UNIVERSITY OF KERALA

SCHEME AND SYLLABUS FOR THE M.A. DEGREE COURSE IN "ANALYTICAL ECONOMICS" (Alternative Scheme)

Effective from 1992-93 Admissions

The subjects of study are classified into

1. Compulsory/Core Papers
2. Optional Papers
3. Project Work/Dissertation

Compulsory/Core Papers

1. ECONOMIC THEORY - I
2. ECONOMIC THEORY - II
3. ECONOMIC HISTORY
4. DEVELOPMENT ECONOMICS
5. INDIAN ECONOMY
6. QUANTITATIVE METHODS

Optional Papers

Two papers shall be chosen from the following list. To start with details are given only for 6 papers.

1. MONEY AND BANKING
2. PUBLIC ECONOMICS
3. INDUSTRIAL ECONOMICS
4. AGRICULTURAL ECONOMICS
5. LABOUR ECONOMICS
6. INTERNATIONAL ECONOMICS
7. ENVIRONMENTAL ECONOMICS
8. WELFARE ECONOMICS
9. HISTORY OF ECONOMIC THOUGHT
10. ECONOMICS OF INFRASTRUCTURE
11. KERALA ECONOMY
12. HEALTH ECONOMICS
13. ECONOMETRIC METHODS AND APPLICATIONS.

The syllabus of each paper is broadly based on the U.G.C. Report of the curriculum development centre in Economics 1989 and is arranged in modular form. Starting with a preamble which spells out the objectives of the paper, the syllabus is composed of a number of modules. The lecture/teaching hours to be devoted to each module is given in brackets. Each paper is to be covered in 108 teaching hours. The preamble identifies the inter-connections that exist between the modules and the relative importance of each of the modules. These preambles should not be viewed as mere prelude to the paper but more importantly as a guide to the instructor as to the manner in which the paper could best be taught.

A systematic module-wise reading list is also provided. Each reference has been clearly chosen to meet the requirements of the modules that have been designed. In view of the paucity of funds to purchase books, the number of books in the list is kept to the minimum, but care has been taken to see that they cover the maximum of topics in the module. To this extent, therefore, the same book has been repeated as a reference across several modules.

(cont....2/)
The competence and the motivation levels are vital if the new curriculum has to be properly implemented. In the light of the guidelines of the U.G.C. calling for a shift in emphasis from teaching to learning, classroom lectures need to be supplemented by tutorials, field visits, seminars, workshops etc. In addition, the educational infrastructure like library facilities, modern computing facilities and teaching aids like overhead projectors need to be strengthened. For an overall reform in the higher education system and to make it a continuous learning process internal evaluation, field work, practical exercises, project work etc. are to be used.

In the present syllabus besides the 6 compulsory papers and 2 optional papers, the students shall prepare a Project Report or a Dissertation which would involve some field work on socially relevant problems. Those who do not offer the Project Report/Dissertation shall offer an additional optional paper. At the end of the Examination the students shall appear for a Viva-Voce.

Scheme of Examination:

There shall be M.A.(Previous) and M.A.(Final) examinations at the end of the First and Second Year of the Course respectively.

M.A Previous Examination

Paper I Economic Theory I
" III Economic History
" IV Development Economics

M.A Final Examination

Paper II Economic Theory II
V Indian Economy
VI Quantitative Methods
VII Optional Paper I
VIII Optional Paper II
IX Project Report/Dissertation

Or

Additional Optional Paper
Viva-Voce

Two copies of the Project Report/Dissertation duly certified by the Supervising Teacher and countersigned by the Head of the Department where the course is held shall be submitted to the University for evaluation at least 15 days before the commencement of written examinations in the Final Year. Those who are not offering Project Report/Dissertation shall opt to offer an additional optional paper.

(Cont......d)
The papers shall carry 150 marks each. The project Report/Dissertation or in lieu of that the additional optional paper shall also carry 150 marks. Viva-Voce shall have 30 marks. All papers will be of 3 hours duration. Total marks shall be 1400.

For each paper there shall be a pass minimum of 35 per cent and for the Project Report/Dissertation or of the additional optional paper and the Viva the pass minimum shall be of 40 percent each. The pass minimum in the aggregate shall be 40 per cent (that is 560/1400).

The pattern of question papers as shall be as follows:
Part I shall consist of objective type questions, part-II short essays and Part III long essays. The distribution of marks shall be as follows:

Part I

<table>
<thead>
<tr>
<th>Type of Questions</th>
<th>Each</th>
<th>Total</th>
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</thead>
<tbody>
<tr>
<td>25 objective type questions each carrying 1 mark</td>
<td>(25x1) = 25</td>
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</tbody>
</table>

Part II

<table>
<thead>
<tr>
<th>Type of Questions</th>
<th>Each</th>
<th>Total</th>
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</thead>
<tbody>
<tr>
<td>5 out of 3 questions each carrying 10 marks</td>
<td>(5x10) = 50</td>
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</tbody>
</table>

Part III

<table>
<thead>
<tr>
<th>Type of Questions</th>
<th>Each</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>3 out of 3 questions each carrying 25 marks</td>
<td>(3x25) = 75</td>
<td></td>
</tr>
</tbody>
</table>

Total marks : 150

The Project Report/Dissertation shall be not less than 100 typed (double spaced) pages in standard thesis format showing evidence of the ability of the candidate to collect relevant material, analyse it using tools of research methodology and to present a critical assessment of the problem. Two copies of the Project Report/Dissertation duly certified by the Supervising Teacher and countersigned by the Head of the Department where the course is held shall be submitted to the University at least 15 days before the commencement of the written examination in the final year.

Compulsory/Core Paper I - Economic Theory - I

The main objective of this paper is to train the students in a fairly rigorous manner in economic theory, such a training is absolutely imperative if the student is to grasp the essential interconnections that underlie most of observed economic behaviour. The theme of this paper will be to ground the student in the so-called "microfoundations of macro economics", emphasising in no uncertain manner the micro foundations as well as the macro structure. The tone of papers Economic Theory - I and II, viewed in totality, will be stress that both micro economics as well as macro economics, are complimentary to each other, and that they provide powerful "externalities" in understanding one another.

(cont.....d)
Module I is concerned with the basic concepts that underlie microeconomic theory. Modules II and III deal with the theories of demand and production respectively. Market structures are dealt with in Module IV. Theories of pricing and distribution are taken up in Modules V and VI respectively. The classical theories of value discussed in Module VII provide the necessary historical backdrop for understanding current developments in this area. The entire controversy surrounding capital theory is dealt with in Module VIII. The mathematically sophisticated concept of general equilibrium is discussed in Module IX. Module X discusses welfare economics.

**Module I: Basic Concepts**

Value judgments in Economics - Role and significance of assumptions in economic analysis - Economic Models - role of time in various models - The Concepts of Equilibrium Anti-equilibrium - The use of data and empirical estimates of models - The conditional nature of statistical testing.

**Module II: Theory of Demand**


**Module III: Theory of Production**


Choice of optimal expansion path - derivation of cost functions from production functions - The production function of a multi-product firm - the Production possibility curve of the firm - the iso-revenue curve of the multi-product firm - Equilibrium of the multi-product firm.

**Module IV: Market Structures**

Perfect competition: Short run and long run equilibrium of the firm and industry - Market demand and industry equilibrium - Monopoly: Demand and revenue costs - Short run and long run equilibrium of the monopolist - Bilateral Monopoly Monopolistic competition: Assumptions - Costs - Product differentiation - Demand curve - concepts of (cont....d)
"industry" and "group" equilibrium of the firm - non-price competition - Non-Collusive oligopoly: duopoly models of Cournot, Bertrand and Stackelberg - Chamberlin's oligopoly model, "the kinked demand" curved model - Collusive Oligopoly - Price leadership models - The models of the low-cost and dominant firm - price leader - Barometric price leadership - concept of equilibrium of joint profit maximization hypothesis - Static and dynamic models - Maximum rate of growth and profits hypothesis of Harris - The managerial discretion model of Williamson - The behavioural model of Cyert and March - Goals of the firm - Satisfying behaviors - Concept of workable competition.

Module V - Theories of Pricing (10)


Module VI - Distribution (10)

Classical approach: Ricardo's theory and distribution - Marxian Theory of distribution - "Degree of Monopoly" theory - Kalecki - Neo-Keynesian model of Kalecki - The modified model of Pasinetti - The widow's cruse models of Joan Robinson and Kalecki - Technical progress and distribution - Neo-classical approach: Marginal productivity theory - factor prices and factor shares - The "ending up" problem - Euler's Theorem - Relations between capital per head, real wage rate and the rate of profit - Technical progress and factor shares - Neutral and biased technical progress - Hicks and Harrod - A comparison with respect to their effects on factor shares - Limitations of the marginal productivity theory.

Module VII Classical Theories of Value (10)

Module VIII - The Capital controversy (8)

Central issues in Capital Theory - Problems of Capital measurement - Technological progress and vintage models - "durability" and non-replaceable capital - The basic neo-classical propositions - Switching of techniques - A general equation of the factor - price frontier - economic significance of re-switching - wicksell effects - Surrogate materials - Pricing with heterogeneous capital goods model - the rate of return.

Module IX - General Equilibrium (12)

Meaning of general equilibrium - Partial equilibrium and general equilibrium approach - Walrasian general equilibrium model - tatonnement - Existence, uniqueness and stability of equilibrium - Relax A graphic treatment of the 3 factor, 2 commodity - 2 consumer equilibrium system (2x2x2 model) - Fixed point theorems (elementary concepts only) - Duality Principle - Contributions of Arrow and Debreu - Critique of general equilibrium theory - non-tatonnement process.

Module X - Welfare Economics (10)


References:
A. KOUTSOYANNIS: Modern Micro Economics, Macmillan.

