

MAHATMA GANDHI UNIVERSITY

Priyadarshini Hills P.O., Athirampuzha

Kottayam, Kerala - 686 560

42



Restructured Curriculum and Syllabi
for Undergraduate Courses in

ECONOMICS

with effect from 2007 Admission

Mahatma Gandhi University Kottayam

Board of Studies (Pass) in Economics

1. Shri. George V. Kallarackal, CMS College, Kottayam (Chairman)
2. Shri. Johny Thomas, St. George's College, Aruvithura (Member)
3. Shri. Robins Jacob, St. Albert's College, Ernakulam (Member)
4. Dr. T.A. Thomas, Government College, Kottayam (Member)
5. Smt. Thankom P.C., NSS College, Ottapalam (Member)
6. Shri. Koshy V.K., St. Aloysius College, Edathua (Member)
7. Shri. Joshy P.D., Aquinas College, Edakochi (Member)
8. Shri. Ajithan M.B., SNM College, Maliankara (Member)
9. Smt. Daisy Mathew, Catholicate College, Pathanamthitta (Member)
10. Dr. N. Ajithkumar, Cochin College, Cochin (Member)
11. Dr. K. Gangadharan, NSS College, Mattannur (Member)

INTRODUCTION

The Board of Studies (Pass) in Economics was re-constituted on 18-08-2005 as per University Notification No. 427/97/2/Edn Dated 18-08-2005.

The Board decided to revise the curriculum and syllabi of the under-graduate courses in Economics. The meetings of the Board of Studies were held on 02-03 -2006 and 19-12-2006 to discuss on the matter. A general workshop was conducted in, C.M.S. College, Kottayam. Core-committees were formed to prepare the syllabi of the various core and optional papers to be included in the course. The Report of the decisions of the Board of Studies considering the recommendations of the core-committees is being enclosed herewith.

George V. Kallarackal

Chairman, Board of Studies (Pass) in Economics

ACKNOWLEDGEMENTS

In this endeavour to restructure and update the curriculum and syllabi of the undergraduate courses in Economics we received the selfless service and guidance of a good number of academicians and professionals in Economics, Commerce, Management and Business. We express our sincere gratitude to our Vice-Chancellor, Dr. Jancy James, Pro-Vice Chancellor, Dr. K.K. Yunuskutty, Members of the Syndicate, Registrar, Prof. M.R. Unni, Controller of Examinations, Dr. M. Thomas John and PRO, Shri. G. Sreekumar for their sincere co-operation and guidance in the successful execution of this Project. We are greatly indebted to Dr. B.A. Prakash, Head of the Department of Economics, University of Kerala, for his invaluable supervision and guidance. Further we express our gratitude to Dr. M.S. James, Head of the Department of Economics, S.B. College Changanacherry and Chairman, P.G. Board of Studies in Economics and Dr. Mathew Emmanuel, Dept. of Economics, St. Xavier's College, Vaikom and all the members of the Core-Committees who made this endeavour a success.

George V. Kallarackal

Chairman, Board of Studies (Pass) in Economics

SCHEME AND SYLLABI OF THE COURSE
The three year / six semester BA Degree course in
Economics has three parts

- Part I - English - Three Papers
- Two Papers in the First Year
- One Paper in the Second year.
- Part II - Additional Language - Hindi/Malayalam/any other language-Three Papers.
- One Paper in the First Year
- Two Papers in the Second Year
- Part II (a) - Main - One Core Paper in the First Year.
- One Core Paper in the Second Year.
- Five Core Papers and one optional paper in the final year.
- (b) - Subsidiary Subjects - Two Subjects in the Second Year.

Allotment of Scores :

The External Evaluation of all the papers (Core papers and optional) under annual system is of three hours duration, carrying 80 marks each. The pattern of question papers for papers under Part III shall be as follows:

Internal Evaluation

The break up of 20% marks for internal evaluation of the various papers shall be as follows:

| | Annual Scheme |
|---------------------|----------------------|
| Assignments | 4 |
| Seminar | 4 |
| Test Paper I | 4 |
| Test Paper II | 4 |
| Attendance | 4 |
| (Not less than 75%) | |
| | 20 marks |

Allocation of Hours for the papers under Part III

| Paper (No. & Title) | Year of teaching | Teaching Hours | Exam (Year) | Marks (Int & Ext.) |
|---|---------------------|-------------------|----------------|-----------------------|
| Paper I Micro Economics | 1 | 6 | 1 | 100 |
| Paper II Development and Environmental Economics | 2 | 6 | 2 | 100 |
| Paper III Quantitative Economics | 2,3 | 6 | 3 | 100 |
| Paper IV Macro Economics | 3 | 5 | 3 | 100 |
| Paper V Indian Economy | 3 | 5 | 3 | 100 |
| Paper VI Banking & Financial Markets | 3 | 4 | 3 | 100 |
| Paper VII Public finance & International Economics | 3 | 4 | 3 | 100 |
| Optional Paper (One paper to be chosen from the group) | 3 | 4 | 3 | 100 |
| | | 40 hrs. | | 800 marks |
| Subsidiary Economics | 1 & 2 | 6 | 2 | 100 |

Part III Main**ECONOMICS**

1. Paper I Micro Economics
2. Paper II Development & Environmental Economics
3. Paper III Quantitative Economics
4. Paper IV Macro Economics

- | | |
|--------------|--|
| 5. Paper V | Indian Economics |
| 6. Paper VI | Banking & Financial Markets |
| 7. Paper VII | Public Finance & International Economics |

Optional Papers

1. Computer Applications in Economic Analysis
2. Econometric Methods
3. Marketing Management
4. Human Resource Management
5. Tourism and Travel Management
6. Entrepreneurship Development and Management
7. History of Economic Thought

Core Paper I

MICRO ECONOMICS

Preamble

This paper aims to provide the students an understanding of the behaviour of an economic agent, namely a consumer household, a business firm, a factor owner and about price-fluctuations in the market. The analysis is generally static and is in a partial equilibrium framework.

