

J.S. UNIVERSITY



MASTER OF ARTS

(MA)

ECONOMICS

SYLLABUS OF PREV. AND FINAL YEAR

(Effective from 2015 to onwards)

M.A. (Prev.) Paper-I

[MAEC-101]– Micro Economic Analysis

PREAMBLE : This paper analyses the economic behaviour of individuals, firms and markets. It is mainly concerned with the objective of equipping the students in a rigorous and comprehensive manner with the various aspects of consumer behaviour and demand analysis, production theory and behaviour of costs, the theory of traditional markets and equilibrium of firm in modern no-profit maximizing framework. The paper also deals general equilibrium in closed and open systems and analysis of economic behaviour under uncertainty.

Module 1 : Introduction and Basic Concepts

Basic Economic problem: Choice and Scarcity; Deductive and Inductive Methods of Analysis: Positive and Normative Economics: Economic Models; Characteristics of Equilibrium and Disequilibrium System.

Module 2 : Demand Analysis

Elasticities (Price, Cross, income) of demand- theoretical aspects and empirical estimation: elasticity of supply; Theories of demand-utility; indifference curve (income and substitution effects, Slutsky theorem, compensated demand curve) and their applications; Revealed preference theory; Revision of demand theory by Hicks; consumer's surplus; Inter-temporal consumption; Recent developments in demand; Elementary theory of price formation- demand and supply equilibrium.

Module 3 : Theory of Production and Costs

Production function-short period and long period; law of variable proportions and returns to scale; isoquants-Least cost combination of inputs; Returns to factors; Economics of scale; Multi-product firm; Elasticity of substitution; Euler's theorem; Derivation of cost functions from production function; derived demand for factors.

Module 4 : Price and Output Determination

Marginal analysis as an approach to price and output determination: perfect competition-short run and output determination: perfect competition- short run and long run equilibrium of the firm and industry, price and output determination, supply curve: Monopoly-short run and long run equilibrium, price discrimination, welfare aspects, monopoly control and regulation; Monopolistic competition-general and Chamberlin approaches to equilibrium. Equilibrium of the firm and the group with product differentiation and selling costs, excess capacity under monopolistic and imperfect competition, criticism of monopolistic competition.

Module 5 : Distribution

Marginal productivity theory; Product exhaustion theorem; Elasticity of technical substitution, technical progress and factor shares. Theory of distribution in imperfect product and factor market: Determination of rent, wages, interest and profit.

Module 6 : Welfare Economics

Pigovian welfare economics; pareto optimal condition; Value judgement : Social welfare function, Compensation principle; Inability to obtain optimum welfare- Imperfections, market failure decreasing costs, uncertainty and non-existent and incomplete markets.

M.A. (Prev.) Paper-II

[MAEC-102]– Indian Economic Policy

PREAMBLE: The objective of this Paper at the postgraduate level would be to sharpen the analytical faculty of the student, by highlighting an integrated approach to the functioning aspects of the Indian economy keeping in view the scope for alternative approaches. Such an analysis is essential because the Indian economy is a unique amalgam of alternative competing and often conflicting theories and a proper understanding of its working is imperative if the student is to comprehend the ramifications that underlie most of the observed phenomena in the Indian economic set-up. The emphasis of the paper is on overall social, political and economic environment influencing policy decision. To develop all these themes, the course is divided into specific modules.

Module 1 : Economic Development and its Determinants

Approaches to economic development and its measurement-sustainable development; Role of State, market and other institutions; Indicators of development-PQLI, Human Development Index (HDI), Gender Development Indices.

Module 2 : Planning in India

Objectives and strategy of planning; Failures and achievement of Plans; Developing grass-root organisations for development-Panchayats. NGOs and pressure groups.

Module 3 : Demographic Feature Poverty and Inequality

Broad Demographic feature on Indian population: Rural-urban migration, Urbanization and civic amenities; Poverty and Inequality.

Module 4 : Resource Base and Infrastructure

Energy; Social infrastructure-education and health; Environment; Regional imbalance; Issues and policies in financing infrastructure development.

Module 5 : The Agriculture Sector

Institutional Structure-land reforms in India; Technological change in agriculture-pricing of agriculture-pricing of agricultural inputs and output; Terms of trade between agriculture and industry; Agricultural finance policy; Agricultural Marketing and Warehousing; Issues in food security-policies for sustainable agriculture.

Module 6 : The Industrial Sector

Industrial policy; Public Sector enterprises and their performances; Problem of sick units in India; Privatisation and disinvestment debate; Growth and pattern of industrialisation; Small-scale sector; Productivity in industrial sector; Exit policy-issues in labour market reforms; Approaches for employment generation.