Module II
A. KOUTSOYANNIS: Modern Micro Economics, Macmillan, 1979
J. B. Hicks: Value and capital, 1963.
....Do... : Revision of Demand Theory, 1956

Module III & IV
G. C. De COSTA: Production, Price and Distribution, Tate McGraw Hill, 1960

(cont.......)
Module V

AMERICAN ECONOMIC ASSOCIATION: Readings in Price Theory, Allen & Unwin, 1950

J. Bain: Barriers to New Competition, Harvard, 1966
A. Koutsoyiannis: Modern Microeconomics, Macmillan 1979
M. Friedman: Price Theory, A Provisional Text, 1970

Module VI


M. Bronfenbrenner: Income Distribution Theory, Macmillan, 1971


A. Koutsoyiannis: Modern Microeconomics, Macmillan, 1979

N. Kaldor: Essays in Value and Distribution, 1960

Module VII

M. Blaug: Economic Theory in Retrospect, Heinemann, 1970


Module VIII


C. C. Harcourt & N. F. Layard (Eds): Capital and Growth, Penguin, 1971


Module IX

K. J. Arrow & F. Hahn: General Competitive Analysis, North-Holland, 1971

G. Haberler: The Theory of Value, Wiley 1959


Module X


Compulsory/Core Paper II - Economic Theory II

The main objective of this paper is to train the students in a fairly rigorous manner in economic theory emphasizing the micro foundations of macroeconomics as well as the macro structure. The topic of the paper is concerned with the determination of national income within a static equilibrium model. The logical extension of this module into an open economy is taken up in Module III. Module IV covers the dynamics of the real sector with emphasis on sectoral demand functions. Module V deals with current controversies in microeconomics. Module VI covers theory of economic policy and policy issues.

Module I Microfoundations of Macro-economics (10)

Link between behavioral relationships of microeconomics and behavioral patterns of individuals - approach of general equilibrium theorists - unsuitability of general equilibrium in the context of unemployment and rationing - microeconomics of microeconomics - notion of costless fully informed market informants and its weakness - new microeconomics.

Module II The Closed Economy (15)


Module III Money and the Open Economy (20)


Module IV Dynamics of the Real Sector (15)

Sectoral demand functions: Consumption Demand - the consumption function puzzle - the absolute income hypothesis - the relative income hypothesis - the permanent income hypothesis - the life cycle hypothesis - Investment Demand: the Keynesian approach - the post-Keynesian approach - the neo-Keynesian approach - the neo-classical approach - lags in investment demand - accelerator theory of investment interaction of accelerator and the multiplier - financial theory of investment determination - policy measures that affect investment - the trade cycle - Keynesian and monetarist interpretation.
Module V - Current Controversies in macroeconomics (25)

(1) Walrasian general equilibrium: Pure exchange model - money in the model - production in the model - uncertainty and time in the model - Patinkin’s attempt to rectify the contradictions in the effort to monetise general equilibrium system.

(2) Keynesian counter revolution: Views of R.W. Clower and Alex Leijonhufvud - Relevance of Walras in Keynesian Theory - Dual Decision hypothesis.

(3) Neo-Keynesian Quantity constrained models: Views of B. Jorg, Groseman, Malinvaud and Hahn.


Module VI - Macro economic Policy (20)


REFERENCE

R. Levacis and A. Reimund: Macroeconomics, ELBS, Macmillan 1982 shall be the basic single text to be followed for all the modules.

Module I


Module II
J.R. HICKS: "Mr. Keynes and the Classics", A Suggested Interpretation, Econometrics, April 1937.

Module III
D. FISHER: Monetary Theory and the Demand for Money, Martin Robertson, 1978, Chs. 3 - 5.
R. LEVACIS and A. REHMANN: Macroeconomics, ELBS, MACMILLAN 1982 Chs. 7 to 11.

Module IV

Module V

Module VI
A course in economic history at the post-graduate level should not remain content with merely providing historical facts but should aim at training the student in the use of the historical method as a method of analysis. While the study of economic theory helps one to use the quantitative method of analysis, a course in economic history could prepare a student for training at the post-graduate level by preparing complete without a proper grounding in all three methods of analysis, namely, the logical, quantitative and the historical method. It has long been recognised that a study of history can provide facts and illustrations for certain principles propounded in economic theory. Sir JOHN HICKS has said that we suffer too much from academic specialisation by keeping economic theory and history apart. For him a major function of economic history is "to be a forum where economists and political scientists, lawyers, sociologists and historians can meet and talk to one another".

A course in economic history would therefore help a student in understanding the historical interpretation of economics simultaneously with the economic interpretation of history. The present paper confines itself to the period of 1500-1800 in India's history.

Module I - Selected Problems in Indian History (15)

Selected problems in Indian economic history-methods of historical research sources, and nature of historical material for the period 1500-1800 Theory and History.

Module II - 1500-1600 Administration (15)

The nature of the State: Mughal India and South India fiscal patterns and policies - creation and maintenance of social overheads.

Module III - 1500-1800 Agriculture (15)

The Agrarian Structure-tenurial relations-crop pattern, yields and productivity - technological change-trade in agricultural produce-the agrarian crisis of the Mughal empire.

Module IV - 1500-1600 Industry and Trade (35)

The Organisation of manufacturing for local, regional, national and international markets - the contract system-regional contracts - the Structure of Asian Trade - Indigenous forms and instruments of trade-the Arab merchants-Indian mercantile communities-Portuguese trade as redistributive enterprise-the English and the Dutch Companies-trade within Asia and between Asia and Europe - The impact of Dutch conquest of Indonesia and the English conquest of Bengal on the structure of Asian Trade - The rise of the China trade.
Module V - Issues in Economic History (25).

Some historical case studies: Mobilization of agricultural surplus forms of labour supply inputs into agriculture-past rationality and markets - Comparison of the response of different types of colonial economies to imperialist forces - Comparison of the policies of different metropolitan powers and of the policies of the same power. eg. Britain in its various colonies.

REFERENCES

Module I


Module II


Module III


Module IV


Module V

T.J. SCHULTZ: Transforming Traditional Agriculture.
A developing economy has structure if its institutions and the behaviour of its members make some patterns of resource allocation substantially more likely than others. A study of development economics is structuralist when it takes these factors as the considerations for its analysis.

This paper attempts to modify a theory oriented development economics. Module I provides an overview of the concept of development and underdevelopment. Module II provides a backdrop to the so-called grand theories of growth and covers Smith, Marx, Ricardo, Marx and Schumpeter. Module III is an introduction to the modern theories of economic growth and focuses a great deal on the study of the causes of growth. Module IV covers the partial theories of growth and provides essential understanding on underdevelopment. Module V deals with factors in the development process, while Module VI is concerned with the components (agriculture and industry) in the development process. In the process, the interlinkages between factors and components are clearly developed.

Module VII highlights the international aspects of development. Module VIII deals with the mobilisation of resources and is a prime example of the development of theory into policy. Module IX discusses the all important concept of allocation of resources, while Module X carries this topic forward to its logical conclusions by development planning.

Module I - Development and Underdevelopment - An overview (8)

Relevance of development-characteristics of LDC-types of markets and production conditions-world distribution of income-development gap-difficulties in measurement-cross country comparison-poverty and income distribution-income inequality and poverty-redistribution with growth.

Module II - Grand Theories of Growth and Development (12)


Module III - Modern Theories of Economic Growth and Development (10)

The stylised facts of growth - Basic assumptions of Growth Models - Harrod-Domar Model - The neo-classical growth model.
Module IV: Partial Theories of Economic Growth and Development

The Vicious Circle Theory - Rostow’s Stages of Growth
Surplus Labour - Lewis-Likush; Rosenstein - Rodan Balanced
Growth - Nurks - Unbalanced Growth - Mischene - Minimum Critical
Effort - Leibenstein, Low level Equilibrium Trap; Nelson-Duliam;
The process of cumulative causation - Dual economy models - The
feasibility model - the Jorgenson Model - the Dixit-Marglin model
the wage-goods model - a critique of Dual Economy Models.

Module V - Factors in the Development Process

Labour: The population problem - Population growth and
development process - Theory of demographic transition - the
Harriss-Rodoro model - Employment Policy - Capital: Role of
capital in development - Capital-Max output ration - the IMA-
Technical Progress: Capital and labour saving technical progress
Human Resources: Development - Education and economic development -
Human capital - Backward learning by doing - Arrow - education deepening
- Denison - Human Resources Analysis - Human Power Planning.

Institutional Structure:

Module VI - Components in the Development Process

Agriculture: Role of agriculture in development - Supply
response of agriculture - Concept of marketed surplus - size holding
and output - Limitations of price policy - Growth of money economy
- Disguised unemployment - Types and measurement - Incentives and costs
of labor transfer - Industry: Role of industry - Major reasons
for industrialisation in LDC - Infant industry - argument - Employment
argument - Export promotion vs Impact substitution strategies - Choice of techniques
and factor proportions - Problem in LDCs - Techno Choice - Appropriate
and Inappropriate technology.

Module VII - International Aspects of Development

Trade Theory and Economics of Development - The contribution
of trade to development - Static gains and dynamic gains - Terms
of trade and economic development - Secular stagnation thesis
of Singer - Technical Progress and terms of trade - Role of tariffs
in economic development - Trade Theory and Dual Gap Analysis -
Export instability and development - Trade vs. Aid - Evolution
and objectives of the IMF and IDA.

Module VIII - Mobilisation of Resources

Domestic Resources: Prior savings approach - Monetary Policy -
Fiscal Policy - Inflation, Savings and Growth - the Keynesian
approach to the finance of development - The Quantity Theory
approach to finance of development - Non-inflationary finance
of investment - Inflation and credit financed growth - Empirical
evidence - External Resources: Dual Gap analysis and foreign
borrowing S-I gap and foreign exchange gap - Models of capital
imports and growth - capital imports, domestic savings and ICD
- Foreign borrowing and the debt servicing problem - Types and
measurement of international capital flows - The role of the
IMF and IDA.
Module IX - Allocation of Resources (5)


Module X - Development Planning (15)

Arguments for and against planning - Concept of economic planning - Types of Planning - Economic models and planning - Policy models - Projection models - Harrod - Domar model in development planning - India's plan model - Two sector Harrod Domar planning model - the Fishman Mahalanobis - Dager Sectoral planning - Model - Macro - econometric models in development planning - input-output analysis in development planning - Linear programming and development planning.

