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 I

Paper Code	Paper Title	Credits				Examination		Total Marks
		L	T	P	Total	IA	End Sem	
	Core							
PCC-1	Microeconomics-I	3	1	-	4	40	60	100
PCC-2	Macroeconomics-I	3	1	-	4	40	60	100
PCC-3	Mathematical Economics	3	1	-	4	40	60	100
PCC-4	Statistics for Economics	3	1	-	4	40	60	100
	Ability Enhancement Compulsory Course							
PAECC-1	Basics of Computers	1	-	2	3			
	Ability Enhancement Elective Course							
PAEEC-1	Social Orientation Course (SOC)	1	-	2	3	40	60	100
	Generic Elective (other department students)							
PGE-1	Gender Economics Indian Economy Environmental Economics	2 2 2	1 1 1	- - -	3	40	60	100
	Total Credits				**25**			

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 I: PCC-1 : MICRO ECONOMICS – I (4 Credits)

Aim of the Course: The aim of this course is to familiarize the students with the economic behaviour of individuals, firms and markets. It is also aims to analyze the various aspects of demand theory, theory of production, price and output determination and the alternative theories of the firm.

Unit 1: Introduction and Basic Concepts

Basic economic problems - Choice and scarcity - Characteristics of equilibrium and disequilibrium systems.

Unit 2: Demand Analysis

Theories of Demand - Utility analysis - Indifference curves and their applications - Revealed preference theory - Revision of demand theory by Hicks - Lancaster's approach to demand theory - Consumer's choice involving risk - Recent developments in demand analysis - (Pragmatic approach and Linear expenditure systems) - Elasticities of demand (Price, Cross, Income) - Theoretical aspects and empirical estimation - Elasticity of supply.

Unit 3: Theory of Production and Costs

Production function - Short-run and Long-run - Law of variable proportions – Isoquants - Least cost combination of inputs - Returns to scale - Multi-product firm - Elasticity of substitution - Technical progress and production function - Cobb-Douglass - Constant elasticity of substitution production functions and their properties - Empirical evidences; Traditional and modern theories of costs - Empirical evidence - Derivation of cost functions from production functions.

Unit 4: Price and Output Determination

Marginal analysis as an approach to price and output determination - Perfect competition - Short and long-run equilibrium of the firm and industry - Supply curve - Monopoly - Short and long-run equilibrium - Price discrimination - Monopoly control and regulation - Monopolistic competition - Equilibrium of the firm and the group with product differentiation and selling costs - Excess capacity under monopolistic and imperfect competition – Oligopoly - Non-collusive (Cournot, Bertrand, Edgeworth, Chamberlin, Kinked Demand Curve and Stackelberg's Solution) and Collusive (Cartels and Mergers, Price Leadership and Basing Point Price System) Models.

Unit5: Alternative Theories of the Firm

Critical evaluation of marginal analysis - Baumol's sales revenue maximisation model - Williamson's model of managerial discretion - Morris' model of managerial enterprise; Full-cost pricing rule - Bain's limit pricing theory and Recent developments including Sylos-Labini's model - Game theoretic models.

Compulsory Readings

Koutsoyiannis, A. (1979): Modern Micro Economics, Macmillan Press, London.

Samuelson, Paul and William D Nordhaus (2009): Economics: An Introductory Analysis, McGraw Hill.

Varian, H. (2000): Micro Economic Analysis, W. W. Norton, New York.

Other Reading List

Archibald, G. C. (1971): Theory of the Firm, Hammondsworth.

Baumol, W.J. (1982): Economic Theory and Operations Analysis, Prentice Hall of India, New Delhi.

da Costa, G.C. (1980): Production, Prices and Distribution, Tata McGraw Hill, New Delhi.

Hirshleifer J. A. Glazer (1997): Price Theory and Applications, Prentice Hall of India, New Delhi.

Kreps, David .M. (1990): A Course in Micro Economic Theory, University Press Princeton.

