

# **COURSES OF STUDIES**

FOR

MASTER DEGREE COURSE

IN

**ECONOMICS**

Part – I Examination – 2016-17

Part – II Examination – 2017-18



**GOVERNMENT AUTONOMOUS COLLEGE,  
PHULBANI, KANDHAMAL**

The P.G. Economics course shall comprise two parts, each consists of five papers. Each paper carries 100 (hundred) marks. Alternative questions shall be set from each unit. The candidates shall have to answer questions from all the units. The duration of the examination of each paper shall be four hours.

### **COURSE STRUCTURE**

#### **PART-I**

	<b><u>Subject</u></b>	<b><u>Full Marks</u></b>
Paper-I	Microeconomic Analysis	100
Paper-II	Macroeconomic Analysis	100
Paper-III	Quantitative Methods	100
Paper-IV	Public Economics	100
Paper-V	Indian Economic Problems	100

Note: In Part-II, there shall be three compulsory papers and two optional papers to be chosen from each Group.

#### **PART-II**

Paper-VI	Economics of Growth and Development	100
Paper-VII	International Trade and Finance	100
Paper-VIII	Economics of Social Sector and Environment	100

#### **Optional Papers (Group-I)**

Paper-IX	Mathematical Economics	100
Paper-X	Econometrics	100

#### **Optional Papers (Group-II)**

Paper-IX	Industrial Economics	100
Paper-X	Financial Institutions and Markets	100

#### **Optional Papers (Group-III)**

Paper-IX	Agricultural Economics	100
Paper-X	Labour Economics	100

## M.A. PART-I

### PAPER-I: MICROECONOMIC ANALYSIS

Full Marks - 100

- Unit-I** **20 Marks**  
Theories of Consumer Behaviour:  
A critique of the cardinal approach, Indifference curve approach, Income, substitution and price effects, Slutsky theorem, Revealed preference analysis, Hick's revision of demand theory.
- Unit-II** **20 Marks**  
Theory of Production:  
Production function, Laws of variable proportions and returns to scale, Isoquants, Isocosts, Least cost combination of inputs, homogenous production function.  
Nature of short run and long run cost curves and their relationship, Internal and external economies and diseconomies of scale.
- Unit-III** **20 Marks**  
Theory of Product Pricing:  
Equilibrium of firm and industry, Price and output determination under perfect competition, monopoly, discriminating monopoly and monopolistic competition, Equilibrium of firm and group with product differentiation and selling costs. Excess capacity under monopolistic competition, Oligopoly-Cournot solution, Stackelberg solution, Kinked demand curve, Collusive oligopoly-Cartels and price leadership.
- Unit-IV** **20 Marks**  
Theory of Factor Pricing:  
Marginal productivity theory of distribution, Product exhaustion theorem, Determination of rent, wage, interest and profit. Macro-theories of distribution- Recardian and Kaldorian theories.
- Unit-V** **20 Marks**  
Theory of Welfare Economics:  
Pigouvian welfare economics, Pareto optimality conditions, Value Judgment, Social welfare functions, Compensation principle, Theory of second best, General equilibrium theory.

#### **Books Recommended :**

1. A.E.A.: Readings in Price Theory
2. A.E.A.: Readings in Theory of Income Distribution
3. Arrow, K.J.: Individual Choice and Social Values
4. Baumol, W.J.: Economic Theory & Operation Analysis
5. Bilas, R.A.: Micro economic Theory
6. Boulding, K.E.: An Economic Analysis
7. Boulding, K.E.: Reconstruction of Economic Analysis
8. Chamberlin, E.G.: The Theory of Monopolistic Competition
9. Dobb, M.: Welfare Economics and the Economics of Socialism
10. Dorfman, R., Samuelson, P.A. and Solow, R.M. : Linear Programming and Economic Analysis
11. Ferguson, C.F.: Microeconomic Theory
12. Graff, J.D.: Theoretical Welfare Economics
13. Hicks, J.R.: Revision of Demand Theory (Part-I & II)
14. Koopman, T.C.: Three Essays on the State of Economic Science, Essay-I
15. Little, I.M.D.: A Critique of Welfare Economics
16. Pigou, A.C.: Economics of Welfare
17. Robertson, D.H.: Lectures on Principles of Economics
18. Robinson, J.: Collected Economic Papers, Vol-I
19. Scitovsky, T.: Welfare growth
20. Watson, D.S.: Price Theory and its Uses

## PAPER-II: MACROECONOMIC ANALYSIS

Full Marks – 100

### Unit-I

20 Marks

National Income:

Circular flow of income and expenditure in a two, three, and four sector economy, Methods of National Income Accounting, Social Accounting, Input-output accounting, Balance of payments accounting.

