

**UNIVERSITY OF MUMBAI**  
**No. UG/22 of 2014**

**CIRCULAR:-**

The Principals of the affiliated Colleges in Arts and the Heads of recognized Institutions concerned are hereby informed that the recommendation made by the Faculty of Arts at its meeting held on 26<sup>th</sup> February, 2014 has been accepted by the Academic Council at its meeting held 4<sup>th</sup> March, 2014 **vide** item No. 4.17 and subsequently approved by the Management Council at its meeting held on 4<sup>th</sup> April, 2014 **vide** item No.8 and that in accordance therewith, in exercise of the powers conferred upon the Management Council under Section 54 (1) of the Maharashtra Universities Act, 1994 and the Ordinances 6124 and 6125 and the syllabus as per the Credit Based Semester and Grading System for the M.A Business Economics degree programme is introduced, which is available on the University's web site ([www.mu.ac.in](http://www.mu.ac.in)) and that the same has been brought into force with effect from the academic year 2014-15.

**MUMBAI – 400 032**  
**21st July, 2014**

**Sd/-**  
**REGISTRAR**

To,  
The Principals of the affiliated Colleges in Arts and the Heads of Recognized Institutions concerned.

**A.C/4.17/04.03.2014**  
**M.C/8/04.04.2014**

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No. UG/22-A of 2014

MUMBAI-400 032

21<sup>st</sup> July, 2014

**Copy forwarded with Compliments for information to:-**

- 1) The Dean, faculty of Arts,
- 2) The Professor-cum-Director, Institute of Distance & Open Learning (IDOL)
- 3) The Director, Board of College and University Development,
- 4) The Co-Ordinator, University Computerization Centre,
- 5) The Controller of Examinations.

**Sd/-**  
**Deputy Registrar**  
**Under Graduate Studies**

# UNIVERSITY OF MUMBAI



## **SYLLABUS FOR M.A. BUSINESS ECONOMICS**

### **SEMESTER - I & II at the M.A Part - I**

**(Credit Based Semester and Grading System with effect from the  
academic year 2014-2015)**

#### **FACULTY OF ARTS**

#### **A. ABOUT CREDIT SCHEME:**

- Total 96 credits for entire course ( 24 Credits per semester- 24\*4 semester = 96)
- Per paper 6 credits ( 6\*4 papers = 24 at each semester)
- Per paper 48 teaching hours during the semester
- Total 12 teaching hours per unit during the semester
- All papers have 4 units
- Total 4 teaching hours per week per paper

#### **B. SCHEME OF EXAMINATION:**

The performance of the learners shall be evaluated into two parts. The learner's performance shall be assessed by Internal Assessment with 40% marks in the first part by conducting the Semester End

Examinations with 60% marks in the second part. The allocation of marks for the Internal Assessment and Semester End Examinations are as shown below:-

**(i) Internal Assessment: 40 Marks (40%)**

Sr. No	Evaluation type	Marks
1	One Assignments/Case study/Project	10
2	One Periodical class Test	20
3	Active participation in routine class instructional deliveries(case studies/ seminars/Presentation)	05
4	Overall conduct as a responsible student, mannerism and articulation and exhibit of leadership qualities in organizing related academic actives	05

**(ii) External Theory examination: 60 Marks (60%)**

- **Duration –2 Hours** for each paper.
- There shall be four questions each of 15 marks. On each unit there will be one question and the fourth one will be based on entire syllabus.
- All questions shall be compulsory with internal choice within the questions.
- Questions may be subdivided into sub-questions a, b, c... and the allocation of marks depend on the weightage of the topic.

**C. COURSE & SYLLABUS FOR THE M.A.(By Papers) EXAMINATION IN BUSINESS ECONOMICS**

Under the M.A. (by papers) scheme, there are 2 groups, Business Economics student will have to compulsorily choose both. The student will have to study a total of 16 papers (Group I: 8 Papers and Group II: 8 Papers) in four semesters over the 2-years M.A. Business Economics degree course

**GROUP I – B. ECONOMICS- (COMPULSORY):**

**GROUP II - ELECTIVE PAPERS :- (OPTIONAL)**

Candidates opting for Business Economics at the M.A. degree course are required to select any two optional subjects at semester I & II in M.A. – Part I- and Semester III & IV in M.A. – Part II respectively.

**SYLLABUS FOR M.A. (BUSINESS ECONOMICS)  
PART – I & PART –II**

Under the **M.A. (BUSINESS ECONOMICS)** (by papers) scheme, there are 2 groups, student will have to compulsorily choose both. The student will have to study a total of 16 papers

**(GROUP-I: 4 PAPERS and GROUP- II: 12 PAPERS)** in four semesters over the 1-years **M.A. (BUSINESS ECONOMICS)** degree course.

**GROUP- I  
ECONOMICS- (COMPULSORY)  
GROUP- II  
ADVANCED ECONOMICS – (OPTIONAL)**

The students interested in pursuing **M.A. (BUSINESS ECONOMICS)** degree course are required to select any two optional subjects (of four papers each) from the following 6 optional subjects of Group II.

<b>CODE</b>	<b>SEMESTER-I</b>		<b>SEMESTER-II</b>
	<b>GROUP-I COMPULSORY PAPERS</b>		<b>GROUP-I COMPULSORY PAPERS</b>
<b>MABEC1</b>	MICRO ECONOMIC ANALYSIS	<b>MABEC3</b>	MICRO ECONOMIC ANALYSIS
<b>MABEC2</b>	MACRO ECONOMIC ANALYSIS	<b>MABEC4</b>	MACRO ECONOMIC ANALYSIS
<b>CODE</b>	<b>GROUP-II OPTIONAL PAPERS (CHOOSE ANY TWO)</b>		<b>GROUP-II OPTIONAL PAPERS (CHOOSE ANY TWO)</b>
<b>MABECO1</b>	ECONOMICS OF BANKING-I	<b>MABECO7</b>	ECONOMICS OF BANKING-II
<b>MABECO2</b>	ECONOMICS OF AGRICULTURE-I	<b>MABECO8</b>	ECONOMICS OF AGRICULTURE-II
<b>MABECO3</b>	ECONOMICS OF INSURANCE-I	<b>MABECO9</b>	ECONOMICS OF INSURANCE-II
<b>MABECO4</b>	STATISTICS FOR ECONOMICS-I	<b>MABECO10</b>	STATISTICS FOR ECONOMICS-II
<b>MABECO5</b>	RURAL ECONOMICS-I	<b>MABECO11</b>	RURAL ECONOMICS-II
<b>MABECO6</b>	ECONOMETRICS-I	<b>MABECO12</b>	ECONOMETRICS-II

# SYLLABUS FOR M.A. BUSINESS ECONOMICS (BY PAPERS) PART – I

## Compulsory Paper (Semester-I)

### MABEC1 MICRO ECONOMIC ANALYSIS - I

#### **Module 1: Introduction and Basic Concepts. (12)**

Basic Economic Problem- Choice and Scarcity- Consumer preferences, opportunity sets, optimum choices, indirect utility demand functions, income and substitution effects, Slutsky equation, normal versus inferior goods, types of demand functions, elasticity, welfare evaluation, consumer surplus, equivalent variation and compensating variation, revealed preference- Concept of Equilibrium: General Equilibrium v/s Partial Equilibrium -Walrasian theory of General Equilibrium

#### **Module 2: Production and Cost (12)**

Production functions, types of production functions- Marginal products, rate of technical substitution, technical progress, cost functions, average and marginal costs, short run versus long run costs, Economies of scale and scope, Profit maximization, Cost minimization, derivation of input demand- Short Run and Long Run Cost Curve.

#### **Module 3: Competition and Markets (12)**

Assumptions of perfect market, competitive markets – demand and supply, demand and supply curves of individual firms, short-run versus long-run, competitive market equilibrium, tax incidence analysis, price-controls and shortages- Market failure, imperfect markets – monopolistic competition and oligopoly, sources of monopoly power, monopoly market equilibrium, price discrimination – first, second and third degree, tax incidence

#### **Module 4: Micro economic theories (12)**

Pigou's theory of Welfare Economics – Conditions of Pareto Optimality – Bergson and Samuelson's Social Welfare Function – Arrow's Impossibility Theorem

#### **REFERENCES:**

- 1) Ahuja H. L., Advanced Economic Theory : Microeconomics Analysis, 13th Edition, S. Chand and Co. Ltd., New Delhi.
- 2) Baumol, W.J. (1982): Economic Theory and Operations Analysis, Prentice Hall of India, New Delhi.
- 3) Dewett K. K., Modern Economic Theory, S. Chand & Company Ltd., Revised Edition, 2005.
- 4) Koutsoyiannis, A. (1979): Modern Microeconomics, 2nd ed., Macmillan Press, London.
- 5) Kreps, David M (1990): A Course in Microeconomic Theory, Princeton University Press,

Princeton.

- 6) Sen, A. (1999): Microeconomics: Theory and Applications, Oxford University Press, New Delhi.
- 7) Stigler, G. (1996): Theory of Price, 4th ed., Prentice Hall of India, New Delhi.
- 8) Varian, H. (2000): Microeconomic Analysis, W.W. Norton, New York.

## **MABEC2 MACRO ECONOMIC ANALYSIS-I**

### **Module 1: National Income Accounting (12)**

National Income – Concept and Measurement – GDP – GNP – Different forms of national income accounting: Social accounting, flow of funds accounting and balance of payments accounting- Difficulties in the Measurement of National Income - Social Accounting – Presentation of Social Accounts - Importance of Social Accounting – Difficulties in Social Accounting.

### **Module 2: Economics of aggregates (12)**

Classical Theory of Income, Output and Employment – Keynesian Theory of Income, Output and Employment – Say’s Law of Market – Principles of Effective Demand – Importance of Effective Demand – Aggregate Demand and Aggregate Supply

### **Module 3: Demand for money and Supply of Money (12)**

Classical Approach to Demand For Money – Fisher and Cambridge- Keynesian approach - Liquidity Preference Theory: Transaction, Precautionary and Speculative Demand for Money- Milton Friedman’s Approach – Wealth theory- Port folio balance Approach – Baumol and Tobin. - Components of money supply. Measurement of money supply- RBI Approach to Money Supply -M1, M2, M3- High Powered Money and Money Multiplier- Budget Deficits and Money Supply - Money Supply and Open Economy- Control of Money Supply

### **Module 4: Consumption Function (12)**

Keynes, psychological law of consumption – implication of the law - short-run and long-run consumption function- Empirical evidence on consumption function- Income – consumption relationship – absolute income, relative income, life cycle and permanent income hypotheses.

## **REFERENCES**

- 1) D’Souza, Errol (2008), Macroeconomics, Pearson Education, Delhi.
- 2) Gupta R.D. and Rana A.S. (1998): Post-Keynesian Economics, Kalyani Publishers, Ludhiana.
- 3) Jha, R (1991) : Contemporary Macro Economic theory and Policy, Wiley Eastern Ltd.,
- 4) Keynes, J.M (1936) : General Theory of Employment, Interest and Money
- 5) Mithani D. M., Money, Banking, International trade and public finance, Himalaya Publications

- 6) Rakshit, M. (1998), Studies in the Macroeconomics of Developing Countries, Oxford University Press, New Delhi

## SEMESTER-II MABEC3 MICRO ECONOMIC ANALYSIS – II

### **Module-I Theories of the firm (12)**

Objectives of modern Firm- Baumol's Sales Revenue Maximization Model- Williamson's Model of Managerial Discretion- Marris Model of Managerial Enterprise, The Hall and Hitch Report – Full Cost Pricing Rule- Bain's Limit pricing theory and its recent developments including Sylos-Lobini's Model- Behavioral Model of the Firm

### **Module-II Distribution (12)**

Neo-Classical Approach – Marginal Productivity Theory – Product Exhaustion Theorem- Technical Progress and Factor Shares- Theory of Distribution under Imperfect Product and Factor Markets, Macro Theories of Distribution Ricardian, Marxian and Kalecki

### **Module-III Welfare Economics (12)**

Pareto Optimal Conditions- Paretian Welfare Criterion – Value Judgment, Social Welfare Function- Compensation Principle- Inability to obtain Optimum Welfare – Imperfections Market Failure, Decreasing Costs, uncertainty and Non-Existent and Incomplete Markets- Theory of Second Best – Arrow's Impossibility Theorem, Rawl's Theory of Justice, Equity – Efficiency Trade-Off.

