MUMBAI UNIVERSITY

M.A. ECONOMICS

(As Per Choice Based Credit System (CBCS) With Effect from the Academic Year 2016-17)

Core Courses: (2016-17)

Semester –I Group I

i) Microeconomics –I Credits: 06

UNIT-1: Consumer Behaviour:

Axioms of Rational Choice, Utility function and its existence, revealed preference approach to consumer choice, consumer's optimisation problem, income and substitution effects, indirect utility function and its properties, Roy's identity , Shepherd's lemma and the Slutsky equation

UNIT -2: Production, Cost and Supply

Production: Returns to Scale and varying proportions, production function (Cobb-Douglas, CES and Translog) , variations in scale, variations in input proportions, problem of Profit maximization for a firm. Cost: Long run and short run cost curves, cost minimisation, profit function, duality.

UNIT-3: Price and Output determination under Perfect Competition

Features of perfect competitions, price and output determination in the long and short run, Equilibrium of the firm, and the industry, existence and stability of General Equilibrium in a pure consumption economy, First and Second Fundamental Theorems of Welfare Economics, welfare effects of price changes, Market failures and the theory of the Second best

UNIT -4: Monopoly:

Monopoly : Its features, Measures market power, price and output determination in a monopoly, the welfare effects of monopoly, first, second and third degree price determination under monopoly, natural monopoly, regulation of monopolies

References:

1. Gravelle H. and Rees R .(2004) : Microeconomics., 3rd Edition, Pearson Edition Ltd, New Delhi.
2. Varian H (2000): Intermediate Microeconomics: A Modern Approach, 8th Edition, W.W.Norton and Company

Group I II) Macroeconomics-

Credits : 06

Module 1. Macroeconomic Accounting

Stocks and Flows; Output and Income; Income and Expenditure; Saving and Investment; Real and Nominal Income; The open economy

Module 2. Determination of National Income and the Price Level (12 Sessions)The Keynesian Model: IS-LM Analysis, Fiscal and Monetary Policy,The role of expectations: The AS-AD Model; Inflation and Unemployment

Module 3. The Open Economy

Definitions and Concepts: The trade balance, Balance of Payments, Capital Mobility, Automatic adjustment, the classical approach F ixed Exchange Rates: The IS-LM-BP model, Monetary and Fiscal Policy Flexible Exchange Rates: The IS-LM-BP model, Monetary and Fiscal Policy

Module 4. Microfoundations of Macroeconomics

Consumption: Consumption smoothing, temporary and permanent shocks , Investment: The optimal capital stock, irreversibility and investment ,The demand for money: Money, bonds, and private wealth, financial assets Seigniorage: The optimal level of seigniorage

Texts

1. Carlin, Wendy and David Soskice, 2007, *Macroeconomics*, Oxford University Press
2. D'Souza, Errol, *Macroeconomics*, 2012, Dorling Kindersley (India) Pvt Ltd
3. Michl, Thomas, 2009, *Macroeconomic Theory*, PHI Learning

Group I III) Statistical Methods in Economics Credit: 06

UNIT 1: Random variables'mean and variance of a random variable, basic laws of probability, Discreet random variables (Geometric, Binomial and Poisson), Continuous distributions (The Normal Distribution), Covariance and Correlation (Pearson's and Spearman's coefficients) , the Law of Large numbers (without proof)

UNIT 2: Tests of Hypothesis: Tests of hypothesis, null and alternative hypothesis, one tailed and two tailed tests, The standard normal distribution and its applications,, the Chi-square distribution and its applications, the t distribution and its application, the F distribution and its application, the Central Limit Thorem (without proof)

UNIT 3: Simple linear regression: Estimation and hypothesis testing, properties of estimators, R square and adjusted R square, the F test in regression, interpreting regression coefficients.

UNIT 4: Problems in simple Linear Regression model: Heteroskedasticity and its consequences, autocorrelation and its consequences, multicollinearity and its consequences.

