

**SWAMI RAMANAND TEERTH MARATHWADA
UNIVERSITY, NANDED**
New Syllabus of Economics
Semester Pattern
Effective from – June-2013

M.A. First Year – Semester-I

Paper No.	Name of Paper
Paper-I	Micro Economic Analysis (Compulsory)
Paper-II	Macro Economic Analysis (Compulsory)
Paper-III	International Economics (Opt.) OR Agricultural Economics (Opt.)
Paper-IV	Mathematical Economics (Opt.) OR Industrial Economics (Opt.)

M.A. First Year – Semester-II

Paper No.	Name of Paper
Paper-V	Micro Economic Analysis (Compulsory)
Paper-VI	Macro Economic Analysis (Compulsory)
Paper-VII	International Economics (Opt.) OR Agricultural Economics (Opt.)
Paper-VIII	Mathematical Economics (Opt.) OR Industrial Economics (Opt.)

M.A. Semester -I
Paper-I (Compulsory)
MICRO ECONOMIC ANALYSIS

1. Introduction and Basic Concepts

Basic Economic Problem- Choice and Scarcity; Deductive and Inductive Methods of Analysis; Positive and Normative Economics; Economic Models; Characteristics of Equilibrium and Disequilibrium Systems.

2. Demand Analysis;

Theories of demand — indifference curve (income, substitution and price effects), Slutsky theorem, compensated demand curve and their applications; Revealed preference theory; Revision of demand theory by Hicks; Characteristics of goods approach; consumer's choice Involving risk; Recent developments in demand analysis-pragmatic approach and linear expenditure systems; Consumer's surplus.

3. Theory of Production and Costs

Production function — short period and long period; law of variable proportions and returns to scale; Isoquants — Least cost combination of inputs; Economies of scale; Multi-product firm; Euler's theorem; Technical progress and production function; Cobb-Douglas, CES production functions and their properties; Traditional and modern theories of costs — Empirical evidence; Derivation of cost functions from production functions.

4. Price and Output Determination

Perfect competition — short run and long run equilibrium of the firm and industry, Monopoly — short run and long run equilibrium, price discriminating monopoly, welfare aspects of monopoly, Monopolistic competition — equilibrium of the firm and the group with product differentiation and selling costs, excess capacity under monopolistic 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.

M.A. Semester -II
Paper-V (Compulsory)
MICRO ECONOMIC ANALYSIS

1. Alternative Theories of the Firm

Critical evaluation of marginal analysis; Baumol's sales revenue maximization model; Williamson's model of managerial discretion; Marris model of managerial enterprise; Full cost pricing rule; Bain's limit pricing theory and its recent developments including Sylos-Labini's model; Behavioural model of the firm.

2. Distribution

Neo-classical approach — Marginal productivity theory; Product exhaustion theorem; Elasticity of technical substitution, technical progress and factor shares; Determination of rent, wages, interest and profit (modern theories); Macro theories of distribution — Ricardian, Marxian, Kalecki and Kaldor.

3. Welfare Economics

Pigovian welfare economics; Pareto optimal conditions; Value judgement; Social welfare function; Compensation principle; Theory of Second Best— Arrow's impossibility theorem; Rawl's theory of justice, equity-efficiency trade off.

4. General Equilibrium

Partial and general equilibrium, Walrasian excess demand and input-output approaches to general equilibrium, existence, stability and uniqueness of equilibrium and general equilibrium, Production without consumption — two sector model, relationship between relative commodity and factor prices (Stolper-Samuelson theorem), effect of changes in factor supply in closed economy (Rybczynski theorem).