### **Module-IV Economics of Uncertainty (12)**

Individual Behaviour towards risk, Expected utility and certain Equivalence Approaches, Risk and risk aversion, Game and Insurance, the Economics of Insurance, cost and risk spreading

### **REFERENCES:**

- 1) Koutsoyiannis A (1985), 'Modern Micro Economics' Macmillan Press Ltd.,
- 2) Ahuja H.L. (1982), 'Advanced Economic Theory' S. Chand & company Ltd., New Delhi.
- 3) Chopra P.N (1981), 'Advanced Micro Economics' Kalyani Publications
- 4) Layard, P.R.G. and Walters, A.A. (1978). Microeconomic Theory, McGraw Hill, New York.
- 5) Little, I.M.D. (1957). Critique of Welfare Economics (2<sup>nd</sup> edition), Oxford University Press, Oxford.

## SEMESTER-II

### MABEC4-MACRO ECONOMIC ANALYSIS-II

#### **Module-I Macro Economic Policies (12)**

Monetary Policy – Fiscal Policy – Income Policy – Neo–Classical Policy – Austrian Policy – The Austrian Critique of Keynesian economics – Post – Keynesian Policy and the deficit

#### **Module-II Theory of Inflation & Trade Cycle (12)**

Classical, Keynesian Monetarist Approach to Inflation- Structuralism Theory – Inflation – Phillips curve Analysis – Samuelson and Solow. The Natural Rate of Unemployment Hypothesis, Tobins Modified Phillips Curve.

#### **Module-III Issues in Stabilization Policies (12)**

Lags in the Effects of Policy – The Role of Expectations – Uncertainty and Economic Policy– Budget deficit and inflation – the mechanics of financing the budget – Income Policies – Supply side economics – The Laffer Curve – Monetarism Vs. Fiscalism – The Portfolio Approach – Crowding out Effect – Fine tuning or Stable Policy Setting.

#### **Module-IV Macroeconomics: From Open Economy point of view (12)**

Market for foreign exchange, devaluation and depreciation, real and nominal exchange rate, factors affecting exchange rate, Mundell-Fleming model, fixed versus floating exchange rate, price adjustment, role of fiscal and monetary policies under alternative exchange rate regimes, purchasing power parity concept

#### **REFERENCES:**

- 1) D’Souza, Errol (2008), Macroeconomics, Pearson Education, Delhi.
- 2) Gupta R.D. and Rana A.S. (1998): Post-Keynesian Economics, Kalyani Publishers, Ludhiana.
- 3) Jha, R (1991) : Contemporary Macro Economic theory and Policy, Wiley Eastern Ltd.,
- 4) Keynes, J.M (1936) : General Theory of Employment, Interest and Money
- 5) Mithani D. M., Money, Banking, International trade and public finance, Himalaya Publications
- 6) Rakshit, M. (1998), Studies in the Macroeconomics of Developing Countries, Oxford University Press, New Delhi

# M.A. (BUSINESS ECONOMICS)

## PART – I: SEMESTER – I & II OPTIONAL PAPERS:

<b>GROUP-II SEMESTER – I OPTIONAL PAPERS (CHOOSE ANY TWO)</b>		<b>GROUP-II SEMESTER – II OPTIONAL PAPERS (CHOOSE ANY TWO)</b>	
<b>MABECO1</b>	ECONOMICS OF BANKING-I	<b>MABECO7</b>	ECONOMICS OF BANKING-II
<b>MABECO2</b>	ECONOMICS OF AGRICULTURE-I	<b>MABECO8</b>	ECONOMICS OF AGRICULTURE-II
<b>MABECO3</b>	ECONOMICS OF INSURANCE-I	<b>MABECO9</b>	ECONOMICS OF INSURANCE-II
<b>MABECO4</b>	STATISTICS FOR ECONOMICS-I	<b>MABECO10</b>	STATISTICS FOR ECONOMICS-II
<b>MABECO5</b>	RURAL ECONOMICS-I	<b>MABECO11</b>	RURAL ECONOMICS-II
<b>MABECO6</b>	ECONOMETRICS-I	<b>MABECO12</b>	ECONOMETRICS-II

# MABECO1 -ECONOMICS OF BANKING-I

## **Module-I Money (12)**

Money – Meaning, Classification and Functions- Gresham’s law- Monetary standards – Metallic and paper systems of note issue- Measures of money supply and sources of reserve money in India, Brief history of Indian Rupee- Value of money - Measurement and determination.

## **Module- II Commercial Banking (12)**

Meaning and functions of commercial banks, the process of credit creation – Purpose and limitations, Liabilities and Assets of banks- Investment policy of commercial banks- Commercial bank and economic development- Co-operative banks. A critical appraisal of the progress of commercial banking after nationalization-

## **Module- III Central Banking (12)**

Functions, objectives and methods of credit control – quantitative and qualitative methods- Role and functions of Reserve Bank of India- Objectives and limitations of monetary policy of RBI- Recent Policy measures

## **Module-IV Indian Money Market and Banking (12)**

Structure of financial market in India- Structure and functions of Indian money market including call money, treasury bills and commercial bills, weaknesses of money market in India- Money markets instruments- Development banking in India –IFCI, IDBI, and ICICI.

### **REFERENCES:**

- 1) Gupta, S. B. (1983) Monetary Economics, 2/e, S. Chand & Co., New Delhi.
- 2) Mitra, S. (Ed.) (1970). Money and Banking, Random House, New York.
- 3) Savors, R. S. (1978). Modern banking, 7/e, Oxford University Press, Delhi.
- 4) Chandlar, L. V. and S. N. Goldfield (1977). Economics of Money & Banking, 7/e, Harpar and Row, New York
- 5) Sayers, R.S. Modern Banking, Oxford University Press, New Delhi
- 6) Smith, P.F. Economics of Financial Institutions & Markets, Prentice Hall
- 7) Gupta, S.B. Monetary planning for India, S. Chand & Company, New Delhi
- 8) Grabble, J.O International Financial Markets, Elsevire, New York

# MABECO2 AGRICULTURAL ECONOMICS-I

## **Module: 1 – Introduction. (12)**

Role of Agriculture in Indian economy- Trends in Agriculture Productivity –Agricultural Development under Five Year Plans- Special Economic Zone and Policy- Problems of Agriculture Labour- Efficiency of Agriculture Labour -Impact of Mechanization on Agriculture Labour-National Employment Guarantee Scheme.

## **Module: 2 Agricultural credits (12)**

Co-operative Credit Structure- Role of NABARD- Role of Commercial Banks- Micro Finance - Meaning, Role, and Trends- Issues of Agriculture Subsidies.

## **Module: 3Agriculture Marketing (12)**

Problems of Agriculture Marketing in India- Agriculture -Marketing and Price System in India- Problems of Agriculture – Export- Imports- Processing of Farm Products- Agreements of WTO in Agriculture

## **Module: 4 Sustainable Agriculture (12)**

Bio Technology – Meaning and Trends -Organic Farming – Present status and Future- Contract Farming -Present Status and Future -Diversification of Agriculture in India (High Technology in Agriculture.) - Agricultural Management – Concept, Recent trends and Problems- Food Securities in India.

## **REFERENCES:**

- 1) Datt R. & K.P.M Sundharm (2013) Indian Economy, S.Chand & Co.Ltd.Delhi.
- 2) Misra S.K. & V.K.Puri (2013) Indian Economy – Himalaya Publication house Mumbai.
- 3) Kapila Uma (ed) Indian Economy Since Independence, Academic Foundation (2003)
- 4) Dewett Kewal : Indian Economy C.Chand & Co.Ltd, New Delhi 2005.
- 5) B.N.P singh : Indian Economy Today Changing Contours. Deep and Deep pub. 05.
- 6) M.P.Singh- Indian Economy Today- Problems Planning and Development. (2004) Deep and Deep Publication.
- 7) Singh Acharya, Sagar – Sustainable Agricultural Poverty and Food Securities (2002) Rawat Publication Jaypur Vol- I & II
- 8) Ajit Singh and Tabatabai – Economic crisis and Third world Agriculture, Cambridge University Press.

# MABECO3-ECONOMICS OF INSURANCE-I

## **Module-I Introduction**

(12)

Economic Security- Human quest for economic security through time- Exposure to losses- Role and definition of insurance- Risk pooling and risk transfer- Economic and legal perspectives, Social vs. Private insurance- Life V/s. Non-life insurance- Classification of life, Health and General Insurance policies

## **Module-II Life and health insurance**

(12)

Fundamentals of life & health insurance- Functions of life & health insurance- Mathematical basis of life insurance- Plans of life insurance- Legal aspects of life insurance- Provisions of policies- Individual health insurance- Uses and types of evaluation- Principles of underwriting of life & health insurance-Group insurance and superannuation (Pension) schemes.

## **Module-III Fundamentals of Risk and uncertainty**

(12)

Fundamentals of uncertainty & risk- Pure risk & speculative risk- Expected utility and decision-making under uncertainty- Expected utility & demand for the insurance- Moral hazard and insurance demand Concept of risk management- Essentials of risk management- Elements of risk assessment- Risk control & risk financing. Worldwide risk sharing- concept of reinsurance, types of re-insurers- Reinsurance distribution systems, reinsurance markets in developing countries- Selection & classification of risks- Basics of premium construction- valuation and distribution of surplus

## **Module-IV General Insurance**

(12)

Definition, types and importance of general insurance- Concept of short term risk- Basics of the following concepts - Common law, equity, proposal/accidence, indemnity, insurable interest, contribution subrogation- representation- utmost good faith, material fact, physical hazard, moral hazard, policy endorsements conditions/warranties- selection and inspection of risks- rating and calculation of premiums- tariffs and non-tariffs- technology development and general insurance.

## **REFERENCES:**

- 1) Dionne, G. and S.E. Harrington (eds.) (1997), Foundations of Insurance Economics, Kluwer academic Publishers, Boston
- 2) Meier. K.J. (1998), The Political Economy of Regulation : The Case of Insurance, The State University of New York Press, Albany, N.Y
- 3) Black. K. Jr. and H.D. Skipper Jr.(2000), Life & Health Insurance, Prentice Hall, Upper Saddle River, New Jersey.

- 4) Pteffer, I. And D.R. Klock (1974), Perspectives on Insurance, Prentice Hall Inc., Engleword Cliffs.
- 5) Williams Jr., C.A. M.L. Smith and P.C.Young (1995), Risk Management and Insurance, McGraw Hill, New York.
- 6) Skipper Jr., H.D.(ed.) (1998), International Risk & Insurance : An Environmental Managerial Approach, Irwin McGraw Hill, Boston.
- 7) United Nations Conference on Trade and Development (1987), the Promotion of Risk Management in Developing Countries, UNCTAD, Geneva.
- 8) Insurance Institute of India, Life Assurance Underwriting, (IC-22), Mumbai.
- 9) Insurance Institute of India, General Insurance Underwriting, (IC-22), Mumbai.
- 10) Government of India (1998), Old Age and Income Security (OASIS) Report (Dave Committee Report), New Delhi.
- 11) Insurance Regulation and Development Authority (2001), IRDA Regulations, New Delhi.

