



# **Savitribai Phule Pune University**

(Formerly University of Pune)

## **M.A. ECONOMICS SYLLABUS**

(CREDIT & SEMESTER SYSTEM)

**Revised syllabus will be implemented with effect from the  
academic year 2020-2021 at College & P.G. Centers**

**M.A. ECONOMICS - PART II**  
**(CREDIT & SEMESTER SYSTEM)**

**SYLLABUS: FROM JUNE 2020**

Information:

The M.A. degree will be awarded to students who complete a total of 64 credits in a minimum of two years taking four courses per Semester (4X4=16 credits). Each course will be of 4 credits.

- A Student may take three courses (twelve credits) per semester from the parent department and therefore one course of four credits from any other department per semester. In case a student wishes to take all courses from the parent department he/she may also do so.
- All courses are open to all students from outside the department. Eligibility for registering for each course will be decided by the departmental committee.
- For the students doing M.A. degree in Economics the courses are divided into compulsory and Elective. Every student has to take three core courses and one elective course each semester.

**Evaluation**

- Each course will have 50% marks as End of Semester Examination and 50% marks for Continuous Assessment.
- The student has to pass in the combined total of Continuous Assessment and End of Semester Examination.
- In order to pass a student shall have to get minimum 40% marks (E and above on grade point scale) in each course. Any student getting less than 16 marks in each component will be declared as failed, even if the combined total is over 40%.
- If a student misses a Continuous Assessment examination, he/she will have a second chance with the permission of the teacher concerned. Students who have failed for the entire course may reappear at the semester-end exam. Their internal marks will not change. They can also repeat during the 5th /the 6th semester whichever is applicable

**Revised Syllabus To Be Implemented From Academic Year JUNE 2020-2021  
at College & P.G. Centers**

<b>M.A. Part- II, Semester- III</b>		<b>M.A. Part- II, Semester- IV</b>	
<b>Core Papers Compulsory Paper</b>		<b>Core Papers Compulsory Paper</b>	
EC-3001	Macro Economics Analysis-I	EC-4001	Macro I Economics Analysis II
EC-3002	Growth & Development -I	EC-4002	Growth & Development II
EC-3003	Research Methodology- I	EC-4003	<b>Research Project(Only Regular Students)</b> Research Methodology - II (Only External Students)

(Any ONE to be selected)

<b>Elective Papers</b>		<b>Elective Papers</b>	
EC-3004	Economics of Finance	EC-4004	Econometrics
EC-3004	Demography	EC-4004	Public Policy
EC-3004	Capital Market	EC-4004	Economics of Environment
EC-3004	Industrial Economics	EC-4004	Foreign Exchange Market

**M.A. ECONOMICS PART- II**

**SEMESTER III**

**CORE PAPERS (COMPULSORY PAPER)**

**01 - MACRO ECONOMICS ANALYSIS - I**

**02 - GROWTH AND DEVELOPMENT- I**

**03 - RESEARCH METHODOLOGY- I**

**CORE COURSE  
SEMESTER III  
EC-3001  
MACRO ECONOMICS ANALYSIS - I**  
(This course will have *FOUR* credits)

**PREAMBLE**

Macroeconomics or aggregative economics analysis establishes the functional relationship between various aggregates of the economy. Aggregative analysis assumed such a great significance in recent times that a prior understanding of macroeconomic theoretical structure is considered essential for proper comprehension of different issues and policies. Macroeconomics now is not only a scientific method of analysis but also a body of empirical economic knowledge. The course equips the students at the postgraduate level to understand systematic facts and theoretical developments for empirical analysis,

**Course Objectives:**

- To provide a thorough understanding of the principles of macroeconomics and the application of macroeconomic concepts in real-life situations.
- To discuss the modern developments in macroeconomics.

**Programme Outcome:**

- Ability to analyze and demonstrate knowledge of the basic theories/laws in macroeconomics.
- At the end of the course, the student should be able to evaluate macroeconomic concepts, models and its use in real life situations.

**1. Traditional Approaches to Macroeconomics 12**

- 1.1 Classical Approach-Introduction and main features
- 1.2 Keynesian Approach-Introduction and main features
- 1.3 Neoclassical Approach-Introduction and main features

**2. National Income and Social Accounting 12**

- 2.1 Circular Flow Income in two-three and four sector economy
- 2.2 Different forms of national income accounting-
  - 2.2.1 Social accounting
  - 2.2.2 Input-output accounting
  - 2.2.3 Flow of funds Accounting
  - 2.2.4 Balance of payments Accounting
  - 2.2.5 Matrix presentation of Social Accounting

**3. Demand and Supply of Money 12**

- 3.1 Definition of Money, Debates relating to definition of Money
- 3.2 The Liquidity Theory, Gurley and Shaw Hypothesis, Demand for Money-Classical and Keynesian
- 3.4 Cash Balance Approach- Post Keynesian Theories of Demand for Money, Tobins Approach, Baumol's Inventory Theoretic Approach, Friedman's Theory of Demand for Money.

## **4. Supply of Money**

12

- 4.1 Financial Intermediation
- 4.2 A Mechanistic Model of Bank Deposit Determination.
- 4.3 A Behavior Model of Money Supply Determination,
- 4.4 A Demand-determined Money Supply process,
- 4.5 RBI approach to Money Supply-High Powered Money and Money Multiplier; Budget Deficit and Money Supply, Money Supply and Open Economy.
- 4.7 Control of Money Supply.

