Master of Art in Economics (Previous)
Syllabus
Session – 2013-14

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(Note: 20 Marks for internal Assignment to Each Paper)

OPEC101  Paper I - Micro Economic Analysis

Unit I
Demand Analysis - I
Concept of cardinal and ordinal utility, Indifference curve, Income, Substitution and price effects. Slutasky Theorem, Revision of Demand theory by Hicks, Revealed preference theory. Recent developments in demand theory. Linear expenditure system. Consumer’s choice involving risk. Elasticities of demand price, Income, Substitution and cross Indirect utility function. The constant elasticity of demand function, The Dynamic Demand function, Emperical demand function. Linear demand function.

Unit II
Theory of Production
Unit III
Theory of Costs

Unit V
Marginal Analysis
Baumol’s sales maximisation model, Williamson’s model of managerial discretion, Morries model of managerial enterprise.

Unit VI
Market Structure

OPEC102  Paper II - Macro Economic Analysis

Unit I
Supply of Money- Concept of money supply, A mechanistic model of bank deposit determination, A demand – determined money supply process. RBI approach to money supply, High powerd money and money multiplier, Budget deficit and money supply, money supply and open economy, control of money supply. Demand for Money- Classical approach to demand for money – Quantity theory approach – Fisher’s equation, Cambridge quantity theory, keyne’s liquidity preference approach, aggregate demand for money, derivation of LM curve.

Unit II
Keynsian and Post - Keynsian demad for money Keynesian views on Interest. IS and LM model extension of IS LM model with government sector; relative effectiveness of monetary and fiscal policy; post keynsian approaches to demand for money, Patinkin and the Rear Balance Effect, Approaches of Baumol, Tobin Frideman and the modern quantity theory.
Unit III
Macro Economics in an open economy Mundell – Fleming model, Philips curve analysis, trade of between inflation and unemployment.
National income accounting- Circular flow of income in two, three and four sector economics Different forms of national income accounting, issues in national income accounting.

Unit IV

Unit V
Theories of inflation and Business cycles - Classical, Keynesian, monetarist, structuralist’s theories of inflation. Schumpter, Kaldor, Samuelson, Hicks and Goodwin’s model, control of business cycles.

OPEO103A Paper III - Agricultural Economics

Unit I
Agriculture and economic development and Agricultural Growth in India - Role of agriculture in economic development, Difference between agriculture and industry. Interrelationship between agriculture and industry. Nature of agricultural business, Agricultural development and poverty, environment and Employment. Growth of agricultural output, Role of public investment in Indian agriculture, Sustainable agriculture, government strategy for agricultural development in India. Supply and role of inputs in agricultural production.

Unit II
Land Reforms and Agricultural Production
Types of farm organization, principle of land utilization, tenancy and crop sharing – forms. Green revolution, land reforms measures and performance traditional and modern agriculture, problems of small and marginal farmers. Agricultural production, factor combination and resource substitution, resource use and efficiency, production function analysis in agriculture, size of farm and law of returns. Agricultural inputs on shifts in production function.

Unit III
Agricultural Productivity and Agricultural Finance
Concept of cost, farm budgeting, response of individual and aggregate supply, Regional disparities in Indian agriculture. Regional variation in agricultural productivity. Resource use efficiency in traditional agriculture, cropping pattern. Role of capital and rural credit. Rural saving and capital formation, Characteristics and sources of rural credit. Role of co-oprative, credit, RRBs, NABARD, Commercial banks, SBI in agricultural finance.

Unit IV
Agricultural prices and Market
Market structure, functions, cost, Regulated markets; marketed and marketable surplus. State policy for market, Behaviour of agricultural prices, Cob-web model, Role of state intervention, objectives of price policy, Food security in India, PDS, crop insurance.

Unit V
Agriculture and external sector
Role of international trade in agricultural development, impact of WTO on Indian agriculture, Role and impact of MNCs on Indian agriculture, Impact of globalization on Indian agriculture.

OPEO103B Paper III - International Economics

Unit I

Unit II
Role of Dynamic factors and Infra - industry Trade - Role of Dynamic factors i.e. change in tastes, technology and factor endoments in explaining emergence of trade, the Rybezyniski theorem – concept and policy, implication of immiserizing growth. Causes of emergency and measurement of Infra-industry trade and its impact on economic development, models of Infra-industry under imperfect competition and oligopoly. The rational of tariffs, quotas, and subsidies, infant industry argument, optimum tariff rate, effective rate of protection.
Unit - III
Gains from trade and Terms of Trade - Measurement of gains from trade and their distribution, concept of terms of trade, its uses and limitations, trade as a engine of economic growth, different concepts of terms of trade, factors affecting terms of trade, production possibility curve, community indifference curve, offer curve, determination of international equilibrium.