Module 7 : Public Finances

Fiscal federalism-Centre-state financial relation; Finances of central government; Finances of state governments; Parallel economy; Problems relating to fiscal policy; Fiscal sector reforms in India.

Module 8 : Money, Banking and Prices

Analysis of price behaviour in India; Financial sector reforms; Interest rate policy; Review of monetary policy of RBI ; Money and capital markets; Working of SEBI in India.

Module 9 : External Sector

Structure and direction of foreign trade. Balance of payments; Issues in export-import policy and FEMA; Exchange rate policy; Foreign capital and MNCs in India. The progress of trade reforms in India.

Module 10 : Economic Reforms

Rationale of internal and external reforms; Globalisation of Indian economy; W.T.O. and its impact on the different sectors of the economy; Need for and issues good governance; Issues in competition and safety nets in Indian economy.

M.A. (Prev.) Paper-III

[MAEC-103]– Demography

PREAMBLE : The main objective of this paper is to make the students aware of the importance of population in economic development and the various theories that explain the growth of population in a country. The paper also enlightens the students on the quantitative and the qualitative aspects and characteristics of the population through various demographic techniques. In recent times, gender characteristic of the population have acquired importance and these have also been included in the framework of study. Migration and urbanization are the characteristics of structural change taking place in a society. Their study is essential to understand the dynamics of this change. The paper exposes the students to sources of population and related characteristics as also to the rationale, need and evolution of population policy.

Module 1 : Population and Development

Meaning and scope of demography; Components of population growth and their inter-dependence; Measures of population, Structure, distribution and sources of population data; Theories of population-Malthus, Optimum theory of Population; Theory of demographic transition-views of Medows, Enke and Simon; Population and development.

Module 2 : Structure of Population

Population trends in the twentieth century; Population explosion-Threatened or real, distant or imminent; International aspects of population growth and distribution; pattern of age and sex structure, economic and social implications; Age pyramids and projections-Individual aging and population aging.

Module 3 : Fertility Nuptiality and Mortality

Importance of study of fertility : Total fertility rate, Gross reproduction rate and net reproduction rate; Levels and trends of fertility in more and less developed countries; Factors affecting fertility-Socio-economic factors; economic status, health, education, nutrition, caste, religion race, region, rural-urban and status of husband and wife; Nuptiality- concept and analysis of marital status, single mean age at marriage; Synthetic cohort methods; Trends in age at marriage; Mortality- Death rates, Crude and age-specific; Mortality at birth and infant mortality rate; Levels and trends in more and less developed countries; Sex and age pattern of mortality; Factors for decline in mortality in recent past; Life table- Construction and uses; Concepts of stable population; Methods of population projection.

Module 4 : Migration and Urbanization

Concept and types-Temporary, internal and International; International migration-Its effect on population growth and pattern; Factors affecting migration; Theories of migration related to internal

migration; Urbanization- Growth and distribution of rural-urban population in developed and developing countries.

Module 5 : Demographic Data Base in India

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

Module 6 : Population and Development with References to India

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

Module 7 : Population Policy in India

Evolution of population policy in India – The shift policy from population control to family welfare, to women empowerment; Family planning strategies and their outcomes; Reproductive health; material nutrition and child health policies; Population and strategies for human development of different social groups; Social impact of new reproductive technologies and their regulation; The new population policy; Tasks before the National Population Commission.

M.A. (Prev.) Paper-IV

[MAEC-104]– History of Economic Thought

PREAMBLE : This course is essential for a student who aspires for advanced training in economics. Contemporary Economic Science has evolved over many centuries. The evolution of economic ideas in each instance was as much as it was a self-conscious attempt to refine earlier analysis by correcting mistakes and filling in the gaps in analysis. Economic ideas did not evolve in isolation, but were an integral and important part of the evolution of modern social thought. Prevailing ideas of science, scientific rigour and measurement played a significant role in the shaping of Economic Science at each stage of its evolution. This course, tracing the history of economic thought, would enable the student to understand how Contemporary Economics came to be what it is.

Module 1 : Early Period

Economic thought of Plato and Aristotle- Doctrine of Just cost and Just price-Mercantilism; main characteristics; Thomas Mun-Physiocracy; natural order; primacy of agriculture, social classes; Tableau Economique, taxation, Turgot-Economic ideas of Petty, Locke and Hume.

Module 2 : Classical Period

Adam Smith-division of labour, theory of value, capital accumulation, distribution, views on trade, economic progress; David Ricardo-value, theory of rent, distribution, ideas on economic development and international trade; Thomas R. Malthus-theory of population, theory of gluts; German romantics and socialists-Sismondi, Karl Marx-dynamics of social change, theory of value, surplus value, profit and crisis of capitalism; Economic ideas of J.B. Say, J.S. Mill; Historical School-Senior List.

