENT ECONOMICS - SEMESTER COURSE

(Core Paper - V)

BASIC ECONOMETRICS

MODULE-I

“Definition and scope of Econometrics - methodology of econometrics - nature and Scope of data for econometric analysis - contribution of econometric methods to the development of Economics limitations of econometric methods.

MODULE-II

Two variable regression analysis : Stochastic and non-stochastic relations - the concept of population regression function' and its stochastic specifications - the 'sample regression function' "ordinary least-squares' (OLS) method of constructing 'sample regression function' estimation of regression parameters - assumptions underlying classical linear regression model - properties of least-squares estimators - coefficient of Determination r^2 as a measure, of 'goodness of fit'.

MODULE-III

Violations of the assumptions of classical linear regression model : Autocorrelation and heteroscedasticity -- meaning, sources, methods of detection, consequences and remedial measures.

MODULE-IV

Further problems of regression analysis : Multiple regression model and multicollinearity - consequences of multicollinearity - remedial measures - specification bias - lagged variables and distributed lag models (general form only)

MODULE- V

Dummy (or binary) variables . Nature of dummy variables - regression on dummy variables (one quantitative variable and one qualitative variable) — Uses of dummy variables dummy variables and heteroscedasticity - dummy variables and autocorrelation — dummy variable trap.

REFERENCES

Suggested references.

1. Damodar N. Gujarathi Basic Econometrics, Third Edition, Me Graw-Hill] [basic text book for compulsory reading]

Supplementary Reading

2. Koutsoyiannis , Theory of Econometrics, Mac Millan.
3. D.Intriligator, Econometric Models, Prentice Hall of India.
4. Johnston. Econometric Methods, Me Graw-Hill.
5. G.M.K. Madnani, Introduction to Econometrics : Principles and Applications. Oxford and IBH Publishing Company.
6. Damodar N. Gujarati Essentials of Econometrics, Me Graw-Hill, 1992.

Module wise reference :

Module -I

- i. Damodar N. Gujarati Essentials of Econometrics. Me Graw-Hill, 1992, Chapter-1

- ii. Damodar N. Gujarati, Basic Econometrics, Me Graw-Hill, 1995, Introduction and Chapter- I
- iii. Michael D Intriligator Econometric Models, techniques and Applications, Prentice Hall of India, New Delhi, 1980, Chapters 1 and 3.
- iv. Johnston. Econometric Methods (Second Edition), } Mc Graw-Hill, Kogakuzha Ltd. Chapter 1.
- v. A. Koutsoyiannis. Theory of Econometrics, An Introductory Exposition of Econometric Methods (Second Edition) Mc Millan, Chapters 1 and 2.
- vi. G. M.K. Madnani. Introduction to Econometrics : Principles and Applications (Second Edition). Oxford and LBH Publishing Company, Chapter— 4.

Module-11

- i. Damodar N Gujarathi Essentials of Econometrics. Chapters 5 and 6.
 - n. Damodar N Gujarali, Basic Econometrics, Chapter 2 and 3.
 - iii. Johnston. Econometric Methods, Chapter — 2.
 - iv. A. Koutsoyiannis Theory of Econometrics, Chapters 1 and 6.
 - v. G.M.K Madnani. Introduction to Econometrics (Second Edition), Chapter- 5.
- Module—111

- i. Damodar N Gujarathi Essentials of Econometrics, Chapters 11 and 12
- ii. Damodar N Gujarathi Basic Econometrics, Chapter 11 and 12.
- iii. Koutsoyiannis Theory of Econometrics, Chapter 10
- iv. Johnston Econometric Methods, Chapter - 8.
- v. .M.K Madnani. Introduction to Econometrics, Chapter - 9.

Module –IV

- i. Damodar N Gujarathi . Essentials of Econometrics, Chapters 10 and 14
- ii. Damodar N Gujarathi Basic Econometrics, Chapter 10
- iii. A. Koutsoyiannis. Theory of Econometrics, Chapter 11 and 13.
- iv. G.M.K Madnani, Introduction Econometrics, Chapter - 10.

Module -V

- i. Damodar N Gujarathi Essentials of Econometrics, Chapters 9.
- ii. .Damodar N Gujarathi Basic Econometrics, Chapter 15.
- iii. Johnston, Econometric Methods, Chapter - 6.
- iv. G.M.K Madnani. Introduction to Econometrics, Chapter - 11,

KANNUR UNIVERSITY
M.A DEGREE IN ECONOMICS - SEMESTER COURSE
(Core paper 6)
ENVIRONMENTAL ECONOMICS

MODULE-I

Economy and the environment - Inter linkages - Biotic and a biotic component of environment - Material Balance approach - Laws of Thermodynamics - Environmental Ethics.

MODULE-II

Economics of natural resources and conservation of resources resource taxonomy - Renewable and non-renewable resources -Forest resources - Managing renewable and non-renewable resources - optimum resources extraction.

MODULE-III

Economics of sustainable development - Indicators of sustainability - designing a new material economy -Market failure and public policy - Incomplete markets Externalities - Non exclusion and commons - Won rivalry and public goods - Cost benefit analysis – accounting for the environment — Environment Impact Assessment (EIA)

MODULE-IV

Environmental degradation - pollution - types - Plastic pollution - Disposal of reactive wastes and dangers of radiation - Water conflicts - Forest conflicts - Ganga Action Tran boundary pollution problems and international externalities - Global warming and green houses gases -Ozone depletion -r Acid rain - Deforestation and desertification - Decline of bio diversity - International Environment Agreements: Montreal Protocol – Global Environmental Facility - 1991 - Kyoto Protocol, Earth Summit, Doha Summit.

MODULE-V

Economic Incentives for environmental Protection - Price rationing: Charges and subsidies - pollution taxes and control of pollution - Liability rules: non compliance fees - bonds and deposit refunds - quantity rationing -marketable permits - Property rights - Evaluative criteria -Environmental management.

REFERENCES

1. Nick Hanley, Jagonf, Shogern and Benwhite, Environmental Economics; Macmilian 1997.
2. Lester R. Brown - Eco-economy, Orient .Longman private Limited, 2002.
3. Ravindra N. Battacharya, Environmental Economics; Oxford University Press, 2001.
4. Vandana Shiva, Ecology and the Politics of Survival, United Nations University press, 1991.
5. V.S. Mahajan, Environmental Planning, Machinery and management; Deep & Deep publications, 1991.
6. R.P. Misra, Environmental Ethics, Concept Publishing House
7. Dore and Mount. Global Environmental Economics
9. Perman, Roger, Yue Ma, James, M.C. Gilvrary and Michael Common, Natural Resource and Environmental Economics, Longman 1999.
19. Buchholz, Rogene. Principles of Environmental Management, prentice hall 1998.
10. World Bank, World Development reports; Washington, 1992.
14. Mishan E.J., Elements of cost - ^aenefit analysis; UNWIN, University Books, 1972.
15. Nordhans. Managing the Global commons: The economics of Climate Change; Cambridge MIT Press, 1994.
16. Pearce D.W. and Turner, R.K. Economics of Natural Resources and the Environment; Johns Hopkins University Press, 1990.

