ACADEMIC (1-BOARD OF STUDIES) SECTION

Phone: (02462) 229542
Fax: (02462) 229574
Website: www.srtmun.ac.in
E-mail: bos.srtmun@gmail.com

CBCS Pattern

2019 & 2020

C.B.C.S. (Choice Based Credit System) Pattern

1) First Year
2) Second Year
3) Third Year
4) Fourth Year
5) Fifth Year
6) Sixth Year

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25 Years of Excellence

1994 - 2019
M.A. (Applied Economics)
New Syllabus for Semester- I II
Academic Year June 2019-20
Under CBCS Pattern

School of Social Sciences
S.R.T.M. University, Nanded.
About the Programme:

School of Social Sciences of this University offered Choice Based Credit System in the PG Programme from June 2015. Applied Economics is one of the full time two year Post Graduate Programme of this school. This program has four semesters which get 80 credits at the end of this programme. Each Semester is with 20 credits. Each Course is for 4 credits and one credit is for 25 markets. First and Second Semester is divided in three Core Courses, One Discipline Specific Course and One Open Elective course. Third and Fourth Semester is divided in four Core Courses and One Discipline Specific Course. Core courses are the basic papers of the discipline of the applied economics program. Students have not choice to select the courses. According to the guidelines of Choice Based Credit System (CBCS) pattern, Students have to complete 70% credits from core course and 30 % from discipline and open electives. Students have to acquire 8 credits from Open Elective. It is mandatory to select one course from NPTEL/SWAYAM/MOOC, Inter School, Intra School etc. in only first and second semester. Besides, student can increase their credits

Eligibility and Fees

Any graduate with Economics/ Statistics/Mathematics/ is eligible for seeking admission to the Programme. More details of admission procedure and fees structure can be seen from the prospectus of the University.

Scheme of Examination:

Assessment of the Student is based on Internal Continuous Assessment (ICA) and External Continuous Assessment (ECA). Each Course has 50 marks for ICA and 50 marks for ECA. Written examination of Theory course is conducted at the end of the semester in External Continuous Assessment. Internal Continuous Assessment contains two tests of 15 marks and one Home assignment for 20 marks. Besides, teacher has choice to use any method of assessment of students like, seminar, group discussion, field work, practical etc instead of Home Assignment. All the Rules of Passing, Grace Marks, A.T.K.T and of CBCS System of the University are applicable to this Course.
**Objectives of the Programme:**

In keeping with the reforms in the economic system and the market structure, this Programme provides in depth knowledge in the subject matter of economics. Not only understanding of theories and principles of economics but also to apply the principles and theories of economics in practical situations. This is useful in today’s globalised economic environment. Similarly, there is importance for industry-academic interaction. Applied Economics Programme makes much of all students to learn in detail crucial concepts, current national and international events, policy of government, budget, tools and techniques of econometrics for forecasting. Thus, whatever contents are taught by us, on that basis, students are given to an assignment practically in society through field work, mini project, case studies etc. In this regard, some of the subjects having huge demand in job market like, banking and finance, foreign trade and international finance, computer application in economic analysis with practical training, statistical, mathematical and econometrical tools, stock market transactions, taxation. This course uses to student for planning and schedule of various works or projects, making efficient use of computers in data analysis and also use of internet to manipulate text and data, review of literature.

**Outcome of the Programme:**

After completing this programme, student will be able to solve economic issue with the help of statistical and mathematical techniques and will be capable to understand economic concept in a simple way. They may join as officer in planning and economic field because the courses which provides deep knowledge about methodology and policy implication. They will become as consultant for handling data feeding, coding and interpretation of various institutions. The courses of Statistical, mathematical and econometric provide foresting information about the commodity. In this connection, more opportunities are available of students who are available of content knowledge with application through econometric software. Apart that, revising the content of the course, latest modern teaching aid and techniques like, LCD projectors and ICT enabled active board are used for imparting the knowledge to student. These include innovative methods like small group seminars which would encourage the students to prepare a paper by themselves and communicate their ideas by presenting the same before the audience.
### Structure of the Programme:

#### CBCS First Semester

<table>
<thead>
<tr>
<th>S N</th>
<th>Course Code</th>
<th>Level of Paper</th>
<th>Number of Credits</th>
<th>Marks/25 per credit</th>
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#### CBCS Second Semester

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**Core Courses (CC):** The Core Courses are Compulsory for each semester. Each core course is for four credits i.e. for 100 marks.