Module 3 : Marginalists

The precursors of marginalism-Cournot, Thunen, Gossen-The marginalist evolution; Jevons, Walras and menger- Bohm-Bawark, Wicksell and Fisher; the rate of interest-Wicksteed and Wiser; Distribution-Marshall as a great synthesizer; role of time in price determination, economic methods, ideas on consumer's surplus, elasticities, prime and supplementary costs, representative firm, external and internal economies, quasi-rent, organization as a factor of production, nature of profits; Pigou : Welfare economics; Schumpeter; role of entrepreneur and innovations.

Module 4 : Keynesian Ideas

The aggregate economy, Liquidity Preference Theory and Liquidity trap, Marginal Efficiency of Capital and Marginal Efficiency of Investment, wage rigidities, underemployment equilibrium, role of fiscal policy : deficit spending and public works, multiplier principle, cyclical behaviour of the economy, uncertainty and role of expectations, impetus to economic modelling.

Module 5 : Indian Economic Thought

Early economic ideas : Kautilya, Valluvar; Modern economic ideas : Naoroji, Ranade, R.C. Dutt and M.N. Roy Economic ideas of Gandhi: Village, Swadeshi, place of machine and labour, cottage industries, trusteeship; Early approaches to planning (The national planning committee); Gadgil : co-operation as a way of life and strategy of development; J.K. Mehta: Wantlessness.

M.A. (Final) Paper-I

[MAEC-201]– Macro Economic Analysis

PREAMBLE : Macro economics or aggregative economics analysis and establishes the functional relationship between the large aggregates. The aggregate analysis has assumed such a great significance in recent times that a prior understanding of macro economic theoretical structure is considered essential for the proper comprehension of the different issues and policies. Macro economics now is not only a scientific method of analysis; but also a body of empirical economic knowledge. The paper entitled 'Macro Economics Analysis' equips the students at the postgraduate level to understand systematic facts and latest theoretical developments for empirical analysis.

Module 1 : National Income and Accounts

Circular Flow of Income in two-three and four-sector economy; different forms of national income accounting-social accounting, input-output accounting, flow of funds accounting and balance of payments accounting.

Module 2 : Consumption Function

Keynes psychological law of consumption-implications of the law; short-run and long-run consumption function; Empirical evidence on consumption function; Income-consumption relationship-absolute income, relative income, life cycle and permanent income hypotheses.

Module 3 : Investment Function

Marginal efficiency of investment and level of investment; Marginal efficiency of capital and investment-long run and short run; the accelerator and investment behaviour-impact of inflation; Influence of Policy measures on investment-empirical evidence.

Module 4 : Supply of Money

Financial intermediation – A mechanistic model of bank deposit determination; A behavioural model of money supply determination, a demand determined money supply process; RBI approach to

money supply, High powered money and money multiplier; budget deficits and money supply; money supply; money supply and open economy; control of money supply.

Module 5 : Demand for money

Classical approach to demand for money-Quality theory approach, Fisher's equation, Cambridge quantity theory, Keynes's liquidity preference approach, transaction, precautionary and speculative demand for money-aggregate demand for money; Derivation of LM curve.

Module 6 : Neo-classical and Keynesian Synthesis

Neo-classical and Keynesian views on interest; The IS-LM model Extension of IS-LM model with government sector; Relative effectiveness of monetary and fiscal policies; Extension of IS-LM models with labour market and flexible prices.

Module 7 : Theory of Inflation

Classical, Keynesian and Monetarist approaches to inflation: Structuralist theory of inflation, Philips curve analysis-Short run and long run Philips curve; Samuelson and Solow- the natural rate of unemployment hypothesis; Tobin's modified Philips curve; Adaptive expectations and rational expectations; Policies to control inflation.

Module 8 : Business Cycles

Theories of Schumpeter, Kaldor, Samuelson and Hicks, Goodwin's model; Control of business cycles-relative efficacy of monetary and fiscal policies.

M.A. (Final) Paper-II

[MAEC-202]– Public Economics

PREAMBLE : Role and functions of the Government in an economy have been changing with the passage of time. The term 'Public Finance' has traditionally been applied to the package of those policies and operations which involve the use of tax and expenditure measures while budgetary policy is an important part to understand the basic problems of use of resources, distribution of income, etc. There are vast array of fiscal institutions-tax systems, expenditure programmes, budgetary procedures, stabilization instruments, debt issues, levels of government, etc. Which raise a spectrum of issues arising from the operation of these institutions. Further, the existence of externalities, concern for adjustment in the distribution of income and wealth, etc, require political processes for their solution in a manner which combines individual freedom and justice. This paper combines a thorough understanding of fiscal institutions with a careful analysis of the issues which underline budgetary policies in general and Indian experience in particular.