References

Module I


Module II


Module III


Module IV

Module V


Module VI

J. BHAGWATI and P. DESAI: India-Planning for Industrilisation OUP 1970

Module VII

I.M.D. LITTLE etc. Industry and Trade in Some Developing Countries, OUP 1970

Module VIII


Module IX

Module X


The Chief objective of this course would be sharpen the analytical faculty of the student, by highlighting an integrated approach to the functioning aspects of the Indian economy from a theoretical as well as applied angles, keeping in focus, the scope for alternative approaches. Such an analysis is essential, because the Indian economy is a unique amalgam of alternative and often conflicting theories, and a proper understanding of its working is imperative if the student is to comprehend, in a meaningful manner, the realization that underlie most of the observed phenomena in the Indian economic set up.

To develop these themes, Module I starts off with the determinants of income, employment and growth rate within the Indian macro economic system. The emphasis on Module II is on money interest rates and the price level. In Module III India is placed and compared within the international setting, by discussing foreign exchange and balance of payments aspects. Module IV dwells upon public economics, which under any circumstances sets the pace for the rest of the economy. All these modules are placed in a proper perspective in Module V which discusses the Development process of the Indian economy with special emphasis on planning strategies and macro-economic policies.

Module I - Determinants of Income, Employment and Growth Rate (21)


Module II Money Interest, Price Level and Relative Prices (21)

Factors determining the Demand for and Supply of Money - Relationship between monetary and real factors - Money, Liquidity and Finance - Factors determining the Interest Rate - Relation between short run and long run rates - Real and Nominal Rates - Portfolio Analysis - Factors determining Price Level - Causes and Consequences of Inflation - various approaches thereof the fixation and behaviour of relative prices - Interrelation between and among leading categories.

Module III Foreign Exchange, Balance of Payments and International Economic Policy (21)

Module IV - Public Economics (II)

The Indian Tax System - Incidence of taxation on various sections of the society - Analysis of the Union Budget - Public expenditure - Public Debt - Public Investment and Pricing - Centre-State Financial Relations.


REFERENCES

Module I


V.M. DANDEKAR & N.RATH: Poverty India, Indian School of Political Economy, Bombay, 1971.


Module II


Lucas and Papenek (ed) The Indian Economy, OUP 1988


Module III


Module IV


LUCAS and PAPENEK: The Indian Economy, OUP 1980.
Module V


Quantitative Methods

Module: 1 Mathematical Methods - 1 (Vectors and Matrices) (20)
- The concept of a vector - vector operations - vector spaces and sub-spaces - Linear dependence and independence - Generators, Basis and Dimensions.
- Basic concepts in matrix algebra - matrix operations - the inverse of a matrix - simultaneous linear equations-characteristic equations - Quadratic forms with and without linear constraints.
- Matrix methods in Economic analysis - The Static open Leontief System.

Module: 2 Mathematical Methods - II (Optimisation Techniques) (20)
- Optimisation with equally constraints - The Lagrange multiplier method - First and Second Order conditions of consumer's and producer's equilibrium.
- Optimisation with inequality constraints - Linear programming - Graphical and algebraic methods of solving linear programming problems - Economic illustrations.

Module: 3 Mathematical Methods - III (Differential and Difference Equations) (20)
- First Order linear differential equations.
- Differential equations of second order.
- Linear, First Order difference equations - Linear Second Order difference equations - Systems of linear difference equations - Economic applications of differential and difference equations.

Module: 4 Statistical Methods - I (Probability and Probability distributions) (15)
- Basic probability theory - Probability densities and distribution functions - Stochastic independence - standard, probability distributions - Law of large numbers and Central limit theorem (without proof).
- Standard sampling distributions - $X^2$, $t$ and $F$.

Module: 5 Statistical Methods - II (Statistical Inference) (15)
- Hypothesis testing - concepts and methods: simple and composite hypothesis - Type-I and Type-II errors - Neyman-Pearson Lemma - the Likelihood ratio method.

Module: 6 Elementary econometric methods (20)
The Logic of econometric model building - the role of forecast error term - specification and estimation of econometric models.
- The Simple linear and General linear models - Least square estimation - properties of the estimators (without proof) - Hypothesis testing and interpretation - Violations of classical assumptions - model diagnostics - multi-collinearity - heteroscedasticity autocorrelation.
- Limitations of econometric analysis.
Essential References:


Suggested Readings

Monetary theory is a branch of macro economic theory which analyses the role of monetary forces. To understand the working of these monetary forces and their interaction with the rest of the economy, we need the guidance of theory. This understanding leads us to realize that monetary forces operate through a multitude of channels - market, non-market, institutions and others. The study of financial institutions, therefore, of equal importance to comprehend the working of the monetary forces and to analyse their effects in order to plan policy measures and evaluate their consequences. This paper MONEY AND BANKING is an optional integration of monetary theory, institutional structure and policy with special reference to Indian experience.

Module I is concerned with the basic concepts used in monetary theory. Module II gives an overview of monetary theory and empirical evidence on the validity of the competing theories. Module III deals with the institutional structure comprising of banks, non-banks and capital markets and the roles they play in the Indian economy. Module IV is on monetary policy and instruments of control. Module V deals with the RBI.

Module I Basic Concepts (10)


Module II Monetary Theory (25)


Module III Institutional Structure (25)


Module IV Monetary Policy (20)

Framework, objectives and characteristics - goals, targets and indicators of monetary policy - transmission mechanism and restrictive and accommodating monetary policy - guide for monetary management - problems of debt management - discriminatory effects of monetary policy - Lags in policy - Policy mix and the objectives of growth without inflation and also international equilibrium.

Module V The Reserve Bank of India (25)

Functions and Working - Comparison with Bank of England and Federal Reserve System - Factors determining the demand for and supply of money in India - Money, liquidity and finance and RBI Control on them - Factors determining Interest Rates (Short term and long term) and the Price Level - Instruments of Control and techniques of implementation - effectiveness - credit planning - compulsions and constraints on RBI - implications of deficit finance and monetisation of budget deficits - Report of the Chakravarty Committee.
Module I

Module II

Module III

Module IV

Module V
RBI Occasional Papers
RBI Bulletins
RBI Report on Currency and Finance

Report of the Chakravarthy Committee.
Optional Paper: PUBLIC ECONOMICS

The objective of this paper is to impart to the student a thorough understanding of the role and functions of the Government in a modern economy. The Government is today, cast in a role and performs functions different from those of earlier societies. It is this change which is responsible for designing this paper as PUBLIC ECONOMICS rather than the more conventional PUBLIC FINANCE.

Module I deals with the role of Government. Module II covers the foundations and rationales of public economics with the emphasis on the theory of Government intervention. Module III deals with aspects of taxation, public expenditure and public debt. The role of public enterprises, issues in pricing and privatisation are dealt with in Module IV. Module V covers Indian Public Finance with special emphasis on fiscal federalism.

Module I Role of Government (25)

Changing perspective about the role of Government in organised society - Government in a mixed economy - Public sector and Private sector - Cooperation or competition - Budget as a means of operationalising the planning process - Government failures.

Module II Foundations of Public Economics (25)


Module III Taxation, Public Expenditure and Public Debt (25)

Taxation: Benefit and ability to Pay approaches to taxation - Theory of Optimal Taxation (including optimal redistributive taxation, optimal structures of income taxes and redistribution through commodity taxes) Trade-off between equity and efficiency - Theory and measurement of dead weight losses -
Theory of Incidence and alternative concepts of incidence -
allocative and equity aspects of individual taxes. Public
Expenditure: Wagner's Law - Structure and growth of public
expenditure - Criteria for public investment - Social cost-
benefit analysis: Project objectives, benefits, evaluation and
evaluation, estimation of project costs, derivation of discount
rates - reforms in expenditure budgeting: Performance Budgeting,
Programme Budgeting and zero-based budgeting; Public Debt.
Economics of public debt - classical theory of public debt -
Compensatory aspects of debt, policy - burden of public debt -
Sources of public debt - public borrowings and price levels -
Principles of debt management.

Module IV Public Enterprises (10)

Role of public enterprises in a mixed economy -
Growth and shares in national income, savings and capital
formation - Changing attitude towards public enterprises -
Privatization - Criteria for Pricing: Dupuit, Hotelling; first-
best criteria, inverse demand, price elasticity, equity aspects -
administered pricing and surplus generation - criteria for
evaluation - peak load pricing in utilities - Pricing Policy
and issues relating to public enterprises in India.

Module V Indian Public Finance (20)

Sources of current revenue in India - Indian tax
system - Ratio of tax revenue to national income - Major
taxes in India - Progressivity in income-taxation -
Taxation of Income, wealth, Capital gains, Gifts and Commodities
- Taxation of agricultural sector - Expenditure taxation -
Value-added Tax - Modvat - Tax - expenditure analysis - Non-tax
revenue - Trends and composition of Indian public debt -
Fiscal Federalism: Vertical and horizontal imbalance
- Assignment of functions and sources of revenue - Logic of the
Constitutional scheme - Finance Commission - revenue devolutions
and grants - Theory of Grants, Judd-Fordula - Centre-State
Financial relations - financial resources to local bodies -
problems of State-Local financial relations.

REFERENCES

Module I
R. A. MUSGRAVE and P. A. MUSGRAVE: Public Finance in Theory and
R. GOODE: Government Finance in Developing Countries, Tata -

Module II
R.J. BOASWORTH and N. BRUCE: Welfare Economics, Basil Blackwell,


Module III


Module IV


Peculiarly article by DIETER BOS: "Public Sector Pricing".


Module V

V.V. DORKA: *Income Tax Reforms in India*, Popular Prakashan, 1971


Govt. of India: *Long-term Fiscal Policy*, 1985

The course intends to provide a thorough knowledge about the economics of industry in a cogent, analytical manner. Module I deals with concepts and tools of analysis which are to be used in the study of subsequent courses. Module II covers generalized structural characteristics and theories of firms and policy, relating to finance, pricing and organization. Module III covers location and other decisions in the industry and also issues in regional development. Industrialisation and economic development are included in Module IV. Module V covers the issues in Indian industry, policy and performance.