References:

- Kreps, David M. (1990), A Course in Microeconomic Theory, Princeton University Press, Princeton.
- Koutsoyiannis, A. (1979), Modern Microeconomics, (2nd Edition), Macmillan Press, London.
- Layard, P.R.G. and A.W. Walters (1978), Microeconomic Theory, McGraw Hill, New York.
- Sen, A. (1999), Microeconomics: Theory and Applications, Oxford University Press, New Delhi.
- Stigler, G. (1996), Theory of Price, (4th Edition), Prentice Hall of India, New Delhi.
- Varian, H. (2000), Microeconomic Analysis, W.W. Norton, New York.
- Henderson, J.M. and R.E. Quandt (1980), Microeconomic Theory : A Mathematical Approach, McGraw Hill, New Delhi.
- Hirshleifer, J. and A. Glazer (1997), Price Theory and Applications, Prentice Hall of India, New Delhi.
- Graff, J. De V. (1957), Theoretical Welfare Economics, Cambridge University Press, Cambridge
- Mishan, E.J. (1969), Welfare Economics : An Assessment, North Holland, Amsterdam.
- Da Costa, G.C. (1980), Production, Prices and Distribution, Tata McGraw Hill, New Delhi.
- Green, H. and V. Walsh (1975), Classical and Neo-Classical Theories of General Equilibrium, Oxford University Press, London.
- Borch, K.H. (1968), The Economics of Uncertainty, Princeton University Press, Princeton.
- Diamond and Rothschild (Eds.) (1978), Uncertainty in Economics, Academic Press, New York.
- Hirshleifer, J. and A. Glazer (1997), Price Theory and Applications, Prentice Hall of India, New Delhi.
- Robert S. Pindyck, Daniel L. Rubinfeld, Prem L. Mehta (2009), Microeconomics (Seventh Edition), Pearson, New Delhi.

Macroeconomic Analysis I

1. Basic concepts:

Meaning of macroeconomics; macroeconomic variables; stocks and flows; Macroeconomic equilibrium, flow equilibrium, stock equilibrium, full equilibrium. Aggregate Demand and Supply; theme of supply side economics; Review of GNP component.

2. Consumption Function

Keynes' psychological law of consumption; short and long run consumption function; Income- consumption relations- Relative Income Hypothesis, Life- Cycle Hypothesis, Permanent Income Hypothesis, Consumption and uncertainty – random walk.

3. Investment Function

Marginal efficiency of capital- Keynesian Theory; The Accelerator Theory and investment behavior; Investment Multiplier; The Neo-classical theory of Investment; Decisions under Uncertainty.

4. Keynesian and Neo- Classical Synthesis

Classical system- Walras' law and Say's Identity; Keynesian system- product market and Money Market; The IS-LM Model, Relative Effectiveness of Monetary and Fiscal Policies; Budget adjustment and taxes; Balanced budget multiplier.

Macroeconomic Analysis II

1. Demand and Supply of Money

Classical quantity theory approach to demand for Money (Fisher and Cambridge equations), Keynes's liquidity preference theory, Friedman's restatement theory of money demand; Inventory theoretic approach (Baumol), Tobin's portfolio balance approach; High powered Money and Money Multiplier, budget deficits and money supply.

2. Theories of Inflation

Classical and Keynesian theory of Inflation; Monetarist approach; The Philips Curve, Philips curve and price expectation- Friedman; Natural rate of unemployment hypothesis, Tobin's Modified Philips curve, Okun's Law.

3. Role of Expectations

Keynes's treatment of expectation; rational expectation hypothesis, Expectations and wage contracts, output and employment fluctuations; Hicks-Samulason Multiplier- Accelerator models of business cycles, Schumpeter, Kaldar and Goodwin's Model of business cycles, Control of business cycles. Theme of information economics.

4. Macroeconomics in an Open Economy

National income accounting in an open economy, income determination; balance of payment and exchange rate, Mundell- Fleming Model under fixed and floating exchange rates.