### **BASIC READING LIST:**

1. August Swanenberg (2005) 'Macroeconomics Demystified' A Self Teaching Guide, McGraw Hill Education
2. Ackley,G.(1978), Macro Economics : Theory and Policy, Macmillan, New York.
3. Agrawal Vanita, Macroeconomics: Theory and Policy, Pearson Publication, New Delhi.
4. Ahuja H.L., Macroeconomics: Theory and Practice, S.Chand & Co. New Delhi.
5. Blackhouse, R. and A. Salansi (Eds.) (2000) Macroeconomics and the Real World (2 Vols.), Oxford University Press, London. Dornbusch,
6. Campbell R. McConnell, Stanley L. Brue, (2001) Macroeconomics: Principles, Problems and Policies', McGraw Hill, Inc, New York.
7. Froyen Richard T (2006) 'Macroeconomics– Theories and Policies' Pearson Education; 8<sup>th</sup> edition
8. Gupta S.B. (1997) 'Monetary planning for India' OUP
9. Jha, R. (1991), Contemporary Macroeconomic Theory and Policy, Wiley Eastern Ltd., New Delhi.
10. Mankiw Gregory (2007) 'Macroeconomics' Worth, New York
11. Rao, V.K.R.V. (1983) India's National Income : 1950 to 1980, Sage Publications, New Delhi
12. Gupta, S.B. (1995), Monetary Planning in India, OUP, New Delhi.
13. Sampat Mukherjee (2013), 'A Global Text-Macroeconomics', New Central Book Agency
14. Soumyen Sikdar (2006) 'Principles of Macroeconomics' Oxford University Press

### **Recommended Readings:**

1. Branson, W.A. (1989), Macroeconomic Theory and Policy, (3rd Edition), Harper and Row, New York.
2. Culbertson, J.M. (1968), Macroeconomic Theory and Stabilization Policy, McGraw Hill, Kogenkosh, Tokyo.
3. Duesenberry, J.S. (1949), Income Saving and the Theory of Consumer Behaviour. Harvard University Press, Harvard.
4. Edey, M. and A.T. Peacock (1967), National Income and Social Accounts, Hutchinson University Library, London
5. Fisher, Dornbusch, Schamalensee (1988) 'Economics' McGraw Hill International Edition ; 2<sup>nd</sup> edition
6. Friedman, M. (1957), The Theory of Consumption Function, Princeton University Press Princeton.
7. Friedman, M. (1956), Studies in the Quantity Theory of Money, The University of Chicago Press, Chicago
8. Glahe, Fred, R.(1973), Macroeconomics: Theory and Policy, Harcourt Brace Javanovich, Inc, New York.
9. Harris Lawrence (1980) 'Monetary Theory' McGraw Hill Inc.
10. Keynes, J.M. (1936), 'The General Theory of Employment Interest and Money',

Macmillan, London.

11. Ruggles, R. and N. Ruggles (1956), National Income Accounts and Income Analysis, McGraw Hill New York.
12. Shapiro, E.(1996) Macroeconomic Analysis, Galgotia Publications, New Delhi.
13. D.Wrightsman 'An Introduction to Monetary Theory and Policy' The Free Press New York 1983
14. Bhise V.B , Khandare V.B & Babar , (2014) Macro Economics ,Chinmay Publication Aurangabad.
15. Kute S & Rithe M ,Macro Economics , Prashant Publication Jalgaon, MS ,India.

**Recommended Journals:**

Applied Economics- Taylor & Francis Online

Journal of Macroeconomics-Elsevier

Macroeconomics and Finance in Emerging Market Economies- Taylor & Francis Online

The Indian Economic Journal- Sage Journal

**CORE COURSE**  
**SEMESTER III**  
**EC- 3002**  
**GROWTH AND DEVELOPMENT- I**  
(This course will have *FOUR* credits)

**PREAMBLE**

The course makes an attempt to provide an introduction to the economics of Growth and Development and at the same time provide an understanding of the analytical rigour of the subject. Growth and Development-I is a core course that covers meaning and concept of Economic Growth and Development, measuring the economic growth and development, theories of economic growth and development, poverty, inequality and unemployment and role human capital in economic development . Growth and development-I will try to clear the concepts regarding the economic growth and development and provides basic knowledge to the students to get engaged in the activities.

**Course Objectives:**

- To enable learning and understanding of the basic concepts and process to measure the growth and economic development etc.
- To analyze and evaluate the obstacles in the process of economic growth and development

**Programme Outcome:**

- Ability to apply the concepts of economic growth and compare international comparison of economic development, etc.
- Ability to analyze and demonstrate knowledge of the economic growth and development theories of economic growth and development

**1 Principles and Concepts of Growth and Development 12**

- 1.1 Concepts of growth and Development
- 1.2 Measuring Economic Development: Income and Alternative Measures
- 1.3 International Comparison of Incomes: PPP and Exchange Rate Approaches
- 1.4 Developing / Emerging Economies – Concept
- 1.5 Barriers to Economic Development

**2 Theories of Economic Development and Growth 12**

- 2.1 Classical Theory of Economic Development: Adam Smith
- 2.2 The Harrod-Domar Model
- 2.3 Solow model of economic growth
- 2.4 The Cobb-Douglas Production Function
- 2.5 The Big push theory
- 2.6 The New (Endogenous) Growth Theory