**Generic Elective Course (GEC) (Open Elective):** Student can choose any one course from Mathematics, Statistics, Geography, Sociology, and Social work, Human Rights, Commerce and Management or any other discipline.

**Discipline Specific Electives (DSE):** Student will have to choose any one course from the list of respective DSE (Group I, II, III and IV) for each semester.

**List of Open Electives:**

1) Population Studies
2) Development Economics
3) Indian Public Finance
AEC- CC-101
Micro Economics

**Learning Objectives:** This Course mainly focuses on the economic behaviour of individuals and for firms it deals with the background knowledge of production. It is mainly concerned with the objective of equipping the students in a rigorous and comprehensive manner with the various aspects of micro economics starting from Basic mathematical concepts, Utility and Indifference curve, Decomposing of price effect, consumer behaviour and demand analysis, production theory and Functions etc. After learning this Course, students can understand and analyse the equilibrium conditions for individual as well as firms.

**Learning Outcomes:** Students can use the concepts like elasticity of demand, production process and market structure in application form. They will be able to solve the problems of market structure with the help of mathematical techniques.

**Unit No. 1. The Theory of Consumer’s Behaviour**

1.1. Marshall’ Cardinal Utility Analysis
1.2. Indifference Curve
1.3. Slutsky Substitution Effect
1.4. Application and Uses of Indifference Curves
1.5. Labour Supply and Saving Decisions

**Unit No. 2 Theory of Production and Cost**

2.1 Production Process and Profit-maximising behavior of Firms
2.2 The Theory of Production: Returns to Variable Factor
2.3 Production Function with Two Variable Factors- Cobb Douglas Production Function
2.4 Least-cost Factor Combination: Technological Choice

**Unit No. 3 Theory of Firm and Pricing in Perfect Competition**

3.1 Objectives of the Firm-A General Analysis
3.2 Equilibrium of the Firm under Perfect Competition-Mathematical Problems
3.3 Equilibrium of the Industry and Long-Run Supply Curve under Perfect Competition.
3.4 Economic Efficiency of Perfect Competition.
Unit No. 4 Price and Output Under Monopoly and Imperfect Competition Part I

4.1 Price and Output under Monopoly- Numerical Problems
4.2 Price Discrimination- Numerical Problems
4.3 Price and Output under Monopolistic Competition, Oligopoly.
4.4 Cournot and Bertrand’s Models

Suggested Readings:
3) Tapas Majumdar, Measurement of Utility.
4) J.R. Hicks, A Revision of Demand Theory, Oxford University Press, 1956
12) J. Stog;otz and C.E. Walsh, Principles of Economics
Learning Objectives:
1) To provide basic understanding of econometrics to the students.
2) To equip the students to manually estimate the econometric models.
3) To make the students capable in estimation as well as in prediction process.
4) To make the students aware with major problems in estimation and its remedies.

Learning Outcomes:
After the study of this paper students will be well aware about the fundamental concepts of econometrics. They will be able in model building and estimating the unknown parameters of econometric model by using the empirical data. They will be able in prediction of forecasting. Students will be able to detect the major problems faced in the simple and multiple regression models and its remedial process. The overall understanding of this paper will be helpful to students in their future carrier in economics as a researcher or a policy maker.

Unit - 1. Introduction to Econometrics:
1.1 The Meaning of Econometrics, Important concepts; - Variable, Statistical vs. Deterministic Relationship, Correlation vs. Regression, Regression v. Causation, Types of Data,
1.2 The meaning of model, concept of Linearity and The Types of Model. The Methodology of Econometrics, The Concept of PRF, Stochastic Specification of PRF and its significance
1.3 The Concept of SRF, Two Variable Regression Model- The Method of OLS, Classical Assumptions of OLS.

Unit - 2. Estimation of Simple Regression Model:
2.1 Estimation of Two Variable linear Regression using OLS, Precision of Least Square Estimators, Properties of Least Square Estimators.
2.2 The Coefficient of Determination, Interval Estimation and Hypothesis Testing, Interpretation of results and Prediction. Parameter estimation of simple regression models using SPSS.