## MABECO3 STATISTICS FOR ECONOMICS-I

### **Module-I Introduction and Basic Statistics (12)**

Statistics: Definition, types, scope, functions and limitations - Sources and types of data; classification and techniques; Formation of frequency distribution - Diagrammatic and graphical presentation of data- Institutional arrangements for statistical data in India - Central Tendency- Meaning, Importance and Uses- Types of Measures of Central Tendency: Arithmetic Mean, Median, Mode, Harmonic Mean, Geometric Mean – The relation between Arithmetic Mean; Geometric Mean; and Harmonic Mean.

### **Module-II Measures of Dispersion Periods (12)**

Dispersion - Meaning of the Concept, Importance and Uses - Requirement Of a good- Measures of Dispersion - Types of Measures: Range & Its Co-Efficient - Mean Deviation & Its Co-Efficient - Standard Deviation, Variance & its Co-Efficient - Lorenz Curve:

### **Module-III Correlation, Regression and Index Numbers (12)**

Correlation - Methods of Studying Correlation - Karl Pearson's Coefficient of Correlation - Definition - Calculation Of Correlation For Grouped And Ungrouped Data- Interpretation Of The Correlation Co-Efficient- -Spearman's Rank Correlation And Interpretation - Regression : Concept & Linear Regression -Fitting Of Lines Of Regression By The Least Squares Method - Index Numbers :Meaning , And Uses ,Construction And Limitations - Laspeyre's and Paasche's Index Numbers - Fisher's Idle Index Number - Cost Of Living Index Numbers

## **Module-IV Sampling techniques and Hypothesis testing**

**(12)**

Census v/s. Sampling - Basic concepts of sampling, types - Random and non-random sampling techniques; Determination of sample size, characteristics - sampling and non-sampling errors; Judging the reliability of sample- Sampling distribution and Standard Error - uses of Standard Error; Type I and Type II Errors; Levels of Significance; Parametric Test - Small and large sample test, Analysis of Variance; Non-Parametric Test - Chisquare Test, Goodness of Fit, Run Test and Median Test.

### **REFERENCES:**

- 1) Agarwal Y.P: Statistical Methods: Concepts, Applications and Computations, New Delhi: Sterling Publishers, 1988.
- 2) Allen R.G.D.: Statistics For Economics; Hutchinson & Co. Ltd. London(1949)
- 3) Blalock, Hubert M: Social Statistics, London: McGraw Hill, 1981.
- 4) Croxton Frederiel, Dudley J. Gowden and Sidny Klein: Applied General Statistics, New Delhi: Prentice Hall, 1975.
- 5) Edward A.L: Statistical Methods for the Behavioural Sciences, New York: Rinchart & Co, 1954.
- 6) Garrett E: Statistical Methods for Research Worker, New York, Hafner Publishing & Co, 1950.
- 7) Grewal P.S: Methods of Statistical Analysis, New Delhi: Sterling Publishers, 1990.
- 8) Gupta C.B: An Introduction to Statistical Methods, New Delhi, Vikas Publishers, 2005.
- 9) Gupta S.P: Statistical Methods, New Delhi, Chand & Co, 2005.
- 10) Gupta. S.C: Fundamentals of Statistics, Bombay, Himalaya Publishing House, 2000.
- 11) Mansfield, Edwin: Statistics for Business and Economics, New York: Norton and Co, 1980.
- 12) S.C. Gupta And Mrs. Indira Gupta: Business Statistics: Himalaya Publishing House; Delhi(1997)
- 13) Walker H.M & Lev J: Statistical Inference, New York: Holt, 1980.

# MABECO5 RURAL ECONOMICS-I

## **Module–I: Rural Economy of India**

(12)

Nature and features of rural economy of India- Dimension, dynamics and magnitude of rural population - Concept of Rural Development, Scope of Rural Development, Causes of Rural Backwardness- Need for Rural Development, Constraints of Rural Development.

## **Module–II: Rural Dimensions**

(12)

Paradigms of Rural Development- Lewis Model of Economic Development, ‘Big Push’ theory of Development, Myrdal’s thesis of ‘Spread and Backwash Effects’, Gandhian Model of Rural Development- Rural poverty and development dimension. (Human capital, inequalities – poverty syndrome-govt. policy); Problems of rural unemployment-specially disguised unemployment causes and remedies, Livelihood approach.

## **Module– III: Indian agriculture**

(12)

Indian agriculture production system-role, problems, and gender equity, resource structure, growth opportunities; Problems of agriculture labour vis a vis mechanised agriculture and green revolution.

## **Module– IV: Agricultural Finance**

(12)

Agricultural finance and rural indebtedness – Importance, problems and sources – Govt. measures- Local Self Help Group (SHG)- Innovative credit schemes of govt. and Non-Govt. agencies, their pros and cons- Small scale and cottage industries - Importance, problems and policy measure.

## **REFERENCES:**

- 1) B.S. Khanna, Rural Development in South Asia Vol. India, Deep and Deep Publisher
- 2) Vasant Desai, Rural Development (Vol. I-VI) in the Seventh Plan, Himalaya Publishing Co.
- 3) A.N. Agrawal, India Eco. Problem of Dev. And Planning, WISHWA Prakashan
- 4) E.F. Schumacher, Small is Beautiful, Abacus.
- 5) Rakesh Hooja & P.C. Mathur, Dist & Decentralized Planning, Rawat.
- 6) Prabhu Ghate, Direct attacks on Rural Poverty-Policy, Prog. & Implementation, Concept Publishing Company N. Delhi
- 7) Ruddar Datt & K.P.M. Sundharam, Indian Economy, S. Chand & Co. Ltd.
- 8) Amartya Sen, Resources, Value and Development., Basil Blackwell.
- 9) Robert Chambers, Challenging the professionals, Intermediate Tech. Publications, 1993

# MABECO6 ECONOMETRICS-I

## **Module 1: Introduction**

**(12)**

Nature, meaning definition and scope of econometrics, regression model, reasons for inclusion of error term, assumptions of error term, principle of least square, Gauss- Markov theorem.

## **Module 2: Regression Analysis**

**(12)**

Multiple regression models, Estimation, Interpretation and testing of the coefficients, Estimation of elasticities, Relation between simple and multiple regression coefficients, Concepts of partial coefficients, coefficient of determination and adjusted coefficient of determination.

## **Module 3: Problems in Regression Analysis**

**(12)**

Relaxing the assumptions of classical model, the problem of auto correlation, consequences of auto-correlation, Durbin Waston test, Remedial measures of auto-correlation, Multicollinearity- Consequences and remedial measures- Nature, Test, Consequences and remedial steps for the problems of hetroscedasticity and errors in variables.

## **Module 4: Regression with Qualitative Independent Variables**

**(12)**

Regression models with dummy variables, uses of dummy variable, stability of regression model, logit model – concept and estimation.

## **REFERENCES:**

- 1) Johnston. J. (1991) Econometric Methods. McGraw Hill Book Co. London
- 2) Gujarati, D. (1999): Essentials of Econometrics, Second Edition, McGraw Hill.
- 3) Gujarati, D. (2002): Basic Econometrics, Third Edition, McGraw Hill.
- 4) Koutsoyiannis, A. (1977): Theory of Econometrics, 2<sup>nd</sup> Edition, McMillan, London.
- 5) Maddala, G.S.(2002): Introduction to Econometrics, McMillan, London.

**GROUP-II (SEMESTER – II)**  
**OPTIONAL PAPERS (CHOOSE ANY TWO)**

**MABECO7 -ECONOMICS OF BANKING-II**

**Module-I Theories of Money** (12)

Theories of Value of Money- Fisher, Cambridge equations, the Cash Balances Approach- Keynesian Theory of Money and Prices, The Real Balance Effect, Wicksell's contribution.

**Module-II Financial intermediaries in India** (12)

The Indian commercial banking- Functions and growth of financial institutions in India -Recent reforms in banking sector in India -Non-bank financial intermediaries (NBFI's) - The currency and credit schools- - Role of Non-Banking financial institutions in India – Mutual funds, LIC, Investment companies, venture capital- Role of regulatory authorities – SEBI and IRDA.- Financial sector reforms in India

**Module-III Monetary Policy** (12)

Principles of Monetary Policy: Its meaning, objectives, frame work, targets and indicators of monetary policy; Transmission mechanism of monetary Policy- Restrictive Vs. accommodating monetary policy- Need and effectiveness of monetary policy- Lags in monetary policy- Role of monetary policy in developing countries - Monetary and credit planning - Monetarist and Keynesian views on monetary policy

**Module-IV Inflation and Trade cycle** (12)

Inflation Measurement and types of Inflation, Demand and Supply side Inflation, Causes and effects of Inflation, Methods to Check Inflation, stagflation and Anti- Inflation Policy, Inflation and Indian Economy. Inflation and Unemployment- Philips curve, The Relationship between Inflation and Unemployment, Long run Phillips Curve- Business Cycles Meaning and Nature, Theories of trade Cycle: Schumpeter, Keynesian, Samuelson and Hicks - Non- Monetary theories of business cycles.

**REFERENCES:**

- 9) Gupta, S. B. (1983) Monetary Economics, 2/e, S. Chand & Co., New Delhi.
- 10) Mitra, S. (Ed.) (1970). Money and Banking, Random House, New York.
- 11) Savors, R. S. (1978). Modern banking, 7/e, Oxford University Press, Delhi.
- 12) Chandlar, L. V. and S. N. Goldfield (1977). Economics of Money & Banking, 7/e, Harpar and Row, New York
- 13) Sayers, R.S. Modern Banking, Oxford University Press, New Delhi

- 14) Smith, P.F. Economics of Financial Institutions & Markets, Prentice Hall  
 15) Gupta, S.B. Monetary planning for India, S. Chand & Company, New Delhi  
 16) Grapple, J.O International Financial Markets, Elsevire, New York

## MABEC08 -ECONOMICS OF AGRICULTURE-II

### **Module-I Comparative Agriculture (12)**

Role of agriculture in economic development - Interdependence of agriculture and industry - Cropping pattern - Factors affecting cropping pattern. Land reforms in India - Green Revolution - Experience in Mexico, Canada and India - Farm size and productivity debate in India - Mechanization in Indian agriculture.

### **Module II: Agricultural Production (12)**

Farm management – Principles - Farm management decisions - Principles of factor substitution - Cost principles - Opportunity cost principle - Principles of comparative advantage -Limitations of farm management- Agricultural production functions - Factor-product relationships, Product-Product relationships, Factor-factor relationships - Supply response models (Cobweb Model).

### **Module III: Agricultural Pricing and Marketing (12)**

Agricultural Pricing- An evaluation of agriculture price policy in India- Pre and Post WTO situation of Indian agriculture –The Role and need for agro-based industries – The terms of trade between agricultural and non-agriculture prices; Need for state intervention; Objectives of agricultural price policy - Agricultural marketing in India - Regulated markets and cooperative marketing- Marketed and marketable surplus - Food security in India – PDS - Revamped PDS and targeted PDS - Need and objectives of agricultural price policy- International trade and agriculture development and WTO and Indian agriculture - Agriculture policy –

### **Module IV: The trends in Indian agriculture (12)**

Indian agriculture since independence –Pre green revolution and Post green revolution – The trends in agricultural area, production, yield, processing, marketing, trade, demand and supply of inputs, insurance - The role of Public investment and capital formation in Indian agriculture; Strategy of agricultural development;

### **REFERENCES:**

- 1) A.N Sadhu & Amarjit Singh, Fundamentals of Agricultural Economics, Himalaya Publishing House.
- 2) Bilgrami, S.A.R. (1996). Agricultural Economics. Himalaya publishing House, Delhi.