**3 Poverty, Inequality and Unemployment 12**

- 3.1 Measurement of Poverty- Uni-dimensional & Multi-dimensional, Amartya Sen's Approach to Poverty measurement, Rural and Urban Poverty, Participatory Approach to Poverty, Women and Poverty
- 3.2 Measuring Inequality, Lorenz Curve, Gini Coefficient, Functional Distribution,
- 3.3 Challenge of Unemployment, Disguised Unemployment and Economic Development, Concept of Jobless Growth
- 3.4 Employment and Migration



## 4 Human Capital and Economic Development

12

- 4.1 Theory of Demographic Transition
- 4.2 Human Capital Approach of Development
- 4.3 Demographic Dividends
- 4.3 Education, Skill and Wages, Health and Efficiency to Work
- 4.5 Optimum Population

### Basic Reading List:

1. Basu Kaushik (1998) Analytic Development Economics: The Less Developed Economy Revisited', OUP
2. Behrman, S. and T.N. Srinivasan (1995), Handbook of Development Economics, Vol. 3, Elsevier, Amsterdam.
3. Felix Raj, Sampat Mukherjee, Mallinath Mukherjee, Amitava Ghose, Ranjanendra N. Nag (2007) "Contemporary Development Economics From Adam Smith to Amartya Sen", New Central Book Agency Private Limited
4. Gillis, M., D.H. Perkins, M. Romer and D.R. Snodgrass (1992), Economics of Development,(3rd Edition), W.W. Norton, New York.
5. Kindleberger, C.P. (1977), Economic Development, (3rd Edition), McGraw Hill, New York
6. Meier Gerald M. and James E. Rauch, "Leading Issues in Economic Development" Oxford University Press, 2006
7. Ray Debraj (1998) "Development Economics", Oxford University Press
8. Solow Robert M. (2000) "Growth Theory An Exposition" Oxford University Press
9. Thirwal, A.P. (1999), (6th Edition), Growth and Development, Macmillan, U.K.
10. Todaro, M.P. (1996), (6th Edition), Economic Development, Longman, London.

### Recommended Readings:

1. Banerjee Abhijit V, Esther Duflo (2013) 'Poor Economics: Rethinking Poverty & the Ways to End it' Penguin
2. Barro Robert J. and Xavier Sala-i-Martin (2004) "Economic Growth " Prentice Hall of India Brown, M. (1966), On the Theory and Measurement of Technical Change, Cambridge University Press, Cambridge, Mass.
3. Chenery, H. and T.N. Srinivasan (Eds.) (1989), Handbook of Development Economics, Vols.1 & 2, Elsevier, Amsterdam
4. Dasgupta, P. (1993), An Enquiry into Well-being and Destitution, Clarendon Press, Oxford.
5. Gillis, M., D.H. Perkins, M. Romer and D.R. Snodgrass (1992), Economics of Development,(3rd Edition), W.W. Norton, New York.
6. Meier, G.M. (1995), Leading Issues in Economic Development, (6<sup>th</sup> Edition), Oxford University Press, New Delhi.
7. Nayyar Deepak (2019) 'Resurgent Asia' OUP
8. Todaro Michael (1981) "Economics for A Developing World", Longman, London.
- 9 Wavre Anilkumar & Londhe M , Economics of Development and Planning , (2019) Educational Publishers , Jalgaon , MS, India.

### Reports:

- Human Development Report, 1995-2009, UNDP, OUP Latest Reports
- RBI Bulletin ( latest issues)
- World Development Report, Latest Reports
- World Development Indicators, World Bank, OUP, Latest Reports

**Recommended Journals:**

Economic Development and Cultural Change- Chicago Press

Journal of Development Economics-Elsevier

IMF Economic Review- Palgrave Macmillan

Oxford development Studies- Routledge

Review of Development Economics-Wiley

Review of World Economics-Springer

Review of Economic Dynamics- Elsevier

**CORE COURSE**  
**SEMESTER III**  
**EC- 3003**  
**RESEARCH METHODOLOGY I**  
(This course will have *FOUR* credits)

**PREAMBLE**

The main objective of this paper is to make the students aware of the importance of Research Methodology. Today research is of importance in every field of life. Hence students need sound initiation in the world of research. Thus this syllabus is prepared to equip students with basics of research methodology and also provide them acquaintance with the main ingredients of major sources secondary data on Economics, some hands-on experience in conduct so survey including designing questionnaire and interview schedules, collection of data, analysis of data and preparation of report.

**Course Objectives:**

- To enable an understanding of Research and its methods under various areas of economics.
- To demonstrate the practical and the applied aspects of research in relation to Economics.

**Programme Outcome:**

- Ability to develop, demonstrate and examine topics under Economics to pursue research.
- Ability to evaluate and examine subject areas in economics and explore possibilities of research.