References:

1. HatekarNeeraj R: Principles of Econometrics : an Introduction Uning R, SAGE publications, 2010
2. Kennedy P.: A Guide to Econometrics, sixth edition, Wiley Blackwell edition, 2008

Group I IV) Economics of Development -I Credit: 06

UNIT 1: Concepts and measures of Growth and Development

Developments in economic thought – History, expectations and development - Economic growth and structural change – Capabilities, entitlements and deprivation - Inequality and growth – Measurement of Inequality and poverty- Measurement of development - HDI, GDI, etc.- Role of market and state

UNIT 2: Modern theories of Growth and Distribution

Harrod-Domar Model of growth– Solow model of growth- Approaches to technical change – Convergence – Endogenous growth models of Romer and Lucas-Human capital

UNIT 3: Microeconomics of Development

Segmentation of rural land, labour, capital and credit markets –microfinance- Market inter-linkages – land markets-labour markets and households–Credit market-microfinance- The household model of fertility decisions- Institutions and development

UNIT 4: Macroeconomics of Development

Environment and development- Development and the constraint of natural resources -Environmental problems in Economic Development—Environment and Sustainable Development-Trade and Development – Trade and foreign exchange —-Role of international financial and trade institutions – Structural adjustment and stabilization

References:

1. Basu, Kaushik(1998), *Analytical Development Economics*, OUP, New Delhi.
2. Ray, Debraj (2004), *Development Economics,* OUP, New Delhi.

Semester II

i) Public Economics

credits : 06

Module 1: Government in a Market Economy:

Theorems of Welfare Economics: Implications, Lump Sum Taxes and TransfersRationale for State Intervention:Market Failures and Externalities, Tax and Regulation, Distribution, Social Choice, Voting Rules, Arrow Impossibility Theorem

Module 2: Public Expenditure: Rationale and Evaluation: (12 Hours)

Public Goods: Pure and Local, Optimal provision, Lindahl's Voluntary Exchange Approach, PreferenceRevelation mechanism, Private provision of Public Goods, Merit Goods, Club GoodsEvaluation of Government Expenditure: Elements of Cost-Benefit analysis

Module 3: Taxation: (14 Hours)

Basic Concepts of Tax Theory: Direct vs. Indirect Taxes, Ability to Pay, Horizontal and Vertical Equity.Commodity Taxation: Tax Rules, Optimal Commodity Taxation, Public Sector PricingIncome Taxation:Equity and Efficiency, Taxation and Labour Supply, Optimal Income Taxation (linear and non-linear). Tax Evasion: Basic Model, Auditing and Punishment.

Module 4: Reforms and Government: (10 Hours)

Fiscal Rules: Rationale, International and Indian Experience. Decentralisation: Decentralisation Theorem. India's Federal Structure: Taxation powers, Expenditure responsibilities, Intergovernmental transfers, VAT, GST

References

1. Atkinson A.B. and J. E. Stiglitz: Lectures on Public Economics, New York: McGraw-Hill, 1980

2. Cullis J. and P. Jones: Public Finance and Public Choice, OUP, 1998

3. Hindriks J. andGarethD.Myles: Intermediate Public Economics, MIT Press, 2006.

4. Myles G.: Public Economics, Cambridge University Press, 1995
5. Oates W.: Fiscal Federalism, Harcourt, Brace Jovanovich, 1972

6. Purohit M.: Value Added Tax, Gayatri Publications

7. Tresch R.: Public Finance: A Normative Theory, Academic Press, 1995

Semester II ii) Mathematical Techniques for Economists Credits : 06

UNIT 1:

A set and its elements, basic set theoretic operations, ,De Morgan's Laws, slope and intercept of a straight line, higher order functions, logarithmic and exponential functions, rules of logarithms and exponentiation , limits of sequences

UNIT 2: Derivative of a function, addition, multiplication and Chain rule, application of dreivatives in Economics, Unconstrained optimisation, in Economics, partial derivatives and their applications in Economics, introduction to integration and its applications in Economics

UNIT 3: Constrained optimisation in Economics, Lagrange multipliers and equality constraints, constrained optimisation with inequality constraints , applications in Economics

UNIT 4: Introduction to Matrices, adding and multiplying matrices, transpose and inverse of a matrix, solving simultaneous equations with matrices

Semester II iv) Macroeconomics – II

Credits 06

UNIT 1. Imperfectly flexible prices ,Price-setting under imperfect competition,Menu costs, real rigidity and neutrality, Quadratic price adjustments

UNIT 2: . New Classical Economics, the DSGE model ,Wealth Effects and the Government Budget Constraint; money/bond finance, The government budget deficit; Ricardian Equivalence

UNIT 3: . New Keynesian Economics, Disequilibrium, multiple equilibria, hysteresisReconstructing the Keynesian multiplier,The NK model of inflation

UNIT 4. Macroeconomic Policy, ,Rulesversus Discretion, Credibility & Reputation, Dynamic Inconsistency Banks, Financial Intermediaries and Unconventional Monetary Policy Inflation Targeting and Exchange Rates