- 3) Dantwala M.L.et.al (1991). Indian Agricultural Development since Independence, Oxford & IBH, New Delhi.
- 4) Das Gupta, The new Agricultural Technology in India, Macmillan, Madras.
- 5) Gulati, A. and T. Kelly (1999), Trade Liberalization and Indian Agriculture, Oxford University press, New Delhi.
- 6) Heady E O, Agricultural Production Function, Kalyani Publications, Ludhiana.
- 7) Kahlon, A.S. and Tyagi D.S (1983), Agriculture price policy in India. Allied publishers, New Delhi.
- 8) M Bazlul Karim, the Green Revolution: An International Bibliography, Greenwood Press.
- 9) R.G.Desai, Agricultural Economics (Models, Problems and policy issues), Himalaya Publishing House.
- 10) Rao C Hanumantha, Agricultural Production Function costs and returns in India by, Tata MC Graw Hill Delhi.
- 11) Rao. C. H. Hanumantha (1975), Agricultural Growth. Rural Poverty and Environmental Degradation in India, Oxford University press, New Delhi.
- 12) Rudra A, Indian Agricultural Economics-Myth and realities, Allied publishers, New Delhi.
- 13) S.Subba Reddy, P.Raghu Ram, T.V Neelakanta Sastry, I.Bhavani Devi – Agricultural Economics, Oxford & IBH Publishing Co, Pvt. Ltd, New Delhi.

## MABECO9-ECONOMICS OF INSURANCE-II

### **MODULE 1: ECONOMICS OF RISK MANAGEMENT (12)**

Fundamentals of uncertainty and risk; Pure risk and speculative risk; Expected utility and decision-making under uncertainty; Expected utility and the demand for insurance; Moral hazard and insurance demand; Concept of risk management; Essentials of risk management; Elements of risk management- Risk assessment; Risk control and risk financing; Worldwide risk sharing- Concept of reinsurance, Fundamentals of reinsurance, Types of reinsures; Reinsurance distribution systems, Reinsurance markets in developing countries.

### **MODULE 2: ESSENTIALS OF LIFE AND HEALTH INSURANCE (12)**

Fundamentals of life and health insurance; Functions of life and health insurance; Mathematical basis of life insurance; Plans of life insurance- Provisions of policies; Selection and classification of risks; Basics of premium construction; Valuation and distribution of surplus - Individual health insurance; Uses, Types of evaluation; Principles of underwriting of life and health insurance; Group insurance and superannuating (pension) schemes- Set-up and management of insurance companies.

### **MODULE 3: ESSENTIALS OF GENERAL INSURANCE (12)**

Definition of general insurance; Types of general insurance; Importance of general insurance; Importance of general insurance in a country's economic development; Concept of short-term

risk; Fundamentals of the following concepts – Common law, Equity, Proposal/Accidence, Indemnity, Insurable interest, Contribution subrogation, Representation; Utmost good faith, Material fact, Physical hazard, Moral hazard, Policy endorsements conditions/warranties; Selection of risks; Inspection of risks; Rating and calculation of premiums; Tariffs and nontariffs; Marketing of general insurance; Technology development and general insurance.

#### **MODULE 4: PLANNING FOR WEALTH THROUGH INSURANCE (12)**

Wealth accumulation planning; Life cycle planning; Planning for accumulation, objectives; Purchase of insurance and accumulation planning; Investments – Tax-advantaged and tax non-advantaged; Essentials of individual retirement planning; Analysis of retirement; Income needs, Retirement planning strategies; Investing for retirement, Pension plans; Basic principles of pension plans; Pension plans in India; Estate Planning; Process of estate Planning; Estate Planning tools; Life insurance for estate liquidity.

#### **READING LIST**

- 1) Benjamin, B. (1991), General Insurance, Heinemann, London.
- 2) Black, K. Jr. and H.D. Skipper Jr. (2000), Life and Health Insurance, Prentice Hall, Upper Saddle River, New Jersey.
- 3) Black, K.Jr. and H.D. Skipper Jr. (2000), Life and Health Insurance, Prentice Hall, Upper Saddle River, New Jersey.
- 4) Brockelt, P.L., R.C. Witt and P.R. Hind (1991), An Overview of Reinsurance and the Reinsurance Markets, Journal of Insurance Regulation, Volume 9, No.3.
- 5) Casner, A.J. (1995), Estate Planning, Little Brown, Boston.
- 6) Dionne, G. and S.E. Harrington (Eds.) (1997), Foundations of Insurance Economics, Kluwer Academic Publishers, Boston.
- 7) Drofman, M.S. (1994), Risk and Insurance, Prentice Hall, Englewood-Cliffs.
- 8) Elliot, M.W., B.L. Webb, H.N. Anderson and P.R. Kensicki (1995), Principles of Reinsurance, Insurance Institute of America, Malvern, Pa.
- 9) Friedmann, M. and L.J. Savage (1947), The Utility Analysis of Choices Involving Risk, Journal of Political Economy, Vol.56.
- 10) Government of India (1998), Old Age and Income Security (OASIS) Report
- 11) Skipper, Jr., H.D. (Ed.) (1998), International Risk and Insurance: An Environmental Managerial Approach, Irwin McGraw Hill, Boston.
- 12) Yarri, M.E. (1965), 'Uncertain Life Time, Life Insurance and the Theory of Consumer, 'Review of Economic Studies, Volume 32.

# MABECO10-STATISTICS FOR ECONOMICS-II

## **Module-I PROBABILITY THEORY AND DISTRIBUTION (12)**

Random variables (Discrete and Continuous) - Mathematical Expectations with theorems - Productivity Distribution - Binomial, Poisson, Normal - definition, properties, uses, and illustrations - Chebyshev's inequality and Central Limit Theorem.

## **Module-II THEORY OF ESTIMATION (12)**

Estimator and Estimate - Point and Interval estimates - Reliability of Estimates - Sampling Variance and Mean - Square error - Properties of good estimator - Cramer - Rao inequality - Methods of estimation - Least squares, method of Moments, Maximum Likelihood Method - Neyman - Pearson Theory.

## **Module-III MULTIVARIATE ANALYSIS (12)**

Partial and multiple correlation and regression, Discriminant Analysis, Factor Analysis, Cluster Analysis, Multiple Classification Analysis.

## **Module-IV STATISTICAL PACKAGES FOR ECONOMIC RESEARCH (12)**

Statistical Packages: SPSS and STRATA - An overview of SPSS - Creating new data file - Opening a data file - Insert rows and columns - Editing data - Saving data file - Assigning variable names and value tables - Importing data from word processor - Excel - Foxpro, etc - Merging data file - Adding cases and variables

## **REFERENCES:**

- 1) Agarwal Y.P: Statistical Methods: Concepts, Applications and Computations, New Delhi: Sterling Publishers, 1988.
- 2) Blalock, Hubert M: Social Statistics, London: McGraw Hill, 1981.
- 3) Croxton Frederiel, Dudley J. Gowden and Sidney Klein: Applied General Statistics, New Delhi: Prentice Hall, 1975.
- 4) Edward A.L: Statistical Methods for the Behavioural Sciences, New York: Rinchart & Co, 1954.
- 5) Garrett E: Statistical Methods for Research Worker, New York, Hafner Publishing & Co, 1950.
- 6) Grewal P.S: Methods of Statistical Analysis, New Delhi: Sterling Publishers, 1990.
- 7) Gupta C.B: An Introduction to Statistical Methods, New Delhi, Vikas Publishers, 2005.
- 8) Gupta S.P: Statistical Methods, New Delhi, Chand & Co, 2005.
- 9) Gupta. S.C: Fundamentals of Statistics, Bombay, Himalaya Publishing House, 2000.

10) Mansfield, Edwin: Statistical for Business and Economics, New York : Norton and Co, 1980.

11) Walker H.M & Lev J: Statistical Inference, New York: Holt, 1980.

## MABECO11-RURAL ECONOMICS-II

### **Module-I: Economic structure of Rural India (12)**

Economic Structure of Rural India: Degree of Ruralisation in India, Asset Distribution, Income Distribution, Composition of rural work force. Alternative Occupations in Rural Areas: Dairying, Poultry, Fishery, Horticulture, Rural Non Farm Sector.

### **Module- II: Rural economy and agriculture (12)**

Agriculture and Economic Development, Agricultural Development under the Plans, Organizational Aspects of Agriculture: Land Reforms, Green Revolution, Cropping Pattern, Dry Land Farming, Agriculture Finance and Marketing, Information Technology in Agriculture.

### **Module- III: Rural Industrialization (12)**

Rural Industrialization- Concept, Importance of Rural Industrialization, Village and Cottage Industries, Policies and Programmes for the Development of Rural Industries, Rural Industrial Sectors: Handloom, Handicrafts etc.

### **Module- IV: The problems of rural economy (12)**

Unemployment and Underemployment in Rural Areas- Problems, Causes; Poverty- Causes of Rural Poverty, Poverty alleviation programmes in India- Success and Failure analysis, Poverty alleviation through Micro Finance and SHGs, Empowerment of Rural Women through Self Help Groups, Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA).

### **REFERENCES:**

- 1) Sundaram, Satya,I.: Rural Development, Himalaya Publishing.
- 2) Desai Vasant.: Rural Development- Programmes and Strategies, Himalaya Publishing House, Mumbai
- 3) Mukundan, N.: Rural Development and Poverty Eradication in India, New Century, New Delhi
- 4) Soni, R.N.: Leading Issues in Agriculture Economics,Vishal Publishing Company
- 5) Reddy,Venkata.K.: Agriculture and Rural Development (A Gandhian Perspective), Himalaya Publishing House.

# MABECO12-ECONOMETRICS-II

## **Module-I Econometric Models (12)**

Auto Regressive and Distributed lag Models- Koyak Model, Partial Adjust Model, Adaptive Expectations; Problem of Autocorrelation. Almon Approach to distributed- lag model; Causality tests; Granger and Sim's Test

## **Module-II Econometric Models-II (12)**

Dummy Variable Technique- Testing Structural Stability of Regression Models, Comparing two regressions, interaction effects, seasonal analysis, piecewise linear Regression. Use of dummy variables, regression with dummy dependent variables; The LPM, Logit Probit and Tobit Models.

## **Module-III Methods of Estimation (12)**

Methods of Estimating Simultaneous Equation System - Recursive Methods and OLS - Indirect Least Squares (ILS) - Instrumental Variables (IV) 2SLS and 3SLS Methods

## **Module-IV Econometric Tests and Forecasting (12)**

Time Series ; Stationarity, Unit Roots, Co-Integration- Spurious Regression, Dicky Fuller Test, Engel Granger Test, Random Walk Model, Error Correction Mechanism - Forecasting with ARIMA and VAR Models-Box Jenkins Methodology, Vector Auto Regression (VAR) Panel Data Techniques- Random Coefficients Model

### **REFERENCES:**

- 1) Baltagi, B.H. (1988), Econometrics, Springer, New York.
- 2) Goldberger, A.S. (1998), Introductory Econometrics, Oxford University Press, New York.
- 3) Gujarati, D.N. (1995), Basic Econometrics (2<sup>nd</sup> Edition) McGraw Hill New Delhi.