**1 Introduction**

**08**

- 1.1 Research : Meaning ,Nature , Scoup. And Importance
- 1.2 Scientific Research : Methods - Stages /Steps
- 1.3 Social Science Research - Meaning ,Nature , Scoup. And Importance
- 1.4 Review of Literature- Need, Scope, Use and Precautions

**2 Research Problem And Design**

**10**

- 2.1 Research Problem- Meaning, Identification and Selection of Research Problems
- 2.2 Research design ; Meaning , Objective ,
- 2.3 Need , Characteristics of Research design
- 2.4 Types of research Design – Descriptive, Diagnostic ,Exploratory, Experimental

**3 Data Collection And Data Analysis**

**12**

- 3.1 Collection of Data – Meaning ,Importance
- 3.2 Sources of data – Primary Data And secondary data
- 3.3 Methods of Primary Data Collection- Questionnaire and Interview method, Schedule , Observation Method; ,
- 3.4 Secondary Data Sources
- 3.5 Sampling Method –Meaning and Types—( Probability and Non-probability )
- 3.6 Analysis of Data- Classification and Tabulation of Data
- 3.7 Computer Use Of Data Analysis

**4 Testing of Hypothesis**

**12**

- 4.1 Hypothesis: Definitions, Characteristics and Importance
- 4.2 Types Of Hypothesis
- 4.3 Procedure of Hypothesis Testing

- 4.4 Basic Concepts: Level of Significance, Statistical Errors ( Type --I and Type II Error )  
 4.3 Procedure of Testing of Hypothesis- Parametric and Non-Parametric tests

## **5 Report Writing**

**10**

- 5.1 Objective of Report Writing  
 5.2 Importance of Research Report,  
 5.3 Features of Research Report  
 5.4 Steps/ Element of Research Report  
 5.5 Report Writing: Considerations and Precautions,  
 Ordering References , Bibliography and Appendix in Research

### **Basic Reading List:**

1. Banamati Mohanty (2015) 'Statistics for Behavioral and Social Sciences' Sage Texts
2. Bryman Alan (2018) 'Social research methods' OUP
3. Cooper Donald R. & Pamela S. Schindler (1999), "Business Research Methods", Tata McGraw-Hill Edition, New Delhi
4. Flick Uwe (2011) 'Introducing Research Methodology' Sage Publications
5. Kothari C. R, Gaurau Garg (2019) 'Research Methodology, Methods and Techniques", New Age International Publications, 4<sup>th</sup> Edition
6. Kumar Ranjit, (2012), "Research Methodology" 2<sup>nd</sup> Ed, Pearson Education
7. Wilkinson and Bhandarkar (2016) 'Methodology and Techniques of Social Science Research; HPH
8. Willson Jonathan (2017) 'Essentials of Business Research: A Guide to Doing Your Research Project' Sage Publications

### **Recommended Readings:**

1. Basotia G.R. Sharma K.K. (1999) 'Research Methodology' Mangal Deeop Publications
2. Don E. Ehridge (2004) 'Research Methodology in Applied Economics: Organizing Planning and Conducting Economics Research', John Wiley and Sons
3. Gopal M.H. (1971) 'An Introduction to Research Procedure in Social Sciences', Asia Publishing House
4. Kothari S. R (2012) 'Research Methodology, Methods and Techniques", Pragnun Publications.
5. Khandhare V.B., Yadav Y.,2016, Chinmay Publication ,Aurangabad.
6. Krishnaswamy, O.R. (1993) 'Methodology of Research In Social Sciences, HPH
7. Kurein C. T. (1973) A Guide to Research in Economics' Sangam Publishers for Madras Institute of Development Studies
8. Les Oakshott (2012) 'Essential Quantitative Methods for Business, Management and Finance', Palgrave Macmilan, 5<sup>th</sup> edition
9. Moser C.A., G. Kalton (1985) 'Survey Methods in Social Investigations' Routedledge
10. BAV Sharma D Ravindra Prasad and P. Satyanarayana (1983) Research Methods in Social Sciences' Sterling publishers, New Delhi
11. Sadhu AN, Amarjit Singh (2007) 'Research Methodology in Social Sciences' HPH
12. Thakur Devendra (2009) 'Research Methodology in Social Sciences' Deep and Deep Publications
13. Young P.V. (1984) 'Scientific Social Survey and Research', Prentice Hall -India

**Recommended Journals:**

Journal of Mixed Methods Research- Sage

Journal of Applied Social Sciences- Sage

Research in Economics- Elsevier

Social Science Research- Elsevier

The Social Science Journal – Elsevier/ ScienceDirect

**M.A. ECONOMICS PART- II**

**SEMESTER III**

**ELECTIVE PAPERS**

**EC-3004**

**(Choose Any ONE Paper)**

- 01- ECONOMICS OF FINANCE**
- 02- DEMOGRAPHY**
- 03- CAPITAL MARKETS**
- 04- INDUSTRIAL ECONOMICS**

**ELECTIVE COURSE**  
**SEMESTER III**  
**EC-3004**  
**ECONOMICS OF FINANCE**  
(This course will have *FOUR* credits)

**PREAMBLE**

The positive and significant role of financial institutions in the process of growth and development has been very well recognized in the literature and indeed has become more important during the last two decades as the financial systems of different countries have become integrated in the process of globalization. It is, therefore, essential that the student of economics should be well conversant with the theory and practice of different financial institutions and markets; to understand and analyze the interconnection between the monetary forces and real forces, their developmental role and limitations in shaping and influencing the monetary and related policies both at the national and international levels.

**Course Objectives:**

- To provide an understanding of Finance and its application under various topics under economics.
- To demonstrate the practical and the applied aspects of Finance in relation to Economics.

**Programme Outcome:**

- Ability to develop, demonstrate and examine various topics under Finance with the help of Economics.
- Ability to evaluate and examine subject areas in economics bringing out the relation to finance.