Unit -3: The Problem of Autocorrelation and Heteroscedasticity:
3.1 The Problem of Autocorrelation;- Nature, Causes, Consequences, Detection and Remedial Measure.
3.2 The problem of Heteroscedasticity;- Nature, Causes, Consequences, Detection and Remedial Measure.
Unit- 4: Estimation of Multiple Regression Model

4.1 Meaning of Multiple Regression Model, Additional Assumptions, Method of Estimation, Coefficient of Determination, and Coefficient of Multiple Correlation.


Suggested Readings:

AEC-CC-103
Statistical Methods

Objectives:
The main objective of this paper is to train the students to use the techniques of mathematical and statistical analysis, which are commonly applied to understand and analyze economic problems. The paper also deals with simple tools and techniques, which will help a student in data collection, presentation, analysis and drawing inferences about various statistical hypotheses.

Outcomes:
After completion this course the students will able to:

• Demonstrate to apply the different descriptive statistics method to simply analyse their data.
• Demonstrate to apply fundamental concepts in data analysis.
• Apply and interpret basic summary and modelling techniques for data analysis.
• As understanding of the basic concepts of probability and random variables.
• Understand the foundations for classical inference involving confidence intervals and hypothesis testing.
• Demonstrate an appreciation of analysis of variance (ANOVA).
• Students will execute statistical analyses with professional SPSS software and Excel.

Unit 1. Measures of central tendency and Dispersion:

1.1 Measures of central tendency, Dispersion-standard deviation, coefficient of variation, Lorenz curve. Skewness, moment and kurtosis

1.2 Analysis of central tendency and dispersion in Ms-excel and SPSS.
Unit 2. Correlation and Regression Analysis:

2.1 Simple correlation and regression analysis, Karl Pearson’s and rank correlation coefficient, Partial correlation and regression,

2.2 Multiple correlations and regression, Analysis of correlation and regression in ms-excel and SPSS.

Unit 3. Concept of Sampling and Hypothesis Tests:

3.1 Concept of sampling ,Types of sampling ,Sampling distribution ,formulation of statistical hypothesis –Null hypothesis and alternative hypothesis ,

3.2 level of significance –Type I and II error ,hypothesis testing – t test , Z test ,F test , Chi-square test , Analysis of Variance. Analysis of different test in ms-excel and SPSS.

Unit 4. Probability and Distributions:

4.1 Classical and empirical definition of probability ,Law of addition and multiplication ,conditional probability ,Baye’s theorem.

4.2 Properties of Binominal Distribution ,Poisson Distribution and Normal Distribution.

Suggested Readings:

5) Feller, W., An Introduction to Probability theory and its applications, John Wiley
6) Gupta, S.C. An Introduction to Statistic, Sultan Chand & co., New Delhi.
Learning Objectives: The objective of this paper is to provide a detailed treatment of issues in agricultural economics to those intending to specialize in this area. Its objective is to familiarize students with policy issues that are relevant to Indian agricultural economics and enable them to analyze the issues, using basic micro-economic concepts.

Learning Outcomes: Student will be enabling to understand how agricultural policies are applicable to current situation in the society.

Unit 1 Agriculture and Economic Development
1.1 Nature and scope of agricultural and rural economics; Traditional agriculture and its modernization
1.2 Role of agriculture in economic development; Interdependence between agriculture and industry — some empirical evidence;
1.3 Models of interaction between agriculture and the rest of the economy; Agricultural development, poverty and environment.

Unit 2 Land Reforms and Land Policy
2.1 Principles of land utilization; Land distribution — Structure and trends;
2.2 Land values and rent; Land tenures and farming systems — Peasant, capitalist, collective and state farming;
2.3 Tenancy and crop sharing — Forms, incidence and effects; Land reform measures and performance;
2.4 Women and land reforms; Problems of marginal and small farmer.

Unit 3 Rural Finance
3.1 Role of capital and rural credit; Organized and unorganized capital market;
3.2 Rural savings and capital formation; Characteristics and sources of rural credit — Institutional and non-institutional;
3.3 Reorganization of rural credit — cooperatives, commercial banks, regional rural banks; Role of NABARD.