# UNIVERSITY OF MUMBAI



**SYLLABUS FOR  
M. A.  
(BUSINESS ECONOMICS)**

**SEMESTER - III & IV at the  
M.A Part – II**

**(Credit Based Semester and Grading System with effect from the academic  
year 2015-2016)**

**FACULTY OF ARTS**

## **D. ABOUT CREDIT SCHEME:**

- Total 96 credits for entire course ( 24 Credits per semester- 24\*4 semester = 96)
- Per paper 6 credits ( 6\*4 papers = 24 at each semester)
- Per paper 48 teaching hours during the semester
- Total 12 teaching hours per unit during the semester
- All papers have 4 units
- Total 4 teaching hours per week per paper

## **E. SCHEME OF EXAMINATION:**

The performance of the learners shall be evaluated into two parts. The learner's performance shall be assessed by Internal Assessment with 40% marks in the first part by conducting the Semester End Examinations with 60% marks in the second part. The allocation of marks for the Internal Assessment and Semester End Examinations are as shown below:

**(i) Internal Assessment: 40 Marks (40%)**

Sr. No	Evaluation type	Marks
1	One Assignments/Case study/Project	10
2	One Periodical class Test	20
3	Active participation in routine class instructional deliveries(case studies/ seminars/Presentation)	05
4	Overall conduct as a responsible student, mannerism and articulation and exhibit of leadership qualities in organizing related academic actives	05

**(ii) External Theory examination: 60 Marks (60%)**

- **Duration –2 Hours** for each paper.
- There shall be four questions each of 15 marks. On each unit there will be one question and the fourth one will be based on entire syllabus.
- All questions shall be compulsory with internal choice within the questions.
- Questions may be subdivided into sub-questions a, b, c... and the allocation of marks depend on the weightage of the topic.

**F. COURSE & SYLLABUS FOR THE M.A.(By Papers) EXAMINATION IN BUSINESS ECONOMICS**

Under the M.A. (by papers) scheme, there are 2 groups, Business Economics student will have to compulsorily choose both. The student will have to study a total of 16 papers (Group I: 8 Papers and Group II: 8 Papers) in four semesters over the 2-years M.A. Business Economics degree course

**GROUP I – BUSINESS ECONOMICS-  
(COMPULSORY):**

**GROUP II - ELECTIVE PAPERS :-  
(OPTIONAL)**

Candidates opting for Business Economics at the M.A. degree course are required to select any two optional subjects Semester III & IV in M.A. – Part II respectively.

**SYLLABUS FOR M.A. (BUSINESS ECONOMICS) PART –II**

Under the **M.A. (BUSINESS ECONOMICS)** (by papers) scheme, there are 2 groups, student will have to compulsorily choose both. The student will have to study a total of 16 papers

**(GROUP-I: 4 PAPERS and GROUP- II: 12 PAPERS)** in four semesters over the 2-year **M.A. (BUSINESS ECONOMICS)** degree course.

**GROUP- I  
ECONOMICS- (COMPULSORY)  
GROUP- II  
ADVANCED ECONOMICS – (OPTIONAL)**

The students interested in pursuing **M.A. (BUSINESS ECONOMICS)** degree course are required to select any two optional subjects (of four papers each) from the following 6 optional subjects of Group II.

<b>CODE</b>	<b>SEMESTER-III</b>		<b>SEMESTER-IV</b>
	<b>GROUP-I COMPULSORY PAPERS</b>		<b>GROUP-I COMPULSORY PAPERS</b>
MABESC1	ECONOMICS OF GROWTH & DEVELOPMENT-I	MABESC3	ECONOMICS OF GROWTH & DEVELOPMENT-II
MABESC2	INTERNATIONAL TRADE & FINANCE-I	MABESC4	INTERNATIONAL TRADE & FINANCE-II
<b>CODE</b>	<b>GROUP-II OPTIONAL PAPERS (CHOOSE ANY TWO)</b>		<b>GROUP-II OPTIONAL PAPERS (CHOOSE ANY TWO)</b>
MABESO1	PUBLIC ECONOMICS-I	MABESO7	PUBLIC ECONOMICS-II
MABESO2	MONETARY ECONOMICS-I	MABESO8	MONETARY ECONOMICS-II
MABESO3	FINANCIAL INSTITUTIONS & MARKETS – I	MABESO9	FINANCIAL INSTITUTIONS & MARKETS – II
MABESO4	INDIAN ECONOMIC POLICY- I	MABESO10	INDIAN ECONOMIC POLICY- II
MABESO5	COMPUTER APPLICATIONS IN ECONOMIC ANALYSIS-I	MABESO11	COMPUTER APPLICATIONS IN ECONOMIC ANALYSIS-II
MABESO6	ECONOMICS OF LABOUR-I	MABESO12	ECONOMICS OF LABOUR-II

**SYLLABUS FOR M.A. BUSINESS ECONOMICS (BY PAPERS)**  
**PART – II**

**Compulsory Paper (Semester-III)**

**MABESC1 ECONOMICS OF GROWTH AND DEVELOPMENT-I**

**MODULE 1: INTRODUCTION (12)**

Development and underdevelopment – perpetuation of under development – absolute and relative; measuring development and development gap - per capita income, inequality of income and wealth, Human development index and other indices of development and quality of life; Food security, education, health and nutrition – Human resource development – population problem and growth pattern of population. Population, poverty and environment

**MODULE 2: THEORIS OF DEVELOPMENT (12)**

Theories of development – classical theory of development- Karl Marx’s theory of development – theory of social change; Immutable laws of capitalist development – crisis in capitalism- Schumpeter and capitalist development- Kremer’s O-ring theory of economic development.

**MODULE 3: AGRICULTURE, INDUSTRY IN ECONOMIC DEVELOPMENT (12)**

Importance of agriculture and industry in economic development – The model of complementarities between agriculture and industry- Rationale and pattern of industrialization in developing countries- The choice of technology and appropriate technology infrastructure and its importance.

**MODULE 4: LESS DEVELOPED COUNTRIES AND DEVELOPMENT (12)**

Need for investment criteria in less developed countries; present vs. future growth; Alternative investment criteria; cost – benefit analysis- Role of monetary and fiscal policies in developing countries - WTO and developing countries.

**REFERENCES:**

- 1) Adelman I. (1961) Theories of Economic development, Stanford University Press.
- 2) Behrman S. and T.N. Srinivasan (1965), Handbook of Development economics, Vol.3, Elsevier, Amesterdam.
- 3) Brown M. (1966), On the Theory and Measurement of Technical Change, Cambridge University, Press, Cambridger, Mass.
- 4) Chenary H.B. and T. N. Srinivasan, (Eds.), (1989), Handbook of Development Economics, Vol.1& 2,
- 5) Chenery, H. and T. N. Srinivasan (Eds.) (1989), Handbook of Development Economics, Vols. 1 & 2, Elsevier, Amsterdam.

- 6) Dasgupta, P. (1993), An Enquiry into Well-being and Destitution, Clarendon Press, Oxford.
- 7) Ghatak, S. (1986), An Introduction to Development Economics, Allen and Unwin, London.
- 8) Gilliis, M. D. H. Perkins, M. Romer and D. R. Snodgrass (1992), Economics of Development, (3rd Edition), W. W. Norton, New York.
- 9) Hogendorn, J. (1996), Economic Development, Addison, Wesley, New York.
- 10) Kindleberger, C.P. (1977), Economic Development, (3rd Edition), McGraw Hill, New York.
- 11) Meier, G. M. (1995), Leading Issues in Economic Development, (6th Edition), Oxford University Press, New Delhi.
- 12) Myint, H. (1971), Economic Theory and Underdeveloped Countries, Oxford University, New York.
- 13) Myint, H. (1965), The Economics of Underdeveloped Countries, Preager, New York.
- 14) Thirwas, A. P. (1999), (6th Edition), Growth and Development, Macmillan, U.K.
- 15) Todaro, M. P. (1996), (6th Edition), Economic Development, Longman, London.

## MABESC2 INTERNATIONAL TRADE & FINANCE-I

### **MODULE-I THEORIES OF INTERNATIONAL TRADE (12)**

The Classical Theory of International Trade- Adam Smith's Absolute Cost Advantage version, Ricardo's Doctrine of Comparative Costs, Opportunity Cost version by Haberler; Comparative Costs Doctrine Expressed in Terms of Money by Taussig. Pro-trade, anti trade and neutral trade growth

### **MODULE-II MODERN THEORIES OF INTERNATIONAL TRADE (12)**

Heckscher-Ohlin Theory- Factor Endowments Theory: Revisited, Graphical Demonstration of Complete Factor Price Equalisation Lerner's Illustration of Factor Price Equalisation, Kindleberger's Model of Factor-Price Equalisation – Leontief's Paradox - I.B. Kravis's Availability Doctrine – The Stolper- Samuelson Theorem - The Linder Theory- The Rybezynski Theorem

### **MODULE-III BALANCE OF PAYMENTS AND FOREIGN EXCHANGE MARKET (12)**

Meaning, Structure and Importance of Balance of Trade and Balance of Payments - Disequilibrium in Balance of Payments: Kinds, Causes, Measures- Adjustment Process to Disequilibrium in Balance of Payments - Foreign Trade Multiplier - Rate of exchange determination: Purchasing Power Parity theory, Spot exchange market, Forward exchange market

### **MODULE-IV: EXTERNAL SECTOR OF INDIA (12)**

Volume, Composition and Direction of India's Foreign Trade since 1991 - Trade Reforms- Trade Policy Since 1991 onwards – Trends in India's BOP since 1991-Rupee convertibility

**BASIC READING LIST:**

- 1) Bhagwati, J. (Ed.) (1981), International Trade, Selected Readings, Cambridge University Press, Massachusetts
- 2) Carbough, R. J. (1999), International Economics, International Thompson Publishing, New York.
- 3) Chacholiades, M. (1990), International Trade: Theory and Policy, McGraw Hill Kogakusha, Japan.
- 4) Dana, M.S. (2000), International Economics: Study, Guide and work Book(5th Edition), Routledge Publishers ,London.
- 5) Krugman, P. R. and M. Obstfeld (1994), International Economics Theory and Policy, Glenview Foresman
- 6) Salvatore, D. (1997), International Economics, Prentice Hall, Upper Saddle River N. J. New York
- 7) Soderstron, Bo (1991), International Economics, The Macmillan Press Ltd London
- 8) Mithani D.M. (1997), International Economics, Himalaya publishing House, Mumbai

	<b>SEMESTER-III</b>
<b>CODE</b>	<b>GROUP-II</b> <b>OPTIONAL PAPERS (CHOOSE ANY TWO)</b>
MABESO1	PUBLIC ECONOMICS-I
MABESO2	MONETARY ECONOMICS-I
MABESO3	FINANCIAL INSTITUTIONS & MARKETS – I
MABESO4	INDIAN ECONOMIC POLICY- I
MABESO5	COMPUTER APPLICATIONS IN ECONOMIC ANALYSIS-I
MABESO6	ECONOMICS OF LABOUR-I

### MABESO1-PUBLIC ECONOMICS-I

#### **MODULE-I: INTRODUCTION (12)**

Economic Rational of government; Fiscal Function of the government, Market failures: Imperfections, Decreasing cost; Concepts of Private Goods and Social Goods; Social welfare function; Theory of second best.

#### **MODULE-II: PUBLIC EXPENDITURE (12)**

Public Expenditure: Structure and growth of public expenditure; Economic Effects of public expenditure; Wagner’s Law; Wiseman – Peacock Hypothesis; Social Cost- Benefit Analysis; Reforms in expenditure budgeting

#### **MODULE -III: PRINCIPALS OF TAXATION (12)**

Principle of Fiscal Neutrality; Excess Burden; Doctrine Principle of Equity, Benefit Principle; Bowen and Lindhal Models, Ability to pay Principle; theory of optimal taxation; Effects of taxation on work effort, Savings, investment and growth.