M.A. DEGREE IN DEVELOPMENT ECONOMICS
M.A DEGREE IN DEVELOPMENT ECONOMICS
CORE PAPER VII
INTERNATIONAL TRADE: THEORY AND POLICY

MODULE – I Theories of Trade

Mercantilist approach to trade – Absolute advantage theory – Comparative advantage theory – Comparative advantage with opportunity cost – Comparative advantage with money – Empirical test of Ricardian theory –

Heckscher-Ohlin theorem – Factor-price equalization theorem – Factor intensity reversal-empirical test of H-O theorem (Leontief Paradox) – Reciprocal demand theory – Offer curves – Terms of trade

References

1. Salvatore. D, International Economics, Brenace Hall, Chapter II, V, 1998
2. Pomfret. R, International Trade, Blackwell, Cambridge, U.S.A, Chapter VI, 1993
3. Soderston.B & Reed.G, International Economics, Third Edition, Mc Millan, 1994 reprint
4. Paul Krugman and M. Obstfeld, International Economics, Haper Collins, 1991
5. M. Chacoliades, International Trade Theory and Policy, McGraw Hill, 1978

MODULE – II Development in Trade Theories

Economies of scale – Imperfect competition and international trade – Product life cycle theory – Characteristics of Modern Trade – Trade based on differences in tastes and technology-Transportation costs – Environmental standards and international trade – Intra-industry trade models (Neo-Chamberlin , Neo Heckscher-Ohlin, Neo Hotelling and Oligopolistic, The Brander – Krugman Models) – Empirical work in Intra- industry trade

References

1. Salvatore, Chapter III, IV
2. Pomfret, Chapter VII
3. Peter. B. Kenen, The International Economy, Chapter VII, Prentice Hall of India, New Delhi, 1989
4. Soderston & Reed, Chapter VIII, IX
5. Paul Krugman & M. Obstfeld, 1991
6. M. Chacoliades, 1978

MODULE – III Economic Growth and Trade

Technological progress and growth – Hick's views on trade and growth – Small and large country models – Theory of immiserising growth – Dutch disease – Growth and changes in tastes in both countries and trade – Rybczinsky theorem – The seculardeterioration hypothesis (Prebish-Singer) – Stabilization of primary commodity prices

References

1. Salvatore, Chapter VII, IX
2. Soderston & Reed, International Economics, MacMillan, 1983
3. M. Chacoliades, International Trade Theory and Policy, 1978

MODULE – IV Protection and Free Trade

Forms of protection – Tariffs – Economic effects of tariffs – Arguments for trade protection – Optimum tariffs – Effective rate of protection – Non-tariff barriers – Quotas – Dumping – Technical and administrative controls on trade – International cartels – OPEC - Stolper- Samuelson theorem

References

1. Salvatore, Chapter VIII, IX
2. Carbaugh R. J, 1995
3. International Economics, South Western college Publishing, Ohio, Chapter V, VI
4. Promfet

MODULE – V World Trading System

Forms of economic integration – Effects of integration – Theories of customs union – Trade diversion – Trade creation and modification – The working of integration in the present world – European Union – NAFTA, SAFTA, APF, MERCOSUR, ASEAN, G-8, G-15, G-77 – GATT and WTO-emerging issues.



M.A. DEGREE IN DEVELOPMENT ECONOMICS

ECONOMICS OF GROWTH AND DEVELOPMENT - CORE PAPER VIII

MODULE – 1 Growth and Development – An Overview

Economics of growth – a theoretical and historical perspective – The formulation of development economics – A background discussion – Development-meaning and measurement – Economic development and human development –Development as freedom – Percapita income – Physical Quality of Life Index (PQLI) – Human Development Index (HDI) – Gender Related Development Index (GDI) – Gender Empowerment Measure (GEM)

References

1. J. R Hicks, Capital and Growth
2. Gunnar Myrdal, Asian Drama, II Vol.
3. World Bank Development Reports
4. UNDP, Human Development Reports
5. George Rosen, Western Economists and Eastern Societies
6. Debraj Ray, Development Economics, OUP, New Delhi, 1999
7. Amartya Sen, Development as Freedom, OUP, New Delhi, 1999
8. Gerald M Meier and James E Rench (Ed), Leading Issues in Economic Development, 7th edn.
9. A. P Thirlwall, Growth and Development, 5th edn., MacMillan

MODULE – II Selected Growth Theories

Harrod -Domar model – Kaldor’s model – Solow, Phelp’s models – John Robinson’s model

References

1. Hentry Wan (JR) Economic Growth, 1971
2. Bakul H Dholakya and Raveendra H Dholakya, Theory of Economic Growth and Technical Progress – An Introduction , MacMillian , Delhi, 1998
3. Debraj Ray, Development Economics, OUP, New Delhi,1999
4. Hywd G Jones , An Introduction to Modern Theory of Economic Growth, Mc Graw Hill, 1976

MODULE – III Development Paradigms

- a) Modernist Paradigms – The stages of growth (Rostow) – Surplus Labour (Lewis) – Big Push (Rosenstein Rodan) – Balanced Growth (Nurkse) – Unbalanced growth (Hirschman) – Critical minimum effort thesis (Leibenstein) – Dual economy model – Fei-Ranis model – Wage goods model
- b) Structuralist Paradigms – Reformist – Prebisch’s thesis – Prebisch and Singer – Protectionism and ISI – radical – Comparador bourgeoisie – Paul A Baran, Andre Peter, Evans, Triple alliance theory, Gunder Frank, SamirAmin Emmanuel, Wallerstein
- c) Neo-Liberal Paradigms – Jagdish Bhagwati, T.N Sreenivasan, Anne Kruger, IMD Little – Role of World Bank and IMF in the promotion of neo-liberal paradigm

- d) Neo-Institutional Paradigms – Gunnar Mirdal, Amathya Sen, K. N Raj, C.T Kurien, Ranjith Sav, Arriya Kumar Bagchi – Alternative approach to the theory of institutions in economic development

Reference

1. Stuart Carbridge, Capitalist World Development- A Critique of Radical Development Geography, MacMillan, London, 1986
2. C. T. Kurien, The Economy- An Interpretative Introduction, Sage, New Delhi, 1992
3. Susan George, Faith and Credit
4. Pranab Bardan, Alternative Approach to the Theory of Institution in Economic Development, in P. Bardan(Ed), The economic Theory of Agrarian Institutions, Clarendon Press, Oxford 1989
5. Paul A Baran, The Political Economy of Growth, Penguin Harmondsworth, 1978
6. A. G. Frank, Capitalism and Underdevelopment in Latin America, M .R Press, New York, 1969
7. Argbiri Emmanuel, Unequal Exchange- A Study of the Imperialism of Trade, New York, 1972
8. Samir Amin, Depression and Unequal Development, M. R Press, New York, 1976
9. Peter Evans, Dependent Development, Princeton University Press, Jersey, 1979
10. Henry Bernstein Underdevelopment and Development, 1976
11. United Nations, Developed Centre and Underdeveloped Peripherals, New York, 1951
12. S.P. Ganguly, Dependence Analysis and Underdevelopment in Latin America
13. Immanuel Wallerstein, The Capitalist World Economy, Cambridge University Press, Cambridge, 1979
14. Agarwal and S. P. Singh(Ed), The Economics of Underdevelopment, OUP Delhi, 1985
15. J. N. Bhagwati (Ed), Dependence and Interdependence- Essays in Development Economics, Vol-I&2, OUP Bombay, 1985

MODULE – IV Development Policies

Planning for development – An overview of Mahalanobis model and Indian planning experience – The impact of Structural adjustment programmes on development – Rediscovering decentralized Planning for human development – The experience of People’s Plan in Kerala - Planning for Human capital formation of developing countries

References

1. Gunnar Myrdal, Asian Drama
2. Michel P Todaro, Economics for Developing World, Longman, London, 1998
 1. Sukhomoy Chakraborty, Development Planning- Indian Experience, OUP Delhi, 1998
 2. Michel P Todaro, Economic Development in the Third World, Orient Longman,1991

MODULE – V Environment and Development

The limit to growth – Report of the Club of Rome – Envisioning sustainable development – Brundtland Commission report and the Earth – The Earth Summit at Rio and after – Competing theories of sustainable development – Practical policy implications – Methods for measuring sustainable development

References

1. Donell. H. M, et. al, The Limit to Growth- A A Report of the Club of Rome's Project on the Predicament of Mankind, Universe Books, New York, 1972
2. Steren C Hickett, Environmental and Natural Resource Economics- Theory, Policy and Sustainable Society, Mc Sharpe, New York, 1972
3. Keter Singh and Vishirin Behili, Co-operative Management of Natural Resources, Sage, 1996



**M.A. DEGREE IN DEVELOPMENT ECONOMICS
INTERNATIONAL FINANCIAL SYSTEM- CORE PAPER XII**

MODULE -1 Foreign Exchange Market

Functions of foreign exchange market-Appreciation, depreciation, revaluation, and devaluation of currencies – Arbitrage, spot and forward rates - Forward discount -Forward premisems - Currency - Foreign exchange futures and options -Foreign exchange risks - hedging and speculation - foreign exchange market in India -Theories of exchange rate determination – the purchasing power parity theory – Monetary approach, Asset market (portfolio) approach – Currency convertibility-Balance of trade – Current and capital account.