References

1. Heijdra, Ben J. and Frederick Van Der Ploeg, 2002, *Foundations of Modern Macroeconomics*, Oxford University Press, Oxford
2. Romer, David, 2012, Advanced Macroeconomics, McGraw-Hill, Fourth Edition
3. Wickens, Michael, 2011, *Macroeconomic Theory and the Dynamic General Equilibrium Approach,* Princeton University Press

Semester II iii) Microeconomics – II

Credits 06

UNIT 1: Introduction to Game Theory, normal form games and extensive form games, dominant strategy equilibrium, Prisoner's dilemma, Nash Equilibrium in Pure and Mixed strategies, sub game perfection, Uncertainty and Choice under uncertainty, Certainty Equivalence. measures of Risk Aversion,

UNIT 2:Oligopoly and its features, Cournot Model, Bertrand Model, back ward induction and Stackelberg model, comparison with monopoly, oligopoly in repeated games and tacit collusion, limit pricing and entry deterrence in monopoly.

UNIT 3: Moral hazard and adverse selection, market for lemons, Principle –agent models, optimal contracts under symmetric information, contracts under asymmetric information,, screening and signalling, applications.

UNIT 4: Alternative Theories of the Firm :, Morris model of managerial enterprise, Williamson's model of managerial discretion, behavioural theories of the firm, Full cost pricing principle, existence, purpose and boundries of firms, transactions costs, resource based, knowledge based and transaction based theories of the frim

References

1. Gravelle H. and Rees R .(2004) : Microeconomics., 3rd Edition, Pearson Edition Ltd, New Delhi.
2. Varian H (2000): Intermediate Microeconomics: A Modern Approach, 8th Edition, W.W.Norton and Company
3. Gibbons R. A Primer in Game Theory, Harvester-Wheatsheaf, 1992

Economics of Agricultural Production and Rural Markets

Number of Credits: 6
Pattern of Evaluation: Standard

Preamble: This course would helpful to understand the various types of relationships in agriculture: factors and products, problems of instability in production, the functioning of and imperfections in credit markets, labour markets, and land markets.

Module 1: Economics of Agricultural Production, Resource Use and Instability in Agriculture: (12 Hours)
Resource and input use – Important production relationships – Economics of input and product substitution – Imperfections in product and input markets in developing agriculture – Sources of price variability and income instability – Rationale for and types of government intervention for price support and reduction in instability – Alternative concepts of cost of cultivation and determination of minimum support prices in India – Role and optimum size of buffer stocks

Module 2: Rural Credit Markets: (12 Hours)
Characteristics of rural credit markets, credit fragmentation – Organized and unorganized sectors – Theories of informal credit markets: Lender's Risk Hypothesis, Default and collateral, Credit rationing:- Default, Informational asymmetries – Moral hazard – Evolution of credit systems in India – Role and Performance of Commercial Banks, Co-operative Credit Institutions, Regional Rural Banks, NABARD and Micro-credit through SHGs in India, imperfections in rural credit markets in India

Module 3: Labour Markets: (12 Hours)
Concepts of work, skill and productivity – Methods of measurement of employment and unemployment – Free and unfreelabour – Types of employer-employee relationships – Determinants of wage rates – Labour market segmentation – Gender-based discrimination – Biases in data sources – Wage Differentials – Contract Labourers in rural markets

Module 4: Land and Lease Markets: (12 Hours)
Types of farming – Historical evolution – Segmented property rights – Characteristics and functioning – Economic, extra-economic and legal restrictions – Lease market – Formal and informal leases – Economics of share tenancy – Crop-sharing practices in India – Inequity in distribution of holdings – Market interlocking and interlinkages – Analysis of rural classes –Contract Farming

References:

Essential Readings

1. Heady Earl O., Economics of Agricultural Production and Resource Use, Prentice Hall, New York, 1961 (Module 1)

2. Kahlon A.S. and D.S. Tyagi, Agricultural Price Policy in India, Allied Publishers Pvt. Ltd., New Delhi 1983 (Module 1)

3. BasuKaushik, Agrarian Structure and Economic Underdevelopment, Harwood, Switzerland, 1990 (Modules 2, 3, 4)

4. Dantwala M.L. (Ed), Indian Agricultural Development Since Independence, (Second Edition) Oxford and I.B.H. Pvt. Ltd., 1991 (Module 2)

Economics of Labour Markets

Number of Credits: 6
Pattern of Evaluation: Standard

Preamble: Labour market issues are important for students of Micro, Macro, and Industrial Economics. The course sheds light on a range of new developments and a host of issues studied by generations of labour market experts. It captures the interplay of various factors in the labour market by describing demand/supply aspects, wages, employment, unemployment, the cost of labour, workers' participation and impact of new labour policies in the labour market. The course will be offered in the third semester.