Module I : Nature and scope of Economics-Scarcity and choice - production possibility frontier - Micro and Macro economics - Uses, applications and limitations of Micro Economics - Induction, deduction - Market equilibrium - Shifts in demand and supply - Partial, neutral, general, stable and unstable equilibrium - Statics and dynamics - comparative statics.

Module II : Demand analysis - individual demand - market demand
cobweb theorem - demand elasticity - types-
Measurement-Demand estimation-demand forecasting.

Module III : Theory of consumer behaviour-consumer equilibrium and
derivation of demand curve-Marshallian marginal utility
analysis - Hicksian indifference curve analysis and
Samuelson's revealed preference theory - normal goods
- inferior goods and Giffen goods-price, income and
substitution effects - consumer surplus - applications.

Consumer behaviour under risk and uncertainty - St.
Petersburg paradox - Bernoullian hypothesis - Market with
incomplete information - transaction cost - search, time
and information cost:

(only the basic concepts required)

Module IV : Theory of production - production function - laws of returns
- laws of variable proportions - Cobb-douglas production
function - Iso quant Iso cost approach - cost function -
cost concepts - Real cost, Money cost, Opportunity cost,
economic cost and accounting cost - short period and long
period cost curves - traditional and modern cost curves -
derivation of supply curve of firm and industry.

Module V : Market structure - Basic assumptions of Neo-classical
theory of the firm - perfect and imperfect markets -
Equilibrium of a firm and industry under perfect
competition - Monopoly- features - equilibrium - price
discrimination - dumping Monopolistic competition -
features, short period and long period equilibrium -
oligopoly - types - price leadership - kinked demand curve
model.

Module VI : Factor pricing - Marginal productivity theory of distribution
- Functional and personal distribution - Inequality in income
distribution - Lorenz curve.

Theories of wage - determination-backward sloping supply curve of labour-collective bargaining and role of trade-union-Rent-Scarcity rent, differential rent, quasi-rent, economic rent and transfer-earnings-classical and Keynesian theories of interest-Profits-Innovations, risk and uncertainty theories.

Module VII : Welfare Economics-concepts of social welfare (only the concepts required) conditions of pareto optimality.

Module VIII : Investment Analysis - Pay-back-period-Average annual rate of return-Net present value-Internal rate of return criteria-Price changes-Risk and uncertainty - Social Cost-benefit analysis.

Basic Reading

1. Koutsoyiannis A - "Modern Micro Economics" - Macmillian Press, London.
2. Pindyck R.S. & Rubinfeld D. - "Micro Economics" 6th edition, Prentice Hall of India, New Delhi (2007)
3. Ahuja H.L. - Principles of Micro Economics, S. Chand and Co. (2006)

Additional Reading

4. Samuelson P.A., Nordhas W.D. Economics, Mc Graw Hill (2005)
5. Watson D.S. and Getz M, Price Theory and its uses, Kholsar Publishing House, New Delhi.
6. Varian H.R., Intermediate Micro Economics - A modern approach, East West Press Edition, 6th Edition, New Delhi.

Core Paper II

DEVELOPMENT AND ENVIRONMENTAL ECONOMICS

Preamble

This paper enables the students to know about the theories of growth and development. Further, this will impart knowledge about the issues relating to sustainable development, environmental protection and pollution control measures.

Module I : Economic growth and development-factors affecting economic growth; Capital, Labour and Technology- Approaches to economic development; Capital formation and economic development, vicious circle of poverty-circular causation, unlimited supply of labour, big push, balanced growth, critical minimum effort thesis, Low income equilibrium trap; Dualism, Technical, behavioural and social. Indicators of development-National Income, Per capita Income, PQLI., HDI.

Module II : Theories of economic development -classical theory, Marx's approach to capitalistic development and social change; Crisis in capitalism, Schumpeter and capitalist development. - Stage theory of development - production function approach to the sources of growth.

Module III : Human resource development - Concept of intellectual capital-food security - Education - health, nutrition - Population problem and growth pattern of population - Theory of demographic transition. Economic development and institutions, Labour markets and their functionings in LDCs - Market and Market failure - State and state failure-issue of good governance-choice of investment in LDCs-alternative investment criteria, Cost - Benefit Analysis; Impact of Population and technology on environment.

Module IV : Macroeconomic policies; Monetary and fiscal policies in developing countries; External resources; FDI, Aid, International Trade as an engine growth. IMF and World Bank policies in developing countries, WTO and developing countries.

Module V : Role of agriculture in economic development: Efficiency and productivity in agriculture, new technology and sustainable agriculture. Globalisation and agricultural growth, Rationale and pattern of Industrialisation in LDCs. Infrastructure and development; Planning in India - Assessment of plan models.

Module VI : Environment - economy linkage, Environment as a necessity and luxury. Environmental use and environmental disruption as an allocation problem. Market failure for environmental goods. Environment as a public good. The common problem. Property right approach to environmental problem. Valuation of environmental damages-land, water, air and forest - Control of pollution - policy instruments and environmental legislations; Environmental accounting.

Basic Reading

1. Michael P. Todaro & Stephen C. Smith, (2003), Economic Development, Pearson Education, New Delhi.
2. AP Thirlwall, (2003), Growth and Development, Palgrave Mac Millan, New Delhi.
3. R.K. Lekhi (2005), Development and Environmental Economics, Kalyani Publishers, Ludhiana.