Module I: Basic Concepts


Module II: Theory of Firm, Organisation and Policy


Module III: Location and Regional Development

Industrial Location - Theories of location - Regional Growth - Measures of regional imbalance and backwaters - Limitations.

Module IV: Industrialisation and Development

Theory and Evidence - Patterns and phases of industrial growth and changes in Industrial Structure - International Comparisons.

Module V: Some Issues in Indian Industry

Trends in Industrial growth of India - Objectives - Indian industry under plan regime - Industrial Control and regulation - performance of Indian industry in the context of objectives of growth - Efficiency and equity - Stagnation since mid 70s and various explanations for it - Public sector - Pricing - Policies - Joint sector - Industrial sickness - Capacity utilisation - Foreign collaboration, multi nationals - Indian joint ventures - abroad - recent liberalization trends.

REFERENCES


**Module II**


**Module III**


**Module IV**


(.... ./-)
Module V


.......


Optional Paper: AGRICULTURAL ECONOMICS

The overwhelming importance of agriculture in the Indian economy hardly needs to be emphasised. The paper on Agricultural Economics intends to highlight some of the central aspects of the Agricultural Economy of India in an analytical framework. Module I deals with the role of agriculture in a growing economy. Module II discusses the economics of agricultural production, highlighting the farm size-productivity relationship and the supply price relationship. Module III deals with the salient features of agricultural factor markets, bringing out the interlinkages involved therein. Module IV examines the factors determining the behaviour of agricultural prices in India and the problems of agricultural price policy. Module V focuses on interregional disparities in agricultural growth and productivity and the factors affecting the same.

Module I: Agriculture in a Growing Economy (15)

Agriculture in a growing economy - Changing importance of agriculture - subsistence agriculture and its modernization-interdependence between agriculture and industry - Empirical evidence - Institutional changes and technological change - Farming systems - traditional subsistence, commercial cooperative, collective, state farming.

Module II: The Economics of Agricultural Production (15)

Production functions in agriculture - Resource use efficiency - Farm size and productivity relationship in Indian agriculture - Farm budgeting and cost concepts - Supply - Price relationship - Technical change and labour absorption.

Module III: Agricultural Factor Markets (25)

Production Factors - Characteristics of factor markets - interlinkages between land, labour, produce and capital markets in traditional and developing agricultural societies - Tenancy and sharecropping - mobility of labour and segmentation in labour markets - Concepts and measurement of rural unemployment - Forced/distressed sales - Role of capital and agricultural credit - organised and unorganised (Formal and informal) credit and capital market - Mode of production decisions in Indian agriculture - agrarian structure - Rural class analysis - Uncertainty and crop insurance - Agricultural markets and marketing efficiency.

Module IV: Determination and Behaviour of Agricultural Prices (25)

Behaviour of agricultural prices - Demand and supply of agricultural products and c-w-c cycles - price and income elasticity and stability - Marketable and marketed surpluses - Agricultural commodities - stabilisation and support policies - Terms of trade between agriculture and non-agriculture - Agricultural price policy in India.

(*) Role of public intervention in prices and distribution of -
Module V Factors affecting Agricultural Growth and Productivity

Agricultural growth in India - Inter-regional variations in growth of output and of productivity - Agricultural growth in the State - Cropping pattern changes in India - Institutional change - Irrigation, power, seed and fertilizer - Priority of inputs - Problems of mobilization of resources from agriculture.

REFERENCES

Module I
T. W. SCHULTZ: Transforming Traditional Agriculture, Lyall Book Depot.

Module II
A. RUDRA: Indian Agricultural Economics: Myths and Realities, Allied 1982.
D. METCALF: The Economics of Agriculture, 1969.

Module III
ANCRE DETELLE: Studies in Agrarian Social Structure.
SIPRA DASGUPTA: Class Relations and Agrarian Techniques in Indian Agriculture, 1980.

...land reforms credit structure marketing etc - supply of inputs.
Module IV


Module V


Optional Paper: LABOUR ECONOMICS

The issues pertaining to wage theories and policies, employment, trade unions and industrial relations etc. have become vitally important in a developing economy like India.

The course in Labour Economics exposes students to theoretical issues like the labour market and wage determination as well as to the empirical issues like employment, trade unions and industrial relations, particularly in the context of India.

Module I Labour Market (15)

Nature and characteristics of labour markets in developing countries like India - Paradigm of labour market - classical, neo-classical 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.

Module II Employment (15)

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 modernisation - Rural unemployment and educated unemployment - Employment Policy under the Five Year Plans - Evaluation of employment policy in India.

Module III Wage Determination: Theory and Practice (25)

Various partial, neo-classical and bargaining theories of wage determination - Various concepts of minimum wages - Fair, Living Minimum, problems of implementation of minimum wages - Wage determination by sectors - urban and rural - organised and unorganised sectors - wage and non-wage components of labour remuneration - 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 standardisation - Case studies - Wage Policy in India.

Module IV Industrial Relations and Trade Unions (25)


Determinants of industrial disputes - steps to achieve peace - Methods to prevent and settle industrial disputes - Collective bargaining, conciliation, arbitration, adjudication - Grievance settlement - Labour Participation in Management.
Module V State and Labour (25)

Increasing role of State in the determination of labour matters
Labour Policy of the Government in the past - various social
security and labour welfare measures adopted by Governments.
Comparative account of social security measures adopted in U.K.,
U.S.A. and U.S.S.R. - Important labour legislations in India and
their implications - Impact of ILO - Government Policy towards
agricultural labour, women and child labour and labour in
unorganised sector.

REFERENCES

Module I
HUNTER & HULVEY
A. FREEMAN
R.A. LESTER
C.R. Mc CORNELLE S.L. BRUE
B. Mc CORMIEK & SMITH (eds)
L. REYNOLDS
E.B. JAKUBAUSKAS AND N.A. PALOMBA
A. REES

Module II
N. DAS
L.K. DESHPANDE, P.R. BRAHM NANDA AND E.R.F. ROBINSON (Eds)
R. JOLLY et al (Eds)
S. KANNAPPAN
A.K. SEN

Module III
L.K. DESHPANDE & J.C.S. INDESARA (Eds)
J.T. DUNLOP (Eds)
J.R. HICKS
SUBRAMANIAM
T.S. PAPOL
B.K. MADAN

Economics of labour, Macmillan 1963
The Labour Market, Penguin 1968.
The Structure of Labour Markets, Harper 1951.

Unemployment, Full Employment and
India, Asia, 1980.
Employment Policy in a Developing
Economy, Vols 1 & II, Macmillan 1983
Third World Employment: Problems and
Employment Problems and Urban Labour
Markets in Developing Nations,
University of Michigan, 1983.
Employment, Technology and Development

Wage Policy and Wage
Determination in India, Bombay
University, 1970.
Theory of Wage Determination,
Principles of Wage Determination, 1
The Role of Wages of Industrial Labour
in India, Management Development
Institute, New Delhi, 1977.

(..../-)
Module IV
C.A. Myres
S.D. PUNEKAR
E.A. RAMASWAMY & U.RAMASWAMY
A. REES
H.A. TURNER

Module V
C.B. RAMAARIA
E.RAMASWAMY & U.RAMASWAMY
K.N. VAID
E. BOEREP

GENERAL
RAY MARSHALL AND RICHARDS (Ed)

**Economics of Work and Pay**, Harper, 1973

**Wage Policy and Wage Determination in India**


**Industrial Relations in India Asia**, 1958.


**Industrial Relations in India**: Popular Prakashan, 1976.

**Labour Welfare in India, Central and Industrial Relations**, Delhi, 1970.


Optional Paper: INTERNATIONAL ECONOMICS

The course aims at giving a thorough grounding to the students in the principles which govern international transactions in commodity, service and capital and the effects on domestic economy. The treatment of the subject is both in real and monetary terms for theoretical as well as applied problems. Module I gives the theoretical basis of the structure of real trade dealing with factors affecting supply, demand and international equilibrium within the classical, neoclassical and modern framework of analysis. Module II adopts a macro approach analysing the principles of commercial policy and covers the effect of commercial policy on welfare and income distribution. Module III deals with the interrelation between trade and development highlights the rule of foreign capital and of direct investment. Module IV takes up monetary aspects of international transactions. Problems of exchange rate, balance of payments and their repercussions are given a thorough treatment. Developments in international monetary system in related issues are also covered. Module V concentrates on trade, payments and debt problems and policies of India. With the help of tools acquired in earlier modules, the treatment of India's trade and payments problems should be as far as possible analytical rather than discipline.

Module I: Pure Theory of International Trade (25)

Classical Theory: Absolute cost advantage and comparative cost advantage - modifications - views of Taussing - Demand and international equilibrium in terms of offer curve - Neo-Classical Theory - Opportunity cost and comparative advantage - Production possibilities frontier - Trade offer curves and terms of trade - Gains from trade - effect of trade on welfare

Modern Theory: Factor intensity and factor abundance - Factor intensity reversal - factor proportions, factor price and commodity prices - Heckscher-Ohlin Theorem - Factor price equalisation theorem - Leontief Paradox - Linder's demand pattern hypothesis.

Module II: Commercial Policy (20)

Free trade vs Protection - Theory of Tariffs - effects of tariffs - partial effects and effects of income distribution - Stolper-Samuelson Theorem Optimun Tariff - Nominal and Effective Tariff - Effective Rate of Protection - Infant industry tariffs - Quotas and other quantitative restrictions - State trading - Multiple exchange rates - commodity agreements - Theory of Customs Unions - Common markets - EEC and SAARC - GATT, URCA - trade policies of less developed countries.