Layard. P. R. G. and A. W. Walters (1978): Micro Economic Theory, McGraw Hill New York.

Stigler, G. (1996): Theory of Price (4th Edition), Prentice Hall of India, New Delhi.

Sen, Anindya (1999): Micro Economic Theory and Applications, Oxford University Press, New Delhi.

MA I: PCC-2 : MACRO ECONOMICS –I (4 Credits)

Aim of the Course: The aim of this course is to familiarize the students with the behavior of the aggregate variables at national level. To provide an in-depth understanding of national income accounts, classical macroeconomics, the Keynesian economics and different types of consumption and investment functions.

Unit1: National Income and Accounts

Concepts of National Income - Measurement difficulties - Circular flow of income in two, three and four sector economy - Different forms of National Income Accounting - Social Accounting - Input-Output Accounting - Flow of Funds Accounting and Balance of Payments Accounting - Importance of National Income Analysis.

Unit 2: The Classical Macro Economics

Basic assumptions of the classical school - Say's Law of Markets and Quantity Theory of Money - Classical full employment equilibrium - Savings, Investment and Rate of Interest - Wage-Price flexibility - A Critique of the Classical Analysis of Output, Employment and Income, Role of the State in Classical Macro Economics

Unit 3: The Keynesian Economics

Concept of Underemployment Equilibrium - Role of Aggregate Demand and Aggregate Supply Functions – Deficiency of Effective Demand and involuntary unemployment, downward inflexibility of wages and prices

Unit 4: Consumption Function

Keynes' Psychological Law of Consumption - Implication of the Law - Short-run and Long-run Consumption Function – Determinants - Empirical Evidence on Consumption - Theories of Consumption Function – Absolute Income; Relative Income; Life Cycle and Permanent Income Hypotheses, MPC and Redistribution of Income

Unit 5: Investment Function and Multipliers

Investment Function- Determinants - Marginal Efficiency of Capital - Rate of Interest - Lags in Investment - the Keynesian Model with the Inclusion of Government and Foreign Trade - Theory of Multiplier – Importance- Leakages – Multipliers – Investment, Government Expenditure and Foreign Trade; Principle of Acceleration - Accelerator and Investment – Behaviour - Impact of Inflation - Influence of Policy Measures on Investment -Empirical Evidence.

Compulsory Readings

Bhaduri, Amit (2000): Macroeconomics (Revised Indian Edition): The Dynamics of Commodity Production, MC Millan.

Dornbusch, R and F. Stanley (1997): Macro Economics, McGraw Hill, New York.

Snowdon, Brian and Howard R Vane (2005): Modern Macroeconomics: Its Origin, Development and Current State, Edward Elgar.

Other Reading List

Ackeley G. (1978): Macro Economics: Theory and Policy, McMillan, New York.

Blackhouse, R and A. Salansi (Eds) (2000): Macro Economics and the Real World, OUP, London.

Branson, W.A. (1989): Macro Economic Theory and Policy, Harper and Row, New York.

Edward Shapiro (1996): Macro Economic Analysis, Galgotia Publications, New Delhi.

Frisch, H. (1983): Theories of Inflation CUP, Cambridge.

Gordon,R.and Harris S.G. (1998): Macro Economics, Addison Wesley.

Hudson, J. (1982): Inflation: A Theoretical Survey and Synthesis, George Allen and Unwin, London.

Hall.R.E. andJ.B.Taylor. (1986): Macro Economics, W Norton, New York.

Jha.R. (1999): Contemporary Macro Economic Theory and Policy, New Age International, New Delhi.

Laidler, D.F.W. (1977): Demand for Money: Theory and Evidence, Dum-Don Valley, New York.

Lucas,R. (1981): Studies in Business Cycle Theory, MIT Press, Cambridge.

Reddy.Y.V. (2000): A Review of Monetary and Financial Sector Reforms in India, UBSPD, New Delhi.

Romer, D.L. (1996): Advanced Macro Economics, McGraw Hill, New York.