Module 1: Nature of the Labour Market: (10 Hours)
Concept of labour market, Characteristics, Types, Search in labour markets, The theory of Human Capital, Investment in Human Capital, Costs and life-time benefits to education

Module 2: Approaches in Labour Markets: (12 Hours)
The theory of labour demand; time period and types of markets, Industry demand for labour, Determinants of labour demand, The theory of supply, Work-leisure choice in indifference curves, Budget constraints, Utility maximization, Backward-bending labour supply curve and its applications,

Module 3: Wage Issues in Labour Markets: (14 Hours)
Theories of Wages, Wages in different markets, Wage structure and components of wages, Share of wages, Distribution and Inequality of wage income, Male-female wage differentials, Inter-Sectoral wage differentials, Contract labour, Properties of contractual wages, Labour market rigidities and flexibilities, Wage and output relations in India during pre- and post-reform period

Module 4: Labour Markets in India: (12 Hours)
Linkages in labour markets, role of risk, Information and incentives, Dualism and segmentation, Labour market flexibility, Employee turnover, Migrant labour, State and labour markets, Impact of trade unions on productivity and wages, Minimum wages, Social security, Occupational safety and security, Wages and incomes policy in India, Impact of liberalization and globalisation

References:

Essential Readings

1. Bhattacharya BB and S Sakthivel, Economic Reforms and Jobless Growth in India in the 1990s, The Indian Journal of Labour Economics, Volume 48, No.2, 2005, pp. 243-258

1. Bhagoliwal T.N., Economics of Labour and Industrial Relations, SahityaBhawan, Agra,1985

2. Bloom Gordon F and Northrup Herbert R, Economics of Labour Relations, Richard D IrwinInc, Homewood, 1973

3. Cahuc Pierre and Andre Zylberberg, Labor Economics, MIT Press, 2004

4. Government of India, Report of Second National Commission on Labour, 2002

5. Harris-White Barbara and SinhaAnushree, Trade Liberation and India' s Informal Economy, Oxford University Press, New Delhi, 2007

6. Sapsford David and ZafirisTzannatos, The Economics of the Labour Market, Macmillan, London, 1993

7. Singh Jwitesh Kumar, Labour Economics, Deep and Deep Publishers, Delhi, 1998

8. UchikawaShuji (eds.), Labour Market and Institutions in India 1990s and Beyond, Manohar Publishers, New Delhi, 2003

9. UnniJeemol and Uma Rani, Employment and Income in the Informal Economy: A Micro Perspective, in RenanaJhabvala, Ratna M Sundaram and JeemolUnni (eds) Informal Economy Centre-stage: New Structures of Employment, Sage Publications, New Delhi, 2003. 26

Trade Unions and Industrial Relations in India

Number of Credits: 6
Pattern of Evaluation: Standard

Preamble: This course attempts to provide a basic conceptual understanding of the economics of trade unions and industrial relations in India. The syllabus also includes the empirical relevance of theories with suitable examples from a practical industrial relations viewpoint. Such an attempt will be strengthened to enable familiarity with relevant data along with their limitations.

Module 1: Economics of Trade Unions: (9 Hours)
Meaning, Concept, Evolution and Role of Trade Unions.Approaches to the Origin of Trade Unions. Bargaining Theory of Wages, Impact of unions on productivity and wages, Employment Security and Efficiency, Unorganised sector

Module 2: Industrial Relations: (12 Hours)
Definition and scope of industrial relations, Approaches to Industrial Relations: Macro Approaches- System Approach and Class Conflict Approach, Micro Appraches-Taylorism,Fordism and Post-Fordism, Neo-Fordism, Pluralism, Human Relations School and OrganisationalBehaviour Approach.

Module 3: Industrial Relations in India: (15 Hours)
Trade Unions and Workers: Industrial Sociology of workers in India, History, growth and structure of trade unions, Independent and white collar unions in India. Trade Unions and Contract Workers. Employer's Organisations: Role of managerial class in industrial relations. Industrial conflict: Forms of conflict, strikes, lockouts, absenteeism, employee turnover, causes and consequences of and trends in industrial disputes.