- |  |           |
|--|-----------|
| <b>1. Introduction</b>   | <b>10</b> |
| 1.1 Role of Finance in economic development.   |           |
| 1.2 Structure and functioning of the Financial system – Financial Intermediaries, Financial Markets and Financial Instruments  |           |
| 1.3 Markets and Aspects of Risk Sharing, The Problem of Agency   |           |
| <b>2. Basic Financial Calculations</b>   | <b>10</b> |
| 2.1 Types of Financial securities- Fixed Income Securities, Bonds, Index-linked securities   |           |
| 2.2 The time value of money, Future Value of Asset, Present Value of Asset; Future and present values of multiple cash flows.  |           |
| 2.3 Relation Between Inflation and Interest Rates, Real and Nominal Cash Flows, Valuing Real Cash Payments, Effective Annual Interest Rates  |           |
| 2.4 Bond valuation- Characteristics of Bonds.  |           |
| <b>3. Portfolio Theory</b>   | <b>10</b> |
| 3.1 Asset Return- random variables and random returns  |           |
| 3.2 Capital Asset Pricing, Validity of CAPM (Capital Asset Pricing Model), the CAPM, Risk and Return   |           |
| 3.3 Arbitrage Pricing Theory   |           |
| 3.4 Measuring portfolio return and risks, effect of Diversification, Minimum Variance Portfolio, Perfectly Correlated Assets, Minimum Variance Opportunity Set, Optimal Portfolio Choice; Mean Variance Frontier Of Risky and Risk-Free Asset, Portfolio Weights |           |

- 4. Efficient Market Hypothesis** 10
- 4.1 Efficient Market Hypothesis
- 4.2 Valuing Stocks, Book Values, Liquidation Values and Market Values, Valuing Common Stocks, The Price-Earnings Ratio
- 4.3 The Dividend Discount Model -The Dividend Discount Model with No Growth, The Constant-Growth Dividend Discount Model

- 5. Risk, Return, and Capital Budgeting** 08
- 5.1 Measuring Market Risk, Using the CAPM to Estimate Expected Returns, Capital Budgeting and Project Risk, Determinants of Project Risk
- 5.2 Introduction to risk, return and opportunity cost of capital, Estimating Expected Rates of Return,
- 5.3 Measuring Risk Variance and Standard Deviation Measuring the Variation in Stock Returns Risk and Diversification Asset versus Portfolio Risk

### **BASIC READING LIST**

1. Bhole L.M. (2004) 'Financial Institutions and Markets', Tata McGraw Hill
2. Chandra P. (2017), 'Investment Analysis and Portfolio Management', McGraw Hill Education, Fifth Edition
3. Frederic Mishkin (2019) 'The Economics of Money, Banking and Financial Markets' Pearson Education India, 11<sup>th</sup> edition
4. Frederic Mishkin and Stanley Eakins (2006) "Financial Markets and Institutions", Pearson 5<sup>th</sup> Ed
5. Fabozzi Frank J. (2016) Bond Market Analysis and Strategies' Pearson, 8<sup>th</sup> edition
6. Hull John C (2018) "Fundamentals of Futures and Options Market", Pearson Education, 9<sup>th</sup> Edition
7. Hull John C, Sankarshan Basu (2018) "Options, Futures and Other Derivatives", Pearson Education, 10<sup>th</sup> Edition
8. Richard A Brealey, Stewart C Myers, and Alan J. Marcus (2003) 'Fundamentals of Corporate Finance', Third Edition; McGraw-Hill, Inc

### **Recommended Books**

1. Ajay Shah Susan Thomas Michael Gorham (2008) "Indian Financial Markets: AN Insider's Guide to How the Market Works" Elsevier Science
2. Baye Micheal R, Dennis W Jansen (1996) " Money, Banking & Financial Markets An Economic Approach", A.I.T.B.S. Publishers & Distributors. Delhi
3. Chandra P. (1997), "Financial Markets", Tata McGraw Hill, 4<sup>th</sup> Edition
4. David G. Lueberger (2012) "Investment Science", OUP, 1<sup>st</sup> edition
5. Elton Edwin J, Martin J Gruber, Stephen J Brown & William Goetzmann (2002) "Modern Portfolio Theory and Investment Analysis" John Wiley & Sons
6. Fama E.F. (1997) "Foundations of Finance", Basil Blackwell, Oxford, Ch.5
7. Hauthkkar H.S., Williomson P.J., (1996) "The Economics of Financial Market", OUP
8. Hearth Douglas & Zaima J K (1998) "Contemporary Investment: Security and Portfolio Analysis" The Dryden Press
9. Hull John C (2018) "Risk Management and Financial Institutions", John Wiley & Co
10. LeRoy Stephen F, Jan Werner (2014) "Principles of Financial Economics" Cambridge University Press
11. Ross Stephen and Rudolph W.W., (1998) "Fundamentals of Corporate Finance", McGraw Hill



12. Smith, P.F., (1978), “Money and Financial Intermediation: The Theory and Structures of Financial System”, Prentice Hall
13. Susan Thomas, (ed) (2003) “Derivatives Market in India”, Invest India
14. Wavre A. & Dhonde S , Finance of Village Panchayat , Shubhan publication , Kanpur. UP, India
15. Zvi Bodie, Robert C. Merton, Devid L. Cleeton (2008) “ Financial Economics” Pearson

**Recommended Journals:**

Journal of Finance- Wiley Online  
Journal of Applied Statistics- Francis & Taylor  
Journal of Banking and Finance – Elsevier  
Global Finance Journal – Elsevier

**ELECTIVE COURSE**  
**SEMESTER III**  
**EC-3004**  
**DEMOGRAPHY**  
(This course will have *FOUR* credits)

**PREAMBLE**

The main objective of this paper is to make the students aware of the importance of population in economic development and the various theories that explain the growth of population in a country. The paper also enlightens the students on the quantitative and the qualitative aspects and characteristics of the population through various demographic techniques. In recent times, the gender aspect of the population has acquired importance and these have also been included in the framework of study. Fertility and Aging are also vital characteristics of the undergoing structural change. Their study is essential to understand the dynamics of this change. The paper exposes the students to sources of population and related characteristics and also to the rationale, need and evolution of population policy.