Sheffrin, S.M. (1996): Rational Expectations, CUP, Cambridge.

Taylor.K. (1983): Structuralist Macro Economics, Basic Books, New Longman.

Turnovsky, S.J. (1977): Macro Economic Analysis and Stabilization Policy, CUP, Cambridge.

MA I: PCC-3: MATHEMATICAL ECONOMICS (4 Credits)

Aim of the Course: It aims at introducing the students to basic mathematical concepts and methods necessary to begin with the core courses in economics at post graduate level. The course will emphasize intuition and problem-solving.

Unit 1: Basic concepts
Exponents, Polynomials, Factorisation, Variables and Parameters - Linear and non-linear - Linear functions - Graphs, Slopes and Intercepts - Simultaneous Linear Equations - Economics Applications - Demand and Supply for a good - Inverse Demand and Supply functions.

Unit 2: Limits and Continuity
Concept of Limit - Examples of limits functions - Continuity of functions - Continuity and discontinuity - Economics Applications.

Unit 3: Functions
Meaning - Distinction between a relation and function - Types of functions - Linear and non-linear functions - Quadratic Equations - Quadratic Functions - Graphical Solution - Economic Applications of Quadratic Equations - Supply and Demand - Costs and Revenue - Cubic Function - Applications in Economics - Exponential and Logarithmic Functions -Exponential Functions - Economics Applications.

Unit 4: Matrices
Introduction - General form of Matrix - Types of matrices - Transpose of a matrix - Addition/subtraction of matrices - Transpose of a matrix - Vector multiplication and scalar – Determinants - Properties of determinants - Inverse, solution of simultaneous equation - Cramer's rule - Economics Applications.

Unit 5: Differentiation and Integration
Optimization with one independent variable - Derivative rules - Second and Higher order Derivatives - Increasing and Decreasing Functions - Pints of inflection - Economic Applications - Optimization with two or more independent variables - Second order partial derivatives - Maxima and Minima - Constrained maximum and minimum values - Lagrange Multiplier Method - Economics Applications - Rules of integration - Definite and indefinite integral - Economic Applications.

Compulsory Readings
Chiang, A.C (1984): Fundamental Methods of Mathematical Economics, McGraw Hill, 3rd Ed.
Renshaw, Geoff (2005): Maths for Economics**,** Oxford University Press**,** 3rd ED.

Other Reading List
Dadkhah, Kamran (2011): Foundation of Mathematical and Computational Economics, South Western College, 2nd Ed.
Michael Hoy, John Livernois, Chris Mckenna, Ray Rees and Thanasis Stengos (2011): Mathematics for Economics, MIT press, 3rd Ed.
Edward T Dowling (1992): Introduction to Mathematical Economics, McGraw Hill Ltd., New York.

R. L. Thomas (1999): Using Mathematics in Economics, Prentice Hall, 2nd Ed.

MA I: PCC-4: STATISTICS FOR ECONOMICS (4 Credits)

Aim of the Course: To provide basic inputs of applied statistics. Application of statistical tools in applied economics.

Unit 1: Introduction: Meaning and Scope

Sources of Data - Primary and Secondary Data - Schedules and Questionnaires - Meaning of Sampling and Sampling Techniques - Simple Random, Stratified and Systematic Random Sampling Methods - Tabulation and Frequency Distribution, Probability and its applications

Unit 2: Measures of Central Tendency

Measures of Central Tendency and Dispersion - Skewness and Kurtosis - Lorenz Curve - Coefficient of Variation - Probability and its Applications.

Unit 3: Correlation and Regression Analysis

Partial and Multiple Correlations - Measurement of Correlation - Rank Correlation - Regression Analysis - Formulation and Testing of Hypotheses - Type I and Type II Errors - Tests of Significance - Z, T and F Tests and their Applications.