Module 4: Role of the State in Industrial Relations in India: (12 Hours)
Labour Policy in India: Pre and Post-Reform scenario, Impact of Globalisation- Tripartism, Labour Legislation affecting industrial relations: Statutory and Non-Statutory measures to settle industrial disputes. Workers Participation in Management. Voluntary Retirement Schemes, Social Security Measures, Unemployment Insurance. Occupational Safety and Health Management Systems.India and the ILO.

References:

Essential Readings

1. Amin, Ash (Ed.), Post-Fordism-A Reader, Blackwell, Oxford, 1994 (Module 2)
2. Government of India, Ministry of Human Resource Development, Report of SecondNational Commission on Labour, 2002 (Module 3, 4)
3. Hicks J.R., The Theory of Wages, Clarendon Press, Oxford, 1932 (Module1)
4. Monappa, Arun, Industrial Relations, Tata McGraw Hill, New Delhi, 2005. (Module 4)
5. Pencavel, John, Labour Markets under Trade Unionism: Employment, Wages and Hours, Basil Blackwell, Cambridge, Massachusetts, 1991 (Module 1)
6. Ramaswamy, E.A. and Uma Ramaswamy, Industry and Labour, Oxford University Press, Bombay 1981 (Module 3)
7. Rees, Albert, The Economics of Trade Unions, University of Chicago Press, Chicago, 1973 (3rd Edition) (Module 1)
8. Roy. J. Adams (eds.), Comparative Industrial Relations, Harper Collins Academic, London, 1991. (Module 2, 4)

Agricultural Development and Policy

Number of Credits: 6
Pattern of Evaluation: Standard

Preamble: This course aims to enhance the students' understanding of agricultural development. Starting from basic questions like what factors lead to agricultural development or why does the share of agriculture in GDP go down once economies start developing, the course tries to enhance the students' awareness on contemporary debates in the literature, and leads them to analysis of current governmental policies and strategies for surviving in the globalizing world. Questions to be asked for the post 1980 period.

Module 1: Theories of Agricultural Development: (12 Hours)
Role of agriculture in a developing economy vis-à-vis a developed economy; Theories of agricultural development (Lewis, Schultz, Mellor, Hayami and Ruttan)

Module 2: Sustainable Agricultural Development and Food Security: (12 Hours)
Impact of green revolution; Models of spread of technology and experiences in input use efficiency; Measurement and strategies for sustainable development; Food security: Concept, measurement, magnitude, and critical evaluation of government policies

Module 3: Competitiveness of Agriculture Products and Marketing: (12 Hours)
Measurement of efficiency of agricultural products in international markets; Efficiency of agricultural markets in India; Form and impact of government intervention in the markets and its effects on efficiency; Commodity markets: operation and likely impacts; Strategies for surviving in a globalizing world

Module 4: History and Policies for Agricultural Development in India: (12 Hours)
Trends in production since 1950; National Food Policy; Agriculture Policy; Area, productivity, employment and wage rate analysis; Trends in India's agricultural exports and imports and implications

References:

Essential Readings

1. BasuKaushik, Analytical Development Economics, Oxford University Press, 1998 (Module1).

2. Bhalla G S., Globalization and Indian Agriculture, Volume 19 of the State of the Indian FarmerSeries. Academic Foundation, 2004 (Module 3)

3. Dreze Jean and AmartyaSen, Hunger and Public Action, Oxford University Press, 1989 (Module 2)

4. Lewis Arthur, Economic Development with Unlimited supply of labour, Manchester School of Economics and Social Studies 22: 139-91, 1954 (Module 1)

5. Mellor J and Mudahar M, in Agriculture in Economic Development: Theories, findings and Challenges in Asian context in A Survey of Agricultural Economics Literature, Edited by LeeMartin. University of Minnesota Press, 1992 (Module 1)

6. Norton George and Jeffery Alwang, Introduction to Economics of Agricultural Development, McGraw Hills, New York, 1993 (Module 1)

7. Sawant S D (2002), Indian Agriculture: Past developments and policies for the future, Dantwala Monograph Series, No. 4, 2002 (Module 4)

INTERDISCIPLINARY/CROSS STUDIES Semester IV

International Finance

Number of Credits: 6
Pattern of Evaluation: Standard

Preamble: This elective course, to be offered in the fourth semester, requires a good understanding of Macroeconomics. This course aims at providing a theoretical exposition of different aspects of international finance and financial institutions in the context of globalization. A good understanding of International Trade and Trade Policies is desirable.