Unit 4 Agricultural Prices
4.1 Marketing and state policy; Agricultural markets and marketing efficiency — Marketing functions and costs; Market structure and imperfections;
4.2 Regulated markets; Marketed and marketable surplus; Behaviour of agricultural prices — Cobweb model; Price and income stability;
4.3 State policy with respect to agricultural marketing; Warehousing; Prices; Taxation and crop insurance; Terms of trade between agricultural and non-agricultural prices;
4.4 Need for state intervention; Objectives of agricultural price policy — Instruments and evaluation; Food security in India and public distribution system.
Suggested Reading:

Learning Objectives: to understand different kinds of money and functions of banking. This course is also focuses on modern banking system.

Learning Outcomes: students will be understood how barter system has converted in banking system. They will learn also the role of information technology in progress of banking.

Unit No. 1 Nature and Significance of Money
1.1 Introduction, definition, functions, forms of Money. Role of money in capitalist economy and socialist economy.
1.2 Metallic standard, silver standard, gold standard, future of the gold standard, Bimetallism and its merits and demerits.
1.3 Paper currency standard- note issue, characteristics of a good currency system.

Unit No. 2 Commercial Banking
2.1 Evolution of banking, functions of commercial banking, commercial banks and economic development.
2.2 Types of banking organizations- branch banking and unit banking, chain banking and group banking, deposit banking and mixed banking.

Unit No. 3 Bank assets, liquidity and creation of credit
3.1 The balance sheet of a commercial bank, assets structure of a commercial bank, difference in assets structure.
3.2 Meaning of credit creation, multiple credit expansion, limitations to credit creation, credit contraction and significance of credit creation and contraction.

Unit 4 Central Banking
4.1 Rise of central banking, nature of central banks, functions of a central bank, control of credit, central bank and economic development.

Suggested Reading:
1) K.D. Basava, Money, banking and international trade, Vidyavahini Prakashan
2) Dr. D.M. Mithani, Money, Banking, International Trade Public Finance, Himalaya publication House Pvt Ltd, Mumbai.
Learning Objectives: This course highlights on the issue of labour supply, trade unions, wage theories and collective bargaining in the globalized economy. It provides the importance of issues such as employment and unemployment as well as social security.

Learning Outcomes: student will be given theoretical as well as empirical issues relating to the labour market with special reference to India.

Unit 1 Labour Supply
1.1 Work leisure choice- supply of household labour and of married women workers,
1.2 supply of educated and skilled workers- Labour supply in the organized sector in Indian rural-urban migration- absenteeism and turnover.
1.3 Labour supply in unorganized sector, Role of employment exchange- unemployment concept.

Unit 2 Trade Unions
2.1 Role and impact of wages and unemployment, Trade union as a monopolist in the labour market.
2.2 Collective bargaining. Growth and characteristic of the trade union movement in India.

Unit 3 Wage Determination
3.2 Wage regulation in India- payment of wages Act, Wage Boards- Dearness allowance- Bonus.

Unit 4 Social Security and Labour Welfare
4.1 Social security labour welfare measures,
4.2 labour participation in management, family budget inquires, health and efficiency of labour.

Suggested Reading:
Second Semester

AEC-CC-201
Macro Economics

Objectives:

This Paper helps to establish the functional relationship between the large aggregates. Which help the students to understand different macroeconomics issues in detail and assess the impact of macroeconomic policies. After learning this paper students will be able to understanding the nitty-gritty of the working of the economy and participate in macroeconomic policy analysis.

Outcomes:

After completion of this course the Students will be able to:

- Explain the concepts of National income, gross domestic product, GNP, inflation (by Real and Nominal GNP) and how they are measured.
- Explain the concepts of Circular flow model and use the concepts of aggregate demand and aggregate supply to analyze the response of the economy to disturbances.
- Describe the determinants of the demand for money, the supply of money and interest rates and the role of financial institutions in the economy.
- Define fiscal and monetary policies and how these affect the economy.
- Identify the causes of prosperity, growth, and economic change over time and explain the mechanisms through which these causes operate in the economy.

Unit 1. Determination of National Income:

1.1 Concept of National Income, Circular flow of National income, Measurement of National Product and Income, conceptual problem in the estimation of GNP, NNP at current price, NNP at constant prices, NNP at factor cost, Relation between NNP at market price and factor costs, Nominal and real GNP.