References:

- Branson, W.A. (1989), *Macroeconomic Theory and Policy*, (3rd Edition), Harper and Row, New York.
- Hall, R.E. and J.B. Taylor (1986), *Macroeconomics*, W.W. Norton, New York.
- Romer, D.L. (1996), *Advanced Macroeconomics*, McGraw Hill Company Ltd., New York.
- Barro and Sala-i-Martin : *Growth Economics*, Prentice Hall
- Levacic, R and A. Rebman (1986) – *Macroeconomics*; (2nd Ed, Macmillan).
- Mueller, M.G. (1966), *Readings in Macroeconomics*, Holt Rinehart and Winston, New York.
- Patinkin, D. (1965), *Money, Interest and Prices*, Harper and Row, New York.
- Lucas, R. (1981), *Studies in Business Cycle Theory*, M.I.T. Press, Cambridge, Massachusetts.
- Taylor, L. (1983), *Structuralist Macroeconomics*, Basic Books, New Longman.
- Begg (1982) - *The Rational Expectations Revolution*.
- Sheffrin, S.M.(1996), *Rational Expectations*, Cambridge University Press, Cambridge.
- Plosser, C. (1989): *Understanding Real Business Cycles* in *Journal of Economic Perspectives* (Summer).

International Economics I

1. Theories of International Trade

Production possibility frontier, relative demand, supply, prices; Ricardian Model, Heckschr- Ohlin trade theory; Leontief paradox; theorem of factor price equalization, Rybczynski effect; Kenen's Theory of Human capital.

2. Intra-Industry Trade

Intra-industry trade- causes and effects; Economies of Scale and trade under monopolistic competition; the international location of production, firms in the global economy- outsourcing and Multinational enterprises; International Labor and Capital Mobility.

3. Measurement of Gains

Offer Curves, Community indifference curve; measurement of gains from trade and their distribution; concept of terms of trade- uses and limitations; Hypothesis of Secular deterioration of terms of trade, Immiserizing Growth; Trade as an engine of growth.

4. Theory of Interventions

Partial equilibrium and general equilibrium; economic effects of tariffs and quotas on National Income, Output, Employment, Terms of Trade, Income distribution; the political economy of non-tariff barriers and their implications; Nominal, effective and optimum rates of tariffs.

International Economics II

1. Balance of Payments (BoP)

Structure of BoP accounts, equilibrium and disequilibrium in the BoP; the Monetary Approach to BoP, Monetary and Fiscal Policies under alternative exchange rate regimes (Mundell- Fleming Model), Foreign Exchange Market- spot and forward rates; Hedging and Speculation; Effects of exchange rate changes on domestic prices and terms of trade.

2. The International Institutions

The rise and fall of Bretton-woods system, International Monetary Fund(IMF), World Bank (WB), Asian Development Bank(ADB) Multilateralism and World Trade Organization- TRIPS, TRIMS, Trade in Services, Doha Round of world trade negotiations; India's stand on various issues in world trade negotiation.

3. Theory of Regional Blocks

Forms of economic co-operation, trade creation and trade diversion, static and dynamic effects; Rational and economic progress of SAARC and ASEAN, problems in forming of custom union in South Asia, Euro zone crisis.

4. Trade and Indian Economy

Overview of trade problems and trade policies in India during last six decades; New Trade Policy of 2009-14; Recent changes in the direction and composition of trade and their implications; impact of trade reforms on Balance of Payment; India's foreign exchange rate policy and exchange rate management.

References:

1. Appleyard, A. Field, S.L. Cobb (1992), International Economics, McGraw-Hill Irwin.
2. Bhagwati, J. (Ed.) (1981), International Trade, Selected Readings, Cambridge, University Press, Massachusetts.
3. Balassa, B. (1962), The Theory of Economic Integration, George Allen & Unwin Ltd., London.
4. Chacholiades, M. (1990), International Trade : Theory and Policy, McGraw Hill, Kogakusha, Japan.
5. Corden, W.M. (1974), Trade Policy and Economic Welfare, Clarendon Press, Oxford.
6. Kenen, P.B. (1994), The International Economy, Cambridge University Press, London.
7. Kindleberger, C.P. (1973), International Economics, R.D. Irwin, Homewood.
8. Krugman, P.R. and M. Obstfeld (8th Edition), International Economics, Pearson.
9. Roy, P.N. (1986), International Trade: Theory and Practice, New Age International Publishers, New Delhi.
10. Salvatore, D. (8th Edition), International Economics, Wiley India.
11. Soderston & Reed (1994), International Economics, The Macmillan Press Ltd., London.
12. Uma Kapila (10th Edition), Indian Economy- Performance and Policies, Academic Foundation, New Delhi.