Additional Reading

4. Meier, GM (2004) Leading Issues in Economic Development, OUP, Delhi.

5. Debraj Ray (1999), Development Economics, OUP, Delhi.
6. Amartya Sen, India : Decentralisation and Participation, OUP, Delhi (2005)
7. Eugene T, (2005), Environmental Economics, Vrinda Publications, Delhi.

Core Paper III

QUANTITATIVE ECONOMICS

Preamble

The prime objective of this paper is to introduce some of the basic statistical methods and quantitative tools, which can be applied in economic analysis. Mathematical derivation of any formula or a detailed study of any topic is not expected.

Module I : Collection and Organisation of Statistical Data

1. Statistics and Economic Analysis :

Meaning and Definition of Statistics - Functions of Statistics - Application of Statistics in Economics - Limitations of Statistics.

2. Collection of Data :

Statistical Data (Meaning, Significance) - Statistical Units - Primary and Secondary Data - Census and sampling Methods - Sample Designs (Probability and non probability sampling methods)

3. Classification and Tabulation :

Classification (Objectives, Types of classification) Frequency Tables (Discrete and continuous, Exclusive and inclusive, Cumulative frequency tables) - Tabulation (Definition, Objectives, Parts of a table, Rules of tabulation)

4. Presentation of Data :

Diagrams and Graphs - Utility - Types of Diagrams - Types of Graphs Difference between Diagrams and Graphs - Limitations.

Module II - Measures of Central Tendency and Dispersion

1. Measures of Central Tendency : Meaning and objectives - Arithmetic Mean (Simple, weighted, combined) Median - Mode - Geometric mean.
2. Measures of Dispersion : Meaning and Significance - Absolute and Relative Measures - Range - Quartile Deviation - Mean Deviation - Standard Deviation - Lorenz Curve and its Economic Applications.
3. Moments, Skewness, Kurtosis : Moments (Central moments, Raw moments) Skewness (Meaning, Positive and Negative skewness) - Measurements (Pearson's coefficient of skewness, Quartile coefficient of skewness) Kurtosis (Definition, Types)

Module III : Correlation and Regression

1. Correlation : Meaning and Definition - Types of Correlation - Methods of Studying Correlation [Scatter diagram, Pearson's correlation coefficient (ungrouped data only), Rank correlation].
2. Regression Analysis : Dependent and Independent Variables - Meaning and Definition of Regression Lines - Simple Regression Equations (Methods of least squares) - Properties of Regression Coefficients : Relations and Differences between Correlations Coefficient and Regression Coefficients - Application of Regression Analysis in Economics.

Module IV - Probability

1. Elementary probability Theory : Definition - Classical Approach - Relative Frequency - Theory - Subjective Approach - Axiomatic Approach (Random experiments, Sample space, Events) - Conditional Probability - Additional and Multiplication Theorems Permutations and Combinations - Random Variables - Probability Distribution - Empirical and Theoretical Probability Distributions - Application of Probability Theory in Economic Analysis.
2. Binomial Distribution : Assumptions and Definition - Properties - Binomial Frequency Distribution.

3. Normal Distribution : Definition and Importance - Properties of Normal Distribution - Standard Normal Distribution - Estimation of Probabilities Using Standard Normal Table.

Module V - Index Numbers and Time Series Analysis

1. Index Number : Meaning and Definition - Classification - Uses - Problems in the Construction of Index Number - Unweighted Index Number - Weighted Index Numbers (Laspeyeres, Paasche's Fisher's, Marshall - Edgeworth) - Tests of Index Number (Time reversal test, Factor reversal test)-Quantity Index Number - Value Index Number (Time reversal test, Factor reversal test)- Index Number of Industrial Production - Consumer Price Index Numbers (Meaning, Importance, methods of construction, Problems in construction) - Fixed Base and Chain Base Index Numbers - Base shifting, Splicing and Deflating Index Numbers- Limitations.
2. Time Series Analysis : Definition - Uses - Components of Time Series - Preliminary Adjustments - Measurement of Trend (Freehand method, Method of semi - averages, Method of least squares)

Module VI - Preliminary Mathematics for Economic Analysis

1. Sequences : Meaning - Arithmetic Progression - Geometric Progression - Compound Interest and Present Value.
2. Elementary Set Theory : Definition and Notations - Forms of Sets - Venn Diagram - Set Operations.
3. Relations and Functions : Ordered Pairs - Cartesian Product - Relations - Functions (Types of functions, Functions of two or more independent variables).
4. Important Economic Functions : Demand Function - Supply Function - Cost Functions - Production Function - Consumption Function - Indifference Curves.
5. Differentiation : Meaning and Definition - Rules of Differentiation - Second Order Derivatives Maximum and Minimum of functions - Partial Differentiation - Economic Applications of Derivatives

(Marginal utility, Marginal cost, Marginal revenue, Marginal productivity of factor inputs, Elasticity of demand and supply)

Module VII - Applications of Statistical tools in Field Survey

This Module is intended to familiarise the students with the application of the various statistical methods and tools they have studied in the previous modules in a real situation. It carries eight marks out of the twenty marks assigned for internal evaluation.

The practical consists of :

- i) Drafting an interview schedule
- ii) Collection and classification of data
- iii) Presentation of classified data as diagrams and graph
- iv) Preparation and presentation of a seminar paper based on their field study.

Basic Reading

1. Chiang A.C., Fundamental Methods of Mathematical Economics, Mc Graw Hill.
2. Allen R. G.D., Mathematical Analysis for Economists, Palgrave Mac Millan.
3. Gupta S.P., Statistical Methods, Sultan Chand & Sons, New Delhi.
4. Monga G.S., Mathematics and Statistics for Economics, Vikas Publishing House, New Delhi.
5. Dr. Thomas P.M. Quantitative Economics, Chinnu Publications, Kottayam.