### Unit-II

20 Marks

Demand for money:

Classical and Keynesian approaches to demand for money, Friedman's restatement of quantity theory of money, Patinkin's contributions, Real balance effect.

### Unit-III

20 Marks

Keynesian Theory:

Keynesian determination of equilibrium level of income and output using IS-LM model. The consumption function: the absolute, relative and permanent income hypothesis, Consumption-income relationship, other factors influencing consumption, Multiplier and accelerator interaction. The determinations of investment, MEC, Technological changes and innovation, Autonomous and induced investment.

### Unit-IV

20 Marks

Theory of inflation:

Classical, Keynesian, Monetarist and Structuralist approaches to inflation, Demand pull and cost push inflation, Philip's curve, Income policy, Fiscal policy and Monetary policy for stability, employment and growth.

### Unit-V

20 Marks

Theory of trade cycles:

Monetary theory of trade cycle-Hawtrey, Hayek and Friedman, Non monetary theories of trade cycle-Schumpeter, Kaldor, Samuelson and Hicks.

### Books Recommended :

1. Ackley,G.: Macro Economic Theory
2. Brooman,F.S.: Macro Economics
3. Chandler, L.V.: An International Monetary Theory
4. Day,A.C.L.: Outline of Monetary Economics
5. Gurley and Shaw: Money in Theory of Finance
6. Hansen, A.H.: Business Cycle and National Income
7. Hicks, J.R.: A Contribution to the Theory of the Trade Cycle
8. Kindleberger, C.P.; International Economics
9. Mueller, M.G.; (ed.): Readings in Macroeconomics
10. Shapiro, Edward: Macro Economic Analysis

## PAPER-III: QUANTITATIVE METHODS

Full Marks - 100

### Unit-I

20 Marks

Probability- Concept, Mathematical expectation- Concepts and Rules

Statistical Methods:

Theoretical probability distribution- Binomial and normal, moments, Review of the measures of central tendency, dispersion, skewness and kurtosis, Correlation: Scatter diagram, coefficient of correlation and its properties, Rank correlation coefficient, Regression: Fitting regression lines, standard error of estimates, Coefficient of determination.

### Unit-II

20 Marks

Sampling and statistical inference:

Sampling: meaning and methods of sampling, simple random sampling, stratified sampling, systematic sampling, cluster sampling, sampling and non sampling errors, concept of an estimator

and its sampling distribution, properties of a good estimator, unbiasedness, efficiency consistency & sufficiency, Hypothesis testing on z, t,  $\chi^2$  and F tests, Type-I and Type-II errors.

**Unit-III**

**20 Marks**

Derivatives:

Rate of change and the derivatives, Derivatives and slope of a curve, Rules of differentiation, Partial differentiation, Total differentiation, Applications in perfect competition and monopoly, Relative maxima and minima of functions including constrained cases: Lagrangian multiplier, Applications in optimum functions like cost, production, profit and revenue functions. Integration: Rules and methods of integration, Definite integrals as areas, Economic applications of integrals in marginal functions, Consumers surplus, Producer's surplus, Compound interest, Present and capital values, Domar's growth model

**Unit-IV**

**20 Marks**

Matrix Algebra:

Elementary operation of matrices, Types of matrices, Transpose and inverse of a square matrix (3X3), Cramer's rule.

Determinants: Properties and operations, Linear homogenous equation systems, quadratic forms, characteristic roots & vectors.

**Unit-V**

**20 Marks**

Econometrics: Simple linear regression- Assumptions, Least square methods, Testing of Hypothesis, Application to estimation of demands, supply, cost, revenue and production functions.