1.2 Determination of equilibrium level of National income on two sector model with Government and in an open economy.

Unit 2. Consumption and Investment function:

2.1 Linear and nonlinear consumption function, Saving Function, Keynes psychological law of consumption, Theories of Consumption – Relative income theory of consumption: demonstration effect and ratchet effect.

2.2 Life cycle theory of consumption, Permanent theory of consumption, Multiplier, Investment function, Marginal efficiency of capital, Acceleration model, capital stock adjustment.
**Unit 3. Demand and supply of Money:**

3.1 Different approaches of demand for money, Keynes liquidity preference theory, Post Keynesian theories of demand for money: Tobin’s Portfolio approach.

3.2 Baumol’s Analysis of transaction demand, Friedman’s theory, Measures of money supply, RBI approach to money supply.

3.3 High Powered money and money Supply, Budget deficits and money supply.

**Unit 4. IS-LM Model and foreign Trade Multiplier:**


**Readings:**

AEC-CC-202
Methodology of Economic Research

Learning Objectives: to understand the quantitative research methods for economic research, to figure out statistical and econometrics tools and techniques for economic research.

Learning Outcome: Student will be able to use statistical and econometrics tools in their dissertation. They will be able to understand proper methods of research for special subject or problem.

Unit 1 Approach to Science
1.1 Scientific Research: Characteristics, Types and Methods
1.2 Concepts, Constructs and Variables
1.3 Hypotheses
1.4 Logic of Inquiry

Unit 2 Statistical Methods
2.1 Probability Theory: Concept and Laws/ Theorems probability Distributions-Expectations-
special distribution, Binomal, Poisson, Normal, t, chi-square and F-distribution.

Unit 3 Survey Methods
3.1 Organization and Planning of Survey
3.2 Need for sampling- Simple random, stratified random, multi-stage and systematic
sampling methods, choice, use and limitations of alternative methods, selection of sample
size.
3.3 Methods of data collection- Questionnaire, Interview, observation and Interview Schedule.

Unit 4 Basic Econometrics
4.1 Classical Regression Model- Assumptions, Simple and multiple regression models-
Ordinary least square method of estimation properties.
4.2 Testing of Hypothesis related to Regression Parameters- Interpretation of Results.

References:
5. M.N. Murthy: Survey Methods
Learning Objectives

1) To introduce students to existing trade theories based on comparative advantage and factor endowment.
2) To introduce students with complementary trade theories.
3) To make students aware with trade restrictions and its effects.
4) To make students aware the theory of custom union.

Learning Outcomes

After study of this paper, students will become well aware with the major portion of the subject matter of International Economics. The study of the theories of international trade will provide them the theoretical background of the basis for and the gains from international trade. The study of complementary theories will support them in understanding the real situations of trade possibilities. The chapter on trade policies will be helpful to them in understanding the trade barriers like tariff, quota and the measures of new protectionism. The theories of custom union will shade a light on the forms of and the effect of custom union.

Unit 1  International Trade Theories based on Comparative Advantage:


Unit 2  New and Complementary Trade Theories:

2.1 Introduction, Economies of Scale and International Trade, Imperfect Competition and International Trade, Trade Based on Dynamic Technological Differences.

2.2 Costs of Transportation, Environmental Standards, and International Trade, Effect of Change in Factor Endowment on production frontier and the Rybczynski Theorem.

Unit 3  International Trade Policies:

3.1 Introduction to Tariff barriers of trade, Partial Equilibrium Analysis of Tariff, Theory of Tariff Structure: The rate of effective protection, General Equilibrium Analysis of a tariff in a small country and in large country.
3.2 The Stolper-Samuelson Theorem, Optimum Tariff, Nontariff Trade Barriers- Import Quotas and Other non tariff barriers.

**Unit 4 Economic Integration:**

4.1 Introduction, Trade Creating Custom Union, Trade Diverting Custom Union, The theory of the Second Best and other static welfare effects of custom union.

4.2 Dynamic benefit of Custom Union, History of Attempts at Economic Integration.

**Suggested Readings:**


Indian Economy

Objectives: to understand how Indian economy play important role in development process.

Outcomes: student will figure out the economy of India and effect of policies on Indian economy.

Unit 1  Framework of Indian Economy

1.1 Economic policy: An Introduction, Meaning, importance
   National income: Trends and Structure of National Income
   Demographic features and indicators of Economic Development & Growth,
1.2 Rural - Urban migration, Indian population policy.
   Poverty and inequality, Nature, policy & implications.