References

1. Salvatore , Chapter XIV , XV
2. Machi Raju , Indian Financial System
3. James. C. Ingmen , International Economics , John Wiley and sons and Rober. M. Dum , 1993
4. B. O Sodersten and Greed, 1994

MODULE - II Balance Of Payments

Balance of payment accounting – Disequilibrium in international transactions – Corrective measures – theories of balance of payment adjustment –Elasticity , absorption and monetary approaches – Balance of payments accounting in India.

References

1. Salvatore , Chapter XIII
2. R.B.I Bulletin , Annual
3. Keith pilbeam , International Finance , Mac Millan, 1998

MODULE - III Internal and External Balance

Internal balance – External balance – The assignment problem – Swan model – Mundel-Fleming model – Expenditure changing policies – Expenditure switching policies and direct countries – The policy under fixed and flexible exchange rates.

References

1. Salvatore , Chapter XVIII
2. Sodersten .B & G. Reed , 1994

MODULE – IV International Monetary System

Exchange rate regimes – Fixed, floating and flexible – Characteristics and functions of international money – The supply and demand for international reserves – International Monetary System-past and present – gold standard – IMF - Present monetary system.

References

1. Salvatore, chapter XXI
2. Keith Pilbeam, International Finance, MacMillan , London.

MODULE – V International Capital Flows

International banking – Euro-currency – Euro bond and Euro - Portfolio investment and direct investment – Date on international capital flows – Effect of international capital flows – Trans-National corporations - Advantages and disadvantages of trans-national production – Transfer pricing theories of TNCs – Functions of IMF, IBRD, IDA, & ADB.

References

1. Viban. R. Errun, Zevi Singh and T. S. Srinivasan , International Business Finance, Global Business Press, 1997, Chapter VIII
2. Meri Kofe , Financial Institutions and Markets, Tata McGraw Hill, 1996,Chapter II
3. Rtrys Jenkins , Multinationals and Uneven Developments, Methun London
4. Markasen J. R, et.al. (1996) , Trade Liberalization in Multinational dominated industry, Journal of International Economics,38.



OPTIONAL PAPER 1 BUSINESS ECONOMICS

MODULE – 1 Firm in Theory and Practice

Alternative motives of the firm – Marginal theories (Baumol's model, Williamson's model, Marris' model,) – Behavioral theories (Simon's model, Cohen and Cyret model, Cyret and March model)

References

1. Koutsoyiannis.A., Modern Micro-economics, Macmillan, London
2. W. J. Baumol, Economic Theory and Operation Analysis, Prentice Hall,
3. G. C. Anchilbald (Ed), Theory of Firm, Penguin

MODULE –II Demand Analysis and Demand Forecasting

Types of elasticity of demand – Interrelationship between elasticity, Income elasticity, and cross elasticity – Demand forecasting-types, factors involved , determinants, steps in the forecasting process, criteria of a good forecasting method – Methods of forecasting.

References

1. Joe. K. Shim, Joel. G. Siegel and C. J. Liew, Strategic Business forecasting, Jaico Publishing House, Bombay.
2. Maknidakis. S & C.Steron, Forecasting Methods and Applications, John Wiley&Sons, New York.
3. P.katler, Marketing Management Analysis Planning And Content, Prentice Hall of India, New Delhi.

MODULE - III Cost Analysis and Profit Planning

Short run cost functions, long run cost functions – Economics of scale – Cost elasticity and output elasticity, forms of cost functions, cost estimation methods – Techniques of cost control – Application of cost analysis (optimum output, inventory level, breakeven output).

References

1. R.P Barthwal, Industrial Economics, New Age International (p) Ltd.
2. Peterson and Lewis, Managerial Economics, Prentice Hall of India, New Delhi
3. Dominik Salvatore, Managerial Economics in a Global Economy, McGraw Hill

MODULE – IV Investment Decisions

Need for capital budgeting Capital budgeting process – Investment Criteria and Investment appraisal – Investment decision under risk, degrees of risk, risk-return trade off – Adjusting the valuation model of risk – Certainty equivalent adjustment, risk adjusted discount rate – Decision tree analysis – Simulation and sensitivity analysis – Decision making under uncertainty – Laplace decision criterion.

References

1. Prasanna Chandra, Financial Management Theory and Practice, Tata McGraw Hill Publishing Company Ltd.
2. Van Home and James. C, Financial Management and Policy
3. Baumol. W. J, Economic Theory and Operation Analysis, Prentice Hall
4. Brigham and Pappa,. Managerial Economics, Dryden-press
5. Managerial Economics Surjeeth Publications, New Delhi

MODULE – V Pricing Strategy

Factors involved in the formulation of pricing theory – Pricing policies and pricing practices – Pricing problems – Price discounts and price differentials.

References

1. Evans J Douglas, Managerial Economics – Theory, Practices and Problem
2. Peterson and Lewis, Managerial Economics, Prentice Hall of India, New Delhi
3. Dortman. R, The Price System, Prentice Hall of India, New Delhi
4. Thompson Arther, Economics of the Firms- Theory and Practice, Prentice Hall of India, New Delhi.



OPTIONAL PAPER 2
DEMOGRAPHY

MODULE – I Concepts and Measures of Population Changes

Meaning and scope of demography – Components of population growth and their interdependence – Measures of population change – Growth, structure, distribution and sources of population data – Demographic data in India – Censuses, Civil Registration System and Sample surveys – Sample registration-methods and drawbacks – Measures of fertility and mortality – Standardized Birth rates and death rates – Concepts of life table – Meaning of its column and uses – population distribution

MODULE – II Trends in Population

Trends in growth – Composition and distribution of population – Regional variation in rates of growth – African, Asian, Latin American, North American, Europe, Russia, Oceania and estimates of sizes and rate of growth – Shifting of proportions of human population in recent years and density in different regions – Population projections – Stable, stationary and quasi-stable population

MODULE - III Sex and Age Structure

Patterns of sex and age structure in developed and less developed countries – Determinants of sex and age structure – Demographic effects of sex and age structure – Ageing and Younging of population – Long term projections of sex and age structure of population.

MODULE – IV Fertility, Nuptiality, and Mortality

Fertility: Levels and Trends – Factors affecting fertility in developed and LDCs – Differential fertility-ecological factors, regional differences, urban-rural, socio-economic factors, educational attainment, economic status, occupation of husband, employment status of wife, religion, caste, race, etc.

Nuptiality: Concepts – Analysis of Marital status from Census – Mean age at marriage – Synthetic and decadal synthetic concern methods – Mean age at widowhood and divorce – Trends in age at marriage – Change in age pattern of marriage

Mortality: Levels and trends in mortality in developed and developing countries – Sex and age pattern of mortality – Fetal and infant mortality – Still birth, abortion, and prenatal mortality - Levels and trends of infant mortality – Factors affecting mortality differentials - rural-urban, geographical, occupational, ethnic, etc. – Factors in mortality declines in developed and developing countries

MODULE - V Migration

Basic concepts and definitions – Importance of migration in the study of population – Types of migration- internal, international, temporary – International migration- levels, trends, and differentials in developed and LDCs – Effects of immigration and emigration - Economic, social, and socio-economic aspects of migration – Theories concerning internal migration – Costs and benefits of internal migration and out migration

MODULE – VI Urbanization

Growth and distribution trends in urban population – Age, sex and occupational structure of urban population – factors affecting urbanization – concepts of urbanization – levels and trends of urbanization in developed and LDCs – Costs and benefits of urbanization on the structure of population

MODULE – VII Population policies

Population policy – Country experiences - Population policies and programme in India.