**Course Objectives:**

- To provide an understanding of Demography and its application under various topics under economics.
- To demonstrate the practical and the applied aspects of Demography and the study of Population and its relation to Economics.

**Programme Outcome:**

- Ability to develop, demonstrate and examine various topics under Demography.
- Ability to evaluate and examine subject areas in economics bringing out the relation to population studies and demography.

<b>1. Demography</b>	<b>10</b>
1.1 Demography: Evolution, Nature and Scope	
1.2 Development of Population Studies - relationship with other disciplines	
1.3 History of Population Growth – Primitive, Pre-Industrial, Developed and Developing	
1.4 Population Growth- Components, Interdependence, World Population Growth and Distribution, Growth in Developed and Developing Countries	
1.5 Measures of Population Growth- Sources of Demographic Data	
<b>2. Population theories</b>	<b>14</b>
2.1 The Malthusian theory	
2.2 Post-Malthusian Theories	
2.3 The Optimum Population Theory	
2.4 The Theory of Demographic Transition	
2.5 Population and Development (Meadows, Enke and Simon)	
<b>3. Population structure and characteristics</b>	<b>10</b>
3.1 Structure of Population, Growth Rate and	
3.2 Mortality- Meaning, Measurement of Mortality, Measures - causes of death.	
3.3 Fertility- Meaning, Measurement of Fertility, Extent and Trends of Fertility, Factors affecting Fertility, Fertility Differentials in India	
3.4 Pattern of Age and Sex Structure- Determinants, Impact and Implications; Age and Population	

#### 4. **Population and Development** 14

- 4.1 Relation between Population and Development; Effects of Development on Population Growth and vice versa
- 4.2 Population and Natural Resources- Demographic and Socio-economic factors influencing Saving, Investment, Capital Formation and Technology
- 4.3 Population and Labour force- Population and Employment, Economically Active Population, Work Participation
- 4.4 Women and Development- Indicators of Status of Women, Inter-relation between Status of Women and Demographic Change
- 4.5 Population Policy in India- Shift from Population Control from Welfare and Empowerment; Strategies for Population Control and Human Development, Challenges to National Population Commission

#### **Basic Reading List**

1. Bogue, D.J. (1971), Principles of Demography, John Wiley, New York
2. Bhende, Asha A., Tara Kanitkar (2013) *Principles of Population Studies*, Himalaya Publishing House, Mumbai
3. Mujumdar P. K (2013) “Indian’s Demography: Changing Demographic Scenario in India”, Rawat Publications
4. Sinha V.C.,Easo Zacharia (1986) ‘Principles of Demography’ Allied Publishers, 2<sup>nd</sup> Edition
5. Srinivasan Krishnamurthy (2017) “Population Concerns in India: Shifting Trends, Policies and Programs” Sage Publications
6. Srinivasan, K. and A. Shariff (1998), India: Towards Population and Demographic Goals, Oxford University Press, New Delhi

#### **Reports**

1. Census of India, Census Commissioner and Registrar General of India, Government of India, New Delhi, Latest Census
2. Family Welfare Programme in India, Year Book 2012, Government of India
3. National Family Health Survey, Government of India & IIPS, Mumbai, Recent Reports
4. National Population Policy 2000, Government of India
5. United Nations (1973) “Determinants and Consequences of Population Trends”

#### **Recommended Books**

1. Agarwala S.N. (1972), “India’s Population Problem”, Tata McGraw-Hill Co
2. Bose, A. (1996), “India’s Basic Demographic Statistics”, B.R. Publishing, New Delhi
3. Chakraborti Rajagopal D (2004) “The Greying of India: Population Ageing in the Context of Asia” Sage Publications
4. Chenery H., T.N. Srinivasan (Eds.) (1989),”HandBook of Development” Economics, Vol.1 & 2 Elsevier, Amsterdam
5. Choubey, P.K. (2000), “Population Policy in India”, Kanishka Publications, New Delhi
6. Dasgupta Sukti, Sher Singh Verick (2016) “Transformation of Women at Work in Asia: An Unfinished Development Agenda” Sage Publications
7. Easterlin Richard A (1987) “Population and Economic change in Developing Countries”, National Bureau of Economic Research, University of Chicago Press
8. G Giridar (Ed) (2014) “Population Aging In India” Cambridge University Press
9. Gulati, S.C. (1988), “Fertility in India: An Econometric Study of a Metropolis”, Sage, New Delhi. Economics
10. Seth Mira (2001) “Women and Development: The Indian Experience”, Sage

11. Simon, J.L. (1992), "Population and Development in Poor Countries", Princeton University Press.
12. Srinivasan, K. (1998), "Basic Demographic Techniques and Applications", Sage, New Delhi
13. Kute S & Rithe M, Demography, (2017), Prashant Publication, Jalgaon MS, India.