Core Paper IV
MACRO ECONOMICS

Preamble

The paper is designed to make an undergraduate student aware about the basic theoretical framework which explains the problems and prospects relating to the macro economy.

Module I - Basic Concepts.

Micro and Macro Economics - Leading issues in Macro Economics - Problems relating to Economic growth and Economic Stability - Macro economic Model - Model of circular flow of economic activity - Macro economic variables - stock and flow variables - Exogenous and Endogenous Variables - Actual and potential GNP - Net Economic welfare (NEW) - Environmental concern in national income accounting.

Module II - National Income and Social Accounting

National Income concepts - Methods of measurement - value-added, income and expenditure methods - difficulties involved in the estimation of National Income - National Income Accounting in India - U.N. System of National Income Accounting.

Module III - Classical Theory of Employment

Determination of national output, national income, total employment and price-level-the classical theory - Say's law of Markets - price-mechanism-wage flexibility and full - employment - classical theory of saving and investment - classical theory of interest - neutrality of money - classical dichotomy.

Module IV - Keynesian theory of Employment

Keynesian critique of the classical theory of employment - Simple Keynesian Model of income determination - three sector and four

sector models - investment multiplier - Automatic stabilizers - Liquidity preference theory of interest - Liquidity trap.

Module V - Theories of Consumption

Consumption function - Determinants of consumption - relationship between APC, APS, MPC, MPS - Relative income hypothesis - Permanent income hypothesis - Life cycle hypothesis.

Module VI - Investment function

Investment - Gross & net investment - Autonomous and induced Investment - Determinants of Investment - Keynesian Investment function - Theory of marginal efficiency of capital (M.E.C.) Acceleration Principle - Dampeners on the accelerator - Multiplier - Accelerator Integration model of Samuelson and Hicks' model.

Module VII Money and Inflation

Money-Functions & role of money - Money supply - Demand for money-Classical, Keynesian and Modern quantity theory of money-Fisher, Cambridge - Restatement of the quantity theory of money (monetarism) Inflation - types, causes, effects and methods to control inflation - wage price spiral - Phillips curve - trade off between inflation and unemployment - Trade cycles- Nature and characteristics - Theories of trade cycle - Hawtrey, Hayek, Keynes, Samuelson and Hicks-Multiplier-accelerator interaction models.

Module VIII Macro Economic Policy Measures

Monetary & Fiscal Policy - Objectives and instruments - supply-side measures-Foreign exchange market-floating and managed floating system.

Basic Reading

1. Mankiw, Gregory, Macro Economics, Thomson Learning, 6th Edition.
2. Shapiro, Edward, Macro Economic Analysis, Galgotia Publications, New Delhi.

3. Gupta S.B., Monetary Economics, S.Chand & Co., New Delhi.
4. Samuelson P.A., Nordhas W.D. Economics Mc Graw Hill 18th Edition, Delhi.

Additional Reading

1. Dornbusch, Rudiger, et al, Macro Economics, Tata Mc-Graw Hill.
2. Rana and Verma, Macro Economics, Vishal Publications.

Core Paper V

INDIAN ECONOMY

Preamble

The objective of this paper is to give the students an understanding of the various issues and components of the Indian economy so that they are able to comprehend and critically appraise the overall performance of the Indian economy.

Module I : Indian Economy before the Independence period

Structure of the Indian Economy before the colonial period-villages and towns-Industries and Handicrafts-Indian Economy during the colonial period - Growth Indices-stagnation-Economic consequences of British Rule.

Module II : Indian Economy since the Independence Period

Move towards self-sustained growth-planning in India - Mixed Economy-Objectives of planning - Strategies and Priorities in the fifties - Role of the State - Redefining the role of the State in the period of globalization - Current Five Year Plan, Objectives, allocation and targets. Achievements of Planning in India-A brief review.

Module III : Economic reforms in India

New Economic Policy - Structural Adjustment Programme (S.A.P.) - Liberalization, Privatization and Globalization (L.P.G.) - Rationale behind the Economic Reforms - Privatisation of the P.S.U's Social

Safety Nets in India - Progress of L.P.G. - Current growth rates of the economy.

Module IV : Structure of the Indian Economy

Natural Resources, Land, Water and Forest resources - Demographic features - population - size and growth rates, sex - composition, rural - urban migration, Occupational distribution, Problems of over population - Population Policy - problems of unemployment - National Income - Determination of National Income - Methodology of Measurement - Role of Infrastructure in Economic Development - Physical infrastructure and social infrastructure.

Module V : Agriculture

Trends in agricultural production - factors determining productivity - Land Reforms in India - New Strategy of Agriculture - Green Revolution - Recent performance of agriculture in India.

Module VI : Industry

Industrial development during the pre-reform period - Role of Public sector enterprises in India - Industrialization - Industrial policies 1948 to 1991, Recent Industrial Policy supplements - Industrial development during the post-reform period.

Module VII : External Sector

Composition and direction of India's foreign trade-Balance of payments crisis and new economic reforms - export promotion measures and new trade policies - Foreign Capital - FDI, portfolio Investments - MNCs.

Module VIII : Kerala Economy

Structural change of the Kerala economy-Kerala model of Development - Demographic transition - poverty and unemployment - Gulf Migration - Liberalisation and globalization policies in Kerala - IT policy.

Module IX : Growth performance of the Kerala Economy

Structural growth rates during the pre and post liberalisation periods
- dominance of the service sector - Growth performance compared to the neighboring states - Agricultural production and productivity in Kerala - Causes of agricultural stagnation and industrial backwardness - policies pursued for industrial growth in Kerala - performance of Kudumbashree units-trends in transport and communication, Tourism, Education and Health - Thrust areas of current State Budget.