Unit - IV
The theory of Regional Blocks - Forms of economic co-operation. The theory of customs union and free trade areas. Rational economic progress of ASEAN, SAARC and NAFTA regions. Problems of forming a custom’s union in the Asian region. Regionalism, multilateralism and WTO.

Unit - V
The International Monetary System and Trade policies and International debts of India - India and developing countries. Long term and short term international capital movements and East-Asian crisis. International trade and financial institution functions of W.T.O., IMF, IBRD and ADB. Trade problems and polices in India during Five year plans. Recent changes in the direction and composition of trade and its implications. Rational impact of trade reforms on BOP, employment and growth. Problems of India’s international debt. Instruments of export promotion and recent import and export policies.

OPEO103C Paper III - Financial Institutions and Markets

Unit I

Unit II
Banks and Securities Market - Role of Commercial Banks, functions of Commercial Banks, credit creation as a function of Commercial Banks. Role of Central Bank, functions of Central Bank, credit control policy of Central Bank. RBI’s recent monetary and credit policy. Structure and types of Indian stock market. Functions and organization of SEBI.
Unit III
Monetary Policy and Financial Market - The aims and Objectives of Monetary policy, Instruments of Monetary Policy. Effectiveness of Monetary Policy. Role and structure of money and capital market, call money market, Treasury bill market and commercial bill market. Discount market, Impact on working of capital market in India.

Unit IV
Structure of Interest Rate - Theories of Interest rate, Types of Interest rate, Appropriate interest rate policy.

Unit V
International Financial Market
Nature and organization of participants, exchange rate, devaluation and depression. Working of floating exchange rate since 1973, Role of IMF, IBRD, IDA, IFC, ADB and India Euro currency market development, role and regulation

OPEO104A Paper IV - Industrial Economics

Unit I

Unit II
Theories of Industrial Location Factors affecting location, Weber and Sargent, Florance’s theories of location. Theories and empirical evidence on mergers and acquisitions and diversification. Small scale Industries - Role of small scale industries in economic development, Growth of small scale industries during the five year plans. Problems and policy measures by the government.

Unit III

Unit IV
Indian Industrial Growth and Pattern - Recent trends in industrial growth in India (1991-2001). Industrial policy of India, Role of public and private sectors in India. Effects of liberalization and privatization on industrial development in India. Role of MNCs in
industrial development. Regional industrial growth, its industrial and economic concentration and remedial measures. Industrial productivity, regional disparities.

Unit V
Industrial Finance
Types of finance. Role, nature and volume of industrial finance IDBI, IFCI, EXIM Bank; ICICI, SFCS, SICD and Commercial Banks.

**OPEO104B Paper IV - Mathematical Economics**

Unit I
Simple calculus and its Applications
Concept of function, Types of functions, concept of derivatives, Rules of differentiation, partial derivatives, Rules of partial differentiation. Maxima and Minima in single and multi variable functions.

Unit II
Theory of Consumer Behaviour - Demand function, Ordinal utility maximization, Slutsky equation, income, substitution and price effects, concept of elasticity and its applications. Additive utility function, indirect utility function, consumer’s surplus, linear expenditure system. Theory of Distribution - Euler’s theorem, Recardian theory of distribution, Marxian theory of distribution; Kaldor’s model of distribution; Consumption function, static and dynamic multiplier, Acceleration principle.

Unit III
Theory of production and Market Structure - Homogenous and non-homogenous production function, short and long run production function, Cobb-Douglas production function, CES production function and its properties. Types of various markets - Price and output determination in perfect competition, monopoly, monopolistic competition, duopoly, oligopoly monopoly and bilateral monopoly. Market Equilibrium - Single and two-commodity market model, lagged market equilibrium, multi-market equilibrium, general equilibrium, system of Walras conditions of equilibrium.

Unit IV
Theory of Cost and Theory of Firm
Cost function, simple derivation of short run cost function, modern theory of cost, relation between AC and MC in short period. Producer equilibrium, Technical progress and production function, multiproduct firm. Production possibility curve, factor substitution, marginal rate of technical substitution (MRTS), profit maximization of a multi product firm.
Unit V
Input – Output Analysis
Open and closed system, Leontief’s dynamic model, static model, applications of input -output analysis. Linear programming - Basic concept of linear programming problem (LPP), solution of LP problem by graphical and simplex method; primal and dual problem, application LP in economics. Game Theory - Concept of Game, Two person zero sum game, pure and mixed strategy. Pay of matrix, maximum and minimum solution, saddle point solution.

Basic Reading List


Hanson, P.T. and S. Kathuria (Eds.), (1999), India: A financial Sector for the Twenty-first Century, Oxford University Press, New Delhi.
Reserve Bank of India, Report on Currency and Finance (annual).
Arrow, K.J. and M. Intriligator (Eds. (1972)), Handbook of Mathematical Economics, Volumes I, II and III, North Holland, Amsterdam.