Module III: Trade and Economic Development (20)

Comparative Cost Advantage in the context of growth and under developments - Factor growth and terms of trade - Rybyszynski Theorem - Technical Progress, terms of trade and welfare - Immerizlizn growth - Domestic distortions and welfare - Terms of trade of primary commodity producing countries - Role of foreign capital in development - Issues in foreign direct investment - Multinational Corporations (MNC) - Theories of Imperialism - Unusual Exchange - Issues relating to Third World - NICs.
Module IV International Monetary Theory (20)


Module V India's Foreign Trade and External Economic Relations (20)

Foreign trade policies - Import substitution and export promotion - India's balance of payments during the plan period - Effect of domestic and international developments of India's balance of payments - India's international debt - policy of foreign capital, technology and foreign collaboration - Multinationals in India - regional economic cooperation.

REFERENCES

Module I


Module II


RANJIT SAU: Trade, Capital and Underdevelopment, CUP, 1982.


E. PENROSE: The Large International Firm in Developing Countries, 1961.

Module IV


Module V


Welfare Economics is the framework within which the normative significance of economic events is evaluated. It serves as a foundation to many applied branches of economics such as public finance, cost-benefit analysis and the economics of government policy. The four modules of this paper are aimed at bringing to the students a thorough understanding of the latest developments in the field. Module I is concerned with measurement of economic welfare and extension of consumer choice theory. Module 2 covers Welfare Economics and General Equilibrium. Familiarity with General Equilibrium Theory is a pre-requisite for covering this Module. Social Welfare Function is the subject of Module 3. Module 4 covers topics in Applied Welfare Economics.
Module I: Measurement of Economic Welfare (10)

Economic welfare and general welfare - Utilitarian economics - Value judgments - Interpersonal comparison of utility - Consumer surplus measures of economic welfare - Recent developments in consumer choice theory - Indirect utility function, compensating and equivalent variations, money-metric - Index numbers and consumer surplus - Index numbers and money-metric - Extension of consumer choice theory to include inter-temporal choice, uncertainty, quantity constraints.

Module II: Welfare Economics and General Equilibrium (30)
(Note: Familiarity with General Equilibrium Theory is a pre-requisite)

Pareto optimality and market equilibrium - Fundamental theorems of welfare economics - Compensation principles - Extending the fundamental theorems to inter-temporal and uncertain setting - Market failure - Imperfections, externalities, public goods, informational asymmetries - Theory of second-best.

Module III: Social Welfare Function (20)

Arrow impossibility theorem - Welfare economics and social choice theory - Voting systems - Implications of Rawls' theory of justice for welfare economics - Political process and welfare economics - Democracy and welfare economics - Down's model - Pressure groups - Politico-economy interactions (Political Business Cycles) - Bureaucracy and economic welfare.

Module IV: Applied Welfare Economics (35)

REFERENCES

Module I:


Module II:


Module III:

Arrow, K.J. (1951), Social Choice and Individual Values, Yale University Press, New Haven.


Martinus Nijhoff, Boston.

Frey, B. (1978), Modern Political Economy, Martin Robertson, Oxford
Mueller, D.C. (1979), Public Choice, Cambridge University Press,
Cambridge.

San Francisco.

Modulo IV

Atkinson, A. and J.E. Stiglitz (1980), Lectures on Public

Baumol, W.J. and W.E. Dates (1975), The Theory of Environmental

Dasgupta, P. (1982), The Control of Resources, Basil Blackwell,
Oxford.

Prentice Hall, Englewood Cliffs.

Stiglitz, J.E. (1986), Economics of the Public Sector, W.W Norton,
Norton, New York.

Turvey, R. (1971), Economic Analysis and Public Enterprises,
George Allen and Unwin, London.
OPTIONAL PAPER: HISTORY OF ECONOMIC THOUGHT

The paper is recommended as an essential input into the training of a student specialising in Economics. Its purpose is not merely to acquaint the student with economic ideas and how they developed overtime, but also to provide the student with training in the evolution of social thought in which economic thought is only a part. It would also enable the students to obtain an introduction to economic history in a general way, and help them in developing their own ideas and in articulating them.

Module I deals with early period from the times of Greek Philosophers to the Physiocrats. The Classical Period is included in Module 2. Module 3 covers the later period from the utilitarians to Keynes and institutionalism. The Indian Thought is the subject of Module 5.
Module I: * Early Period (15)

Greek and Roman Writers: Plato and Aristotle - Roman
Philosophers, Jurists and Agricultural writers: Middle Ages: The
Doctrines of the Church: St. Thomas Aquinas - Qualified Acceptance
of Trade: just Cost and just Price Doctrines - Vickers on Interest;
Mercantilists: Adam Smith's Forerunners: (a) Petty, Locke, Hume,
Cantillon, Stuart (b) Physiocracy: Natural Order - Agriculture and

Module 2: * The Classical Period (40)

General: Adam Smith as Father of Economic Science - The Classi-
cal School - Points of Similarity and Difference on main Ideas: Adam
Smith: Division of Labour - Theory of Value - Paradox, Substance
and Measure - Distribution - General and Individual - Productive
and Unproductive Labour - Economic Progress - Natural and Contrived -
Critique of Mercantilism - Laissez Faire - Public Finance; Ricardo:
Value-Distribution - Economic Development - Views on Machinery -
Comparative Advantage; Malthus: The Principle of population
proposals to check population Growth - Ricardo-Malthus Controversy
on Say's Law of Markets; German Romantics and Socialists: Critique
of the classical thought - Sismondi; Marx: Method - Stages of
Society - Theories of Value, Surplus and Competition - Accumula-
tion and crises - Breakdown of the Capitalist System - Marx as a Classical
writer and as a critic; Other Contributions: (a) The Historical School
The Battle of Methods and Differences in the School (b) Say, Cournot,
Thunen, James Mill, McCulloch, Senior, John Stuart Mill: An Over-
view: Thought as it was between 1780 and 1870.

Module 3 * The Later Period (30)

General: Principal contributions - Utility, Margin, Value,
Distribution, Economic Policy - Similarities and Differences with
the Previous Thought - The Problem of Naming - Evolution/Revolution,
Post-Classical/Neoclassical, English/Austrian School; Founders:
Gossen, Jevons, Menger, Walras; Other Writers: Weiser, Bohm-Bawerk,
Pareto, Wicksell, Clark, Fisher; Marshall: As a Synthesiser - Method
- Value and Role of Time - Consumer's Surplus - Distribution -
Marshallian Concepts - Elasticity, Substitution, Prime and Supple-
mentary Costs, Representative Firm, External/Internal Economics,
Quasi-rent, Real Cost and Expenses of Production, Organization as a Factor of Production, Nature of Profit: Pigou, Keynes and Schumpeter: Basic thoughts; veblen: Institutionalism.

Modu6e 4: * Indian Thought (20)


REFERENCES

Modu6e 1, 2 & 3:


Module 4:


This paper is basically concerned with providing the students with an idea of what is meant by Social Overhead Capital (SOC). This concept has become as important as Directly Productive Activities (DPA) in so far as stepping up the rate of growth of national income is concerned. The paper is split into 8 modules. Module I is essentially an introduction and deals with the problem of pricing of public utilities. Module 2 is concerned with Transport Economics and covers concepts such as demand for transport, model choice, Cost-Benefit analysis, valuation of travel etc. Module 3 deals with the communications sector. Module 4 deals with Energy Economics consisting of demand for energy, energy modelling, optimal energy policy etc. Module 5 deals with electrical power systems, water utilities and natural gas. Module 6 deals with social infrastructure with a detailed analysis of its financing and development. Module 7 deals with the Economics of Education with special emphasis on education planning, manpower balances and HRD. Module 8 deals with the Economics of Environment very briefly and provides the relevance of "Limits to Growth" argument in the Indian Context. This paper could be optimally combined with those on health economics, and Urban Economics for those who desire to obtain a broad perspective of the concept of social infrastructural economics.
Module I: * Pricing of Public Utilities (15)

Special characteristics of Public Utilities - The case for nationalisation - The peak-load problem and the dual pricing controversy - Marginal cost pricing vs. other methods of pricing in public utilities.

Module II: * Transport Economics (25)


Module III: Communications (10)

Communications - rate making in telephone utilities - decreasing cost principle in the telephone industry - Characteristics of postal services - Criteria for fixation of postal rates - Measuring service standards in the telephone and postal utilities.

Module IV: Energy Economics (15)


Module V: Electricity, Gas and Water Supply (10)

Electric power systems - Bulk supply and pricing of electricity - Power development in India with special emphasis on rural electrification - The relative economics of Thermal, hydel and nuclear power plants - The case for a national power grid - Water utilities and the issue of municipal ownership - Financing water utilities - urban and rural water supply - The exploitation of natural gas - pricing problems - The relevance of the marginal cost principle.
Module VII: * Social Infrastructure (10)

The concept of social infrastructure - financing and organization of the supply of social services - Private vs. public sector financing - Earmarked vs. General fund financing - Pricing of social services - Fees, cesses and charges - The development of social services in the successive plans in India.

Module VII: * Economics of Education (10)

Economics of education - Education and economic growth - Approaches to educational planning - Social demands, rate of return and manpower balances approaches - The case for universal free primary education - The problems of financing of higher education in India - The New education policy - Human Resources Development.

Module VIII: Economics of Environment (10)

Economics of environment - Air and water pollution urbanization housing and slums - Forest depletion and soil erosion - The relevance of the 'limits to growth' argument in the Indian context.

REFERENCES


Module II:


**Module III:**


**Module IV:**


**Module V:**


Module VI:


Panchamukhi, P. R. (1977), Economics of University Finance, Karnatak Historical Research Society, Dharwar.


Module VII:


Module VIII:


OPTIONAL PAPER: HEALTH ECONOMICS

Health Services constitute one of the major components of the Social infrastructure. They are provided under different organisational structures. These health service providers are, in general, non-profit organisations and hence the traditional theory of the firm is not applicable. The demand for health services is determined not by the consumer but by his physician. Hence, the traditional consumer demand theory is not applicable. Health services are provided as merit goods giving rise to specific problems in public finance. Health insurance and other forms of financing also become relevant. In particular, the issue of mobilising finances through developmental financing is engaging the attention of economists.