Basic Reading

1. I.C. Dhingra, The Indian Economy : Environment and policy, Sultan Chand & company Ltd., New Delhi.
2. Datt R. and K.P.M. Sundharam, Indian Economy, S.Chand & Sons, New Delhi.
3. Misra S.K. and V.K. Puri, Indian Economy, Himalaya Publishing House, Mumbai.
4. Uma Kapila, Indian Economy, Academic Foundation, New Delhi.
5. B.A. Prakash, Kerala's Economic Development - Performance and Problems, Sage publication, Delhi.
6. K.K. George, Limits to Kerala Model of Development, Centre for Development Studies, Thiruvananthapuram.

Core Paper VI

BANKING & FINANCIAL MARKETS

Preamble

This paper intends to provide an understanding to students about the modern banking system and factors relating to the functioning of financial markets.

Module I Structure and Evolution of Commercial Banks in India

Evolution of commercial banking in India - Structure of commercial banks - Unit banking, branch banking, mixed banking-profit management of commercial banks-merchant banking-development banks-regional rural banks.

Module II : Functions of a commercial bank :

Functions of commercial bank - process of credit creation-balance sheet of a commercial bank - banking theories-real worth doctrine - shiftability theory-income theory. Anticipated income theory-Functions performed by a commercial bank.

Module III : Central banking :

Evolution of central banking - review of British, American and Indian Central Banking system - functions of central bank with reference to the Reserve Bank of India.

Module IV : Practical Banking

Customer relationship in Banks-opening of various types of bank accounts - various deposits - various services and products of banks including ATM's and Credit Cards.

Module V : Negotiable Instruments

Cheque-Drafts-bills of exchange-promissory notes - Letters of Credit-Certificate of deposits-commercial papers-Endorsements.

Module VI : Loans and Advances

Loans and advances against securities-cash credit, overdrafts, personal loans - home loans, car loans - discounting bills of exchange - mortgages.

Module VII : Financial Markets

The Structure of financial markets - Money markets - Call money - Treasury bills - Commercial bills - Commercial paper - Certificate of deposits - Capital markets - Primary and secondary markets - Credit markets - SEBI - working of stock exchanges in India - Financial sector reforms in India.

Basic Reading

1. Sundaram K.P.M., Banking Theory, Law and Practice, Sultan Chand, Delhi.
2. Srivasthava, Banking theory and Practice, Vikas Publishing House.
3. Shekhar K.C., Banking theory and Practice, Vikas Publishing House, Delhi.
4. Gupta S.B., Monetary Economics, S. Chand & Co., New Delhi.
5. Bhole, Financial Institutions and Markets, Tata Mc Graw Hill, 3rd Edition, New Delhi.

Core Paper VII

PUBLIC FINANCE & INTERNATIONAL ECONOMICS

Preamble

This paper aims at providing the students knowledge about the government sector and external sector of the economy.

Section A : Public Finance

Module I : Public Economics

The Nature & scope of Economic Activity - areas between public and private sectors - public policy - The provision for social wants - fiscal policy for economic stabilization - the classical approach of sound budget - Unbalanced budgeting - Keynesian policy on compensatory finance - functional finance - fiscal policy for developing countries.

Module II - Public Revenue

Sources of public revenue - tax and non tax revenue - capital receipts - canons of taxation - theories of taxation - impact, shifting and incidence of taxation - effects of taxation - classification of taxes - direct and indirect taxes - progressive, proportional, regressive and degressive taxes - Taxable capacity - Laffer curve.

Module III : Public Expenditure

Causes for the growth of public expenditure - Wagner's law - Peacock - Wisemann Hypothesis - Theories of public expenditure - Canons of Public expenditure - Effects of public expenditure - Theory of Public debt - Methods of debt - redemption - burden of public debt.

Section B - International Economics

Module IV - International Trade :

Causes for the pattern and direction of foreign trade - Absolute and comparative cost advantage doctrines - The Hecksher - Ohlin Theorem - Leontieff Paradox - Gains from trade - Static and dynamic gains - Terms of Trade - Major Concepts - Deterioration in terms of trade of less developed countries - The Singer - Prebish - Myrdal Thesis - International Demonstration Effect.

Module V - Balance of Payments :

Balance of Payment and Balance of Trade - Current and Capital Accounts - Disequilibrium in balance of payments - causes of disequilibrium-measures to correct disequilibrium - Marshall - Lerner condition - Exchange control measures - Foreign Exchange market-Determination of equilibrium exchange rate-Fixed and Flexible exchange rate system-Freely Floating & Managed Floating system.

Module VI- Commercial Policy :

Tariffs and Quotas and their effects - Gold standard - the Brettonwoods system and the IMF-IBRD-GATT and WTO - International Liquidity - FDI and FII.

Basic Reading

Section A : Public Finance

1. Richard A. Musgrave and Peggy B. Musgrave, Public Finance in Theory and Practice, Mc Graw Hill, Tokyo.

2. Lekhi R.K., Public Finance, Kalyani publishers, Ludhiana
3. Mithani, D.M., Modern Public Finance, Himalaya Publishing House, Mumbai.

Section B : International Economics

1. Kindleberger C.P., International Economics, AITBS Publishers, Delhi.
2. Soderstern Bo, International Economics, Mc Millan.
3. Cherunilam, Francis, International Economics, Prentice Hall of India, 4th Edition.
4. Rana and Verma, International Economics, Vishal Publishing Co., Jalandher.