Unit 4: Analysis of Time Series

Components of Time Series - Trend, Seasonal, Cyclical and Irregular Variations - Estimation of Trend Values –

Unit 5: Index Numbers

Problems in the Construction of Index Numbers - Laspayers', Paasche's and Fisher's Ideal Index Numbers - Wholesale Price Index Numbers and Cost of Living Index Numbers.

Compulsory Readings

S.C.Gupta (1982): Fundamentals of Statistics, Himalaya Publishing House, Bombay.
S.P.Gupta (2004): Statistical Methods, S. Chand & Company, New Delhi.

Other Reading List

B. N. Gupta, (1992): Statistics Theory and Practice. Sahitya Bhavan, Agra.
Goon, AM, M. K. Gupta and B. Dasgupta: Fundamentals of Statistics, Vol.1, The World Press, Ltd, Calcutta. Latest Edition.
Nagar, A. L. and R. K. Das: Basic Statistics, Oxford University Press, New Delhi. Latest Edition.
S. C. Gupta (1982): Fundamentals of Statistics, Himalaya Publishing House, Bombay.
S. P. Gupta (2004): Statistical Methods, S. Chand & Company, New Delhi.
Douglas A Lind (1990): Statistical Techniques in Business and Economics, Mc Graw Hill.

MA I: AECC-1: BASICS OF COMPUTERS (3 Credits)

Aim of the course : The course is designed to aim at imparting a basic level knowledge of computers for students. After completing the course, the incumbent is able to use the computer for basic purposes of preparing his personnel/business letters, viewing information on internet (the web), sending mails, simple data analysis for economics using statistical tools.

1. Introduction
Computer - an Overview, Operating System (Windows)

2. Fundamental of Computers
What is a Computer, Characteristics of a Computer, Generation of computers, Introduction to the binary system, Components of a Computer, Input units, Output units, Processing units, Storage, Classification of computers, Networking, Software and Installation, Operating systems, Computer languages.

3. Ms Office:
Introduction to Word Processing, Introduction to Spreadsheet (MS excel), MS Access and MS power point and Internet, email

Compulsory Reading

Goel Anita(2015): Computer fundamentals , Pearson publication house.

Other Reading list

Murthy.C.S.V.(2014): Fundamentals of Computers, Himalaya publishing house.

Balagurusamy(2014): Fundamentals of Computers, Tata mc-graw hill education pvt. India.

Pradeep sinha and priti sinha (2011): Computer fundamentals**:** BPB publications ISBN-10: 8183334598

Rajaraman (2012): Fundamentals of Computers ,Pratince Hall of India.

MA I: AEEC-1: SOCIAL ORIENTATION COURSE (3 Credits)

Objective of the course : is to enlighten the young minds towards the contemporary pressing burning issues of the country. It undertakes a multi-pronged approach as to provide both economic and non-economic dimensions behind the progress and welfare.

Unit 1: Social and Cultural Foundations of India

Roots and Dimensions in Cultural fabric of India. Unity in diversity or diversity in unity. Societal Hierarchy: Ambedkar views on caste – discrimination and reservations.

Unit 2: Scientific Temper

Superstitions, orthodox practices - promotion of scientific temper in day to day life. Trends of growing intolerance and food fascism in India.

Unit 2 : Political Legacy in India

Hereditary politics – coalition govts and democracy in India. Dynamics of justice delivery mechanism in India. Prevalence of 'right and left wing fundamentalism'. Nature, causes, context and repercussions of corruption.

Unit 4: Environmental degradation and sustainable development

Trends in Poverty, hunger and food security in India. Gender Sensitivity: Female foeticide and gender violence, human trafficking, women in labour force. Depleting natural resources and impact on welfare. Access and extension of health care in India.

Unit 5: Academia and Social sensitivity

Literacy and trends in inclusive education. Sporting culture and reflections on education: hero worship – rich stars and poor fans. Farmer suicides and plight of India agriculture. Role of media and reflections of ground realities. Universities – student activism. Amartya sen views on Human Capital

Unit 6: Globalisation and Prospects for India

LPG and Indian economy. Context and complications of high spending on defence budget and border disputes. Unemployment - Capitalism and socialism – way forward. Technology: a boon or bane.