Module 1 : Introduction

Role of Government in organized society; Changing perspective-government in a mixed economy : public and private sector, cooperation or competition; Government as an agent for economic planning and development; Government as a tool for operationalizing the planning process; private goods, public goods, and merit goods : Market failure- imperfections, decreasing costs, externalities, public goods; Uncertainty and non-existence of future markets; Informational asymmetry-Theory of second best.

Module 2 : Rational for Public Policy

Allocation of resources-provision of public goods. Voluntary exchanges models. Impossibility of decentralized provision of public goods (contributions of Samuelson and Musgrave) : Demand revealing schemes for public goods; Liquidity preference; Social goals; Poverty alleviation; Provision of infrastructural facilities, removing distributional inequalities and regional imbalances.

Module 3 : Public Expenditure

Wagner's law of increasing state activities; Wiesman-Peacock hypothesis; Pure theory of public expenditure ; Structure and growth of public expenditure; Criteria for public investment; Reforms in expenditure budgeting; Programme budgeting and zero base budgeting.

Module 4 : Taxation

Theory of incidence; Alternative concepts of incidence-Allocative and equity aspects of individual taxes; Benefit and ability to pay approaches; Theory of optimal taxation; Excess burden of taxes; Trade off between equity and efficiency; The problem of double taxation.

Module 5 : Public Debt

Classical view of public debt; compensatory aspect of debt policy; Burden of public debt; Sources of public debt; Debt through created money; Public borrowings and price level; Crowding out of private investment and activity; principles of debt management and repayment.

Module 6 : Fiscal Policy

Objective of Fiscal Policy-Full employment, anti-inflation, economic growth, redistribution of income and wealth: Interdependence of fiscal and monetary policies; Budgetary deficits and its implications; Fiscal policy for stabilization-automatic vs. Discretionary stabilization; Alternative measure of resources mobilization and their impact on growth, distribution and prices; Balanced budget multiplier.

Module 7 : Fiscal Federalism

Principles of multi-unit finance; Fiscal federalism in India; Vertical and horizontal imbalance : Assignment of function and sources of revenue : Constitutional provisions; Finance Commission and Planning Commission; Devolution of resources and grants; Theory of grants; Resources transfer from Union to States-Criteria for transfer of resources; Centre-State financial relations in India; Problem of states, resources and indebtedness; Transfer of resources from Union and States to local bodies.

Module 8 : Indian Public Finances

Indian tax system; Revenue of the Union, States and local bodies; Major taxes in India : Base of taxes, direct and indirect taxes, taxation of agriculture, taxes on services; Non-tax revenue of Centre, State and local bodies; Analysis of Central and State Government budget; Lack of flexibility in Central and State budget; Trends in public expenditure and public debt; Fiscal crisis and fiscal sector reforms in India.

M.A. (Final) Paper-III

[MAEC-203]– International Trade and Finance

PREAMBLE : The course provides a deep understanding about the broad principles and theories, which tend to govern the free flow of trade in goods, services and capital-both short-term and long-term-at the global level. Besides, preparing the students about the relevance and limitations of these principles, the contents of the paper spread over different modules, lay stress on the theory of nature of the subject which, in turn, will greatly help them to examine the impact of the trade policies followed both at the National and International levels as also their welfare implications at macro level and the distribution of gains from trade to North and South with particular reference to India. The study of the paper under the present era of globalization will train the students about the likely consequences on income, employment and social standards and possible policy solutions as the world will move into the 21st century.

Module 1 : Theory of International Trade

The pure theory of international trade-Theories of absolute advantage, comparative advantage and opportunity costs, modern theory of international trade; Theorem of factor price equalization. Empirical testing of theory of absolute cost and comparative cost-Heckscher-Ohlin theory of trade, Kravis and Linder theory of trade. Role of dynamic factors, i.e. changes in tastes, technology and factor endowments in explaining the emergence of trade; The Rybczynski theorem-concept and policy implications of immiserizing growth; Causes of emergence and measurement of intra-industry trade and its impact on developing economies.