Optional Paper I

COMPUTER APPLICATIONS IN ECONOMIC ANALYSIS

Preamble

The paper aims at equipping students with skills and tools based on computers which would be effective instruments of economic analysis, research and forecasting.

Module I - Introduction to computers

Computer fundamentals : Organisation and components of a computer - Computer hardware - CPU; memory, Disk drive, input devices - Keyboard, Mouse and VDU - Computer peripherals like printer, scanner, digitizer - computer software - operating system - application of software and packages.

Module II - Data Processing, Techniques and Algorithms

Concept of data, record and file - types of data and structures, data analysis; File handling and operations like opening, appending and cascading, closing and attribute control - Data storage and retrieval - Data operations - Algorithms like sorting, merging, joining and

bifurcation - Database concepts and operations on data base, DBMS (Data Base Management System) and RDBMS (Relational Data Base Management System)

Module III - Statistical Processing Techniques and Methods

Series, groups, tables, graphs and objects - Time and frequency series - regression methods and techniques - Regression analysis; Data validation - Trends and cycle city - fore casting - System modelling and description; System equation; Specification; Error and correction strategies; statistical modelling and descriptive statistics; Distribution functions - Regression statistics.

Module IV - IT Application to Finance

On line banking, ATMs - electronic stock exchange, Electronic trading; Data sharing and decimation; Electronic transaction; Document delivery, Authentication and Validation; transaction processing.

Module V - IT Application to Commerce

Electronic trading and marketing - online shopping and malls, B2B, B2C, C2B, and G2B models and their applications; Document and transaction security and digital signature - Integrated transaction on mobile platforms.

Basic Reading :

1. Sinha P.K., Computer Fundamentals, BPB Publication, New Delhi.
2. Rajaraman V., Fundamentals of Computers, Prentice Hall of India, New Delhi.
3. Jain, U.K., Computer Fundamentals
4. Kannan B & Krishnan R., Computer applications in Business.
5. Panackal, Paul Mathew, Computer Fundamentals and Operating System.
6. Occardi, Relational Database Theory and Practice.

Optional Paper II
ECONOMETRIC METHODS

Preamble

- Econometric methods have proved particularly useful for understanding the inter relationships among econometric variables. Use of econometrics has given greater precision in establishing such relationships. Students graduating in economics are expected to know the basic concepts and applications of econometrics.

Model - I : Introduction

Definition and scope of econometrics - The methodology of econometric research, specification and estimation of an econometric model. Basic concepts of estimation. Properties of estimators: Unbiasedness, efficiency, consistency and sufficiency.

Module - II : Simple regression analysis

Correlation and regression - Estimation of an equation. Theoretical distributions and application of binomial, poisson and normal.

Module - III : Estimation and Testing

OLS method - Assumptions - Gauss - Markov theorem.

Testing of hypothesis - Type I and Type II errors.

Standard errors - Tests based on Chi-square statistics.

Module - IV : Problems in OLS estimation

Violations of classical assumptions - Heteroscedasticity, Auto correlation and Multicollinearity.

Module - V : Lag Models and Dummy variable

Lags in econometric models - concepts, Koyek model - partial adjustment and adaptive expectation models. Summary variables - qualitative data, Seasonal analysis, use of dummy variables for pooled data, proxy variable - concept and uses.

Module - VI : Application of Econometric Methods

Estimation of demand and supply functions, production and cost functions, consumption and investment function.

Basic Reading

1. Gujarati D (1995), Basic Econometrics (3rd edition) Mc Graw Hill, New Delhi.
2. Johnston J. (1985), Econometric Methods, Mc Graw Hill, New York.
3. Koutsoyiannis A (1977) Theory of Econometrics (2nd edition), The Mac Millan Press Ltd. Hampshire.

Optional Paper - III

MARKETING MANAGEMENT

Preamble

1. To impart knowledge of various aspects of marketing and acquaint the students with the applied problems of marketing, with special reference to India.
2. To familiarize the students about the different channels of distribution and promotion mix.
3. To provide exposure to the students about marketing strategies of business concerns.

Module - I

Understanding Marketing Management : Concept of Market, Marketing Management-evolution of marketing concept of -holistic marketing-E-Marketing-functions of marketing-market segmentation-differentiation-targeting-positioning-approaches to marketing-marketing and economic development.

Module - II

Consumer behaviour : Meaning and factors influencing consumer behaviour-buying motives-buyer decision process-business buying behaviour-customer relationship marketing.

Module - III

Marketing Mix : Meaning and importance-product planning and development-PLC-product mix-branding-brand equity-packaging-labelling-marketing of services.

Module - IV

Pricing and channels of distribution-pricing objectives-strategies in pricing-steps in pricing-customers reaction to price changes-new product pricing strategies-channels of distribution-level of channels-intensity of channel-types of middle men-direct marketing.

Module - V

Marketing promotion and marketing research : Promotion mix-personal selling and sales management-sales promotion and marketing-public relations-Advertising-importance-steps in advertising-objectives-budget-media-evaluation tools-Marketing research-objectives-steps-modern methods-Limitations-Marketing Information System.

Module - VI

Global Marketing : Driving forces in global marketing-product strategy for global markets-organizing global markets Foreign Trade Policy of India. Rural marketing in India-Characteristics of rural markets-Rural marketing opportunities-Typical problems encountered in rural marketing-Marketing strategy for rural market.

Basic reading

1. Kotler, Kevin, Jha & Koshi (2007), Marketing Management, Pearson Education, Delhi.
2. Mathew Emmanuel (2006), Marketing Management, D.C. Books, Kottayam.
3. Ramaswamy & Namakumari (2002), Marketing Management, Macmillan India Ltd., Delhi.