Agricultural Economics I

1. AGRICULTURE AND ECONOMIC DEVELOPMENT

- 1.1 Meaning, nature and scope of agricultural economics
- 1.2 Traditional agriculture and its modernization
- 1.3 Interdependence between agriculture and industry
- 1.4 Role of agriculture in economic development
- 1.5 Poverty and Environment

2 DIVERSIFICATION OF RURAL ECONOMIC ACTIVITIES

- 2.1 Livestock economics – Livestock resources and their productivity
- 2.2 Problems of marketing, White revolution, Fishery and poultry development; Forestry; Horticulture and Floriculture
- 2.3 Issues and problems in rural industrialization.
- 2.4 Rural infrastructure: Progress and Problems - Water, energy, transport, communication, banking and electrification

3. AGRICULTURAL PRODUCTION AND PRODUCTIVITY

- 3.1 Agricultural production – Resource and efficiency in traditional agriculture, Production function analysis in agriculture, factor combination and resource substitution, cost and supply curves.
- 3.2 Size of farm and laws of returns – Theoretical and empirical findings
- 3.3 Farm budgeting and cost concepts, supply response of individual crops and aggregate supply
- 3.4 Technical change and agricultural productivity

4. LAND REFORMS AND LAND POLICY:

- 4.1 Principles of land utilization, land distribution – structure and trends, land values and rent.
- 4.2 Land tenures and farming systems – Peasant, Capitalist, Collective, State and Contract farming
- 4.3 Tenancy and crop sharing – forms, incidence and effects.
- 4.4 Land reform measures and performance, Women and land reforms, Problems of marginal and small farmers.

M.A. Semester -II
Paper-VII (Optional)
Agricultural Economics II

1. RURAL LABOUR MARKET

- 1.1 Rural labour supply, interlocking of factor markets, mobility of labour and segmentation in labour markets
- 1.2 Marginalization of rural labour, nature, extent and trends in rural unemployment
- 1.3 Agricultural wages in India, male-female wage differences
- 1.4 Non-agricultural rural employment, trends and determinants.

2. RURAL FINANCE

- 2.1 Role of capital and rural credit, organized and unorganized capital markets
- 2.2 Rural savings and capital formation,
- 2.3 Characteristics and sources of rural credit – institutional and non-institutional
- 2.4 Reorganization of rural credit – co-operatives, commercial banks, regional rural banks, micro finance, Role of NABARD.

2. AGRICULTURAL PRICES AND POLICY

- 3.1 Marketing and state policy: Agricultural market and marketing efficiency – Marketing functions and costs; Market structure and imperfections, regulated markets, marketed and marketable surplus
- 3.2 Behaviour of agricultural prices, Cobweb model, price and income stability
- 3.3 State policy with respect to agricultural marketing, warehousing prices, taxation and crop insurance
- 3.4 Terms of trade between agricultural and non-agricultural sectors, need of state intervention, objectives of agricultural price policy – instruments and evaluation, Commission for Agricultural Costs and Prices (CACP)

4. AGRICULTURAL GROWTH IN INDIA

- 4.1 Recent trends in agricultural growth in India: Inter-regional variations in growth of output and productivity, Shifts in cropping pattern, Theme of Agro-Tourism.
- 4.2 Supply of inputs – irrigation, power, seed and fertilizers, pricing of inputs and role of subsidies
- 4.3 Distribution of gains from technological change, strategy of agricultural development and technological progress, sustainable agriculture.
- 4.4 Role of public investment and capital formation in Indian agriculture