References

1. U.N, The Determinants and Consequences of Population Trends
2. A.A Blende and T.Kanukar, Principles of Population Studies, Himalaya,1982
3. D,J Bogue, principles of Demography, Wiley,1971
4. B.D Misra, An Introduction to the Study of Population, South Asian Publishers, 1980
5. S. N. Agarwal, India's Population Problem, Tata McGraw Hill, 1985
6. Government of India, Census of India and Related Monographs and Reports
7. U.N, Methods of measuring Internal Migration, 1979

KANNUR UNIVERSITY
M.A. DEGREE IN DEVELOPMENT ECONOMICS - SEMESTER COURSE
OPTIONAL PAPER - 3
MATHEMATICAL ECONOMICS

Module - 1 (Theory of Consumer Demand)

Maximization of utility - demand functions - Elasticity - Properties of demand functions - Slutsky equation - Direct and cross effects - Separable and additive utility functions - Homogeneous and homothetic utility functions - Indirect utility function - Duality in consumption - Roy's identity- Linear expenditure systems, addilog demand system - Constant elasticity models - The problem of choice involving risk - Expected utility - Risk and insurance.

Module - II (Theory of Production)

Production function - Cob-Douglas production function - CES production function - VES production function - Translog production - Cost function : Derivation of cost as a function of output - Input demand function- generalized Leontief cost function - shepherd's lemma - Technological progress - Embodied and disembodied technology - Neutrality.

Module - III (Monopoly and Imperfect Competition)

Monopoly and profit maximisation - Price discrimination - Taxation and monopoly - Multiple plant and multiple product - monopoly - Revenue maximisation monopoly - monopoly in the -input market - Cournot- Nash model - Stackelberg model - Sweezy model.

Module – IV (Optimization over time)

Basic concept - Multi period consumption - Investment theory of firm -interest rate determination - Investment theory and role of time - Retirement and role of durable equipment.

Module - V (Linear Models)

Theory of games : Two person zero-sum game - Pure and mixed strategy - Saddle point theorem.

Linear programming ; Primal and dual problem - General linear programme - Complementary slackness theorem - Simplex solution.

Input output analysis : Open and closed Leontief system — Hawkins — Simons condition.

REFERENCES

1. Allen R.G.D, *Mathematical Economics*, Macmillan Co. Ltd., 1956
2. Allen R.G.D, *Macroeconomic Theory*, Macmillan Co., Ltd., 1967.
3. Amitabh Kundu, et. Al, *Input Output framework and Economic Analysis*, Centre for the study of Regional Development, New Delhi, 1976.
4. Birchenhall. C. and Grout. P. *Mathematics for Modern Economics* Philip Alien. Harness and Noble Books, Oxford, 1984.
5. David. F. Heithfield and Soren Wibe, *Introduction to Cost and Production Functions*, Macmillan Education Ltd., 1987.
6. Eugene Silberberg, *The Structure of Economics a Mathematical Analysis* (Second Edition), Me, Graw Hill International (ed). 1990.
7. J.M. Henderson and R.E.Quandt, *Microeconomic Theory a Mathematical Approach*, Me. Graw Hill International Ltd, 1980.
8. Leontief. W.W., *The Structure of American Economy 1919-1939*, Vora and Co. Publishers (Pvt.) Ltd., Bombay., 1971.
9. Krishna K.L. (ed.) *Econometric Applications in India*, Oxford University Press, New Delhi, 1997.

OPTIONAL PAPER-4

ADVANCED ECONOMETRICS

Module-1 Simultaneous equation system

Introduction to simultaneous equation system- identification problem –rules of identification –rank order conditions –zero restrictions in the non-stochastic- recursive system –maximum likelihood estimation –Nalve limited information, full information approaches –indirect least squares –two stage least squares and k-class estimators –errors in variables –instrumental variables-three stage least squares –forecasting and policy analysis.

Module II Specific linear models

Exogenous and endogenous lagged variables –lagged models- methods of estimation of lagged models (Koyck transformation model, Almon approach, Nerlove model etc) – models with dummy variables –Logit and Probit models.

Module III Time series econometrics-I

Forecasting with multivariate regression model- time series models and forecasting: MA, AR and ARIMA models.

Module IV Time series econometrics-II

Stationary –unit root and co-integration.

Module V Econometric applications in India

Agriculture –industry –monetary economics- macro economic modeling –international economics.

References

1. William .S. Brown: Introductory Econometrics, West Publishing Company
2. Damodar.N.Gujrathi: Basic Econometrics, Mcgrw hill international edition (third edition)
3. R.S.Pindyck and D.Rubinfeld : econometric models and econometric forecasts, international student edition

OPTIONAL PAPER-5

REGIONAL ECONOMICS

MODULE 1: Region and Special Micro economic Theory.

Concept of region-Time and Space as variations in economic analysis of a region-Spatial microeconomic theory- Theory of location –Price equilibrium in geographically separated and interlinked markets-Spatial monopolistic competition –Spatial price discrimination –Alternative objectives of the firm with regard to locational choice-Locational interdependence- Hotelling formulation and its unique economics and diseconomies of agglomeration-Transport cost on location –Views of Weber ,Sergeant Florence, F.M.Hoover, Colin Clark.

MODULE 11: Spatial Macroeconomic Theory.

Spatial macroeconomic-Regional social accounting theory- Short run regional income determination-Interregional income –Multiple income determination in a multiregional economic system-Marginal growth theories- Difference in regional income trends in percapita income-Survey of recent techniques in regional analysis-Views of Christaller,Losch,Fetroux,Laaxd-Dynamic theory of regions.

MODULE 111 :Regional Economic Policy.

Regional income accounts-Regional planning and development- Views of Perloff, Dunn Lampard and Muth-Regional growth of income- Long term tendencies- Spread effects and backward effects- Regional economic theory-Formulation of interregional objectives- Consistency between national and regional objectives- Channalisation approach towards backward regions-Level in of inter regional disparities-Role of Finance Commission in regional financial allocation.

MODULE 1V : Regional imbalance and policies.

Regional characteristics in India and imbalances-Regional development programmes and policies to reduce imbalances in India-Policies to reduce regional imbalances in India-Dandekar Committee on regional imbalances.

MODULE V1 : Kerala Economy –past, present and future.

Overview of social, political and economic situation in Travancore, Cochin and Malabar before the formation of Kerala-Migration to Malabar-Emergence of indigenous capitalist class-Commercialization of agriculture-The rise of plantation sector-Economic development policies of the state of Travencore-Structural characteristics of Kerala economy and changes in them in since 1956-Strength and weakness.

Agriculture: Land reforms-Co-operative movement-Institutional and informed credit

system-Food crops/cash crops sector- Area, production, productivity and price trends-Cost structure- Rural employment/ unemployment and wages-Food security.

Industry : Industrial characteristics – strength and weakness-Formal/ informal sectors – Growth in unorganized sector-Modernization of traditional industries- The cost of coir- Industry productivity and wage rates-Industrial relations-Trade union movement-Infrastructure – Power energy- Transport and communications –Banking-Education, Healthcare- Development issues.

External sector :Exports, imports and balance of trade-Gulf migration and remittances-Implications of Government of India's policies on Kerala economy- Kerala model of development- Strength and weakness –The major issues in Kerala's development-Problems and Prospects.

References:

1. H.W. Richardson, Regional Economics 1969
2. H.W.Richardson, Regional Economics-A Reader-1969
- 3 . H.W.Richardson, Elements on Regional Economics,1969
4. T. Wilson (Ed), Papers on Regional Development, 1965
5. L. Needleman (Ed), Regional Analysis, 1968
6. H. S. Perloff, E. S. Dunn, E.E. Lampard and R.F. Muth: Region's resources and Economic Growth 1960
7. J. R. Myer, Regional Economics-A Survey: In surveys of Economic Theory, v , 1968 also in American Economic Review-1968
8. L. S. Bhat: Regional Planning in India, Statistical Publishing Society 1972

KANNUR UNIVERSITY

M.A. DEGREE IN DEVELOPMENT ECONOMICS - SEMESTER COURSE

(Optional Paper- 6)

INDUSTRIAL ECONOMICS

Module - 1

Theoretical foundations of Industrial Economics - determinants of market structure - the organizational form - growth of the firms and merger, integration and acquisitions (Marrio, Morsen and Downs, Williamson and Galbraith) Industrial Location and Analysis - determinants - Industrial Organization and Development Economics - role of state in industrial development - empirical studies on Industrial Structure.