**Books Recommended :**

1. Allen, R.G.D.: Statistics for Economists
2. Archibald & Lipsey : A Mathematical Treatment of Economics
3. Chiang, A.C.: Fundamentals Methods of Mathematical Economics
4. Gupta, S.C.: Fundamentals of Statistics
5. Gupta, S.P.: Statistical Methods
6. Nagar & Das: Basic Statistics
7. Yamane, Taro : Statistics-An Introduction
8. Yamane, Taro : Mathematics for Economics
9. Johnston, J. : Econometrics
10. Gujarati, D. : Basic Econometrics

**PAPER-IV: PUBLIC ECONOMICS**

**Full Marks – 100**

**Unit-I**

**20 Marks**

Role of Government:

Government in organized society, Government in a mixed economy, Normative approach to public finance- Allocation, Distribution and Stabilization branch, Optimal allocation of resources between public and private sectors, Private goods and public goods, Social wants and merit wants.

**Unit-II**

**20 Marks**

Theories of budget determination:

Optimum provision of public goods lindahl-Johansen model, Samuelson's pure theory, Musgrave's voting model and collective choice, Arrow's impossibility theorem, Pure theory of public expenditure, Social cost-benefit analysis.

**Unit-III**

**20 Marks**

Taxation:

Benefit and Ability to pay approaches, Allocative, efficiency and equity aspects of taxes, Concepts of incidence, Modern theory of incidence.

Features of Indian tax structure, Importance of taxes like income tax, corporate tax and expenditure tax.

**Unit-IV**

**20 Marks**

Public debt:

Classical views on public debt and burden of public debt. Intergeneration gap, Principle of debt management, Public debt in the context of fiscal and monetary policy integration, Methods of debt redemption.

**Unit-V**

**20 Marks**

Fiscal Policy:

Objectives of fiscal policy, Balanced budget multiplier, Fiscal policy for stabilization and growth, Fiscal policy in developing economies. Role of taxation and deficit financing in developing economies

**Books Recommended :**

1. Blaug, M.: Economics of Education
2. Buchanan, J.M.: The Public Finance
3. Buchanan, J.M.: Public Principles of Public Debt
4. Buchanan, J.M.: Fiscal Theory and Political Economy
5. Chelliah, R.J.: Fiscal Policy in Underdeveloped Countries
6. Dalton, H.: Public Finance
7. Downs, A.: An Economic Theory of Democracy
8. Due, J.F.: Government Finance-An Economic Analysis
9. Kaldor, N.: An Expenditure Tax
10. Kaldor, N.: Indian Tax System
11. Musgrave, R.A.: The Theory of Public Finance
12. Musgrave, R.A. and Musgrave, P.B.: Public Finance in Theory and Practice
13. Peacock, A.J.: Income Redistribution and Social Policy
14. Peacock, A.J. & Wiseman, J.: The Growth of Public Expenditure in the United Kingdom
15. Peacock, A.J. & Shaw, C.K.: The Economic Theory of Fiscal Policy
16. Prest, A.R.: Public Finance in Theory and Practice
17. Tripathy, R.N.: Fiscal Policy in Underdeveloped Countries
18. Turvey, R.: Public Enterprises

**PAPER-V: INDIAN ECONOMIC PROBLEMS**

**Full Marks – 100**

**Unit-I**

**20 Marks**

Features of Indian economy at the time of independence, Effects of British rule with reference to drain theory. Endowment of natural resources, Demographic features of Indian population, its size growth and composition, Occupational distribution and economic effects of population pressure. Mass poverty and unemployment and its measures.

**Unit-II**

**20 Marks**

Indian Agriculture:

Land reforms in India, Low productivity, Technological changes in agriculture, Green revolution, Agricultural pricing policy, Agricultural finance, Agricultural marketing and ware housing.

**Unit-III**

**20 Marks**

Indian Industries:

Public Sector enterprises and their performance, New Industrial policy of 1991, Problems of sick industries, Growth and pattern of industrialisation, multinational corporations and FERA, Sources of Industrial finance.