BASIC READING LIST

1. Agriculture in Economic Development (1964), Carl Eicher and Lawrence wit, McGraw Hill Book Company, New York
2. Bilgram, S.A.R,(1966), Agricultural Economics, Himalaya Pub. House, Delhi.
3. Ghatak S. and K. Ingerscent, (1964), Agriculture and Economic Development, Select Books, New Delhi
4. Raj K.N. (1988) Essays in Commercialization of Indian Agriculture, Oxford University Press, New Delhi
5. Thamarajalaxmi R. (1994), Intersectoral Relationship in Developing Economy, Academic Foundation, Delhi
6. Papola T.S. (1982), Rural Industrilization in India, Himalaya Pub. House, Delhi.
7. Sadhu A.N. & Singh Amarjit, Fundamentals of Agricultural Economics (1966), Himalaya Pub. House, Delhi.
8. Soni R.N.(1955), Leading Issues in Agricultural Economics, Arihant Press, Jalandhar
9. Wanmali S. and C. Ramasamy (Eds)(1995), Developing Rural Infrastructure, McMillan, New Delhi
10. Govt. of India, (1976), Report of National Commission on Agriculture, New Delhi
11. Memoria C. B., Agricultural Problems of India
12. Lekhi R.K., Agricultural Problems in India
13. Datt and Sundaram (2008), Indian Economy, S.Chand & Company, New Delhi
14. Mishra & Puri, (2008), Himalaya Publishing House, New Delhi
15. Vaidhanathan, A. (1995), The Indian Economy: Crisis, Response and Prospects, Orient Longmans, New Delhi.
16. John W. Penson, Oral Capps, C.Parr Rosson, (1999), Introduction to Agricultural Economics, Prentice Hall, New Jersey.
17. Agrawal A.N. & Kundan K.L. Agricultural Problems of India, Vikas Pub. House, New Delhi
18. Khusro A.M. (1968) Leading issues in Agricultural Development, Allied Publishers, Bombay

MATHEMATICAL ECONOMICS

1. Quantitative Methods

Variables, constants and parameters; Simple functional relationship and their graphs; Elementary ideas of differential and integral calculus; Matrix and determinants; Solution of simultaneous equations; Quadratic equations; differential equations.

2. Theory of Consumer Behaviour

Cardinal and ordinal utility; Ordinal utility maximization; Slutsky equation, compensated demand functions, income, substitution, and price effects; Concept of elasticities — generalizations to n variable case; Separable and additive utility functions; indirect utility functions; duality theorem; consumer's surplus; Linear expenditure systems.

3. Theory of Production

Production function — homogeneous and non-homogeneous; Properties of Cobb-Douglas production function; CES; Simple derivation of short and long run cost functions; Analysis of joint profit maximization and multi-product firm; Production possibility curve; Empirical uses of production function analysis.

4. Price Determination

Price determination in perfect competition, monopoly, monopolistic competition, duopoly, oligopoly and monopsony; Bilateral monopoly.

MATHEMATICAL ECONOMICS

1. Market Equilibrium

Single market equilibrium — Marshallian and Walrasian equilibrium conditions; Lagged market equilibrium; Multi-market equilibrium — General equilibrium systems of Walras.

2. Determination of Income and Growth Models

Classical and Keynesian macro system; Static and dynamic multiplier; Determinants of investment; Accelerator; Trade cycle model of Samuelson and Hicks. Consumption Function.

Harrod problem; Neoclassical model of growth; Solow and Meade growth models with technical progress; Optimal growth; and golden rule of accumulation; Endogenous growth.

3. Game Theory and Input-output Analysis

Concept of game — Two-person zero-sum game, Pay-off matrix, pure and mixed strategies, Maximin and minimax solutions, Saddle point solution; Non-constant sum game; Prisoner's dilemma;

4. Linear Programming

Linear programming — Primal and dual problem, Simplex method ; applications of linear programming in economics;

Input-output analysis — Open and closed systems, Hawkins-Simon conditions; Leontief's dynamic system.