Module - II

Industrial development through plans - stagnation - performance of public enterprises in India - Industrial Policy resolutions.

Module - III

Issues in industrialization - pricing policies - short run behavior of prices and quantities of industry - competitiveness of Indian industry -policies regarding sick firms - small firms in India - cottage and small industry

Module - IV

The concepts of labour productivity - determinants - total factor productivity debate in Indian Industry - labour policy: Industrial finance -institutions and functions - IDBI, ICICI - changing role - stock market, industrial development and the finance of corporate growth in India.

Module - V

Industrialization in Kerala - trends and explanations.

REFERENCES

1. Stephen Martin, *Advanced Industrial Economics*, Basic Blackwell, 1993 (Module I)
2. Dilip Mookherjee, *Indian Industry Policies -and Performances*, Oxford University (Module - I : Chapter 1, Remaining Chapters for Module III)
3. R.R. Barthwal, *Industrial Economics*, Wiley Eastern Ltd., New Delhi, 1985. (Module I : Chapter 3,8,16, Module IV : Chapter'18)
4. Deepak Nayyar, *Trade and Industrialization*, Oxford University Press, New Delhi, 1977 (Module I : Chapter 2, Module III : Chapter 4, Module IV : Chapter 5)
5. Isher Judge AhuKvslia, *Industrial Growth in India*, Oxford University Press (Module II)
6. Deepak Nayyar *Industrial Growth and. Stagnation*, Oxford University Press, 1994 (Module II).

OPTIONAL PAPER – 7 LOCAL LEVEL PLANNING

MODULE – I Planning

Types of planning – Decentralized planning in India – Problems of planning from below – Priority rating and time framing – Assessments of funds – Strategy – Target setting – Resource allocation – Integration – Inter-sectoral – Spatial planning – Multilevel planning – Inter-tier integration – Decentralized planning in Kerala – People’s Campaign for 9th Plan – Methodology – People’s participation – Phases – Issues

References

1. George Mathew, ISS Status of Panchayath Raj in the States of India, Concept Publishing Company, 1994
2. Anirban Kashyap, Panchayath Raj – Views of Founding and Recommendation of Different Committees, Lancers Book, New Delhi, 1989
3. Hicks U. K, Development from Below, Oxford, 1961
4. Kerala Panchayath Raj Act, 1994
5. Kerala Municipalities Act, 1994
6. Manabendu Chathopadyaya and Pradeep Maity, Planning and Economic Policy in India, 1996

MODULE – II History of Local Governance

Gramaswaraj – Balwanth Rai Mehta Committee – Ashok Mehta Committee – 73rd and 74th Constitutional Amendments – Features – Gramasabha – Kerala Panchayath Raj Act 1994 – Kerala Municipalities Act 1994 – Institutional arrangements – Three tier system- Grama, Block, District Panchayaths – Municipalities – District Planning Committee

References

1. Richard B Bingham and Robert Meier, Theories of Local Economic Development, Sage Publishers, Delhi, 1993
2. Kamata Prasad, 1998
3. Planning at the Grassroots, Sterling Publishers
4. Mishra R. P and Aclynthan. R. N(ed) , Micro Level Rural Planning – Principles, Methods and Case Studies, Concept Publishers, New Delhi
5. Govt. of India, Dantwala Committee on Block Level Planning, 1978
6. Hanumantha Rao C. H, Report of the Working Group on District Planning, Planning Commission, 1984
7. Thomas Issac and Harilal K. N

MODULE – III Project

Types of project – Scheme – Programme – Plan – Project format – Aspect of project preparation- technical, institutional, social, commercial, financial, economic – Project cycle – Identification – Preparation – Analysis – Appraisal criteria – Payback period – Accounting Rate of Return – Debt service coverage ratio – Net Present Value – IRR – CPM / PERT – People’s Participation and Process Evaluation

References

1. Prasanna Chandra, Projects- Preparation, Appraisal, Budgeting and Implementation Tata McGraw Hill Publishing Company Ltd., New Delhi, 1987
2. David I Cleland, Project Management, Strategic Design and Implementation, McGraw Hill, New York, 1979
3. Gittinger J Price, Economic Analysis of Agricultural Projects, The John Hopkins University Press, London, 1982
4. I M D Little and J. M Mirrles, Project Appraisal and Planning for Developing Countries
5. Govt. of Kerala, Committee on Decentralization of Powers, Sen Committee, 1998
6. World Bank, Economics of Project Analysis, 1991
7. FAO, District Planning Lessons from Kerala, 1995
8. FAO, Participatory Monitoring and Evaluation, 1988
9. Michsn E. J, Cost-Benefit Analysis, Unwin 30, University Press, 1971
10. J. Friedman and W. Alonso(ed.) Regional Policy : Reading
11. R, M Misra et. al, Regional Development Planning in India, Vikas, 1978
12. R, M Misra et. al, Regional Planning and National Development, Vikas, 1978
13. K R G Nair, Regional Disparities and Development in India, 1986
14. Harish Rao, , Regional Disparities and Development in India, Ashish Publishing House, 1984
15. V L S Prakas Rao, Regional Plamnning, 1st Series, 20 Asia, 1963
16. V. M Dandekar, et.al, Fact Finding Report on Regional Imbalances in Maharashtra, MEDC, Bombay, 1984
17. Poverty, Unemployment and Development Policy, A Case Study of Selected Issue Reference to Kerala, Centre for Development studies, U. N, 1975
18. L. A Krishna Iyer, Social History of Kerala, Book Centre Publication, Madras, 1970
19. E M S Namboodiripad, The National Question in Karala, PPH, 1952
20. Travancore State Manual, 1970
21. K. N Raj and Michael Tharakan, Agrarian Reforms in Kerala and its Impact on the Rural Economy, ILO, 1981
22. P G K Panikar, T. N Krishnan and N. Krishna Raj, Population Growth and Agricultural Development- A Case Study of Kerala, FAO, !(&*
23. Working Papers, Occational Papers and other Publications of C.D.S, Thiruvananthapuram (To be recommended by the faculty member)
24. P G K Panikar and C. R Soman, Health Status of Kerala : Paradox of Economic Backwardness and Health Developments, CDS, 1984

25. B. G Kumar, Quality of Life and National Status- A Reconsideration of Some Puzzles from Kerala, in Development and Change(Ed), by P. Bardhan, Chaudhari and T. N Krishnan, OUP, 1993
26. K. K George, Limits to Kerala Model of Development, CDS, 1993
27. K. Ramachandran Nair, Industrial Relations in Kerala, 1974



M A DGREE IN DEVELOPMENT ECONOMICS-SEMESTER COURSE

Optional Paper-8

AGRICULTURAL ECONOMICS

Module 1

Role of agriculture in economic development - Theories of agricultural development - Shultz, Mellor, Lewis and Boserup - inter relationship between agriculture and industry

Module II

Agricultural Development in India - Agricultural policy since independence - institutional and technological changes - impact of agricultural development on environment - Organic farming -agricultural biotechnology -problems of agricultural development - New Economic Policy and agriculture - Agricultural Policy 2000 -National Commission on Farmers -WTO Agreements on Agriculture - Trade liberalization and agricultural exports - challenges and prospects.

Module III

Agricultural Production Economics - Production relationships - systems and types of farming -agricultural subsidies - rationale for input subsidies in Indian agriculture - risk and uncertainty in farming -crop insurance - futures trading - Agricultural credit and marketing - structure and problems of credit in India - present system agricultural marketing in India

Module IV

Demand and supply of agricultural products - Characteristics of demand and supply - supply response - perverse supply response in traditional agriculture - cobweb theorem. Agricultural prices - behavior of agricultural prices - stabilization of agricultural prices - agricultural price policy and food security in India.