**Unit-IV**

**20 Marks**

Public Finance in India:

Centre-state financial relations, Finance Commission, Planning Commission, Fiscal policy in India and problems related to its deficits, Financial sector reforms, Money market and banking structure in India, Review of monetary policy of R.B.I., Working of SEBI in India.

**Unit-V**

**20 Marks**

Indian Foreign Trade:

Structure and direction of foreign trade, Balance of payments problems, Export-Import policy, FEMA, Components of foreign capital, WTO and its impact on Indian economy.

**Books Recommended :**

1. Agarwal, A.N.: Indian Economy
2. Bhaduri, A. & Nair, D.: An Intelligent Policy Guide to Liberalisation
3. Dhar. P.K.: Indian Economic Problems

4. Dhingra, I.C.: Indian Economy
5. Dutt, R. & Sundaram, K.P.M.: Indian Economy
6. Misra, & Puri, R.N.: Indian Economy
7. Government of India : Economic Survey (various issues)
8. Kundu, A.: Indian Economic Problems
9. Jalan, B.: Indian Economic Crisis
10. Little, I.M.D. & Joshi: Economic Reforms 1991-2001
11. Pattnaik, P.; Macroeconomics in Indian Context

## M.A. PART-II

### PAPER-VI: ECONOMICS OF GROWTH AND DEVELOPMENT

Full Marks – 100

#### Unit-I

20 Marks

Economic Growth and Development:

Concepts and measurement, Per capita income, Inequality of income. H.D.I., Quality of life index (Food security, education, health & nutrition), Other indices of development, Factors affecting development: Capital labour & technology, Human resource development, Poverty and environment, Economic development and institutions.

#### Unit-II

20 Marks

Theories of development:

Classical, Karl Marx and Schumpeter, Growth models: Harrod-Domar, Solow and Kaldor's model of growth.

#### Unit-III

20 Marks

Approaches to development:

Various circle of poverty, Big push theory, Balanced Vrs unbalanced growth, critical minimum effort thesis, Low level equilibrium trap.

#### Unit-IV

20 Marks

Sectoral approaches to development:

Agriculture and economic development, Industrialization and economic development, Choice of techniques and appropriate technology, Terms of trade between agriculture and industry, Singer-Prebisch thesis, Myrdal thesis.

#### Unit-V

20 Marks

Development Planning:

Case for economic planning, Resource mobilization for development, Choice of techniques, Investment criteria, Planning models, Mahalanobis Model (Two sector and four sector), Problems of poverty and unemployment and policies to tackle them.

#### Books Recommended :

1. Adelman, I.: Theories of Economic Growth and Development
2. Bhaduri, A.: The Economic Structure of Backward Agriculture
3. Chakravarty, S.: Development Planning
4. Chaudhury, P.: Theories of Growth
5. Ghatak, S.: An Introduction to Development Economics
6. Halm, G.N.: Economic Development
7. Higgins, B. : Economic Development
8. Kindleberger, C.P.: Economic Development
9. Lewis, A.: Economics of Development
10. Little, I.M.D.: Economic Development- Theory, Policy and International Relations
11. Meier, G.M. and Baldwin : Leading Issues in Economic Development
12. Sen, A.K.: Choice of Technique
13. Sen, A.K.: Employment, Technology and Development
14. Thirlwall, A.P.: Growth and Development

## PAPER-VII: INTERNATIONAL TRADE AND FINANCE

Full Marks – 100

### Unit-I

20 Marks

Pure theory of international Trade:

Theories of absolute advantage and comparative advantage, Theory of reciprocal demand, Opportunity cost version, Heckscher- Ohlin theorem, Leontief paradox, Factor price equalization theorem.

### Unit-II

20 Marks

Gains from trade and terms of trade:

Gains from trade & income distribution, Stolper-Samuelson theorem, Factor intensity reversal, The Rybzyński theorem, Concepts of terms of trade, factors affecting terms of trade, Secular deterioration in terms of trade, Prebisch Singer thesis.

### Unit-III

20 Marks

Theory of tariffs:

The partial equilibrium and general equilibrium analysis, Theory of optimum tariff, Theory of custom Unions, International Cartels, State trading, Exchange control.