MA I: PGE-1: GENDER ECONOMICS (3 Credits)

Aim of the Course: The aim of this course is to introduce students to various issues of gender and the role of gender in economic development. It also provide in-depth understanding about significance of gender equality.

Unit 1: Introduction

Basic Concepts – Difference between Gender and Sex – Patriarchy – Women in Development – Gender and Development- The concept of Gender Economics – Gender concerns in Economic theory , transgender

Unit 2: Gender and Development

Bias in Conceptualizing and Measuring Women's Contribution to National Income – Invisibility of women's work- women and health- women and education-Measuring Gender Inequality in Human Development – Gender Related Development Index – Gender Empowerment Measure – Women in Agriculture – Women in Industry – Women in Services – Gender Dimensions of SAP and International trade.

Unit 3: Gender and Household economics

Household economics-Distribution of resources and decision making within the household-theoretical concepts-gender critique-neo classical household theory- Bargaining Model-Human Capital Theory –Work and family balance- Capability Theory – Applications to Gender – Sen's contributions to Gender

Unit 4: Women, Poverty and Environment

Marginalization of Women - Feminization of Poverty – Agriculture wage and labour market– Nature and Extent – Causes and Consequences – Existing mechanisms – Paradigm Shift - Welfare Oriented Programmes to Empowerment Oriented Programmes, Women and Environment.

Unit 5: Social Security and Social Protection

Need for Social Security – Need for Gender Concerns in designing Social Security Policy – Government Policy – Affirmative Action – Gender analysis of existing Social Security programmes - Institution in Provision of Social Security for Women

Compulsory Readings

Naila, Kabeer (1994): Reversed Realities: Gender Hierarchies in Development Thought, Verso.
Amartya Sen (2007): Capabilities, Freedom and Equality: Amartya Sen's work from a Gender perspective, Oxford University Press.

Other Reading List

Bosarup Ester, (1970): Women's Role in Economic Development, George Allen and Unwin, London.

Bowles Gloria and Dueli Klein Kenate, (1989): Theories of Women Studies, New York.

Dex Shirley (1987): Women's Occupational Mobility, Macmillan Press, London.

Gandhi, Nandita and Nandita Shah, (1992): The issues at Stake: Theory and practice in the Women's Movement in India, New Delhi, Kali for India.

Gupta Nirmal K Sudan Falendra K (1990): Women at Work in Developing Economy, Anmol Publications, New Delhi.

Maithreyi, Krishnaraj (2006): Is 'Gender' Easy to Study? Some Reflections, *Economic and Political Weekly*, October 21.

Mary E. John (2008): Women's Studies in India – A Reader,Penguim Books, New Delhi.

Swapna Mukhopadhyay and Ratna M. (Eds) (2003): Tracking Gender Equity under Economic Reforms Continuity and Change in South Asia, Kali for Women, New Delhi

MA I: PGE-1: INDIAN ECONOMY (3 Credits)

Aim of the Course: The aim of this paper is to facilitate students to have a broad idea on various features of Indian Economy.

UNIT 1: Evolution of the Economy

Various challenges- social, economic and political, Evolution Economy- Planning- objectives – obstacles – performances. Partition – wars - Green Revolution.

UNIT 2: Demographic Dynamics

Meaning and Importance, Various stages of demographic transition, structural composition, Demographic dividend in India – Advantages and challenges involved. Population a boon or bane. Social, gender and age composition. Trends in demographic indicators

UNIT 3: Composition of GDP

Agriculture – Importance – its features and problems of agriculture sector – farmer suicides, Industry - various policies for Industrial Development, and stagnation, Services - Growth and Development of service sector, Economic Implications of growth of service sector. GST

UNIT 4: Poverty and Unemployment

Definitions – Indicators of poverty: health, education and employment. - Various measures of poverty- concepts in unemployment – Under employment, Frictional and Disguised unemployment etc. Uiform recall period and multiple recall period.