**Recommended Journals:**

Antyajaa – Indian Journal of Women and Social Change - Sage  
Demography – Springer  
Economic and Political Weekly  
Journal of Population Research - Springer  
Journal of Demographic Economics - Cambridge  
Management and Labour Studies- Sage  
Population and Development Review – Wiley Online  
Population Studies – Taylor and Francis Online

**ELECTIVE COURSE**  
**SEMESTER III**  
**EC-3004**  
**CAPITAL MARKETS**  
(This course will have *FOUR* credits)

**PREAMBLE**

Finance Systems and Markets are specialized areas in Economics and Finance. Financial Markets discuss market structures, financial institutions, financial markets, financial instruments and services. The subject discusses the capital markets in the Indian as well as the international context with reference to the changing structure, role of regulatory bodies, self-regulation, development of various new instruments and institutions.

**Course Objectives:**

- To develop an understanding of the financial system in the theoretical context.
- To interpret the developments in the capital markets w.r.t. institutions and instruments and compare and contrast with International Capital Markets

**Programme Outcome:**

- Ability to interpret and analyze the scenario in Indian and Global markets.
- Ability to discuss and debate on the changing scenario in global market.

**1 Introduction**

**12**

1.1 Structure of Capital Market-

- 1.1.1 Government Securities Market and Industrial Securities Market;
- 1.1.2 Primary and Secondary Markets,
- 1.1.3 Equity, Debt & Derivatives Market

1.2 Developed and Underdeveloped Capital Markets

1.3 Regulation of Capital Markets-Securities & Exchange Board of India (SEBI)-Objective & Role

**2 Constituents & Instruments of Capital Market**

**12**

2.1 Government

2.2 Stock Exchanges- Meaning & Types

2.3 Financial Institutions

2.4 Commercial banks

2.5 Credit Rating Agencies- Purpose & Role

2.6 Other Institutions – Mutual Funds, Merchant Bankers, Underwriters, etc.

2.7 Portfolio Investors (Foreign Institutional Investors)

2.8 Instruments in the Capital Market- Equity, Debt & Derivatives- Types; Hybrid Instruments

**3 Stock Exchanges**

**12**

3.1 Stock Exchanges- Meaning and Types

3.2 Stock Exchanges-Operations and Trading, Settlement

3.3 Stock Market Indices- Meaning & Calculation of Stock Indices (BSE/NSE)

3.4 Demutualization of Stock Exchanges

3.4 Dematerialization of Stocks/Shares

## **4 Indian Capital Market Changing Scenario**

12

- 4.1 Changes in the Indian Capital Market Pre and Post Liberalization
- 4.2 Emergence of Financial Services- Venture Capital, Lease Finance, Angel Finance, Crowd Funding, Pension Funds
- 4.3 Globalization of Capital Markets – Instruments, Intermediaries and Risk Management
- 4.4 Risk Management and Financial Crisis in Emerging Market Economies

### **Basic Reading:**

1. Brandl Micheal (2019) ‘Money, Banking, Financial Markets and Institutions’ Cengage Learning
2. Bhole, L. M., Jitendra Mahakud (2017) ‘Financial Institutions and Markets’ Tata McGraw Hill, ND
3. Fabozzi Frank J., Steven V. Mann, Moorad Choudhry (2002) ‘The Global Money Markets’ John Wiley & Sons
4. Frederic Mishkin and Stanley Eakins (2006) ‘Financial Markets and Institutions’, Pearson 5<sup>th</sup> Edition
5. Madura Jeff (2014) ‘Financial Institutions and Markets’ Cengage
6. Saunders Anthony and Cornett Marica Millon (2017) “Financial Markets and Institutions - An Introduction to the Risk Management Approach” McGraw Hill Education 3<sup>rd</sup> Edition

### **Recommended Readings:**

1. Bhole, L. M. (2000) ‘Indian Financial System’ Chugh Publications, Allahabad
2. Batra G.S. “Financial Services and Markets”, New Delhi: Deep and Deep Publications Pvt. Ltd., Latest Ed.
3. Das S. C. (2015) ‘The Indian Financial System: Markets, Instruments, Institutions, Services and Regulations’ PHI Learning
4. Kothari Rajesh. “Financial Services in India Concept and Application”, New Delhi, Sage Publications. 2010.
5. Gurusamy S (2004) “Financial Services and Markets”, Vijay Nicole Imprints
6. Meir Kohn (2013) ‘Financial Institutions & Markets; OUP
7. Machiraju H.R. (2006) ‘Indian Financial System, Vikas Publications, New Delhi
8. Pathak, Bharati (2009) ‘The Indian Financial System, Pearson Education

### **Recommended Journals:**

Indian Journal of Research in Capital Markets-  
Journal of Capital Markets- Elsevier  
Journal of Capital Market Studies- Emerald Insights

**ELECTIVE COURSE**  
**SEMESTER III**  
**EC-3004**  
**INDUSTRIAL ECONOMICS**  
(This course will have *FOUR* credits)

**PREAMBLE**

The main objective of this paper is to make the students aware of the importance of industrial sector in economic development. The paper explores the emergence of Industrial economics as a separate area of study; the theories of location are discussed and debated in the present context and analyzed with reference to the development of the industrial sector. The study is essential to understand the dynamics of the changes in the Industrial sector in India as well as around the world. The paper exposes the students to the current challenges to the industrial sector – growth, productivity, changing policy and performance.

**Course Objectives:**

- To provide an understanding of Industry, Industrial sector and growth and its relation to various economic issues and challenges.
- To demonstrate the practical and the applied aspects of Industrial economics and the study of Industry and its relation to Economics.