#### **MODULE -IV: IMPACTS AND INCIDENCE OF TAXES (12)**

Meaning of Impact and Incidence of taxes ; Distinction between Impact and Incidence of taxes ; types of Incidence; theories of Shifting Incidence; Shifting of Tax Incidence under Different Market Conditions.

## REFERENCE BOOKS

- 1) Atkinson, A.B. and J.E. Siglitz (1980), Lectures on Public Economics, Tata McGraw Hill, New York.
- 2) Auerbach, A.J. And M. Feldstern (Eds.) (1985), Handbook of Public Economics, Vol.I, North Holland, Amsterdam.
- 3) Buchanan, J.M. (1970), The Public Finances, Richard D. Irwin, Homewood.
- 4) Goode, R. (1986), Government Finance in Developing Countries, Tata McGraw Hill, New Delhi.
- 5) Jha, R. (1998), Modern Public Economics, Rutledge, London.
- 6) Menutt, P. (1996), The Economics Public Choice, Edward Elgar, U.K.
- 7) Musgrave, R.A. (1959), The Theory of Public Finance, McGraw Hill, Kogakhusa, Tokyo.
- 8) Musgrave, R.A. and P.B. Musgrave (1976), Public Finance in Theory and Practice, McGraw Hill Kogakusja, Tokyo.
- 9) Shome, P. (Ed), (1995), Tax Policy: Handbook, Tax Division, Fiscal Affairs Department International Monetary Fund, Washington D.C.
- 10) Shoup, C.S. (1970), Public Finance, Aldine, Chicago.

## MABESO2- MONETARY ECONOMICS-I

### **MODULE -I: BASIC MACROECONOMIC (12)**

Simple national income determination-The monetary sector, interactions of money and expenditure sector of the economy, comparative static analysis and monetary and fiscal policies, introducing the price level, the problems of a monetary economy

### **MODULE -II: MONETARY INFLUENCE (12)**

Money, wealth and aggregate expenditure - portfolio balance; money stock, credit availability, money supply, expectations and aggregate expenditure

### **MODULE -III: DEMAND FOR MONEY (12)**

Classical approach to demand for money - Quantity theory approach, Fisher's equation, Cambridge quantity theory, Keynes's liquidity preference approach, transaction, precautionary and speculative demand for money-aggregate demand for money - Derivation of LM curve.

### **MODULE -IV: THE MODERN QUANTITY THEORY (12)**

The transmission mechanism; long run equilibrium; monetary model of short-run fluctuations in nominal income- The Patinkin system and the neutrality of money - General equilibrium analysis

## REFERENCE BOOKS:

- 1) Laidler, D.E.W. (1977), Demand for Money: Theory and Evidence, Dum-Don Valley, New York.
- 2) Pierce, David G and Shaw, David M (1974), Monetary Economics: Theories, Evidence and Policy, Butterworths, London.

- 3) Wrightsman, Dwayne (1971), An Introduction to Monetary Theory and Policy, The Free Press, New York.
- 4) Goodhart, C.A.E (1978), Money. Information and Uncertainty, The Macmillan Press Ltd., London.
- 5) Gupta, Suraj B (1986), Monetary Planning for India, Oxford University Press, Delhi.
- 6) Johnson, H.G and Nobay A.R. (1974), Issues in Monetary Economics, Oxford University Press, Delhi.
- 7) Johnson, H.G (1972), Further Essays in Monetary Economics, George Allen and Unwin, London.
- 8) Narendra Jadhav (1993), Monetary Economics for India, Macmillan India Ltd., Madras.
- 9) Venugopal Reddy, Y (2000), Monetary and Financial Sector Reforms in India, UBS Publishers' Distributors Ltd., Chennai.

## MABESO3- FINANCIAL INSTITUTIONS& MARKETS - I

### **MODULE 1: NATURE OF FINANCIAL SYSTEM: (12)**

Nature & Role of Financial System – Money and near money- Structure of Financial System, Financial Intermediation and intermediaries, Functions of a financial Sector, Indicators of financial developments, Equilibrium in financial Markets, Financial System and Economic Developments.

### **MODULE 2: THE ROLE OF FINANCIAL SYSTEM: (12)**

Criteria to evaluate assets, Concepts of Risk and Return, Types of Risk – default risk, financial risk, liquidity risk, interest rate risk, inflation risk, currency risk, market risk, Yield on assets – Internal rate of return, Coupon rate, basic yield, current yield, yield to maturity, dividend yield, gross yield and net yield- Required rate of return, Risk – return trade off, Valuation of securities, bonds and equity shares

### **MODULE 3: BANKING IN INDIA: (12)**

Growth and structure of Commercial Banks in India after 1970- Banking Sector Reforms, Asset Liability Management of Commercial Banks, Management of NPAs, Diversification on Commercial Banking, Profitability and Productivity of Commercial Banks in India, Co-operative Banks – Structure, Performance and Policy

### **MODULE 4: THE CENTRAL BANK AND CREDIT POLICY: (12)**

Function of the Central Bank, Credit Creation and its control, Profitability and efficiency of banks; Monetary Policy of R.B.I. - Aims, Objectives and Effectiveness. Financial Reforms since 1991- Proliferation of banking and non-banking financial intermediaries

### **BOOKS RECOMMENDED:**

- 1) BharatiPathak (2009) The Indian Financial System : Pearson Education Publication New Delhi
- 2) Bhattacharaya, B.B., Financial Reforms and Financial Development in India, Institute of Management Technology, New Delhi
- 3) Bhole, L.M. (2008), Financial Institutions and Markets; Tata McGraw Hill Company Ltd., New York.
- 4) Chandra, P. (1997), Financial Markets, (4th Edition), Tata McGraw Hill, New Delhi.
- 5) Desai Vasant, Money and Central Banking, Himalaya House, Mumbai.
- 6) Edminister, R.O. (1986), Financial Institutions, Markets and Managements, McGraw Hill, New Delhi
- 7) Ghosh B.N. and Ghosh Rama, Fundamentals of Monetary Economics, Himalaya Publishing House, Mumbai.
- 8) Gupta, S.B., Monetary Economics, Institutions, Theory and Policy, S.Chand& Co., New Delhi.

### **MABESO4- INDIAN ECONOMIC POLICY- I**

#### **MODULE 1: FEATURES OF INDIAN ECONOMY (12)**

Features and Characteristics of the Indian Economy, Endowment of natural resources, Demographic features, National income: Trends and Structure of National Income, Poverty and inequality, Nature, policy & implications, Growth and Structural Change in the Indian Economy.

#### **MODULE 2: INFRASTRUCTURE DEVELOPMENT (12)**

Energy, Conventional and Non-Conventional energy development in India – Energy policy – Social infrastructural developments –Education and Health –Recent issues. Issues and policies in financing infrastructural development in India

#### **MODULE 3: PLANNING IN INDIA: (12)**

Objectives and strategy of planning; Failures and achievements of Plans; Developing grass-root organizations for development-Panchayats, N.G.O.s and pressure groups.

#### **MODULE 4: THE AGRICULTURAL SECTOR: (12)**

Agricultural Production and Productivity, Institutional structure- land reforms in India: technological change in agriculture pricing of agricultural inputs and output; Terms of trade between agriculture and industry; Agricultural finance policy; Agricultural Marketing and Warehousing; Issues in food security-policies for sustainable agriculture.

### **REFERENCE BOOKS:**

- 1) Agarawal A.N. (2006):Indian Economy: Problems of Development and Planning (2006): A Division of New Age International (P) :Limited, New Delhi.

- 2) Ahluwalia, I.J. and I.M.D. Little (Eds) (1999), India's Economic Reforms and Development (Essays in honour of Manmohan Singh), Oxford University Press, New Delhi.
- 3) Bardhan, P.K. (9th edition) (1999), The Political Economy of Development in India, Oxford University Press, New Delhi.
- 4) Bhargava, P. K. (1991), India's Fiscal Crisis, Ashish Publishing House, New Delhi.
- 5) Bhole, L. M. (2000), Indian Financial System, Ghugh Publications, Allahabad.
- 6) Brahmananda, PR. And V.R.Panchmukhi (Eds.) (2001), Development Experience in the Indian Economy: Inter-state Perspectives, Book well, Delhi.
- 7) C.Rangarajan, (2000), Perspectives on Indian Economy -A Collection of Essays, UBSPD publishers Distributors Ltd., New Delhi.
- 8) Dantwala, M.L. (1996), Dilemmas of Growth: The Indian Experience, Sage Publications, New Delhi.
- 9) Dhingra I. C. (2002): Indian Economy S.Chand New Delhi.
- 10) Dutt R and KPM Sundharam (2002): Indian Economy: S.Chand New Delhi.
- 11) Government of India, Economic Survey (Annual), Ministry of Finance, New Delhi.
- 12) Gupta, S. P. (1998), Post-Reform India : Emerging Trends, allied Publishers, New Delhi.
- 13) Hanumantha Rao C.H. and H. Linnemann (Eds)(1996): Economic Reforms and Poverty Alleviation in India Sage, New Delhi.

## MABESO5- COMPUTER APPLICATIONS IN ECONOMIC ANALYSIS-I

### **MODULE I INTRODUCTION TO COMPUTERS: (12)**

History and Evolution of Computers; Generations of Computers; Computer : Definition, Characteristics and Limitations; Components of a Personal Computer System; Classification of Computers and their applications; Model and Functioning of a Digital Computer, Computer Vs. Human – Being.

### **MODULE II COMPUTER FUNDAMENTALS SYSTEM: (12)**

Meaning and Concept; Hardware, Software and Types of Software; Operating System- Meaning and Functions; Memory – RAM and ROM; Input-Output Devices.

### **MODULE III COMPUTER CODES AND PROGRAMMING FUNDAMENTALS: (12)**

Computer Languages - Machine, Assembly and High-Level Languages; Computer Translators - Assemblers, Compilers and Interpreters; Computer Codes; BCD, EBCDIC, ASCII and Collating Sequence; Planning the Computer Program : Algorithm, Flowcharts and Computer Program.

### **MODULE IV BUSINESS DATA PROCESSING CONCEPTS DATA AND INFORMATION: (12)**

Meaning, Types, Data Storage Hierarchy; Data base Concepts; Data base Management System, Data Base Structuring Techniques, Advantages and Limitations of Database System; Information Technology in Business : Internet, Intranet, Extranet, LAN, MAN, WAN, WWW, E-Mail, Search Engines and EDI.

## REFERENCE BOOKS:

- 1) Sinha, P.K., Computer Fundamental, BPB Publications, New Delhi.
- 2) Rajaraman, V. Fundamentals of Computers, Prentice Hall of India, New Delhi. .
- 3) Parameswaranm R. Computer Applications in Business, S. Chand and Company, New Delhi.
- 4) Sudalaimuthu, S. and Anthony Raj S, Computer Applications in Business, Himalaya Publishing House, New Delhi.
- 5) Goel, Sushil, Computer Application to Business & E-Commerce, Natraj Publishing House, Karanl.
- 6) Madan, Sushila, Information Technology, Taxman Allied Services, New Delhi.
- 7) Lipschultz, M.M. and S. Lipschultz, Theory and Problems of Data Processing, Schaum's Outline Series, McGraw Hill, New York.
- 8) David Whiteley, E-Commerce: Strategy, Technologies and Applications, Tata McGraw Hill, New Delhi.