Module V

Agricultural performance of Kerala-trends in agricultural growth — land reforms -current problem of the agricultural sector - emerging constraints and prospects of agricultural development in the liberalized globalised era -Group fanning - prospects of lease land farming

References:

1. T.W.Shultz - Transforming traditional Agriculture' New Haven, London Yale University Press 1965.
2. J.W.Mellor - The Economics of Agricultural Development. Vora &Co Bombay
3. S.Ghatak. & K.Ingersent - Agriculture and Economic Develo.pment.New Delhi. Select Book Service Syndicate
4. W.A.Lewis - "Economic Development with unlimited supplies of labour"
5. Karl Eicher & Lawrence Witt - Agriculture in Economic Developpment Vora &Co Publishers Pvt.Lirmted
6. C.E.Bishop & W.D.Toussiant - Introduction to Agricultural Economic Analysis

7. O.S.Srivastava - .Theoretical Issues in Agricultural Economics Allied Publishers PvtXtd. R.N.Soni - Leading Issues in Agricultural Economics. Vishal Publishing Co.
8. R.K.Lekhi, Joginder Singh. - Agricultural Economics.Kalyani Publishers
9. R.Desai - Agricultural Economics.Himalaya Publishing House
10. S.A. R.Bilgrami - An Introduction to Agricultural Economics.Himalaya Publishing House Sadhu &Singh - Fundamentals of Agricultural Economics. Himalaya Publishing House
11. B.P,Tyagi - Agricultural Economics and Rural Development. Jai Prakash & Co.Meerut 19. C.A.Robertson - An Introduction to Agricultural Production Economics and Farm Management
12. E.G.Heady. - Economics of Agricultural Production and Resource use. Prencide Hall 1961
13. C-H.Hanumantha Rao - Agricultural Production Function Costs and returns in India.Tata McGrawHill 1965
14. P.C.Joshi.- Land Reforms in India,Trends and Prospects. Allied Publishers
15. S.S Acharya&D.S.Agarwal -Agricultural Price Analysis and Policy.Oxford & IBH Publishing Co.Ltd
16. A.S. Kalthon. &D.S Tyagi - Agricultural Price Policy in India, Allied Publishers New Delhi P.CMalhotra - Stabilisation of Agricultural Prices in India
17. Uma Kapila - Understanding the Problems of Indian Economy .Academic Foundation
18. Uma Kapila - Indian Economy Since Independence Academic Foundation
19. M. A.Oommen - Kerala Economy Since Independence.Oxford & IBH Publishing Co. B.A.Prakash (edited) - Kerala Economy Problems and Prospects Sage Publications New Delhi
20. M.A.Oommen(edited) - Kerala's Development Experience II Institute of Social Science , Concept Publishing Co.
21. B.A.Prakash. (edited) - Kerala's Economic Development performance and Problems in the Post Liberalisation Period -Sage Publications New Delhi
22. G.S Bhalia - "Globalisation & Agricultural Policy in India" Indian Journal of Agricultural Economies' Vol. 50.No.1 January March 1995
23. C.H.Hanumantha Rao —" Liberalisation of Agriculture in India" Indian Journal of Agricultural Economics, Vol.50.No,3 July September 1995D.Rudrappan- " Economic Reforms and Agriculture" Yojana Vol.47 .No.1 1. November 2003
24. Dr.P.Bhattacharya & Dr.Knshna Bihari - " Scope of Organic Farming in India" Yojana,Vol.47,No. 11 November 2003
25. C.H.Hanumantha Rao - "WTO and Viability of Indian Agriculture" Economic & Political Weekly, September 8-14, 2001, VoLXXXVI. No.36
26. Dr.P.K.Singh - "Reforms in the Agricultural Sector" Yojana Vol.47,No.1 I, November ,2003.
27. Dr.Swami Prakash Srivastava - "Biotechnology industry and its future role in Indian Economy" Yojana, Vol.47,No.1 I,November2003.

Optional paper - 9
HEALTH ECONOMICS

- I. Health and Health Economics-Health and development-Economics of health in developing countries-Actors and factors affecting health status.
- II. Government, Health and Medical Care - Reasons for Government Interventions -Public goods-externalities-demand side externalities-supply side externalities - taxes and subsidies as corrective instruments - market solutions for externalities-redistribution function of government-demand side and supply side subsidies-macro health economics.
- III. Urban health-urban health care in India - impact of urbanization on health -emerging issues in the urban health care-Environment and health-Environmental health programmes-Ageing of population- issues in India and Kerala-Morbidity transition in India and Kerala-Issues in Kerala's health status.
- IV. Malnutrition —its measurement and consequences -economic reforms and health sector in India-NGO's in health care in India- Health as an investment in Human development in India.
- V. Govt. as health insurer -Why does the govt. produce health insurance? Relation ship between health insurance and the demand for medical service-co-insurance indemnity insurance-Non economic determinants of demand for medical services-Impact of insurance and non- economic factors on the. demand for medical services. Health insurance as a social security -Historical evolution- health insurance in India-delivery of medical care under insurance-its merits and demerits.

References

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4. Public health and poverty of reforms.Ed. by Irrrana quadder etc.Sage publications
- 5 . Health insurance in developing countries .Ed by A viva Row. Brain Abel Smith etc. Oxford and IBH publishing company Ltd. New Delhi 1990.
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7. Health and Development Ed. By David R Phiilip and Yola Verhasset. Routledge, London 1994.

8. Health Economics. Theories, Insights and Industry Studies *by* Rexford E Santerre and Stephen P Neun. The Dryden press, Dryden 2000
9. The Economics of Health in developing countries. Ed. by Kenneth Lee & Anne Mills, Oxford University press 1985.
10. Health Sector Reform in Developing countries. *eter* Herman Ed. 1995 Harvard school of public health, Boston.
11. Environmental pollution and health hazards in India. Ed. by R. kumar, Ashish Publishing house, New Delhi. 1987.
12. The urban health crisis. strategies for health for all in the face of rapid urbanization, WHO, Geneva 1993.
13. Health Transition in Kerala, PGK Panicker, RPLD, Discussion paper No. 10 1999.
14. Utilization of health services in Urban Kerala, A socio Economic study, K. Gangadharan. Serials Publications, New Delhi. 2005.
15. Health Strategies and population Regulation Vo! .1 and Vol II. Ed. by Yu Jing Yuan etc. B.R. Publishng Corporation, Delhi. 2001.
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17. Health Economics. fundamentals and flow of funds. Thomas E Getzen. John Wiley & sons. Inc. 1997.

OPTIONAL PAPER – 10 LABOUR ECONOMICS

MODULE - 1 LABOUR MARKET Nature and characteristics of labour market in developing countries like India-Paradigms of labour market-classical, Neoclassical and dualistic, Analysis of demand and supply forces-Demand for labour relating to size and pattern of investment, Choice of technology and Government labour policies and their orientation- Supply of labour in relation to growth of labour force- Labour market process.

References

1. Hunter and Malvey, Economics of Labour, Macmillian, 1983.
2. A freeman, Labour Economics, 1982
3. R A Laster, Economics of Labour, Macmillian, 1964
4. C R Mc Cornell and S L Brue, Contemporary Labour Economics, McGraw Hill, 1986.
5. B Mc Cornie and smith (Eds), The Labour Market, Penguin, 1968
6. L Reynolds, the Structure of Labour Markets, Harper, 1951.
7. E B Jakub auskas and N A Palomba, Manpower Economics, 1973.
8. A Rees Economics of Work and Pay, 1978.

MODULE –II EMPLOYMENT

Employment and Development relationship- Importance of Employment in the context of poverty in the developing countries- Concept and measurement of unemployment-Causes- issues relating to employment, Rationalisation, Technological, Change and Modernization- Rural unemployment and educated unemployment, employment policy under the five year plans- Education of unemployment policy in India.

References

1. N Das, Unemployment, Full Employment and India, Asia 1960.
2. L K Deshpunde, PR Brahmanand and EAO Robinson (Eds) Employment Policy in Developing Economy, Macmillian, 1983
3. R. Jollyetal (Eds) Third World Employment Problems and Strategy, Penguin, 1973.

4. S.Kannappan. Employment Problems and Urban Labour Markets in Developing Nations, University of Michigan, 1983.
5. A K Sen., Employment, Technology and Development, Oxford University Press, 1975.