It is the objective of this Course to acquaint the student with all those and related aspects of applying economic reasoning to resource allocation problems of the health sector. Module 1 deals with national and international health scene. Resource allocation in the health sector is the subject covered in Module 2. Module 3 deals with evaluation of benefits and costs of health services. Module 4 takes up financing of health services and discusses alternative payment systems and role of development financing institutions in financing health services.
Module I: The National and International Health Scene (25)

Health output and input indicators and their correlation with the level of economic development and with the public expenditure on health - Sources of health statistics and a critical appraisal of their usefulness and limitations - A review of the Indian National Health Policy and a discussion of other feasible alternatives.

Module II: * Resource Allocation in the Health Sector (40)

Resource allocation problems in private and government hospitals - Resource allocation problems facing a private practitioner - The problem of multiple services of a hospital - pricing of these services and the choice of the mix of services - The trade-offs between quantity and quality - Production function, productivity - efficiency and equity considerations applied to the hospital sector spatial distribution of health care facilities and services - The demand for health services and the role of the physician - the pharmaceutical companies and health insurance on this demand.

Module III: * Evaluation of Benefits and Costs of Health Services (40)

Private benefits and private costs of providing health services - The failure of the market to provide essential health services - The provision of health services by the Government - The application of benefits cost analysis to public health and family planning projects - The role of health in economic development - Value of output lost due to number of sick days - Benefits and costs (both private and social) of training professional manpower such as physicians, dentists, pharmacists and nurses.

Module IV: Financing of Health Services (20)

A review of per capita private and public expenditure on health services over time and in different parts of the country - An analysis of the sources of (public) finance for health - The need for a general health insurance - The need for a social health insurance for the poor, disabled, and the aged - A comparative analysis of alternative payment systems such as health insurance,
pre-payment scheme, savings-linked insurance system, etc. -
Financing health services through specific (health cess) and
genral (direct and indirect taxes) local government revenues -
The role of development financing institutions in financing
health services.

REFERENCES

Module I:
Service Systems of India', Inquiry, supplement to Vol. XII, June.
Banerjee, D. (1982), Poverty, Class and Health Culture in India
Gandhian Institute for Rural Health and Family Planning, (1972)
Studies on Mortality in India, Monograph Series No.5.
Government of India, (1983), National Health Policy, New Delhi
Indian Council of Social Science Research and Indian Council of
Medical Research, (1981), Health for All - 2000 A.D. ICSSR, Delhi
Economic and Political Weekly, pp. 1475-84
Madon, T.N. (1980), Doctors and Society: Three Asian Case Studies
Vikas Publishing House, Delhi.
Naik, J.P. (1977), An alternative System of Health Care Services
in India: Some Proposals, ICSSR, Delhi.

Module II:
Feldstein, M.S. (1957), Economic Analysis of Health Service
Efficiency, North Holland, Amsterdam.
Jimenez, E. (1997), Pricing Policy in the Social Services
Klarman, H.E. (1965), The Economics of Health, Columbia University
Press, Columbia.


**Module III:**


**Module IV:**


OPTIONAL PAPER: ECONOMETRIC METHODS AND APPLICATIONS

The emphasis in this course will be on concepts, methods and applications rather than on mathematical derivations and proofs. Module 1 makes a review of Regression Analysis. Generalized Least Squares and Non-Linear Estimation are covered in Module 2 and 3. Distributed Lag Models are covered in Module 4 while Module 5 gives exposition to Linear Simultaneous Equation Models. The final Module deals with econometric applications.
Module I: * Review of Regression Analysis (25)

General Linear Regression Model - Least Squares and Maximum Likelihood Estimation - Forecasting, Hypothesis Testing and Interpretation - Dummy Explanatory variables.
Model Diagnostics - Multi Collinearity, Auto correlation and Heteroscedasticity.

Module III: * Generalized Least Squares (10)

Aitken's theorem on SLS - Feasible SLS and its properties - heteroscedasticity-test and solutions - auto-correlation-tests and solutions - SURE method.

Module III: * Non-Linear Estimation (10)


Module IV: * Distributed Lag Models (15)


Module V: * Linear Simultaneous Equation Models (20)

Structural form and reduced form - Concept of identification order and rank condition of identification - identification through restrictions on the covariance matrix of structural disturbances - recursive models - Methods of Estimation: OLS, 2SLS, IV, 3SLS and FIML methods with properties - Forecasting and simulation.

Module VII: * Econometric Applications (25)

Estimation of system of demand equations - Estimation of flexible forms of the production function - Estimation of Macroeconometric models.

REFERENCES
Gujarathi, D (1979), Basic Econometrics, McGraw-Hill, New York


**Module II:**


**Module III:**


**Module IV:**


Module V:


Module VI:


Model Question Paper
M.A. Degree Course in "Analytical Economics"
(Alternative Scheme)

Core Paper I Economic Theory I

Time : Three Hours. 
Maximum Marks : 150

Notes : (1) Answer all questions from Part-I.
Answer any five questions from Part-II
Answer any three questions from Part-III

(2) Each question in Part-I carries 1 mark
Each question in Part-II carries 10 marks
Each question in Part-III carries 25 marks

Part-I

Answer all the following questions
Each question carries 1 mark
For each of the questions 1-5 is followed by 4
alternative answers. Select the choice which best
answers the questions.

1. Choose the correct answer:

1. Stable equilibrium refers to a situation where
(a) the economy is at rest
(b) once there is a disturbance, forces are generated which
bring it automatically back to equilibrium
(c) Where all variables are stationary
(d) None of the above.

2. The Revealed Preference theory of demand is based on:
(a) Strong Ordering
(b) Weak Ordering
(c) Both weak and strong ordering
(d) Neither of the two.

3. When the price of a substitute of commodity X falls, the
   demand for X
   (a) rises
   (b) falls
   (c) remains unchanged
   (d) any of the above.

4. The distinguishing feature of monopolistic competition is:
   (a) Homogeneous product
   (b) reaction to rivals
   (c) product differentiation
   (d) none of the above.

5. When the perfectly competitive firm and industry are both in
   long run equilibrium.
   (a) P = MR = SMC = LMC
   (b) P = MR = SAC = LAC
   (c) P = MR = lowest point on the LAC curve
   (d) all of the above.

(2/2)
II. State whether the following statements are true or false:

6. Price elasticity of demand is change in demand due to a change in price.
7. At the producer's equilibrium the isocost is tangent to the isocost.
8. The distribution of two commodities between two individuals is said to be Pareto optimal.
9. Ricardian theory of distribution assumes wages are given.
10. While drawing the Production Possibility Curve we take labour on the x-axis and capital on the y-axis.

III. Fill in the blanks:

11. Substitution effect in the case of indifference curve theory of demand is always ________________.
12. The Cobb-Douglas production function is ________________ degree one.
13. Price rigidity is explained by ________________ curve model.
14. Elasticity of technical substitution = ________________.
15. Given the supply of a commodity in the market, the price of the commodity is determined by ________________.

IV. Match the following:

16. (i) Introspective Cardinalist demand theory  (a) Paul A. Samuelson

(ii) Behaviourist Cardinalist demand theory  (b) J.R. Hicks

(iii) Introspective Ordinalist demand theory  (c) Alfred Marshall

(iv) Behaviourist ordinalist (d) Von Neumann, Margerstern

17. (i) Substitutes  (a) indifference curve if such a good is included in demand is inelastic.

(ii) Complements  (b) indifference curve is downward sloping straight line.

(iii) Giffen Good  (c) negative income effect outweighs the positive substitution effect.

(iv) Necessity  (d) discontinuous isoquant with corner points.

18. (i) Linear Isoquant  (a) discontinuous isoquant with corner points.

(ii) Input-output Isoquant  (b) Smooth Isoquant

(iii) Linear Programming Isoquant (c) L-Shaped Isoquant

(iv) Convex Isoquant  (d) Straight line Isoquant.
19. (i) J. Bain (a) Sales maximisation-hypothesis
(ii) W.J. Baumol (b) Kinky Demand Curve Model.
(iii) Chamberlin (c) Limit Pricing Theory
(iv) Paul M. Sweezy (d) Duopoly.

20. (i) Efficiency of distribution (a) \( M_{Sx} = \frac{P_x}{P_y} \)
(ii) Efficiency of allocation of factors among firm producers (b) \( M_{A^x} = M_{R^x} \)
(iii) Efficiency in the composition of output (c) \( \frac{M_{R^x}}{L^x} \) = \( \frac{M_{R^y}}{L^y} \)
(iv) Welfare maximisation & Perfect competition (d) \( M^{A}_{xy} = M^{B}_{xy} \)

V. Answer in one sentence

21. Write down the stability condition of the neo-keynesian Macro theory of distribution.

22. Define Hicks neutral technical progress.

23. Between which group of economists did the capital measurement controversy take place?

24. Name the book written by Sraffa.

25. What is meant by the adding up Problem? (1 x 25 = 25)

Part-II

VI. Answer any FIVE questions.
Each answer should not exceed 500 words.
Each question carries 10 marks.

26. What is meant by a model? How are they useful in economics?

27. Discuss the Linear Expenditure System.


29. Explain the price leadership model of oligopoly.

30. Give the extensions made to the limit pricing theory by Sylos and Labini.

31. Elucidate the principles of public utility pricing.

32. Describe the Walrasian general equilibrium system and the takedown process.

33. Distinguish between neutral technical progress and biased technical progress. (10 x 5 = 50)

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Part-III

VII. Answer any three questions.
 Each answer should not exceed 1200 words.
 Each question carries 25 marks.

34. Compare and contrast the Marshallian and Hicksian theory of demand.

35. Critically discuss the Selos Maximisation hypothesis.

36. Describe the Sraffa system bringing out the difference between basic, non-basic and standard commodity.

37. Bring out the main features of the Neo-Keynesian macro theories of distribution.

38. State Arrow's Impossibility Theorem, and the later developments in welfare economics.

$25 \times 3 = 75$

xxxxxxxxx
Model Question Paper

M.A. Degree Course in "Analytical Economics"
(Alternative Scheme)

Core Paper III - Economic History

Time: Three Hours. Maximum Marks: 150

Notes: (1) Answer all questions from Part-I.
      Answer any five questions from Part-II.
      Answer any three questions from Part-III.