### Unit-IV

20 Marks

Balance of payments;

Equilibrium and disequilibrium in balance of payments, Causes of disequilibrium, BOP's methods of adjustment, Expenditure reducing and expenditure switching policies, Direct controls for adjustment, Policies for achieving internal and external balance.

### Unit-V

20 Marks

Foreign Exchange:

Demand for and supply of foreign exchange, Fixed and flexible exchange rates, Determination of exchange rate, Purchasing power parity theory, Monetary approach to the purchasing power parity theory.

### Books Recommended :

1. A.A.A.: Readings in the Theory of International Trade
2. Bhagwati, J.(ed): International Trade
3. Ellsworth, : International Economics
4. Heberler: Theory of International Trade
5. Kindleberger, C.P.: International Economics
6. Meade, J.E.: The Theory of International Economic Policy
7. Ohlin, B.: International Trade
8. Scammel, W.M.: International Monetary Policy
9. Soderston, B.: International Economics
10. Walter, I.: International Economics

## PAPER-VIII: ECONOMICS OF SOCIAL SECTOR AND ENVIRONMENT

Full Marks – 100

### Unit-I

20 Marks

Social sector:

Current performance of social sectors in India, Labour and employment, Education, Population, Family welfare, Health, Water supply and sanitation, Development of women and children, Social welfare.

### Unit-II

20 Marks

Economics of Education:

Education as an instrument for economic growth, Human capital Vrs. physical capital, Demand for Education: private and social demand, cost of education: private cost and social cost, Wastage and stagnation, Benefits of education: Direct and indirect benefits, private and social benefits.

### Unit-III

20 Marks

Economics of Health-

Health dimensions of development, Determinants of health: Poverty, malnutrition and environmental issues. Economic dimensions of health care: demand and supply, Financing of health care and resources constraints, Distributional issues in health care delivery in India.



**Unit-IV**

**20 Marks**

Economics of Natural resource management:

Type of natural resources, Concern for natural resource scarcity, Renewable resources, Exhaustible resources, Principle of exhaustible resource use, Optimal resource use, Natural resource problems in India: Resource degradation, Policy failure, Market failure Planning failure, Property right failure, Management of common property resources.

**Unit-V**

**20 Marks**

Economics of environment:

Causes and effects of environmental degradation, Degradation of land, forest and natural resources, The market model of environmental management, Pollution prevention, control and abatement, valuation of environmental damages/ benefits-direct and indirect methods, Environment and development trade-off, Integrated environmental and economic accounting, Environmentally corrected GDP.

**Books Recommended :**

1. Dutta, R. & Sundarm, K.P.M.: Indian Economy
2. Mathan, G.R.: Indian Social Problems
3. Sinha, U.P.: Economics of Social Sector and Environment
4. Srivastav & Srivastav: Economics of Social Sector and Environment
5. Stanford, C. : Social Economics

**OPTIONAL PAPERS (GROUP-I)**  
**PAPER-IX: MATHEMATICAL ECONOMICS**

**Full Marks – 100**

**Unit-I**

**20 Marks**

Theory of consumer behavior:

Ordinal utility maximization, Slutsky equation, Ordinary and compensated demand functions, Separable and additive and homothetic utility functions, Indirect utility functions, Duality in consumption, Theory of Revealed Preference: Axioms, substitution effect and derivation of demand law.

**Unit-II**

**20 Marks**

Theory of producer Behaviour:

Homogenous and non-homogenous production functions, Cobb-Douglas, CES and VES production functions, Euler's theorem, Producer's equilibrium, Constrained and unconstrained optimization, Input demand function, Joint production, constrained revenue maximization and unconstrained profit maximization, Duality between cost and production functions, Cost functions: short run and long run.

**Unit-III**

**20 Marks**

Market Equilibrium:

Commodity market equilibrium, dynamic equilibrium with lagged adjustment, cobweb models, value determination under perfect competition, monopoly, discriminating monopoly, monopolistic competition, multi plant and multi product monopoly, bilateral monopoly, duopoly and oligopoly with and without product differentiation.