Module 1: Foreign Exchange Rates and Markets: (12 Hours)
Foreign Exchange Rates: Fixed, Flexible, Nominal, Real and Effective Exchange Rates, Purchasing Power Parity and Interest Parity. Foreign Exchange Markets: Spot, Forward, Futures and Options Currency Markets. Foreign Exchange Risk and Exposure: Exposure, Risk and Parity Relationship, Accounting Exposure versus Real Exposure, Operating Exposure, Hedging Risk and Exposure.

Module 2: Balance of Payments: (12 Hours)
Balance of Payments: Current Account Balance and Capital Account Balance, Official Reserve Transactions, Relationship between Balance of Payments and National Income Accounts. Approaches to Balance of Payments Adjustments: Elasticity, Absorption, Monetary and Portfolio-balance Approaches

Module 3: International Investment and Financing: (12 Hours)
Cash Management: Investment and Borrowing Criterion with Transaction Costs- International Dimensions of Cash Management. Portfolio Investment: International Capital Asset Pricing- Settlement of International Portfolio Investments. Capital Budgeting for Foreign Investments: Project Selection, Cash Flows, Discount Rates, Growth and Concerns about Multinationals. International Financing: Equity Financing, Bond financing, Bank financing

Module 4: International Financial Institutions: (12 Hours)
Gold Standard and Gold Exchange Standard: International Monetary Fund- International Reserves-Special Drawing Rights. Theory of Optimum Currency Areas: International Policy Co-ordination, Currency Board, International Financial and Currency Crisis. International Debt: Measures of Indebtedness-International Debt Crisis 30

References:

Essential Readings

1. Kenen Peter B, The International Economy, Cambridge University Press, New York, 2000 Chapters: 12, 13, 14, 15, 16, 17, 18 and 19 (Modules 2 and 4)
2. Krugman P. R. and Obstfeld M., International Economics-Theory and Policy, Addison-Wesley, Delhi, 2000 Chapters: 12, 15, 16, 20 and 22 (Modules 2 and 4)
3. Levi Maurice D., International Finance, Routledge, New York, 2005 Chapters: 2, 3, 4, And 9 to 18 (Modules 1, 2 and 3)
4. Pilbeam Keith, International Finance, Palgrave, New York, 1998 Chapters: 14 and 15. (Module 4).
5. Salvatore Dominick, International Economics, John Wiley and Sons, Singapore, 2002 Chapter: 14, (Module 1)
6. Sodersten Bo and Reed Geoffrey, International Economics, Macmillan, London, 1994 Chapters: 23, 25, 30 and 31) (Modules 2 and 4)
7. Ugur Mehmet, (edited), An Open Economy Macroeconomics Reader, Routledge, London, 2002 Chapters: 16, 17, 19, 20, 21 and 22 (Modules 2 and 4)

Economics of Human Development

Number of Credits: 6
Pattern of Evaluation: Non-Standard

Preamble: This course on the Economics of Human Development focuses on the widely- accepted global perspective of viewing development as the expansion of people's capabilities, capacities and choices. This people-centric analytical framework for designing and assessing public policy interventions has several implications at macro, meso and micro levels both nationally as well as internationally. This elective has a relatively strong applied component specifically in relation to India that is in-built into each module.

Non-Standard Evaluation Pattern: The evaluation be done through 40 marks of continuous evaluation and a 60 marks end-semester examination. The 40 marks evaluation will consist of a mid-term examination of 20 marks (two questions to be attempted over one hour) and a project of 20 marks on Modules 3 and 4. The project topics will be announced by the 4th teaching week of the semester and the projects should be in by the 10th teaching week. All modules will carry equal weight for the three hour end-semester examination.

Module 1: Concepts of Human Development: (12 Hours)
Growth and Development compared – Perspectives on development – Definition of human development - Basic Needs Approach – Quality of Life Approach – Capability Approach – Human rights – Millennium Development Goals

Module 2: Dimensions of Human Development: (12 Hours)
Empowerment, equity, sustainability, security, productivity and participation – Role of freedoms in promoting human development -- Multi-dimensionality of poverty – Concept of inclusive growth – Role of civil society, NGOs, and people's organizations – Obstacles to inclusive growth – Impact of globalization

Module 3: Measurement: (12 Hours)
Need for indices - GDP – Physical Quality of Life Index (PQLI), Disability Adjusted Life Years (DALY), Social Capability index – Human Development Index – Human Poverty Index – Gender Related Development Index – Gender Empowerment Measure

Module 4: Aspects of Human Development: (12 Hours)
Livelihoods – Inequalities – Gender – Child labour – Aging population – Poverty alleviation - Food Security – Environment – Displacement – Indigenous groups – Migration - Education and Health – Workers and Informal Sector -- Social Security – Human security – Conflict