## MABESO6 -ECONOMICS OF LABOUR-I

### MODULE I: INTRODUCTION: (12)

Nature and characteristics of labour markets in developing countries like India; Paradigms of labour market analysis – Classical and neo-classical; Demand for labour in relation to size and pattern of investment.

### MODULE II: LABOUR AND EMPLOYMENT (12)

Supply of labour in relation to growth of labour force; Labour market policies; Mobility and productivity of labour; Rationalization; Methods of recruitment and placement; Employment service organization in India; Poverty and unemployment in developing countries; Unemployment – Concept, Types, and Measurement; particularly in India.

### MODULE III: SECTOR WISE EMPLOYMENT (12)

Impact of rationalization, technological change and modernization on employment in organized private industry; Public sector and employment in agricultural sector; Employment policy under Five Year Plans and its evaluation.

### MODULE IV: THEORIES WAGE DETERMINATION (12)

Classical, neo-classical and bargaining theories of wage determination; Concepts of minimum wage, living wage and fair wage in theory and practice; Wage determination in various sectors – rural, urban, organized, unorganized and in informal sectors.

## REFERENCE BOOKS

- 1) Lester, R.A. (1964), Economics of Labour, (2nd Edition), Macmillan, New York.
- 2) McConnell, C.R. and S.L. Brue (1986), Contemporary Labour Economics, McGraw- Hill, New York.

- 3) Papola, T.S., P.P. Ghosh and A.N. Sharma (Eds.) (1993), Labour, employment and industrial Relations in India, B.R. Publishing Corporation, New Delhi.
- 4) Venkata Ratnam, C.S. (2001), Globalization and Labour-Management Relations: Dynamics of Change, Sage Publications/Response Books, New Delhi.

**SEMESTER-IV**  
**(COMPULSORY PAPERS-2)**

**MABESC3 ECONOMICS OF GROWTH AND DEVELOPMENT-II**

**MODULE 1: MACRO ECONOMIC POLICIES AND DEVELOPMENT (12)**

Monetary policy and development - Fiscal Policy and development - Internal and External sources of finance and development - IMF, IBRD and development of developing countries

**MODULE 2: DEVELOPMENT AND PLANNING MODELS (12)**

Arthur Lewis, Fei-Rani's, Structuralist models, Rostow's stages of growth-Feldman – Mahalanobis, Vahit Brahmananda, Raj-Sen, Chakravarthy, Leontief's Input-Output Model, Planning Techniques; Investment Criteria, Cost-Benefit Analysis.

**MODULE 3: SECTORAL CONTRIBUTION AND DEVELOPMENT STRATEGIES (12)**

Role of Agricultural in Economic development - Role of Industry in Economic development - Role of Service sector in Economic development - Role of Physical Infrastructures in Economic development - Neumann's growth model and modifications- Active and passive variables- Choice of goods and Techniques, Mathur's Wage Goods, Light and Heavy Strategies.

**MODULE 4: INDIAN ECONOMIC PLANNING, TRADE AND DEVELOPMENT (12)**

Meaning, Nature and Objectives of Indian economic planning - Evaluation of Planning in India - 12<sup>th</sup> Five year plan- objectives, targets, financing and evaluation - Internal trade and economic development - International trade and economic development - Free trade Vs Protective trade - WTO and developing countries

**REFERENCES**

- 1) Adelman I. (1961) Theories of Economic development, Stanford University Press.
- 2) Behrman S. and T.N. Srinivasan (1965), Handbook of Development economics, Vol.3, Elsevier, Amesterdam.
- 3) Brown M. (1966), On the Theory and Measurement of Technical Change, Cambridge University, Press, Cambridger, Mass.
- 4) Chenary H.B. and T. N. Srinivasan, (Eds), (1989), Handbook of Development Economics, Vol.1& 2,

- 5) Chenery, H. and T. N. Srinivasan (Eds.) (1989), Handbook of Development Economics, vols. 1 & 2, Elsevier, Amsterdam.
- 6) Dasgupta, P. (1993), An Enquiry into Well-being and Destitution, Clarendon Press, Oxford.
- 7) Ghatak, S. (1986), An Introduction to Development Economics, Allen and Unwin, London.
- 8) Gilliis, M. D. H. Perkins, M. Romer and D. R. Snodgrass (1992), Economics of Development, (3rd Edition), W. W. Norton, New York.
- 9) Hogendorn, J. (1996), Economic Development, Addison, Wesley, New York.
- 10) Kahkonon, S. and M. Olson (2000), A New Institutional Approach to Economic Development, Vistaar.
- 11) Kindleberger, C.P. (1977), Economic Development, (3rd Edition), McGraw Hill, New York.
- 12) Meier, G. M. (1995), Leading Issues in Economic Development, (6th Edition), Oxford University Press, New Delhi.
- 13) Myint, H. (1971), Economic Theory and Underdeveloped Countries, Oxford University, New York.
- 14) Myint, Hla (1965), The Economics of Underdeveloped Countries, Preager, New York.
- 15) Thirwas, A. P. (1999), (6th Edition), Growth and Development, Macmillan, U.K.
- 16) Todaro, M. P. (1996), (6th Edition), Economic Development, Longman, London.

## MABESC4 INTERNATIONAL TRADE & FINANCE-II

### **MODULE – I DEVELOPMENT IN TRADE THEORIES (12)**

Offer Curve and Terms of Trade; Prebisch - Singer Thesis; Metzler's Paradox; Trade under imperfectly competitive market; Product differentiation and trade; Technological Gap and Product Cycle; Environment Standard and Trade

### **MODULE -II TRADE POLICY (12)**

Free trade Vs Restricted Trade Policy; Economics of Tariff- Meaning, types and their impact under partial equilibrium analysis; Non tariff barriers and Neo Protectionism – Import quotas, Dumping and Anti Dumping duties, Subsidies Counterveiling tariff and VERs ,Technical standards, Administrative and other regulations.

### **MODULE – III ECONOMICS OF INTEGRATION AND INTERNATIONAL INSTITUTIONS (12)**

Forms and Benefits of Economic Integration; Theory of Customs Union; Regional Trade Agreements- EU, SAARC, NAFTA, OPEC, ASEAN- Multilateral Institutions-IMF, WB, WTO

## **MODULE –IV INTERNATIONAL CAPITAL MOVEMENTS**

**(12)**

International Capital Flows: Types and Trends; Motives for capital flows; Effects of international Capital Flows; Dutch disease, Advantages and Disadvantages of MNC- transfer pricing –Asian crisis-Global Financial Crisis-Euro Crisis

### **REFERENCES:**

- 1) Carbough, R. J. (1999), International Economics, International Thompson Publishing, New York.
- 2) Chacholiades, M. (1990), International Trade: Theory and Policy, McGraw Hill Kogakusha, Japan.
- 3) Dana, M.S. (2000), International Economics: Study, Guide and work Book (5th Edition), Routledge Publishers , London.
- 4) Dunn, R. M. and J. H. Mutti (2000), International Economics, Routledge, London.
- 5) Kenen, P. B. (1994), The International Economy, Cambridge University Press London
- 6) Kindleberger, C. P. (1973), International Economics, R. D. Irwin, Homewood.
- 7) King, P. G. (1995), International Economics and International Economic Policy: A Reader, McGraw Hill International, Singapor
- 8) Krugman, P. R. and M. Obstfeld (1994), International Economics Theory and Policy, Glenview Foresman
- 9) Salvatore, D. (1997), International Economics, Prentice Hall, Upper Saddle River N. J. New York
- 10) Soderstron, Bo (1991), International Economics, The Macmillan Press Ltd London
- 11) Mithani D.M. (1997), International Economics, Himalaya publishing House, Mumbai
- 12) Lobo Radhika (2003), Southeast Asian Crisis: An Economic Analysis, Serials Publication, Delhi

**M.A.**  
**(BUSINESS ECONOMICS)**  
**PART – II: SEMESTER – IV**  
**OPTIONAL PAPERS:**

CODE	SEMESTER-IV
	<b>GROUP-II</b> <b>OPTIONAL PAPERS</b> <b>(CHOOSE ANY TWO)</b>
MABESO7	PUBLIC ECONOMICS-II
MABESO8	MONETARY ECONOMICS-II
MABESO9	FINANCIAL INSTITUTIONS & MARKETS – II
MABESO10	INDIAN ECONOMIC POLICY- II
MABESO11	COMPUTER APPLICATIONS IN ECONOMIC ANALYSIS-II
MABESO12	ECONOMICS OF LABOUR-II

**MABESO7- PUBLIC ECONOMICS-II**

**MODULE -I: PUBLIC DEBT** **(12)**

Classical and modern views of Public debt; Sources of Public debt; burden of public debt; public borrowings and price level; Principles of public debt management and repayment

**MODULE -II: FISCAL POLICY** **(12)**

Objectives of fiscal policy: Full employment, Anti- inflation, economic growth, redistribution of income and wealth; Instruments of fiscal policy; macroeconomic effects of fiscal deficits; the high inflation trap; Fiscal deficit in India; Indian fiscal policy since 1991

**MODULE -III: FISCAL FEDERALISM** **(12)**

Fiscal federalism in India; Vertical and horizontal imbalance; Sources of revenue of centre and state ; Decentralization theorem ; role of Finance Commission and Planning Commission; Criteria for transfer of resources; Deficit finance – Causes and Consequences

#### **MODULE -IV: INDIAN FINANCES**

**(12)**

Tax systems in India: Structure, Composition; Sources of Revenue of the Union, States and local bodies; Classification of taxes: Direct and indirect taxes, progressive, proportionate and regressive taxes, Ad-valorem and specific taxes; reforms in direct and indirect taxes; Analysis of Central and State government budgets.

#### **REFERENCE BOOKS:**

- 1) Atkinson, A.B. and J.E. Siglitz (1980), Lectures on Public Economics, Tata McGraw Hill, New York.
- 2) Buchanan, J.M. (1970), The Public Finances, Richard D. Irwin, Homewood.
- 3) Goode, R. (1986), Government Finance in Developing Countries, Tata McGraw Hill, New Delhi.
- 4) Houghton, J.M. (1970), The Public Finance: Selected Readings, Penguin, Harmondsworth.
- 5) Jha, R. (1998), Modern Public Economics, Rutledge, London.
- 6) Menutt, P. (1996), The Economics Public Choice, Edward Elgar, U.K.
- 7) Musgrave, R.A. (1959), The Theory of Public Finance, McGraw Hill, Kogakhusa, Tokyo.
- 8) Musgrave, R.A. and P.B. Musgrave (1976), Public Finance in Theory and Practice, McGraw Hill Kogakusja, Tokyo.

#### **MABES08- MONETARY ECONOMICS-II**

#### **MODULE -I: BANKING**

**(12)**

The Central Bank, Commercial Banks - Functions of Central Bank - Credit creation and its control; Profitability and efficiency of banks; Development banks - role and functions; Investment banking and merchant banking; Banking reforms in India.

#### **MODULE -II: FINANCIAL INTERMEDIARIES**

**(12)**

Financial inter-mediation and supply of money: Nature and functions of financial intermediaries; the supply of money and Non-Banking Financial Intermediaries.

#### **MODULE -III: MONEY, OUTPUT AND PRICES**

**(12)**

Causality and evidence- Money, output and prices in India- Causality tests; Indian evidence on causality

#### **MODULE -IV: MONETARY POLICY AND ISSUES**

**(12)**

Monetary policy and prospects for investment in India, interest rates in India -status and issues; Inflation in India - status and issues; Financial sector reforms and monetary policy - recent trends; banking soundness and macroeconomic management.