**Unit-IV**

**20 Marks**

Game theory, Linear programming and Input-output Analysis:

Two person, zero-sum game, pay off matrix, maximin and minimax strategies, Saddle point solution, Non-constant sum game, Prisoner's dilemma, Nash Equilibrium, linear programming: primal and dual problem, simplex method, Application of Linear programming in Economics, Input-output Analysis: Leontief's static open model, Hawkins-Simun theorem, Dynamic system.

**Unit-V**

**20 Marks**

Determination of income and growth models:

Keynesian theory of income determination, static and dynamic multiplier, Trade cycle: Hicks, Samuelson's multiplier- accelerator interaction, Growth models- Harrod- Domar model, Solow model.

**Books Recommended :**

1. Allen, R.G.D.: Macroeconomic Theory-A Mathematical Treatment
2. Allen, R.G.D.: Mathematics for Economists

3. Chiang, A.C.: Fundamental Methods of Mathematical Economics
4. Dorfman, Samuelson & Solow: Linear Programming-An Economic Analysis
5. Henderson, J.M. & Quandt, R.E.: Microeconomic Theory-A Mathematical Approach

## PAPER-X: ECONOMETRICS

**Full Marks – 100**  
**20 Marks**

### Unit-I

Basic Econometrics:

Simple Linear Regression-Two variable model, Assumptions, OLS estimation, BLUE properties of OLS estimators and Gauss-Markov theorem, Derivation of  $R^2$ , Standard errors of regression coefficients, Coefficient of determination, Inference and Analysis of Variance, Two variable non-linear relationships.

### Unit-II

**20 Marks**

Problems in Regression Analysis:

Multicollinearity- sources, effects, detection and solution, Specification errors- sources and consequences, Heteroscedasticity- tests and solution, Autocorrelation-sources and consequences, Errors in variables- consequences and estimation, Dummy variables.

### Unit-III

**20 Marks**

Dynamic Econometric models:

Distributed lag models, Koyek's geometric lag, Almon's polynomial log, Autoregressive models- estimation by instrumental variables, Detecting autocorrelation in autoregressive models, Discrete dependent variable models.

### Unit-IV

**20 Marks**

Simultaneous equation Models:

Introduction to simultaneous equation models, Identification problem, Recursive systems, Indirect least squares, 2-stage least squares, Three stage least squares, Full information Maximum Likelihood.

### Unit-V

**20 Marks**

Empirical Econometrics:

Application of theory of econometrics in estimation of demand, Cost and production function, Multivariate analysis: Principal component analysis, Factor analysis and Discriminate analysis.

### **Books Recommended :**

1. Christ, E.F.: Econometric Models & Method
2. Goldberger, V.S.: Econometric Theory
3. Gujarati, D.: Econometric Methods
4. Klein, L.R.: A Text Book of Econometrics
5. Klein, L.R.: An Introduction to Econometrics
6. Theil, H.: Economic Forecasting and Policy
7. Tinter, F.: Econometrics

## OPTIONAL PAPERS (GROUP-II)

### PAPER-IX: INDUSTRIAL ECONOMICS

**Full Marks – 100**  
**20 Marks**

### Unit-I

Organization of a firm:

Forms of organization of firms on the basis of their ownership and control, Private sector firms, single proprietorship, partnership and joint stock company, Public sector firms-Departmental organization, companies and corporations, choice of the forms of organization, Objective of a firm-Profit maximization, Sales maximization, Growth maximization, Managerial motivation, Evaluation of goals.

### Unit-II

**20 Marks**

Theories of Industrial Location:

Alfred Weber's theory, Sargent Florence's theory of industrial location, Factors influencing industrial location- General factors, Technical factors, Economic factors, Raw materials, Labour, Capital,

Market transport and power, Infrastructure, Entrepreneurship, Strategic consideration, External economies, Govt. Policies.

**Unit-III**

**20 Marks**

Market conduct:

Pricing under perfect competition, Monopoly, Monopolistic competition Kinked demand curve model of oligopoly, Factors determining efficiency and firm size, Technical, Managerial and Miscellaneous factors, The limits and obstacles to the size of firm, A synthesis on the size of the firm.