MODULE III WAGE DETERMINATION: THEORY AND PRACTICE

Various classical and neo-classical theories of wage determination- Various concepts of wages- Fair living Minimum- Problems of implementation of minimum wages- wage determination by sectors, Urban and rural organized and unorganized sectors- Wage and nonwage components of labour recommendation- Wage and productivity and wage and inflation relationship- Productivity and profit sharing schemes- Wage differentials in terms of firm, industry, occupation, region, sex and skills- Wage standardization – Case studies- Wage policies in India.

References

1. L K Deshpunde, and J C Jandesars (Ed) Wage Policy and Wage Determination in India Bombay University, 1970.
2. J T Dunlop(ed) Theory of Wage Determination, Macmillian 1957.
3. J R Hicks. The theory of Wages, 1932.
4. Subramaniam, Wages in India, Tata Mc Graw Hill, 1977.
5. F S Papola- Principles of Wages Determination, 1975.
6. B K Mudun, The Real wage of Industrial Labour in India, Management Development institute, New Delhi, 1977
7. Sandesara and Deshpunde, Wage Policy and Determination in India,
8. S. Pulekar- Wage Policy and Economic Development, Asia, 1978.

MODULE IV INDUSTRIAL RELATIONS AND TRADE UNIONS.

Growth of industrialisation and emergence of unionism- Theories of labour movement- Growth structure and pattern of trade unions in India- Comparative labour movements in U K, USA and USSR- Achievements and failures of trade union Movements- Determination of industrial disputes, Steps to achieve peace-Methods of present and settle industrial disputes- Collective bargaining, conciliation arbitration and jadistations, Governance settlement- Labour participation in management.

References

1. C A Myers, Industrial Relations in India, Asia 1958
2. S D punekar, Labour Welfare, Trade Unionism and Industrial Relations, Himalaya, 1978.
3. E A Ramaswamy and U Ramaswamy, Industrial and Labour, Oxford University Press 1981
4. A Reet, Economics of Trade Unionism, Nishet, 1972.
5. B A Turrer, Wage Trends, Wage policies and Collective Bargaining, Cambridge, 1965.

MODULE IV STATE AND LABOUR

Increasing role of state in determination of labour matters- Labour policy of the Government in the past- Various social security and labour welfare measures adopted in the UK USA,USSR- Important labour legislation in India and their implementations- Impact of ILO- Government policy towards labour and trade unions- Agricultural Labour- Child labour- Labour in unorganized sector- VRS policy.

References

1. CB Mamoria, Labour Problems and Social Welfare in India, Kitab Mahal, 1966
2. E A Ramaswamy and U Ramaswamy, Industrial relations in India MacMillian 1978.
3. V B Sing (Eds) Industrial Labour in India, Popular Prakashan, 1970
4. K N vaid, Labour Welfare in India, Center for Industrial Relations, Delhi 1970.
5. E Bocerup, woman's Role in Economic Development, 1971
6. Rey Mirshan and Richards (Ed): An Anthology of Labour Economics: Readings and commentaries, 1972.

M.A DEGREE IN DEVELOPMENT ECONOMICS – SEMESTER COURSE

(Optional Paper- 11)

DEVELOPMENT OF ECONOMIC IDEAS

Module - I

Introduction : What is Economic thought - Definitions - Mercantilism -Major ideas of Mercantilists : Population, Interest, Wages, Production, Taxation. Physiocracy : Physiocratic doctrines : Natural Order, The Net Product, The circulation of wealth

Module - II

The Classical School : Adam Smith : Division of labour - Naturalism and optimism - Economic Liberty- Theory of Value - Theory of Distribution -on wages, on profit, on rent, - Canons of taxation - Productive and unproductive labour - Theory of capital, economic development.

David Ricardo : Theories of Value, Distribution, Wages, Profit, Foreign Trade, Money, Theory of Economic Development. T.R. Malthus : Theory of population, Malthusian Controversy of Market Glut. J.B. Say : Scope of Political Economy - Law of Market. Jeremy Bentham: The Systems J.S. Mill : Mill's Socialist Programme. VonThunen : Price, Distribution.

Module - III

Critics of Classicals : The Nationalist critics : Muller, Frederich List, Historical Critics : William Roscher, Gustav Schmoller. The British School Walter Bagehot - Socialist Critics : St. Simon, Sismondi, Robert Owen, Charles Fourier, Louis Blanc, Joseph Proudhon, State Socialists : Karl Robertus. Ferdinand Lassals, Scientific Socialists : Karl Marx- Materialistic Interpretation of History, Dialectical Materialism - Theory of Surplus Value. Theory of Economic Development. Frederich Engels Karl Kautsky and Rosa Luxenberg, Rudolf Hilferding, V.I. Lenin.

Module IV

Neo-Classicals : Subjective School : Karl Menger, Von Wieser and Bohn Bawerk, Marginalists/Mathematical School, Heimann Gossen, Jevons, Walras, Gustav Cassel, Vilfredo Pareto, J.B. Clark, Knut Wicksell, Wicksteed, Alfred Marshall, A.C. Pigou, Irving Fisher, Institutionalism Thorstein Veblen, J.R. Commons, W.C. Mitchell. Modern Economists : J.M. Keynes, Post Keynesians, Milton Friedman.

Module - V .

Indian Economic Thought : Ancient Economic Thought : Koutilya, Modern Economic Thought. - Dadabai Naoroji, M.G. Ranade, Mahatma Gandhi, Ambedkar.

REFERENCES :

1. Eric Roll, *A History of Economic Thought*
2. Haney, *History of Economic Thought*
3. J.P Bell, *A History of Economic Thought*
4. V.A. Schumpeter, *A History of Economic Analysis.*
5. O.H Taylor, *A History of Economic Thought.*
6. Robert Lekachman, *A History of Economic Ideas.*
7. P.C. Newman - *History of Economic Doctrines*
8. Gide & Rist, *A History of Economic Thought*
9. Alexander Gray, *Development of Economic Doctrines*
10. E. Whittaker - *Schools and Streams of Economic Thought*
11. M.K. Gandhi, *Collected Works (3 Volumes)*
12. Karl Marx, *Theory of Surplus Value (3 volumes)*

M.A IN DEVELOPMENT ECONOMICS – SEMESTER COURSE
Optional Paper- 12
FINANCIAL MARKETS

Module I. Financial System

The Financial system - an overview , Financial Markets, Financial Institutions and Instruments - Structure of Indian Financial System - Indian Money Market, features, submarkets, money market instruments - Discount and Finance House of India- Money market reforms

Module II. Capital Market

Investment setting, spectrum of investment, features of investment avenues, guidelines for investment, Risk-return relationships - Capital Market Structure, Primary and Secondary Markets, Players in the primary and secondary markets - Stock Exchanges - Capital Market Reforms in India.

Module III. Regulatory and Promotional Institutions

Role of RBI in promotion and regulations - Monetary and credit policies - Narasimham Committee Report and further developments -- SEBI - highlights of SEBI's performance --Internationalization of Financial Services in India - Domestic financial deregulation and capital account liberalization -- Innovations in banking scenario.

Module IV. Commercial Banks and NBFIs

Evolving role of commercial banks - functions and role of NBFIs - Insurance Companies, UTI, Small Savings and Provident Funds, Mutual Funds - Miscellaneous NBFIs -Merchant Banking, Venture Capital, Lease Finance, Factoring, Hire-Purchase Finance, Housing Finance, Depository Sendees - Micro Finance in India.

Module V. Technical analysis of Finance.

Time value money, discounted cash flows, NPV - Futures, Options, Derivatives and Swaps - Portfolio Theory - Markowitz model and Capital Asset Pricing Model -- Portfolio Management.

References

1. L. M. Bhole, 'Financial Institutions and Markets, Structure, Growth and Innovations', Tata Me Graw Hill
2. Michael Baye and Dennis W Jansen, "Money Banking and Financial Markets, An Economic Approach', Texas and A M University.
3. Prasanna Chandra. "Managing Investments¹', Tata McGraw Hill.
4. V. Venugopal Reddy,' Economic Policy in India - Managing Change' VBSPD Pvt. Ltd.
5. James A Hanson, Sanjay Kathuria, "India, A Financial Sector for the 21st Century" Oxford University press.
6. Meir Kohn, "Financial Institutions and Markets" Tata McGraw Hill.
7. V. A. Avadhani, "Financial Economics - Theory and Practice" - Millennium Ed. Himalaya Pub.
8. Tannan M. L, "Banking Law and Practice in India", India Law House
9. Anthony Saunders, Marcia Millon Cornett. "Financial Markets and Institutions, A modern Perspective", Tata Me Graw Hill.
10. M Y Khan, 'Indian Financial system'. Tata McGraw Hill

Reading of the Journal of Indian Institute of Banking and Finance, RBI Bulletins, EPW and other periodicals is essential for updating information on the topic.