UNIT 5: Challenges ahead

Growth and Development – Concepts and Issues, BOP Crisis – Causes and Impact, Intervention of WTO - structural Adjustment policies impact. Environmental degradation and food security.

Compulsory Readings

Uma Kapila (2013): I*ndia's Economic Development Since 1947,* 2013(latest edition), OUP
Omkarnath *G* (2012): Economics: A Primer for India, Orient Blackswan.
Jean Drèze & Amartya Sen (2013), *An Uncertain Glory: India and its Contradictions,* Princeton University Press.

Other Reading List

Rakesh Mohan, (2008), "Growth Record of Indian Economy: 1950-2008. A Story ofSustained Savings and Investment", Economic *and Political Weekly*, May.
S.L. Shetty, (2007), "India's Savings Performance since the Advent of Planning", in K.L. Krishna and A. Vaidyanathan, editors, *Institutions and Markets in India's Development.*

Himanshu, (2010), "Towards New Poverty Lines for India", *Economic and Political Weekly,* January.

MA I: PGE-1: ENVIRONMENTAL ECONOMICS (3 Credits)

Aim of the Course: This course will introduce students to the methods economists use to analyze issues related to the environment. We will discuss the positive and normative aspects of environmental economics, techniques that are used to value the environment, and approaches such as regulation and incentive-based programs that are used to control pollution.

Unit 1: Introduction

Nature and scope of environmental economics - Natural resource economics and ecological economics - Current state of the environment - Use of economics to analyze environmental issues.

Unit 2: Principles of Environmental and Resource Economics

Welfare Economics – Sustainability – Efficiency - benefit-cost analysis - Alternative approaches to evaluate environmental policies - Externalities and Property Rights - Coase theorem.

Unit 3: Controlling Pollution and Climate Change

Pigouvian Fees - Regulation - Government intervention - Advantages and disadvantages of a command and control approach - Efficiency and Cost-effectiveness of regulations - Marketable Permits : the theoretical basis for a marketable permit approach; practical challenges in using marketable permits – Green Accounting - Use of permits to reduce greenhouse gas emissions - Regulation under Uncertainty - Effectiveness of regulation under imperfect information - Monitoring and enforcement of pollution levels - Risk - incorporation of risk and uncertainty into models.

Unit 4: Economic Valuation

Introduction - Valuation of the environment – Market and Non-Market valuation

Compulsory Readings

Kolstad, Charles D. (2000): Environmental Economics, New York, New York: Oxford University Press.

Shogren and White (2007): Environmental Economics, Mac Millan.

Other Reading list

Easton, Thomas A. (2007): Taking Sides: Clashing Views on Controversial Environmental Issues (12th edition) Guilford, CT: McGraw Hill/Dushkin.

Goldfarb, Theodore D. (2001): Taking Sides: Clashing Views on Controversial Environmental Issues (9th edition) Guilford, CT: McGraw Hill/Dushkin.

Kahn, Matthew E. (2006): Green Cities: Urban Growth and the Environment, Washington, D.C. Brookings Institution Press.

Lomborg, Bjorn (2001): The Skeptical Environmentalist: Measuring the Real State of the World, New York: Cambridge University Press.

Pindyck, Robert S. and Daniel L. Rubinfeld (2005): Microeconomics (6th edition) Upper Saddle River, NJ: Pearson/Prentice Hall.

Pizer, William A. and Raymond Kopp (2003): Calculating the Costs of Environmental Regulation, *Resources for the Future Discussion Paper 03-06*.

Hanley, Nick and Clive L. Spash (1993): Cost-Benefit Analysis and the Environment, Brookfield, Vermont: Edward Elgar Publishing Co.

Kahn, Matthew E. (2006): Green Cities: Urban Growth and the Environment, Washington, D.C.: Brookings Institution Press. Chapters 3 and 4.