**Unit-IV**

**20 Marks**

Industrial Finance and Industrial Sickness:

Institutional finance with special reference to IFCI, ICICI, IDBI, NSCI, SIDBI, Internal Sources of finance of large scale industries, Critical assessment of the role played by public sector, financial institutions, Industrial Sickness-Definition and extent of industrial sickness, Causes and criteria of industrial sickness in India, Policy with regard to industrial sickness.

**Unit-V**

**20 Marks**

Industrial Growth Patterns in India:

High growth period, Stagnation, Turn around in industrial growth-An over view, Important changes in industrial growth patterns under plans, Problems of industrial development in India, New industrial policy 1991, Policies regarding public sector foreign investment & technology, Critical appraisal of 1991 industrial policy, Labour problems & Labour policy, Causes of industrial disputes, Govt. measures to solve industrial disputes.

**Books Recommended :**

1. Divine, P.J. and Jones, R.M. et. el.: An Introduction to Industrial Economics
2. Hay, D. and Morris, D.J.: Industrial Economics: Theory and Practice
3. Kuchhal ,S.C.: Industrial Economy of India
4. Singh, A. and Sadhu, A.N. : Industrial Economics
5. Mamoria and Mamoria: Dynamics of Industrial Relations in India

**PAPER-X: FINANCIAL INSTITUTIONS AND MARKETS**

**Full Marks - 100**

**Unit-I**

**20 Marks**

Nature and role of financial system:

Money and finance, Money and near money, Financial intermediation and financial intermediaries, The structure of financial system, Functions of financial sector, Indicators of financial development, Equilibrium in Financial markets, Financial system and economic development, Criteria to evaluate assets, Risk & financial assets, Type of risks, Return on assets, Risk-return trade off, Valuation of securities.

**Unit-II**

**20 Marks**

Structure of interest Rates:

Theories of interest rate determination, Level of interest rates, Long period and short period rates, Spread between lending and deposit rates, Administered interest rates, Appropriate interest rates policy.

**Unit-III**

**20 Marks**

Banking and monetary policy:

Functions of central bank, Aims and objectives of monetary policy in developed and developing countries, Instruments of monetary policy, Proliferation of banking and non-banking financial intermediaries, Effectiveness of monetary policy, Credit control, Profitability and efficiency of banks, Development banks-Role and functions, Investment banking and merchant banking, Financial sector reform in India. Non-banking financial institutions- their growth and impact on India's economic development, Control of NBFIs.

**Unit-IV**

**20 Marks**

Financial Markets in India:

Role and structures of money & capital markets, Call money market, Treasury bill market, Commercial bill market including commercial paper and certificates of deposits, Discount market, Government securities market, Market for derivatives, Futures and options and other derivatives,

types, uses and pricing of derivatives, Primary and secondary markets for securities, SEBI: its impact on capital market in India, IRDA and its role in financial markets.

**Unit-V**

**20 Marks**

International Financial Markets:

Nature, organization and participants, Exchange rate determination, Devaluation and depreciation, Working of floating exchange rate since 1973, Risk hedging and futures in exchange rates, Forms and volume of international financial flows.

Rise and fall of Brettonwoods institutions: International Liquidity, Post Manastricht developments, Reforms in international monetary system for developing countries, Lending operation of World Bank and its affiliates, Working of IDA and IFC, Theory of optimum currency areas, Growth of regional financial institutions, Asian development bank and India Euro dollar & Euro currency markets.

**Books Recommended :**

1. Houthakker, H.S. and Williamson, P.J.: The Economics of Financial Markets
2. Reserve Bank of India, : Report on Currency and Finance (Annual).
3. Krugman, P. and Obstfeld, M.: International Economics

**OPTIONAL PAPERS (GROUP-III)**  
**PAPER-IX: AGRICULTURAL ECONOMICS**

**Full Marks– 100**

**Unit-I**

**20 Marks**

Agriculture and Economic Development:

Nature and scope of Agricultural Economics, Agriculture and its peculiarities, Role of Agriculture in Economic Development, Interdependence between Agriculture and industry- empirical evidence, Traditional Agriculture and its modernization, Approaches of Schultz Mellor and Bosrup.