References:

Essential Readings

1. Chelliah Raja J and R. Sudarshan (ed), Income Poverty and Beyond: Human Development In India, UNDP, Social Science Press, New Delhi, 1999
2. Comim F, M. Qizilbash and S. Alkire (eds), The Capability Approach: Concepts, Measures and Applications, Cambridge University Press, Cambridge, 2007
3. Costanza R, B. Low, E. Ostrom and James Wilson (ed), Institutions, Ecosystems and Sustainability, Lewis Publishers, Boca Raton, 2001
4. Dev S. Mahendra, P. Antony, V. Gayathri, and R P Mamgain, Social and Economic Security in India, Institute for Human Development, New Delhi, 2001
5. Fukuda-Parr S. and Shiva Kumar A K (ed), Readings in Human Development: Concepts, Measures and Policies for a Development Paradigm, Oxford University Press, New Delhi, 2003
6. Grinspun, A. (ed), Choices for the Poor, Lessons from National Poverty Strategies, UNDP, New York, 2001
7. International Labour Organization, A Fair Globalization: Creating Opportunities for All, World Commission on the Social Dimension of Globalization, Geneva, 2004
8. International Labour Organization: World Employment Reports
9. Meier G M and Stiglitz J E (eds), Frontiers of Development Economics, Oxford University Press, New York, 2001
10. Sen Amartya, Development as Freedom, Oxford University Press, New Delhi, 1999
11. Sen Amartya and Jean Dreze, India: Economic Development and Social Opportunity, Oxford University Press, New Delhi, 1998
12. United Nations Development Programme (UNDP), Human Development Reports 1990-2004, Oxford University Press, New York
13. United Nations Development Programme (UNDP) – India, State Human Development Reports, 2003 – 2006, Oxford University Press, New Delhi.

ABILITY ENHANCEMENT SKILLS Semester IV

Industrial Economics

Number of Credit: 6
Pattern of Evaluation: Standard

Preamble: Ability Enhancement Course, to be offered in the fourth semester, requires a good understanding of both Microeconomics and Macroeconomics. This course aims at providing a theoretical exposition of the behaviour of the firm, market structure and industrial finance with some issues and relevant empirical evidence of Indian industries.

Module 1: Theory of the Firm: (14 Hours)
Firm Competition and Performance: Effects of Monopoly Power- Determinants of Firm Structure- Mergers- Horizontal and Vertical- Conglomerate Integration. Market Structure: Patterns of Market Structure- Determinants of Market Structure- Economies of Scale- Product Differentiation- Capital Requirements. Pricing Strategy in Oligopoly: Theories of Interdependence- Tacit Collusion and Price Leadership- Limit Pricing.

Module 2: Technical Change: (10 Hours)
Market Concentration: Measures of Market Concentration. Advertising: Optimal Advertising- Advertising and Market Structure- Cost of Advertising. Invention and Innovation: Process and Product Innovation- Effects of Innovation on Welfare and Employment- Adoption and Diffusion of Innovation.

Module 3: Financial Analysis: (14 Hours)
Financial Analysis: Funds Flow- Cash Flow Statements- Balance Sheet- Income Statement (Profit and Loss Account)-Ratio Analysis- Multi-Period Compounding- Continuous Compounding. Investment Appraisal: Nature of Investment Decisions- Net Present Value Method- Internal Rate of Return- Discounted Payback Period. Cost of Capital: Determining Components of Cost of Capital- Capital Asset Pricing Model (CAPM)- Weighted Average Cost of Capital (WACC). Capital Structure: Optimum Capital Structure- Modigliani-Miller Hypothesis- CAPM and Capital Structure.

Module 4: Indian Industry: (10 Hours)
Industrial Growth: Trends in Industrial Growth in India-Industrial Location (factors) and Location Policy in India. Small-Scale Industries: Definition-Role-Policy-Issues and Performance. Public Enterprises in India: Performance and Constraints. Competitiveness of Indian Industries: Competition Policy and Foreign Direct Investment. 43

References:

Essential Readings

1. Ahluwalia I. J., Industrial Growth in India- Stagnation since the mid-sixties, Oxford University Press, Delhi,1985 (Module 4)

2. Hay J and Morris D. J, Industrial Economics- Theory and Evidence, Oxford University Press,(Latest Edition) (Module 2)

3. Koutsoyiannis A., Modern Microeconomics, ELBS/Macmillan, Hong Kong, 1985 (Module1)

4. Martin Stephen, Industrial Economics- Economic Analysis and Public Policy, Macmillan Publishing Company, New York, 1988/latest edition (Module 1)