OPTIONAL PAPER- 13

PUBLIC ECONOMICS

MODULE. 1: The Case for a Public Sector.

Unit.1

The case for a public sector- The dynamics of the role of government in a (1) capitalist economy (2) Mixed economy.

Unit 2

Market failures due to market imperfections, decreasing cost, externalities, Uncertainty - Multiple Theory of Public Household : Multiple functions of the government- Allocation, Distribution and Stabilization Functions- Provision of Public Goods: characteristics of public goods, the optimal provision of pure public goods, impure public goods(congested public goods) theory of Clubs, Local public goods (Tiebout Model), Public intermediate goods, Mixed goods/ quasi public goods, Merit wants and merit goods - Theories of Public Goods Allocation: Marginal Utility theory, Voluntary Exchange Theory, Samuelsons Model of Public goods allocation.

Unit.3

Public Choice Theory: Private and public mechanism for allocating resources - The problem of preference revelation- Voting Models- Revealing social preference through Majority Voting : The Bowen - Black Majority Voting Model, Arrow's Impossibility Theorem, The Buchanan - Tullock Model - The Wicksell Approach(Absolute and Relative Unanimity) -Revealing social preference through Point Voting, Coleman Approach to revealing social preference-Down's model of Democracy

Incentive Mechanism for preference revelation (Groves and Loeb, Tideman, Tulloch) - Bureaucracy, Special Interest Groups - rent seeking Cost and Political process -Directly Unproductive Profit Seeking Activity.

Reference:

1. Dalton.M: Principles of Public Finance, Allied Publishers(1991),Part I chapter 1-3
2. Pigou.A.C. : A Study in Public Finance, Macmillan,chs. 1-4
3. Prest.A.R & Barr.N.A. : Public Finance in Theory and Practice, ELBS, London, chapter.!
4. Joseph.E. Stiglitz : Economics of the Public Sector, WAV. Notton & Company, New York, chapters 1-9.
5. Buchanan J.M. & Flowers M.R: Public Finance - An Introductory Text Book, Irving Publishers-Illinois, chapters 1-5.
6. Bernard. P. Herber: Modern Public Finance, A Study of Public Sector Economics. Irving Publishers Illinois, chapters 1-5.
7. John.C. Winfrey : Public Finance, Public Choice and The Public Economy -Harper & Row publishers, New York, Part-1, chapters 1-5.
8. R.A. & P.B. Musgrave: Public Finance in Theory and Practice, Me Grew Hill, chapters 1-5.
9. Robin.W. Boadway :Public Sector Economics, Winthrop Publishers, chapters 1-6.
10. John Cullis and Philip Jones, Public Finance and Public Choice, Oxford University Press, chapter 1-5.
11. Browning, J.M. & Browning E.K.- Public Finance & the Price System, Macmillan, New York. Chapters 1-5

MODULE. II: Public Expenditure & Public Enterprise.

Theories of Public Expenditure : Criteria for Public Investment (Social Benefit Cost Analysis)- Structure & Growth of Public Expenditure in India - changing attitude towards public enterprise in India, Privatization and Disinvestment of public Sector units in India- Administered Price Mechanism.

Reference.

1. Dalton,H. Chapter. 3
2. Musgrave and Musgrave: Chapters 7-9.
3. Boadway : Chapters 4-8
4. Browning : Chapters 2-4
5. Mishan.E.J.: Cost Benefit Analysis Alien & Unwin, London 1982.
6. Peacock.A.t. & Wiseman.J. : The Growth of Public Expenditure in thwe U.K George Alien & Unwin Ltd.1967.
7. Reddy.K.IS. : Growth of Public Expenditure in India, 1872-1966, Sterling Publishers, Delhi. 1972.
8. Sudipto Mundle & Govind Rao : Public Expenditure in India : Trends & Issues in public Finance-Policy Issues for India(ed.) Sudipto Muiidle, OUP, Calcutta, 1997.
9. Goyal.S.K.(ed)Public Enterprises, UPA, New Delhi,1985.

MODULE .III: Public Revenue.

Theory of Optimal Taxation- Tax incidence under various market structure-Partial equilibrium Analysis, General equilibrium analysis- Measuring incidence-Musgrave's Approach-Allocative & Equity aspect of Personal Income Tax, Excise Duty, Sales tax- Tax Reforms in India: Chelliah Committee report, Long term Reforms in Indias Indirect Tax Structure (Indirect Taxation Committee Reports)

References:

1. Dalton.H.: Part.3
2. Browning : Chapter. 10
3. Boadway : Chapters 9-11
4. Dwivedi.D.N: Reading in Indian Public Finance, Wiley Eastern Ltd, New Delhi, 1994.
5. Musgrave & Musgrave: Public Finance in Theory & practice, chpts.12-17
6. Musgrave: The Theory of Public Finance, Me Grew Hill, 1959.

MODULE. IV: Public Debt.

Theories of Public Debt: Classical, Keynesian & Musgrave - Inter-generation Equity aspect of Public debt - Buchanan's Thesis, Dormer's views on Fiscal Deficit concept of public Debt - Growth & Structure of Central & State debt in India - Principles of Public Debt Management.

References.

1. Musgrave & Musgrave.
2. Buchanan. J.M. Public Principles of Public Debt, Irwin, 1958.
3. Sudipto Mundle: Public Finance policy issues for India, OUP,1997.
4. Chelliah. R.J. : Growth of Public Debt in the Indian economy (ed) by Bimal Jalan, Penguin Books, 1992.

MODULE.V: Fiscal Policy.

Reforms in Budgeting - Programme, performance budgeting system, Zero based Budget-Budgetary Deficit and its measurement.

References.

1. David Novick : Programme budgeting, programme analysis and the federal Government, Hardward University press.
2. Phyre.P. : Zero Base Budgeting , A Practical Tool for evaluating Expensed, John Wiely.
3. Standford. C.T.: The Economics of Public Finance , Pergamon Press, Oxford, chapters. 11-12.

4. Dwivedi. D.N. : Readings in Indian Public Finance, Chpts 2-3.
5. Thripathy. R.N.: Public Finance in Under Developed Countries, Sterling Publishers, 1985
6. Sudipto Mundle and Govind Rao.M. Issues in Fiscal Policy in the Indian Economy (ed) by Bimal Jalan.
7. Sudipto Mundle.: Public Finance, Policy issues for India.
8. Rangarajan, Basu, Jadhve : Dynamics of Interrelationship between Government deficit and domestic debt in India, R.B.I. Occasional Paper, Vol.10, No.3.1989.

MODULE. VI: Fiscal Federalism.

Theory of Multilevel Government Finance - Centre- state Financial Relations in India- Vertical & Horizontal imbalance in intergovernmental transfers in India-An Evaluation of Working of Finance Commission in India- Criteria of devolution - Planning Commission and Finance Commission - Modified Gadgil Formula - Role of Local self government in the light of 73rd constitutional amendment - Emerging issues in local financial relations in India.

References:

1. Musgrave & Musgrave, Chapter, 24
2. Chelliah. R.J. and Associates (NIPFP) Trends & Issues in Indian Federal Finance, chapter, 2-4.
3. Dwivedi.D.N Readings in Indian Public finance, chapter 13-14.
4. Govind Rao. : Indian Fiscal federalism, major issues in Public Finance (ed) by Sudipto Mundle, 1997.
5. Gulathi.I.S. and George. K.K. : Essays in federal Financial Relations, Oxford IBM, 1988.
6. Lakdwala. : UNION State Financial relations, Lalvanim Pubs.

Sd/-
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held on 29/03/2007