**Unit-II**

**20 Marks**

Land Economics and Agricultural productions:

Principles of land utilization, Land distribution –Structure and trends, Land values and rent Systems of farming and suitable farming system for India, Systems of land tenure, Tenancy, and crop sharing systems and their incidence and effects, Land reforms performance, Problems of women and small and marginal farmers.

Agricultural Production: Production function in agriculture, Conventional and isoquant, isocost approaches, Cobb-Douglas production function, Law of returns and returns to scale, Cost functions and curves in agricultural production decisions, Supply response in agriculture, Farm size-productivity relationship.

**Unit-III**

**20 Marks**

Agricultural Marketing in India:

Agricultural markets structure, Imperfections and Regulated markets, Marketing functions and costs, Marketed and marketable surplus, Terms of trade between agricultural and non-agricultural prices, Objectives of agricultural price policy, Instruments and evaluation, Food security in India and public distribution system

**Unit-IV**

**20 Marks**

Agricultural finance and cooperation in India:

Role of capital, Organized and unorganized capital market, Characteristics and sources of agricultural credit-Institutional and non-institutional, Cooperatives, Commercial banks., Regional Rural Banks, NABARD, Cooperative movement-Genesis and Growth, Agricultural cooperation in India- problems and prospects of cooperative institutions.

**Unit-V**

**20 Marks**

Agricultural Growth and External sector in India:

Inter regional variations in growth of output and productivity, Cropping pattern shifts, Supply of inputs- irrigations, power, seed and fertilizers, Pricing of inputs and role of subsidies, Role of public investment and capital formation in Indian agriculture, Sustainable agriculture and Biotechnology Globalization of Indian economy and problems and prospects of Indian agriculture Impact of World Trade Organization in Indian agriculture.

**Books Recommended :**

1. Bilgrami, S.A.R.: An Introduction to Agricultural Economics
2. Matoria, C.B.: Agricultural Problems in India
3. Sadhu, A.N. and Singh, J.: Agricultural Problems in India
4. Soni, R.N.: Leading Issues in Agricultural Economics
5. Sundaram, I.S.: Rural Development

**PAPER-X: LABOUR ECONOMICS**

**Full Marks – 100**

**Unit-I**

**20 Marks**

Labour markets:

Nature and characteristics of labour markets in developing countries like India, Paradigms of labour market analysis, classical, neo-classical and dualistic economy, Demand for labour in relation to size and pattern of technology and labour policies, Supply of labour in relation to growth of labour force, Labour market policies, Mobility and productivity of labour, Method of recruitment and placement, Employment Service Organisation in India.

**Unit-II**

**20 Marks**

Employment:

Employment and development relationship, Unemployment in developing countries, Concepts, types and measurement of unemployment in India. Impact of nationalization, Technological change and modernization in employment in organized private industries, Employment in public sector and Agricultural sector in India. Educated unemployment, Evaluation of the employment policy of the Govt. of India since 1951.

**Unit-III**

**20 Marks**

Wage determination:

Classical, Neo-classical and Bargaining theories of wage determination, Concepts of minimum wage, Living wage and fair wage in theory and practice, Discrimination in labour markets, Wage determination in rural, urban, organized, unorganized and informal sectors, Inflation-wage relationship., Analysis of rigidity in labour markets, Asymmetric information and efficiency of labour markets in wage determination, National wage policy, Wages and wage boards in India, Bonus system and profit sharing.

**Unit-IV**

**20 Marks**

Industrial Relations:

Theories of labour movement, Growth pattern and structure of labour unions in India, Evaluation of the function of labour unions in India, Industrial disputes, causes, settlement and prevention mechanism, Role of tripartism, current trends in collective bargaining, Labour legislations in India, Indian labour laws and practices in relation to international labour standards.

**Unit-V**

**20 Marks**

State and labour:

concept of social security and its evolution, Social assistance and social insurance, social security and social welfare policies in India, Special problems of labour including child labour and female labour, Discrimination and gender bias in treatment of labour, Labour market reforms, National commission on labour, Globalization and the labour market.

**Books Recommended :**

1. Borjas, G.J.: Labour Economics
2. Ehrenberg, R.G.: Modern Labour Economics
3. Joshi, M.V.: Labour Economics and Labour Problems

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