5. Mohanty, Binode,(eds.), Economic Development Perspectives, Vol. 3, Public Enterprises and Performance, Common Wealth Publishers, New Delhi,1991 (Module 4)

6. MookherjeeDilip (eds.), Indian Industry-Policies and Performance, Oxford University Press, Delhi,1998 (Module 4)

7. Pandey I M., Financial Management, Vikas Pub. House Pvt. Ltd., New Delhi, 2000 (Module3)

8. Shepherd W. C., The Economics of Industrial Organization, Prentice Hall, Inc., London,1985 (Modules 1 and 2)

9. Vepa R. K., Modern Small Industry in India, Sage Publications, 1988 (Module 4)

Demography: Theory and Basic Analysis

Number of Credits: 6
Pattern of Evaluation: Standard

Preamble: The course is designed to provide an understanding of demographic processes including an in-depth knowledge of linkages between population and economic development. It introduces major developments in demographic concepts by highlighting the sources of demographic data, fertility, mortality, migration and population projection.

Module 1: Population Science, Demography and Economic Development: (10 Hours)
Population and Economic Development, Population and Environment, Implications of Population Growth on Regional Imbalances, Population Science and Demography, Sources of Demographic Data, Malthusian Theory of Population, Theory of Demographic Transition, Age and Sex Composition of Population, Age pyramids, Ageing Population.

Module 2: Nuptiality and Fertility: (14 Hours)
Basic concepts of Nuptiality, Analysis of Marital Status Data, Singulate Mean Age at Marriage: Synthetic Cohort and Decadal Synthetic Cohort Method, Concepts and measurements of Cohort and period fertility, Rele's Method and Reverse survival method in fertility analysis, Bongaart's Proximate Determinants of Fertility, Socio-Economic Determinants of Proximate Variables, Indirect Estimation of Fertility Rates, Davis's Intermediate Variables framework of Fertility, Age Patterns of Fertility.

Module 3: Mortality: (12 Hours)
Basic concepts and analysis of Morbidity, Concepts and Measurements of Mortality, Infant and Child mortality rates, Standardisation of Mortality Rates, Life tables: Concepts, Types, Uses, Methods of construction; Differentials and Determinants of Mortality.

Module 4: Migration and Population Projections: (12 Hours)
Concepts, Patterns and Measures of Migration, Migration Theories and Models (Ravenstein's, Lee's, Wolpert's and Todaro's model), Internal and International Migration, Spatial Distribution and Urbanisation, Importance of Population Projection, Methods of Population projection: Mathematical and components methods.

References:

Essential Readings

1. Bhatt M. (2002): On the Trial of Missing Indian Females, Economic and Political Weekly, 37(51)(52):5105-518, 5244-5263.

2. Bhende AA and T. Kantikar, Principles of Population Studies, Himalaya Publishers, Mumbai, 2000

3. Bogue DJ, EE Arriagas, Douglas L. Anderson, Reading in Population Studies and Methodology, Published for United Nations Population Fund by Social Development Center, Chicago, Illinois, 1993

4. Coale, A.J., 1971, Age Patterns of Marriage, Population Studies, 25(2), pp. 193 –214

5. Henry, S. Shryock, The Methods and Materials of Demography, Vol. 1 and 2, U.S. Department of Commerce, Bureau of Census, Washington D.C.1971, pp. 283-298 and 549 – 578

6. International Institute for Population Sciences (IIPS), National Family Health Survey, (NFHS) 1,2,3, Mumbai, 1992-93; 1998-99; 2006-07

7. International Institute for Population Sciences (IIPS), Reproductive and Child Health Survey, Mumbai, 2002-04

8. Lutz, Wolfgang, Distributional Aspects of Human Fertility: A Global Comparative Study, Academic Press, 1989, New York

9. Mishra BD, An Introduction to Demography, South Asian Publishers Pvt. Ltd, New Delhi, 1981

10. Mitra RG, Understanding patterns of Migration from Census 2001 Data, Population, 2002

11. Stabilisation and Development, Council of Cultural Growth and Cultural Relations, Cuttack

12. Preston Samuel, Patrick Heuveline& Michel Guillot, Demography: Measuring and Modelling Population Processes, Blackwell, Cornwall, 2001

13. Sydney HC, Population Theories and Economic Interpretation, Routledge, London, 1968.

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