(2) Each question in Part-I carries one mark.
    Each question in Part-II carries 10 marks.
    Each question in Part-III carries 25 marks.

......

Part-I

Answer all the following questions.
Each question carries 1 mark.

1. Choose the correct answers.
   Indian cotton was first exported to England in _______.
   (1650, 1725, 1790, 1800)

2. Who made the separation of Executive and Judicial duties
   in 1793? (Clive, Warren Hastings, Lord Cornwallis; Akbar)

3. Towards the close of the 18th Century, which province in
   India continued to generate huge surplus for the British
   Administration? (Bombay, Madras, Bengal, None)

4. What do you say about the Land Tax in Bengal levied by
   the British Administration compared to that levied by the
   previous Muslim rulers? (both levied enormous Land Taxes;
   both levied light Land Taxes; Britishers levied more;
   British levied less)

5. In 1765, who obtained from the Emperor of Delhi a charter
   making the East India Company the Dewan or administrators
   of Bengal? (Clive; Wellesley; Cornwallis; Mountbatten).

II. Say True or False

6. After 1763, the British had no European rivals in India.

7. The Permanent Zamin-dari Settlement of the land revenues of
   Bengal aimed at securing the prosperity and happiness of
   British subjects in India.

8. The land system in Bengal in the eighteenth century was
   similar to that in England.

9. Like the Delhi Sultanate, the Mughal emperors granted the
   revenues of particular areas of land to individuals,
   generally for life and always subject to resumption or
   reduction.

10. It was the policy of the English East India Company to
    foster Indian industries.

......

2.
III. Fill up the blanks:
11. ........... was the builder of the Red Fort, the Jama Masjid and the Moti Masjid.
12. The first land settlements in Madras were made in the ........... Circars.
13. In the year ..........., the Court of Directors directed that a Committee of Circuit should be appointed to inquire into the State of the Northern Circars, in order to ascertain the population, the produce, and the State of manufactures as well as the gross revenues of the states and the customary rights of Zamindars and cultivators.
14. The ........... Act placed the administration of the Company outside the control of the Crown.
15. In the Northern Circars, besides Zamindar lands, there were certain demesne or household lands of the Government known as ........... lands.

IV. Match the following:
16. Committee of Circuit - Cornwallis
17. Battle of Plassey - Mughals
18. Permanent Zamindan Settlement - Sultans
19. Jagirs - Clive
20. Iqta - Sir Thomas Rumbold.

V. Give the years of the following events
22. Death of Aurangzeb
23. The English East India Company was founded
24. The British Parliament passed the Regulating Act
25. Warren Hastings became the first Governor General of India

VI. Answer any five questions:
Each answer should not exceed 500 words
Each question carries 10 marks.
26. Distinguish between a customary economy and a command economy.
27. What is the function of economic history?
28. Give a critical review of the historical material relating to the Indian economy during the period 1500-1800.
29. Describe the role of the state in the economy of the Mughal period.
30. What kind of agrarian technological change did India experience during the Mughal period?
31. Briefly explain the organisation of manufacturing in the period 1500-1800.

32. Write a note on the impact of the British conquest of Bengal on the structure of Asian trade.

33. Describe the methods of historical research.

Part - III

VII. Answer three questions

Each answer should not exceed 1200 words.
Each question carries 25 marks.

34. Compare and contrast the fiscal policies and patterns of Mughal India and South India.

35. Describe the tenurial relations and crop patterns of the Mughal Empire.

36. Explain the evolution and structure of trade between Asia and Europe till the end of the nineteenth century.

37. What was the nature of the industrial structure in the period 1500-1800?

38. Explain the impact of the development of trade on the agrarian structure of India during 1500-1800.
Model Question Paper

M.A. Degree Course in "Analytical Economics"
(Alternative Scheme)

Core Paper IV - DEVELOPMENT ECONOMICS

Time: Three Hours

Maximum Marks: 50

Notes: (1) Answer all questions from Part-I
Answer any five questions from Part-II
Answer any three questions from Part-III

(2) Each question in Part - I carries 1 mark
Each question in Part - II carries 10 marks
Each question in Part - III carries 25 marks

Part I

Answer all the following questions.
Each question carries 1 mark.

For each of the questions 1 - 5 is followed by 4 alternative answers. Select the choice which best answers the question.

1. Which one of the following is not a characteristic of the LDCs?
   (a) Low per capita income
   (b) High birth-rate
   (c) Small share of primary goods in total exports
   (d) Income from primary exports fluctuates quite sharply.

2. Which one of the following is correct when Lorenz curve is identical with the line of equality?
   (a) There is greater inequality
   (b) There is no inequality
   (c) There is less inequality
   (d) There is moderately high inequality

3. Which one of the following is not an assumption of the Harrod-Domar growth model?
   (a) Constancy of saving ratio
   (b) Fixed technological relationship between capital stock and income flows
   (c) Absence of lags
   (d) Existence of trade

4. Which one of the following is not a crucial feature of Kaldor-Mirrlees model?
   (a) Flexible saving ratio
   (b) Fixed capital-output ratio
   (c) Discard the production function approach
   (d) Assumes full employment and perfect competition

5. Which one of the following is not a trading block?
   (a) ASEAN
   (b) ASPIAC
   (c) CACM
   (d) UNCTAD
For equations 6 to 10, some of the statements are true and some are false. Find the correct answer and state "True" or "False".

6. According to Adam Smith economic development is not a sudden or abrupt process, it is gradual and cumulative process leading to the emergence of a stationary state (True/False)

7. For Ricardo wages and rents are the primary sources of accumulation and profits only the secondary source (True/False)

8. Population explosion is a phrase which is commonly used to describe the prevalence of high crude birth rates with high death rates in LDCs. (True/False)

9. Bilateral financing could be tied while a large part of multilateral financing is untied (True/False)

10. Planning takes place through inducement rather than control and such kind of democratic planning is called indicative planning (True/False)

Questions II - 15 fill up the blanks

11. The theory which is advanced by Nelson to explain the relationship between population and income growth is known as ...........

12. Marketed surplus is the difference between total food production and total food ..........

13. The balanced budget multiplier states that if the tax (T) and expenditure (G) by the Government rise by, say Rs 100 crores, national income (Y) will also rise by Rs ..........

14. The dual-gap consists of two parts, namely, the savings gap and the ........ gap.

15. Mundell starts off with the basic quantity theory equation to show the relationship between ........ and economic growth.

16. Which one of the following pairs is not correctly matched.
   (a) Adam Smith - Invisible hand
   (b) David Ricardo - Stationary state
   (c) Karl Marx - relative surplus population
   (d) H.W. Singer - unbalanced growth.

17. Which one of the following pairs is not correctly matched.
   (a) Minimum critical effort thesis - Leibenstein
   (b) MRIS Criterion - Leibenstein
   (c) Balanced growth - Hirschman
   (d) unbalanced growth - Rostow.

18. Which one of the following pairs is not correctly matched.
   (a) Marginal growth contribution criterion - Otto Eckstein
   (b) Minimum capital output ratio criterion - AE Kahn
   (c) MRIS Criterion - Leibenstein
   (d) Capital turn over criterion - Chenery

19. Which one of the following pairs is correctly matched.
   (a) A Source of multi-lateral assistance - IDA
   (b) Non-discriminatory reduction in barriers to world trade - UNCTAD
   (c) The Pressure group for trade Preference for LDC's exports - GATT
   (d) Compensatory Financing Facility - IFC
20. Which one of the following pairs is not correctly matched.
   (a) SOR — to meet the international liquidity crisis
   (b) Joint Ventures — one of the forms of transfer of technology to LDC's
   (c) IBRO — supplementary financing scheme
   (d) Dual — maximization of profit problem

   Answer in one sentence:

21. Development gap
22. The prior-savings approach
23. Official Development Assistance (ODA)
24. "Pro-trade" bias
25. Optimum tariff

   (1 x 25 = 25 Marks)

Part — II

Answer any five questions
Each answer should not exceed 500 words.
Each question carries 10 marks.

26. "Worlds income is distributed unequally between nations and people". Discuss.

27. What are the conditions of steady growth as laid down in the neo-classical model?

28. Examine the relevance of the wage-goods model of Vakil and Brahmananda.

29. Discuss the important implications for economic policy that follow from Todaro’s analysis of the migration process.

30. Give an account of the relationship between farm size and output per acre of land in LDCs.

31. Outline and discuss the factors that compelled the LDCs to launch the strategy for NIEO.

32. Evaluate the potential role of foreign borrowing and the debt servicing problem of LDCs.

33. Critically examine the assumptions and rationale of Mahalanobis planning model.

   (5 x 10 = 50 marks)

Part — III

Answer any three questions
Each answer should not exceed 1200 words
Each question carries 25 marks.

34. Critically examine the view that Schumpeterian analysis of economic development is a modified version of Marx's model of growth.

35. "Fei-Renje dual economy model is an improvement on Lewis model". Discuss.

36. What are the main forms of IMF’s financial assistance to developing countries? What criticisms have been levelled against the IMF and its policies of support to developing countries?

37. Evaluate the reinvestable surplus criterion as developed by Sen.

38. Discuss the assumptions and the nature of the input-output technique. What are the uses and drawbacks of input-output technique as a tool of planning in LDCs?
UNIVERSITY OF KERALA
M.A Degree ECONOMICS (Analytical Economics)
(Effective from 1993 admissions)

Optic Paper: ENVIRONMENTAL ECONOMICS

Module: 1 Basic Concepts(10)
Basic concepts of environmental economics; economics and ecology; environment as capital-economic growth and environment.

Module: 2 Property Rights(15)
Efficiency in a private enterprise economy; property rights approach to environment; allocation property rights and public goods; allocation of public goods; social welfare function; market failure; Lindahl solution; pollution and the tragedy of commons.

