

# Central University of Karnataka

## School of Business Studies

Department of Economic Studies and Planning

### SYLLABUS FOR MA IN ECONOMICS

As per New Choice Based Credit System 2016 August

#### SEMESTER IV

Paper Code	Paper Title	Credits				Examination		Total Marks
		L	T	P	Total	IA	End Sem	
	<b>Core</b>							
PCC-13	Indian Economy	3	1	-	4	40	60	100
PCC-14	Dissertation	-	-	-	6	40	60	100
	<b>Discipline Specific Elective</b>							
PDSE-2	Applied Econometrics	3	1	-	3	40	60	100
	Labor Economics	3	1	-				
	History of Economic Thought	3	1	-				
	<b>Total Credits</b>				<b>13</b>			

**Note:** CC-Discipline Specific Core; DSE-Discipline Specific Elective, GE-Generic Elective; AECC-Ability Enhancement Compulsory Course; SEC-Skill Enhancement Courses; L-Lecture; T-Tutorial; P-Practical; IA- Internal Assessment; End Sem – End semester written exam

## **MA IV: PCC-13 : INDIAN ECONOMY (4 Credits)**

**Aim of the Course:** The purpose of this paper is to enable students to have an understanding the overall features various key sectors and their issues and developments, obstacles involved in the growth of Indian Economy since colonial period to 21<sup>st</sup> century.

### **Unit 1: History of Development and Planning**

Historical evolution- Framework of Indian economy- Alternative development strategies- Planning, goal of self-reliance based on import substitution and protection-Post independent – Obstacles to growth.

### **Unit 2: Demographic Dynamics**

Occupational structure - Socio-economic differences in growth – Regional imbalances – Estimates of inequality and poverty measures for India – Appraisal of Government measures - India's human development record in global perspective - India's population policy and development – Rural development and poverty alleviation programmes - Development of economic and social infrastructure.

### **Unit 3: Agriculture and Industry**

Technologies and institutions - land relations and land reforms - rural credit, modern farm inputs and marketing- price policy and subsidies – commercialization and diversification - Strategy of industrial development – Industrial policy Reforms - Foreign Direct Investment and Disinvestment - Industrial policies - Small scale industries and industrial finance - Export led growth - Service Sector, manufacturing and employment.

### **Unit 4: Challenges to Development**

Inclusive Growth and sustainable development – Fluctuating environment and challenges of food security - Productivity fluctuations – Population control – Scarcity of energy resources – depleting water resources - Constraints in infrastructure, health concerns – Changing political economy - Hunger and food security - New Rural Employment Guarantee Scheme - Public distribution system.

### **Unit 5: Global Trends and Impact on Indian Economy**

Salient features of India's foreign trade - Composition, direction and organization of trade - Recent changes in trade policy - Balance of payments, India and LPG - WTO requirements.

### **Compulsory Reading**

Kapila, U (2010): Indian Economy since Independence, 5<sup>th</sup> edition.

A. Vaidyanathan & K.L. Krishna (2007): Institutions and Markets in India's Development, Oxford University Press.

### **Other Reading Lists**

Montek S. Ahluwalia, (2002): State-level Performance under Economic Reforms in India.

Pranab Bardhan (2003): Poverty, Agrarian Structure and Political Economy in India: Selected Essays, OUP, Ch.5.Economic Survey, Government of India.

Alam, K. (ed.) (1993): Agricultural Development in North East India: Constraints and Prospects, Deep & Deep Publications, New Delhi.

M. Kalecki (1976):Social and Economic Aspects of Intermediate Regimes, in his essays on Developing Economics, Humanities Press, 1976 and also in Selected Essays in Economic Growth of Socialist and Mixed Economics, CUP, 1972.

K.N. Raj (1973): The Politics and Economics of Intermediate Regime, Kale Memorial Lecture, Gokhale Institute of Politics and Economics and also in EPW, July 7, 1973.

Patnaik, P. (1972): "Imperialism and Growth of Indian Capitalism" in Owen R. and Sutcliffe B. (ed.) Studies in the Theory of Imperialism, Longman.