Reading List- (Mathematical Economics)

- Allen, R.G.D. (1974), Mathematical Analysis for Economists, Macmillan Press and ELBS, London.
- Chiang, A.C. (1986), Fundamental Methods of Mathematical Economics, McGraw Hill, New York.
- Arrow, K.J. and M. Intrilligator (Eds.) (1982), Handbook of Mathematical Economics, Volumes I, II and III, North Holland, Amsterdam.
- Henderson, J.M. and R.E. Quandt (1980), Microeconomic Theory : A Mathematical Approach, McGraw Hill, New Delhi.
- Jha, R. (1991), Contemporary Macroeconomic Theory and Policy, Wiley Eastern Ltd., New Delhi.
- Kothari, C.R. (1992), An Introduction to Operations Research, Vikas Publishing House, New Delhi.

Industrial Economics I

1. Framework of Industrial Economics:

Industrial Economics - Meaning, Scope and Significance. Types of a firm- control & Features of the firm. Industrial Combinations- causes, mergers and amalgamations, Industrial Monopoly & control of monopolies.

2. Market Structure:

Market structure and profitability; Market structure and innovation; Economies of scale; Theories of Industrial location- Weber and Sargent Florence; Factors affecting location.

3. Industrial Productivity and Efficiency:

Concept and measurement of Industrial productivity; Efficiency and capacity utilization in Indian situation. Factors affecting productivity; Importance of productivity in the competitive market; Measures for improving productivity and efficiency; Risk Management- Insurance; Non- conventional energy sources.

4. Indian Industrial Growth and Pattern:

Industrial policies of India since 1991; Role of public and private sectors; Recent trends in Indian industrial growth (since 1991) ; Effects of liberalization and privatization on industrial growth; Regional industrial growth in India; Industrial economic concentration and remedial measures; Issues in industrial proliferation and environmental preservation; Pollution control policies in India.

Industrial Economics II

1. Industrial Finance:

Meaning, scope and importance of industrial finance;
Sources of industrial finance- Capital Market- Shares and debentures,
Financial Institutions- IFCI, SIDBI, Commercial Banks, External
commercial borrowings, EXIM Bank; Special concessions by financial
institutions to women and differently able people

2. Foreign Investment:

Meaning and Need of foreign investment; Foreign institutional
investment, Foreign Direct Investment; TRIMS; Role of Multi
National Corporations in India.

3. Performance and Problems Selected industries:

**Performance and Problems of Cotton and Textile, Sugar, Iron and
steel, and Engineering goods industries.** Meaning and features of Small
Scale Industries; Growth of Small Scale Industries during five year
plan; Problems of small scale industries and policy measures by the
government; Need and growth of agro based Small Scale Industries in
India.

4. Industrial Labour :

Structure of industrial labor in India; Employment dimensions of
Indian industry; sources of skilled labor supply; outsourcing and
globalization; International Labor Mobility; Role of collective
bargaining in wage determination ; Labor market reforms in India.

References:

- Ahluwalia I.J. (1985), Industrial growth in India, Oxford University Press, New Delhi.
- Barthwal, R.R. (1992) Industrial Economics: An Introductory Text Book, Wiley Eastern Ltd. New Delhi.
- Cherunilam, F. (1994), Industrial Economics; Indian Perspective (3rd) Edition Himalaya publishing House, Mumbai.
- Clarkson, K. W. and R. Miller (1985), Industrial Organization; Theory Evidence and Public Policy, McGraw Hill Kogakusha, Tokyo.
- Desai, B. (1999), Industrial Economy in India (3rd) Edition, Himalaya publishing House, Mumbai.
- Divine, P. J. and R.M. Jones et.al.(1976) An Introduction To Industrial Economics, George Allen Unwin Ltd., London.
- Government of India , Economic Survey.(2012 & Other Annual)
- Government of India , XI th & XII th Five Year Plan.
- Kuchhal, S.C. (1980), Industrial Economy of India (5th) Edition, Chaitanya Publishing House, Allahabad.
- Mamoria and Mamoria (2000), Dynamics of Industrial Relations in India, Relince Publishing House, New Delhi.
- Naidu K.M. (1999) Industrialization and Regional Development in India, Relince Publishing House, New Delhi.
- Reserve Bank of India, Report on Currency and Finance (2013 & other Annual)
- Singh, A. and A.N. Sadhu (1988), Industrial Economics; Himalaya publishing House, Mumbai.