Module: 3 Theory of Externalities (15)
Classification of externalities; economic policy and economic system; competing uses; use-price; price of environmental use.

Module: 4 Cost-Benefit Analysis (15)
Evaluation of environmental quality; Pareto Optimal; provision of environmental quality; mechanisms of social choice; environmental impact assessment social impact analysis.

Module: 5 Economics of Pollution (15)
Forms of pollution and pollution control; costs and benefits of pollution control; population levels and environmental quality; international dimensions; environment and sustainable development.

Module: 6 Environmental Regulation(20)
Choice of policy; economic-legal liability as an economic instrument for environmental protection; effects of environmental regulation on pattern of international trade; environmental policy and management; case study of USA, China and India.

Module: 7 Environmental Accounting (15)
Environmental accounts and the system of national accounts; environmental audit; need for integration appropriate valuation techniques; methodological approaches to pricing natural resources.

REFERENCES
Joseph J. Seneca & M.K. Taussig: Environmental Economics
P.A. Beltson: Cost-Benefit Analysis and Environmental Problems
P. Nijkamp: Theory and Application of Environmental Economics.
H. Siebert: Economics of the Environment: Theory and Policy
D.N. Thompson: The Economics of Environmental Protection
A.M. Freeman: Economics of Environmental Policy
C.E. Park: Environmental Policies: An International Review
R. Costanza: Ecological Economics
P. Burrows: Economic Theory of Pollution Control
J. Haskness: Pollution, Property and Prices
E. Schrager & J.J. Warfield: Environmental Management and Economic Development

M.A DEGREE ECONOMICS (ANALYTICAL ECONOMICS)
(Revised Syllabus w.e.f 1994 Admissions)

Compulsory/Core Paper

ECONOMIC HISTORY 1800-1947

Module: 1 Selected Problems of Indian Economic History (15)

Selected Problems—methods of historical research—
Sources and nature of historical material for the period
1800-1947—Theory and History—Views of J.H. Hicks

Module: 2 Pre-British India—an Overview (20)

Nature of the state-Angal and South India—
Agrarian Structure and crisis-organisation of manufac-
turing—indigenous forms and instruments of trade—
Portuguese, Dutch and English trade—Emergence of the
colonial economy.

Module: 3 Structure of Agriculture and Industry 1800-1947(25)

Property Rights-enforcement and policing of agrarian
structure-commercialisation and demographic change on the
structure of land holdings, tenancy and agricultural labour
organisation of manufacturing in the middle of 18th
century—Impact of the Industrial Revolution and colonial
Rule on traditional manufacture-entrepreneurship—Protection—
growth of railways and irrigation.

Module: 4 Money Banking and Trade 1800-1947 (20)

Traditional credit organisation-growth of modern
banking and the Reserve Bank of India-growth of trade-
trends in invisibles—terms of trade—changing structure of
balance of payments and the implications for the domestic
economy—trends in foreign capital—

Module: 5 Issues in Economic History (25)

Some historical case studies—mobilisation of
agricultural surplus—forms of labour supply—inputs in to
agriculture—peasant rationality comparison of the response
of different types of colonial economies to imperialist
forces—Comparison of the policies of different metropolitan
powers end of the policies of the same power: Britain in
its various colonies.
References

S. Kumar: Western India in the 19th Century, Routledge
Kegan Paul, 1968
M. Dhillong: The Punjabi Peasant in Prosperity and Debt,
Manohar, 1977
D. Rothermund and D.C. Vidyarthi: Zamindars, Mems and Peasants,
Manohar 1978
A.K. Bagchi: Private Investment in India 1930-1939,
Cambridge 1972
P.S. Lokenathan: Industrial Organisation in India, A',
Allen & Unwin, 1935
D. Tripathi: Business Communities in India:
A Historical Perspective, IIM MONOGRAPH,
Ahmedabad
J.M. Keynes: Report on Indian Currency and Finance, 1913
Y.S. Pandit: India's Balance of Indebtedness 1893-1913,
Macmillan 1937
K.N. Raje: The Monetary Policy of the RBI, 1948
P. Ray: India's Foreign Trade since 1870, Macmillan
W. Parker (ed): European Peasants and their Markets,
Princeton 1975
Cambridge Economic History, Vol. I & II
M.A Degree ECONOMICS (Analytical Economics)
(Effective from 1993 admissions)
Revised

Compulsory/Core Paper: INDIAN ECONOMY

Module: Determinants of National Income, Saving, Investment and Capital Formation (15)

Module: 2 Agriculture (15)

Module: 3 Industry (15)
Industrial structure-industrial policy changes-stagnation since mid-sixties-debate on industrial growth and productivity-problems of small scale sector-performance and prospects of public sector-industrial sickness.

Module: 4 Money, Interest and Prices (15)

Module: 5 Fiscal Situation (15)
Structure, trends and implications of Indian tax system-budget deficit, revenue deficit and fiscal deficit-public debt-centre-state fiscal relations-views of Finance Commissions-Reform of Indian fiscal system-views of Kaldor, Chalihi and Lakdawala committees.

Module: 6 Balance of Payments (15)
Structure of and trends in foreign trade and payments-causes and remedies of BOP deficit-exchange rate-external sector policy and reforms.

Module: 7 Development Process and Policy (15)
References

A. Bagchi: The Political Economy of Underdevelopment in India, Cambridge University Press, 1982
P. Bardhan: Political Economy of Development, OUP, 1984
P. N. Brahmanada and V. V. Pandurangkha: (Ed) The Development Process of the Indian Economy, Himalaya, 1987
Lucas and Papnek: Indian Economy, OUP, 1988
S. Chakravarty: Development Planning, OUP, 1980
A. K. Bagchi: Society and Politics: Essays in the Political Economy of Indian Planning, 1983
J. Bhagwati: India in Transition, OUP, 1993
I. S. Abuwalala: Industrial Growth in India: Stagnation since the mid-1950s, OUP, 1985
S. Dar: Essays in Development Policy, Macmillan, 1975

Govt. of India: Annual Economic Surveys, Reports of Committees, Five Year Plan Documents etc.
Various Issues of Economic and Political Weekly and
ABI Bulletin
Addition to the Reading List

N A Denes (Ist-Semester)

Dr. E. M. mine

Paper: Public Economics

G. V. Dorn and P. M. Jackson: Public Sector

Oxford

R W. Bandhu

I. R. Hunter

I. S. PULATI

Public Sector

Prentice Hall

Public Finance

Central-State Public Transfers: Oxford
Appendix II

UNIVERSITY OF KERALA

Revised Syllabus

ECONOMICS

M.A. Degree (Non Semestral) Course
(u.e.r. 1996 admissions)

Core Paper IV - Development Economics

Module I - Development and underdevelopment an overview (10)

Current academic interest in Development Economics - terminologies of developed and developing countries - Terminology of growth and development - characteristics of LDCs - Types of aid production - World distribution of income - the development gap - HDI - Human Development Index - Dimensions of poverty - The distribution of income - The inverted U hypothesis - growth distribution trade off.

Module II - Grand theories of growth and development (10)

Growth models of Adam Smith, David Ricardo, Marx and Schumpeter - Basic assumptions of classical growth models.

Module III - Modern theories of growth and development (10)

Harrod - Domar model - Joan Robinson's model - the classical growth model - Kaldor - Marrod growth model - The Production Function approach to the study of the causes of growth studies of the sources of growth in developed countries.

Module IV - Partial theories of growth and development (10)


Module 4. Foreign Direct Investment and Multinational Enterprise (7) Role of FDI - Barriers to FDI - FDI and balance of payments.


Module 6. Foreign exchange (5) fixed versus flexible exchange rates - exchange rate variability.

Module 7. International Monetary system (10) IMF and structural adjustment - European Monetary System - ERM.
5. AEA Readings in International Economy.
6. Sanajaya Lall & Paulstreten, Foreign Investment, Transnationals and Developing Countries.
7. Sanjaya Lall, Readings in International Economics.
5. AEA Readings in International Economy.
6. Sanjay J. Hall & Paul Krugman, Foreign Investment, Transnationals and Developing Countries.
7. Sanjay J. Hall, Readings in International Economics.
Revised Syllabus - MA Analytical Economics w.e.f. 1999 admission.

PAPER III - INTERNATIONAL ECONOMICS


Module 4. Foreign Direct Investment and Multinational Enterprise - Role of FDI - Barriers to FDI - FDI and balance of payments.


Module 6. Foreign exchange - fixed versus flexible exchange rates - exchange rate variability.

Module 7. International Monetary system - IMF and structural adjustment - European Monetary System - IMF - Asian Development


*Rule IV*


*Rule V*


D.M. Moir (ed.), *Leading Issues in Economic Development*.


A.K. Sen, *Economics of Underdevelopment*.


*Rule VI*


G.M. Moir (ed.), *Leading Issues in Economic Development*.


Module I - Development and underdevelopment an overview (10)

Current academic interest in development Economics -## Terminologies of developed and developing countries -## Terminology of growth and development -## Characteristics of LDCs -## Types of growth and production conditions -## World distribution of income -## developed gap -## HDI -## Human Development Index -## Dimensions of poverty -## The distribution of income -## The inverted U hypothesis -## growth distribution trade off.

Module II - Grand theories of growth and development (10)

Growth models of Adam Smith, David Ricardo, Marx and Schumpeter -## Basic assumptions of classical growth models.

Module III - Modern theories of growth and development (10)

Harrod -## Domar model -## Jean Robinson's model -## the classical growth model -## Kaldor -## Mirrlees growth model -## The production function approach to the study of the causes of## Production function studies of the sources of growth in developed countries.

Module IV - Partial theories of growth and development (10)

Rostow's stages of growth theory -## Utilization of labour -## Louis theory -## Nurnau's theory -## Balanced growth -## Big push theory -## Critical minimum effort level -## A model of low level equilibrium trap -## The proposal of## -## Theories of dualism -## Dual economy model -## The model of## -## Territorial model -##