Additional Reading

1. William J Stanton, et al (2004) Marketing Tata Mc Graw Hill Publishing Company Pvt. Ltd., Delhi.
2. Rajan Saxena (2007), Marketing Management, Tata Mc Graw Hill Publishing Company Pvt. Ltd., Delhi.

Optional Paper - IV

Human Resource Management

Preamble

1. To give the students an overview of Human Resource Management.
2. To impart knowledge of policies, procedures and techniques of human resource planning.

Module - I

Importance of Human Resource Management-from Personnel Management to Human Resource Management-evolution of stages of HRM-changing environment and work ethics-human resource management departments and their tasks-jobs and careers-professional activities-training and development.

Module - II

Individuals and jobs-employee's ability-job analysis-rewards-work motivation-motivational processes employee participation-prestige and morale-measurement and improvement of morale.

Module - III

Employee performance-elements of performance appraisal-error identification-and reduction-job satisfactibn-attendance and retention.

Module - IV

Compensation policy-pay and benefits-promotion and transfer of employees-service conditions-protection and safeguards of civil servants-developing pay structure-job hierarchies-equality criterion-job evaluation-developing and administering pay systems.

Module - V

Recruitments and selection-placement-induction-methods of recruitment.

Module - VI

Human Resource planning-planning model for HR planning-determining requirements-forecasting demand for labour-human resource availabilities-gaps-planning for shortages-planning for surplus-resource information systems.

Basic reading

1. Dessler, Human Resource Management, 10th edition, Pearson Education, Delhi.
2. Biswanath Ghosh, Human Resource Development & Management, Vikas Publishing House, Delhi.
3. Aswathappa, Human Resource and Personnel Management, 3rd edition, Tata Mc-Graw Hill, Delhi.

Additional Reading

1. Mondy, Human Resource Management, 9th edition Pearson Education.
2. A. M. Sheikh, Human Resource Development & Management, S. Chand & Company Ltd., Delhi.

Optional Paper - V

Tourism & Travel Management

Preamble

This paper is being aimed at creating awareness among students relating to the tourism potential of our country and about the conditions of tourism and travel management in India.

Module - I

Concept and scope of Tourism-definition of a tourist and tourism-origin, history and importance of tourism development-characteristics of modern tourism-forms & types of tourism-Geographical, cultural and historical components of tourism-social, religious, health and regional problems-Seasonality of tourism.

Module - II : Tourist Flow

Characteristics-modern tourism-domestic and international tourism-different dimensions of tourist flow-global trends in tourism-future trends.

Module - III : Tourism Planning & Marketing

Tourism planning-Essential basic services for tourism development-assessment of a tourism product-management of tourism-natural, social and cultural resources in India-Tourism marketing-services and their marketing implications.

Module - IV : Organization of Tourism

Tourism promotion-agencies in India and abroad-ITDC, STDC's, IATA etc. Tourism facilities such as holiday camps, clubs, rest houses, hotels, resorts, motels, etc-Tourist guides-need for training-transportation and accommodation-passenger and cargo transportation by air, sea, road and railway-different kinds of accommodation-arrangements for booking.

Module - V : Environment and Tourism

Conservation of country side-Areas of outstanding natural and cultural beauty-sea coasts, hill station tourism-pollution-social cultural & physical.

Module - VI : Trends in Indian & International Tourism

Changes in tourism policy-liberalization in customs & transport formalities-group tours-advantages and evils of tourism-tourism in South India-important tourist centres-factors influencing tourism-developments in South India.

Basic reading

1. Bhatia A.K. Tourism Development, Principles and Practices, Sterling Publishers, N.Delhi.
2. Anand M.M., Tourism & Hotel industry in India, Sterling Publishers, N.Delhi.
3. Wahab S.E., Tourism Management, Tourism International Press, London.
4. Ram Acharya, Tourism & Cultural Heritage of India, Rosa Publications.
5. Ann Rowe, et al, Travel and Tourism, Cambridge University Press.
6. Leo Jones, Welcome, English for the Travel and Tourism Industry, Cambridge University Press, 2nd Edition.

Optional Paper - VI

ENTREPRENEURSHIP DEVELOPMENT AND MANAGEMENT

Preamble

This paper aims at highlighting the significance of entrepreneurship in a nation's development.

Module - I : Entrepreneur

Definition & meaning-characteristics-classification-Entrepreneurial traits and motivation-Role of Entrepreneurship in economic development-factors affecting growth of Entrepreneurship-women entrepreneurship.

Module - II : Entrepreneurial Development Programmes

Need for training target groups-contents of the training programme-project identification-techno-economic survey.

Module - III : Project Formulation

Elements-feasibility analysis-Network analysis-project planning-project report-project appraisal-techniques used.

Module - IV : Small Scale Enterprises

Setting up of SSI-location-green channel-Industrial policy & SSI-Institutional support to SSI's-Tax rules-Sales Tax & V.A.T.

Module - V : Nature of Concept of Micro Enterprise Management

Features of Management-levels of management-functions of management-Quality circle & Total quality management (T.Q.M.).

Module - VI : Liberalization, Privatization and Globalization (L.P.G.)

Impact of LPG on Indian Economy-objectives of business-social responsibilities of a business firm.

Basic reading

1. Gupta C.B. & Sreenivasan, N.P., Entrepreneurial Development, Sultan Chand.
2. Drucker Peter, Innovation and Entrepreneurship.
3. Vasanth, Desai, Small Scale Industries & Entrepreneurship, Himalaya Publishing House, Mumbai.
4. Hirsch, Entrepreneurship, Tata Mc-Graw Hill.
5. Kerala VAT Rules.