Stephen Clarkson (1979): The Political Economy of State Capitalism in his "The Soviet Theory of Development: India and the Third World in Marxist"– Leninist Scholarship.

Macmillan.T.J. Byras (ed.) (1994): The State and Development Planning in India, OUP, Delhi, PP. 31-37.

S. Chakravathy (1974): Reflections on the Growth process in the Indian Economy in C.D. Wadhwa (ed.) Some Problems of India's Economic Policy.

S. Chakravathy (1984): Prospects of India's Development Strategy for 1980s, *Economic and Political Weekly*, May 19-26 (Especially Section II).

## **MA IV: PCC-14 : DISSERTATION (6 Credits)**

- Students will do the Dissertation work under the supervision of the Guides
- Students are expected to submit the written Dissertation on the chosen topic at the end of IVth semester which will be evaluated for 60 marks.
- The Internal Assessment of the Dissertation comprises of presentations, seminars, assignments and final presentation/viva-voce will be evaluated for 40 marks

## MA IV: PDSE-2: APPLIED ECONOMETRICS (3 Credits)

**Aim of the Course:** This course is a continuation of Economics-I & II and it is application oriented course. Examples from Economics will be used and methods required for those specific applications are only emphasized. The course covers applications relating to both single equation and simultaneous equation system. The student is expected to be thorough with calculus, Matrix algebra, Statistics and econometrics-I. It would be advantageous if the student is familiar with the use of computer in general and a regression package in particular.

### Unit 1: Time Series and Panel Data – Select Applications

Stationarity - Unit roots - Co-integration - Spurious regression - Dickey-Fuller test ,Engle-Granger test - Random walk model - Forecasting with ARIMA modelling - Box-Jenkins methodology - Vector auto regression - Problems with VAR modelling – Applications - Time varying parameters and Kalman Filter - Advanced panel data methods - Random effect model - Fixed effects model.

### Unit 2: Econometric Applications to Consumption Studies

Engle Curves - Demand curves, and Complete demand systems: With linear expenditure system as an example - Production functions - Cobb-Douglas, Leontief, CES, VES and their properties - Technical change - Cost functions and duality - Income distributions (lognormal and pareto) - Measures of inequality, and Poverty studies - Macro consumption and savings function - Permanent and relative income hypotheses - Investment function - Accelerator and distributed-lag models - Neoclassical models - Endogeneity and dynamic models..

### Unit 3: Macro-Econometric models for India

Simultaneous equation systems – Dynamics - Brief review and examples of macro-econometric models for India - Policy simulation using macro-econometric models.

### Compulsory Readings

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

Wallis, K.F: *Topics in Applied Economics*. Latest Edition.

Walter Enders (2010): *Applied Econometric Times Series*, Wiley. Latest Edition.

Badi H. Baltagi: *Econometric Analysis of Panel Data*, 4<sup>th</sup> Edition, Wiley. Latest Edition.

### Other Reading List

Johnston, J. and J. Dinardo (1998): *Econometric Methods*, Fourth Edition, McGraw-Hill.

Stewart, J. and L. Gill: *Econometrics*, Second Edition, Prentice Hall.

Goldberger S.A (1991): *A Course in Econometrics*, Harvard University Press.

Barreto, H. and Howland M.F. (2009): *Introductory Econometrics*, Cambridge University Press.

Andy Field: *Discovering Statistics using SPSS*, Sage Publications, New Delhi. Latest Edition.

Cramer, J.S : *Empirical Econometrics*. Latest Edition.

Deaton, A.S: *The Analysis of Household Surveys- A Micro-Econometric Approach to Development*. Latest Edition.

Deaton, A.S. and J. Muellbauer: *Economics and Consumer Behaviour*. Latest Edition.

Iyengar, N.S. and N. Bhattacharya: *A Survey of Research in Economics*, Vol.7. Latest Edition.

Pollak, R.A. and T. J. Wales: *Demand System Specification and Estimation*. Latest Edition.

Klein, L.R : (a) *Introduction to Econometrics*, (b) *Text Book of Econometrics*. Latest Edition.