Module 2 : Measurement of Gains and Theory of Interventions

Measurement of gains from trade and their distribution; Concepts of terms of trade, their uses and limitations; Hypotheses of secular deterioration of terms of trade, its empirical relevance and policy implications for less developed countries; Trade as an engine of economic growth; Welfare implications-Empirical evidence and policy issues; The Theory of Interventions (Tariffs, Quotas and non-tariff barriers); Economic effects of tariffs and quotas on national income, output, employment, terms of trade, income distribution; Balance of payments on trading partners both in partial and general equilibrium analysis. The political economy of non-tariff barriers and their implications; nominal, effective and optimum rates of tariffs-their measurement, impact and welfare implications; Trade under imperfectly competitive market.

Module 3 : Balance of Payments

Meaning and components of balance of payments; Equilibrium and disequilibrium in the balance of payments; The process of adjustment under systems of gold standard, fixed exchange rates and flexible exchange rates; Expenditure-reducing and expenditure-switching policies and direct controls for adjustment; Policies for achieving internal and external equilibrium simultaneously under alternative exchange rate regimes; A critical review of the monetary approach to the theory of balance of payments adjustment; Foreign trade multiplier with and without foreign repercussions and determination of national income and output; Relative merits and demerits of fixed and flexible exchange rates in the context of growth and development in developing countries.

Module 4 : The Theory of Regional Blocks

Forms of economic cooperation; Reforms for the emergence of trading blocks at the global level; Static and Dynamic effects of a customs union and free trade area; Rationale and economic progress of SAARC-SAPTA and ASEAN regions. Problems and prospects of forming a customs union in the Asian region. Regionalism (EU, NAFTA); Multilateralism and WTO; Rise and fall of gold standard and Bretton-Woods system; Need, adequacy and determinants of international reserves; Conditionality clause of IMF; Emerging International Monetary System with special reference to post-Maastricht developments and developing countries; Reform of the International Monetary System, India and developing countries; Theory of short-term capital movements and East-Asian Crisis and lessons for developing countries; International trade and financial institution- Functions of GATT/WTO (TRIPS, TRIMS), UNCTAD, IMF, World Bank and Asian Development Bank-Their achievements and failures; WTO and World Bank from the point of view of India.

Module 5 : Trade Policies in India

Trade problems and trade policies in India during the last five decades; Recent changes in the direction and composition of trade and their implications; Rationale and impact of trade reforms since 1991 on balance of payments; employment and growth. Problems on India's international debt; working and regulations of MNCs in India; Instruments of export promotion and recent import and export policies and agenda for future.

M.A. (Final) Paper-IV

[MAEC-204]– Industrial Economics

PREAMBLE : In the contemporary world with globalization and liberalization more and more attention is being given to industry. This course intends to provide knowledge to the students on the basic issues such as productivity, efficiency, capacity utilization and debates involved in the industrial development of India. The objective is to provide a thorough knowledge about the economies of industry in a cogent and analytical manner; particularly in the Indian context.

Module 1 : Framework and Problems of Industrial Economics

Concept and organization of a firm-ownership, control and objective of the firm; Passive and active behaviour of the firm.

Module 2 : Market Structure

Seller's concretion; Product differentiation; Entry conditions; Economics of scale; Market structure and profitability; Market structure and innovation; Theories of industrial location-Weber and Sargent Florence; Factor affecting location.

Module 3 : Market Conduct

Product pricing-Theories and evidence; Investment expenditure-Methods of evaluating investment expenditure; Theories and empirical evidence on Mergers and acquisitions (M & As) and diversification.

Module 4 : Market Performance

Growth of the firm- Size and growth of a firm; Growth and profitability of the firm; Constraints on growth; Productivity, efficiency and capacity utilization-Concept and measurement, Indian situation.

Module 5 : Indian Industrial Growth and Pattern

Classification of industries; Industrial policy in India- Rule of Public and Private sectors; Recent trends in Indian industrial growth; MNCs and transfer of technology; Liberalization and privatization; Regional industrial growth in India; Industrial economic concentration and remedial measures; Issues in industrial proliferation and environmental preservation; Pollution control policies.

Module 6 : Industrial Finance

Owned, external and other components of funds; Role, nature, volume and types of institutional finance-IDBI, IFCI, SFCs, SIDC, commercial banks, etc., Financial statement-Balance sheet, Profit and loss account; assessment of financial soundness, ratio analysis.

Module 7 : Project appraisal

Cost-benefit analysis-Net Present Value (NPV) and internal rate of return (IRR) criteria- balancing private and social returns.

Module 8 : Industrial Labour

Structure of Industrial labour; Employment dimension of Indian industry; Industrial legislation; Industrial relations; Exit policy and social security; Wages and problem of bonus-labour market reforms.

Module 9 : Current Problems of Selected Industries

Iron and Steel; Cotton textiles; Jute; Sugar; Coal; Cement and engineering goods; Development of small-scale and cottage industries in India.