Optional Paper - VII

HISTORY OF ECONOMIC THOUGHT

Preamble

This course is of immense value to a student who undergoes advanced training in Economics. Economic science has evolved over many centuries. It is the development of economic thought that has for the most part shaped the nature and course of economic science over these years. This course, tracing the history of economic thought, would enable the student to understand how contemporary economics came to be what it is.

Module - I : Early Period

Nature and scope of history of economic thought-significance of the history of economic thought. Economic thought of Plato and Aristotle-Doctrines of just cost and just price-Mercantilism : main characteristics; Thomas Mun-Physiocracy : natural order, primacy of agriculture, social classes, Tableau Economique, taxation, Turgot-Economic ideas of Petty, Locke and Hume.

Module - II : Classical Period

Adam Smith-division of labour, theory of value, capital accumulation, distribution, views on trade, economic progress; David Ricardo-value, theory of rent, distribution, ideas on economic development and international trade; Thomas R Malthus-theory of population, theory of gluts; German romantics and socialists-Sismondi, Karl Marx-dynamics of social change, theory of value, surplus value, profit and crisis of capitalism; Economic ideas of J.B. Say, J.S. Mill, Historical School-Senior, List.

Module - III : Reconstruction of Economic Thought

Marginalist School : Features of marginalism, Gossen, Jevons, Clark-Austrian (subjective) school : Carl Menger, Bohm Bawerk, Wieser-Lansanne School : Leon Walras, Vilfredo Pareto-Swedish School : Wickstead, Knut Wicksell, Gustav Cassel-Institutionalism: Thorstein Veblen, J.R. Commons, Mitchell-Neo-Classical School : Alfred Marshall : Marshall's important contributions, evaluation of Marshall' A.C. Pigou : Welfare Economics; Irving Fisher; John Maynard Keynes : Theory of employment and income determination, evaluation of Keynes-Chicago school : Milton Friedman-economic ideas of Schumpeter and Samuelson.

Module - IV : Indian Economic Thought

Early economic ideas of Kautilya, Valluvar-modern economic ideas : Naoroji-RC Dutt-MN Roy-Economic ideas of Gandhi, village, Swadeshi, place of machine and labour, cottage industries, trusteeship. Early approach of planning (the National Planning Committee)-Cooperation as a way of development-JK Metha : wantlessness-economic ideas of Amartya Sen.

Basic reading

1. E.Roll, A History of Economic Thought, Rupa & Company.
2. BN Ghosh, A Concise History of Economic Thought, Himalaya Publishing House, Mumbai.

3. Bhatia, History of Economic Thought, Vikas Publications, Delhi.
4. TN Hajela, A History of Economic Thought, Konarc Publications, Delhi.

Additional Reading

1. Blaug M., Economic Theory in Retrospect, Cambridge University Press, Cambridge.
2. Schumpeter J.A., History of Economic Analysis, OUP, New York.
3. Kautilya, The Arthashastra, Penguin Books, Delhi.

GENERAL ECONOMICS **(Subsidiary)**

Module - I : Introduction

Nature and significance of Economics-Definition of Economics-Wealth, welfare, scarcity and growth definitions-Relationship of Economics with other social sciences such as Sociology, Ethics, History, Political Science etc.

Module - II :Basic Economic Problem and Economic Systems

Problems of scarcity and choice-Allocation, growth and fuller utilization of resources-production possibilities frontier-Features of alternate economic systems-Capitalism, Socialism and Mixed economy-their advantages and disadvantages.

Module - III :Functioning of Market

Demand and supply-market equilibrium-price and equilibrium output-law of demand-assumptions-exceptions to the law of demand-reasons behind the downward slope of the demand curve-law of supply-market equilibrium-implications of shifts in demand and supply.

Module - IV : Consumer's Equilibrium

Cardinal and ordinal utility-law of diminishing marginal utility equilibrium marginal utility-indifference curve analysis of consumer behaviour-total price effect-income effect and substitution effect-elasticity-degrees of price elasticity-various methods of estimating price elasticities-factors influencing price elasticities.

Module - V : Production and Cost

Production-Production function-short run and long run-Laws of returns-Law of variable proportions-Laws of returns to scale-Cost of Production-short run costs-fixed cost and variable cost-average cost, average fixed cost, average variable cost, marginal cost-relation between average cost and marginal cost-Economies of scale and diseconomies-internal and external.

Module - VI : Market Structures

Features of perfect competition-monopoly-monopolistic competition and oligopoly-price and output determination under perfect competition, monopoly, monopolistic competition and oligopoly-kinked demand model.

Module - VII : Factor Markets and Distribution of National Income

Functional and personal income distribution-marginal productivity theory of distribution-Ricardian theory of rent-quasi rent-modern theory of rent-trade unions and collective bargaining power-liquidity preference theory interest-Theories of profit-inequalities of income.

Module - VIII : National Income Output and Employment

National Income concepts such as GNP, GDP, NNP, NNI and others-methods of estimating national income-value added method, income method expenditure method-Difficulties in estimating national income-national income estimation in India.

Monetary and fiscal policies-objectives-instruments of monetary and fiscal policies.

Module - IX : Money and Banking

Money-role and functions of money-functions of a central bank-functions of commercial banks-inflation-types, causes, effects and methods to control inflation.

Module - X : Planning and Development in India

Meaning of Economic planning-objectives of planning, evaluation of Five year plans-approach to the eleventh plan-poverty & unemployment-employment generation and poverty reduction programmes-Kudumbasree approach towards poverty.

Basic reading

1. Samuelson P.A., Nordhas, Economics, Mc-Graw Hill.
2. Mankiw, Gregory, Principles of Economics, Thomson Learning.
3. Datt and Sundaram, Indian Economy, S. Chand & Co.
4. Dewett K.K., Modern Economic Theory, S. Chand & Co.