## REFERENCES BOOKS:

- 1) Pierce, David G and Shaw, David M (1974), Monetary Economics: Theories, Evidence and Policy, Butterworths, London.
- 2) Wrightsman, Dwayne (1971), An introduction to Monetary Theory and Policy, The Free Press, New York.
- 3) Gibson, Williamson E and Kaufman, George G (1971), Monetary Economics: Readings on Current Issues, TATA McGraw-Hill Publishing Company Ltd., New Delhi.
- 4) Goodhart, C.A.E (1978), Money. Information and Uncertainty, The Macmillan Press Ltd., London.
- 5) Gupta, Suraj B (1986), Monetary Planning for India, Oxford University Press, Delhi.
- 6) Johnson, H.G and Nobay A.R. (1974), Issues in Monetary Economics, Oxford University Press, Delhi.
- 7) Krishna, K.L (1999), Econometric Applications in India, Oxford University Press, New Delhi.
- 8) Narendra Jadhav (1993), Monetary Economics for India, Macmillan India Ltd., Madras.
- 9) Venugopal Reddy, Y (2000), Monetary and Financial Sector Reforms in India, UBS Publishers' Distributors Ltd., Chennai.

## MABESO9- FINANCIAL INSTITUTIONS& MARKETS - II

### **MODULE 1: STRUCTURE OF INTEREST RATES: (12)**

Theories of Interest rate determination - level of interest rates - long period and short period rates- Term structure of Interest rates-Spread between lending and deposit rates- Administered interest rates- Appropriate interest rate policy.

### **MODULE 2: Financial Markets in India: (12)**

Role and Structure of Money Market- Features of Indian money market, defects and measures to correct them- Capital Market - Call Money Market, Treasury Bill Market, Commercial Bill Market including commercial paper and certificate- Role of SEBI ( Securities and Exchange Board of India) and IRDA (Insurance Regulatory Development Authority)

### **MODULE 3: Non Banking Financial Institutions (12)**

Non-banking financial institutions: Nature, Significance, types and performance, Regulations in India- Functions of Small Saving and Provident Funds- Performances of General & Life Insurance company, Mutual Funds- Role& working of IFCI, ICICI, IDBI, EXIM bank, SIDBI, SFC's.

### **MODULE 4: International Financial Market: (12)**

Nature, organization and participants, Exchange rates, devaluation and depreciation- Working of floating exchange rates since 1991- International Financial flows, forms and volume- Reforms in International monetary system for developing countries- Lending operation of World Bank and its affiliates- Asian development bank and its lending activities,

**Books Recommended:**

- 1) Bharati Pathak (2009) The Indian Financial System : Pearson Education Publication New Delhi
- 2) Bhattacharaya, B.B., Financial Reforms and Financial Development in India, Institute of Management Technology, New Delhi
- 3) Bhole, L.M. (2008), Financial Institutions and Markets; Tata McGraw Hill Company Ltd., New York.
- 4) Chandra, P. (1997), Financial Markets, (4th Edition), Tata McGraw Hill, New Delhi.
- 5) Desai Vasant, Money and Central Banking, Himalaya House, Mumbai.
- 6) Edminister, R.O. (1986), Financial Institutions, Markets and Managements, McGraw Hill, New Delhi
- 7) Ghosh B.N. and Ghosh Rama, Fundamentals of Monetary Economics, Himalaya Publishing House, Mumbai.
- 8) Gupta, S.B., Monetary Economics, Institutions, Theory and Policy, S.Chand& Co., New Delhi.
- 9) Hanson, J.A. and S. Kathuria (Eds.) (1999), India : A Financial Sector for the Twenty-first Century, Oxford University, Press, New Delhi.
- 10) University, Press, New Delhi.
- 11) Harker, P.T. and A.Tenias (2000) (Ed) Performance of Financial Institutions, Cambridge University Press, Cambridge.
- 12) Johnson, H.S.(1993), Financial Institutions and Markets, Tata McGraw Hill, New Delhi.
- 13) Khan, M.Y. (1996), Indian financial System, Tata McGraw Hill, New Delhi.
- 14) MachiRaju, M.R. (1999), Indian Financial Systems, Vikas Publishing, New Delhi.
- 15) Prasad, K.N. (2001), Development & India's Financial Systems, sarup& Sons, New Delhi.

**MABESO10- INDIAN ECONOMIC POLICY- II****MODULE 1: THE INDUSTRIAL SECTOR: (12)**

Industrial policy; Public Sector enterprises and their performance; Problems of sick units in India; Privatisation and disinvestment debate; Growth and pattern of industrialization; Small-scale sector; Productivity in industrial sector; issues in labour market reforms; Approaches for employment generation.

**MODULE 2: ECONOMIC REFORMS (12)**

Rationale of internal and extent reforms; Globalisation of Indian economy; W.T.O. and its impact on the different sectors of the economy; Need for and issues in good governance; Issues in competition and safety nets in Indian economy.

**MODULE 3: EXTERNAL SECTOR: (12)**

Structure and direction of foreign trade; Balance of payments; Issues in export-Import policy and FEMA; Exchange rate policy; Foreign capital and MNCs in India; The progress of trade reforms in India

**MODULE 4: FINANCIAL SECTOR:****(12)**

Commercial Banking System, Money and Capital Markets, Non-Banking Financial Intermediaries; Price trends in India, Monetary Policy of RBI Banking Sector Reforms, Working of SEBI in India, Fiscal sector reforms in India.

**REFERENCE BOOKS:**

- 1) Agarawal A.N. (2006): Indian Economy: Problems of Development and Planning (2006): A Division of New Age International (P) : Limited, New Delhi.
- 2) Ahluwalia, I.J. and I.M.D. Little (Eds) (1999), India's Economic Reforms and Development (Essays in honour of Manmohan Singh), Oxford University Press, New Delhi.
- 3) Bardhan, P.K. (9th edition) (1999), The Political Economy of Development in India, Oxford University Press, New Delhi.
- 4) Bawa, R.S. and P.S. Raikhy (Ed.) (1997), Structural Changes in Indian Economy, Guru Nanak Dev University Press, Amritsar.
- 5) Bhargava, P. K. (1991), India's Fiscal Crisis, Ashish Publishing House, New Delhi.
- 6) Bhole, L. M. (2000), Indian Financial System, Ghugh Publications, Allahabad.
- 7) Brahmananda, PR. And V.R.Panchmukhi (Eds.) (2001), Development Experience in the Indian Economy: Inter-state Perspectives, Book well, Delhi.
- 8) Dantwala, M.L. (1996), Dilemmas of Growth: The Indian Experience, Sage Publications, New Delhi.
- 9) Datt, R. (Ed.) (2001), Second Generation Economic Reforms in India, Deep & Deep Publications, New Delhi.
- 10) Dutt R and KPM Sundharam (2002): Indian Economy: S.Chand New Delhi.
- 11) Government of India, Economic Survey (Annual), Ministry of Finance, New Delhi.
- 12) Gupta, S. P. (1998), Post-Reform India : Emerging Trends, allied Publishers, New Delhi.
- 13) HanumanthaRao C.H. and H.Linnemann (Eds) (1996): Economic Reforms and Poverty Alleviation in India Sage, New Delhi.
- 14) Misra S.K. & Puri, V.K. (2001), Indian Economy, Himalaya Publication House, Mumbai.

**MABESO11- COMPUTER APPLICATIONS IN ECONOMIC ANALYSIS-II****MODULE I INTRODUCTION TO TEXT PROCESSING WORD PROCESSOR: (12)**

Meaning, Uses and Advantages; Popular Word Processing Packages; Features of a Good Word Processor; MS-Word: Getting Started, Creating and Saving a document, Editing, Page Setting and Formatting the text and Printing the Document.

**MODULE II SPREADSHEET SOFTWARE SPREADSHEET: (12)**

Meaning, overview and application areas; Features of MS-Excel: Entering Information; Saving workbooks and Formatting; Creating Graphs; Printing Worksheets and Graphs; Spreadsheet Function – Mathematical, Statistical and Financial Functions.

**MODULE III STATISTICAL PROCESSING TECHNIQUES AND METHODS: (12)**

Summarizing and analysis of data, Descriptive Statistics; Calculation of Mean, Correlation and Regressing analysis, Estimation of Growth Rates, An overview of Techniques used in Research- Univariate, Bivariate and Multivariate analysis; Trends Forecasting.

**MODULE IV APPLICATION OF INFORMATION TECHNOLOGY TO COMMERCE: (12)**

E-Commerce: Meaning, basis and scope, E-Commerce, E-Business and E- Transaction; E-Commerce Vs. Traditional Commerce; Basis of E-Commerce; Business Models of E-Commerce; Electronic Transactions- Security, Digital Signature, Digital Certificate; Encryption; Electronic Payment System - Debit Cards, Credit Cards, Smart Cards, Electronic Funds Transfer, ATM.

**REFERENCE BOOKS:**

- 1) Sinha, P.K. , Computer Fundamental, BPB Publications, New Delhi.
- 2) Rajaraman, V. Fundamentals of Computers, Prentice Hall of India, New Delhi. .
- 3) Parameswaranm R. Computer Applications in Business, S. Chand and Company, New Delhi.
- 4) Sudalaimuthu, S. and Anthony Raj S, Computer Applications in Business, Himalaya Publishing House, New Delhi.
- 5) Goel, Sushil, Computer Application to Business & E-Commerce, Natraj Publishing House, Karanl.
- 6) Madan, Sushila, Information Technology, Taxman Allied Services, New Delhi.
- 7) Lipschultz, M.M. and S. Lipschultz , Theory and Problems of Data Processing, Schaum's Outline Series, McGraw Hill, New York.
- 8) David Whiteley, E-Commerce: Strategy, Technologies and Applications, Tata McGraw Hill, New Delhi.

**MABESO12- ECONOMICS OF LABOUR-II**

**MODULE I: WAGE POLICIES (12)**

Non-wage component of labour remuneration; inflation-wage relationship at micro and macro levels; Productivity and wage relationship; National wage policy; Wages and Wage Boards in India; Bonus system and profit sharing.

**MODULE II: THEORIES OF LABOUR MOVEMENT (12)**

Theories of labour movement – Growth, pattern and structure of labour unions in India; Achievements of labour unions; Causes of industrial disputes and their settlement and prevention mechanism; social security and labour welfare in India.

**MODULE III: LABOUR ACTS****(12)**

Role of tripartism; Current trends in collective bargaining; Role of judicial activism; labour legislation in India with special reference to the Trade Union Act 1923, Industrial Disputes Act 1947 and Factories Act 1948

**MODULE IV: PROBLEMS OF LABOUR AND REFORMS****(12)**

Special problems of labour; Child labour, female labour, discrimination and gender bias in treatment of labour; Labour market reforms – Exit policy, need for safety nets, measures imparting flexibility in labour markets; Second National Commission of Labour; Globalization and labour markets.

**REFERENCE BOOKS**

- 1) Hajela, P.D. (1998), Labour Restructuring in India: A Critique of the New Economic Policies, Commonwealth Publisher, New Delhi.
- 2) Lester, R.A. (1964), Economics of Labour, (2nd Edition), Macmillan, New York.
- 3) McConnell, C.R. and S.L. Brue (1986), Contemporary Labour Economics, McGraw- Hill, New York.
- 4) Papola, T.S., P.P. Ghosh and A.N. Sharma (Eds.) (1993), Labour, employment and industrial Relations in India, B.R. Publishing Corporation, New Delhi.
- 5) Venkata Ratnam, C.S. (2001), Globalization and Labour-Management Relations: Dynamics of Change, Sage Publications/Response Books, New Delhi.