Krishna, K.L (ed): *Econometric Application in India*. Latest Edition.

Gujarati, D.N. and S Sangeetha (2007): *Basic Econometrics*, Fourth Edition, McGraw-Hill.

Gujarati, D.N. (2011), *Econometrics by Example*, Palgrave Macmillan.

Pindyck S.R. and Rubinfeld L.D: *Econometric Models and Economic Forecasts*, Fourth Edition, McGraw-Hill.

## **MA III: PDSE -2 : LABOUR ECONOMICS (3 Credits)**

**Aim of the Course:** The objective of the course is to provide an empirical understanding of the Indian labour market and enable the students to understand applications of formal theoretical models in labour economics to the Indian labour market; and would be able to appreciate structural transformation of labour market in developing economies and learn theoretical models specific to labour markets in developing economies

### **Module 1: Labour Markets**

Nature and characteristics of labour markets in developing countries like India; Classical, neo-classical and dualistic economy.

### **Module 2: Employment**

Unemployment- concept, Types, and measurement, particularly in India; technological change and modernization on employment in organized private industry.

### **Module 3: Wage Determination**

Classical, neo-classical and bargaining theories of wage determination; living wage and fair wage in theory and practice; Discrimination in wage markets; wage determination in various sectors.

### **Module 4: Industrial Relations**

Theories of Labour movement- Growth, pattern and Structure of Labour unions in India, Achievements of Labour unions; Causes of Industrial disputes and their settlement and prevention; Current trends in collective bargaining;

### **Module 4: State and Labour**

Concept of social security and its evaluation; Review and appraisal of State policies with respect to social security and labour welfare in India; Globalization and labour market.

### **Compulsory Reading List**

Papola, T.S., P.P. Gosh and A.N.Sharma (Eds.) (1993), Labour, Employment and Industrial Relations in India, B.R. publishing Corporation, New Delhi.

Jhabvala, R. and R.K. Subrahmanya (Eds.) (2000), The Unorganised Sector: Work securities and Social Protection, Sage Publication, New Delhi.

### **Other Reading List**

Datt, G (1996), Bargaining Power, Wages and Employment: An Analysis of Agriculture Labour Markets in India, Sage Publication, New Delhi.

Hajela, P.D (1998), Labour Restructuring in India: A critique of the New Economic Policies, Common wealth Publishers, New Delhi.

Lester, R.A.(1964), Economics of Labour, (2<sup>nd</sup> Edition), Macmillan, New York.

McConnell, C.R. and S.L. Bure (1986), Contemporary Labour Economics, McGraw-Hill, New York.

## **MA IV: PDSE-2 : HISTORY OF ECONOMIC THOUGHT (3 Credits)**

**Aim of the Course:** The objective of this course is twofold: firstly to introduce students to the evolution of economic ideas and secondly to introduce different paradigms within the discipline of economics.

### **Unit 1: Early period**

Early period - Economic thought of Plato and Aristotle - Mercantilism-Thomas Mun - Cantillon Physiocrats: Economic ideas of Petty, Locke and Hume.

### **Unit 2: Classical**

Classicals - Adam Smith, David Ricardo, Thomas R. Malthus - theory of population, theory of gluts; German, Romantics and Socialists - Sismondi, Karl Marx - Dynamics of social change - Economic ideas of J.B. Say, J.S. Mill; Historical School - Senior, List.

### **Unit 3: Keynesian**

Keynes and Keynesian revolution - The aggregate economy, Liquidity Preference Theory and Liquidity trap, uncertainty and role of expectations, impetus to economic modelling.

### **Unit 4: Marginalists**

Marginalists - Cournot, Thunen, Gossen - The marginalist revolution: Jevons, Walras and Menger - Bohm-Bawark, Wicksell and Fisher: the rate of interest - Wicksteed and Weiser-Marshall and Neoclassicalism - Pigou: Welfare economics; Schumpeter: role of entrepreneur and innovations.

### **Unit 5: Post Keynesian and Recent Developments**

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

### **Compulsory Reading List**

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

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

### **Other Reading Lists**

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

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

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

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

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