Unit 2  Economic Policy And Infrastructure Development

2.1 Energy and Transport, Social Infrastructure - Education and Health .
   Issues and policies in financing infrastructure Development .
2.2 Indian Financial System – Money Market and Monetary Policy – financial Sector Reforms,
   Review of Monetary Policy of R.B.I.,Capital Market in India

Unit 3  Money Supply, Inflation and Public Policies

3.1 Factors determining interest rates.Money supply and inflation in India,Financial sector reforms during 1990’s. recent tax reforms,Growth and structure of subsidies in India.
3.2 Macro-economic policies – fiscal policy, income policy and stabilization policy.
   -Parallel economy and its implications.

Unit 4  India and the World

4.1 India and WTO - Indian agriculture, Indian industry and foreign trade agreements,
   IPRS, TRIPS, TRIMS, GATS and New EXIM policy
4.2 India and SAARC—issues and recent developments; India and ASEAN—prospects for India; Indo-China economic cooperation.
Suggested Readings:

Objectives: to understand role of politics in economy.

Outcome: student will be known about the various thought related to political economists.

Unit 1 - Ancient and Medieval Economic Thought
1.1 Economic ideas of Greek writers — Plato and Aristotle; Plato’s origin of state, division of labour;
1.2 Scope and classification of Aristotle’s economic thought; Mercantilism—rise of mercantilism, balance of trade doctrine, specie flow mechanism;
1.3 Physiocracy—rise of Physiocracy, natural order, net product, Quesnay’s Tableau Economique, functions of state.

Unit 2 - Classical Economic thought
2.1 Adam Smith—Division of labour, theory of value, doctrine of lassize faire, classes of society and their interests;
2.2 David Ricardo—theory of value, theory of distribution, views on machinery;
Malthus—theory of gluts, theory of population.

Unit 3 - The Restatements of Classical Thought
3.1 J.B. Say—scope of political economy, refinement of Smiths theories;
3.2 J.S.Mill—the principles of political economy, theory of value, lassize faire and protection, Mill on socialism;
3.3 Nassau Senior’s—social orientation, four propositions, views on utility and gluts;
Bentham’s social reforms.

Unit 4 - Indian Economic Thought Ancient economic thought;
4.3 Emergence of modern Indian economic thought;
4.4 Dadabhai Naroji’s economic ideas—Drain theory; Ghandian economic thought,
4.5 4.3 relevance of Ghandian economics in 21st century;
4.6 Economic ideas of Amartya Sen—the materials of justice—lives, freedoms, happiness, wellbeing and capabilities; Equality and Liberty—Gist.
**Suggested Readings:**

Objective of the course: In the contemporary world with globalization and liberalization more and more attention is being given to industry. This course intends to provide knowledge to the students on the basic issues such as productivity, efficiency, capacity utilization and debates involved in the industrial development of India. The objective is to provide a thorough knowledge about the economics of industry in a cogent and analytical manner, particularly in the Indian context.

Outcome of the course: student will be known the role of industry in Indian economy and issues related to industrialization.

Unit 1 Framework and Problems of Industrial Economics
1.1 Concept and organization of a firm — ownership, control and objectives of the firm;
1.2 Passive and active behaviour of the firm

Unit 2 Market Performance
2.1 Growth of the firm — Size and growth of a firm; Growth and profitability of the firm;
2.2 Constraints on growth; Productivity, efficiency and capacity utilization — Concept and measurement, Indian situation

Unit 3 Indian Industrial Growth and Pattern
3.1 Classification of industries; Industrial policy in India — Role of Public and private sectors;
3.2 Recent trends in Indian industrial growth; MNCs and transfer of technology; Liberalization and privatization;
3.3 Regional industrial growth in India; Industrial economic concentration and remedial measures; Issues in industrial proliferation and environmental preservation; Pollution control policies

Unit 4 Industrial Finance
4.1 Owned, external and other components of funds; Role, nature, volume and types of institutional finance — IDBI, IFCI, SFCs, SIDC, commercial banks, etc.;
4.2 Financial statement — Balance sheet, Profit and loss account; assessment of financial soundness, ratio analysis.
Suggested Readings:


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