**Programme Outcome:**

- Ability to develop, demonstrate and examine various topics under Industrial Economics.
- Ability to evaluate and examine subject areas in economics bringing out the relation to industry and industrial development.

**1 Introduction**

**10**

- 1.1 Industrial Economics – Emergence, Meaning and Definition
- 1.2 Scope and Importance of Industrial Economics
- 1.3 Classification of Industries
- 1.4 New Empirical Industrial Organization Approach

**2 Theories of Industrial Location**

**14**

- 2.1 General Determinants of Industrial Location
- 2.2 Theories of Industrial Location
  - 2.2.1 Alfred Weber's Theory of Industrial Location
  - 2.2.2 Sergeant Florence's Theory of Industrial Location
- 2.3 Policy of Industrial Location in India
- 2.4 Need for Balanced Regional Development

**3 Industrial Productivity and Growth**

**10**

- 3.1 Industrial Productivity - Norms and Measurement
- 3.2 Factors affecting Productivity and measures to improve Productivity,
- 3.3 Public Enterprises- Efficiency, Productivity and Performance  
(Case for/against India)
- 3.4 Skill Development and Industrial Productivity
- 3.5 Industrial Growth in India: Cause for Concern, Challenges to Private Sector
- 3.6 Policy Measures to enhance Industrial Growth

## 4 Industrial Policies in India

14

- 4.1 Industrial Policy in India – Progress since 1991
- 4.2 Developments in Industrial Policy – Special Economic Zones, ‘Make in India’, Public Private Partnership
- 4.3 Changing Role and Performance of Public and Private Sector in India
- 4.4 Developments in Policy for MSMEs since 1991
- 4.5 Development in FDI Policy, Emergence of Indian Multinational Companies
- 4.6 Globalization of Labour Markets and Impact of Emerging Economies

### Basic Reading List:

1. Barthwal R.R. (2019), ‘Industrial Economics,’ New Age Publications
2. Das Keshab (2011) ‘Micro and Small Enterprises in India: The Era of Reforms’ Routledge India
3. Flanagan Robert J. (2006) ‘Globalization and Labor Conditions: Working Conditions and Worker Rights in a Global Economy, OUP
4. Hajela, P.D. (1998), Labour Restructuring in India: A Critique of the New Economic Policies, Commonwealth Publishers, New Delhi
5. Jaya Prakash Pradhan (2008) ‘Indian Multinational in the World Economy: Implications for Development’, Bookwell Publications
6. Khanna Tarun (2008) ‘Billions of Entrepreneurs: How India and China are Reshaping their Future and Yours’ Penguin India
7. Gupta Parul (2019) ‘Industrial Relations and Labour Laws for Managers’ Sage Pub.
8. Sharma RC (2016) ‘Industrial Relations and Labour Laws’ PHI Learning
9. Sinha P.R.N., Indu Bala Sinha (2017) Industrial Relation Trade Unions and Labour Legislation Pearson Publication. New Delhi
10. Saumitra Mohan (2018) “Indian Policy and Development: A Manual for National Schemes and International Policies” McGraw Hill Education

### Recommended Readings:

1. Agarwal Aradhana (2012) ‘Social and Economic Impact of SEZs in India’ Oxford University Press
2. Amit Kumar (2013) ‘SMEs in India in post-1990s Era: Challenges and Opportunities, LAP Lambert Academic Publishing
3. Barthwal R.R. (1985), ‘Industrial Economics,’ Wiley Eastern Ltd., New Delhi.
4. Desai, B. [1999], ‘Industrial Economics in India,’ HPH
5. Divine, P.J. and R.M. Jones et.al. (1976), ‘An Introduction to Industrial Economics,’ George, Allen and Unwin Ltd., London.
6. Kumar V Pratap, rajesh Chakrabarti (2018) Public-Private Partnerships in Infrastructure: Managing the Challenges (India Studies in Business and Economics) Springer
7. Kuchhal, S.C. (1980), Industrial Economy of India, Chaitanya Publishing House, Allahabad.
8. Singh, A. A.N. Sandhu. [1988], ‘Industrial Economics,’ HPH
9. Vepa R. K, (1988) Modern Small Industry in India, Sage Publication
10. Venkataratnam, C.S. (2001), Globalization and Labour- Management Relations: Dynamics of Changes, Sage Publications/Response Books, New Delhi.

### Recommended Journals:

Applied Economics- taylor & Francis Online  
International Journal of Economics and Business research- Inderscience  
International Journal of Industrial Organization- Elsevier  
The Journal of Industrial Economics- Wiley  
The Journal of Industrial Economics- Scimago



**M.A. ECONOMICS PART- II**

**SEMESTER IV**

**CORE PAPERS(COMPULSORY PAPER)**

**EC- 4001 - MACRO ECONOMIC ANALYSIS II**

**EC- 4002 - GROWTH & DEVELOPMENT II**

**EC- 4003 - RESEARCH PROJECT**

**( ONLY RGULAR STUDENTS)**

**EC- 4003 - RESEARCH METHODOLOGY**

**( ONLY EXTERNAL STUDENTS)**

**CORE COURSE**  
**SEMESTER IV**  
**EC- 4001**  
**MACRO ECONOMIC ANALYSIS II**  
(This course will have *FOUR* credits)

**PREAMBLE**

Macroeconomics or aggregative economics analysis establishes the functional relationship between various aggregates of the economy. Aggregative analysis assumed such a great significance in recent times that a prior understanding of macroeconomic theoretical structure is considered essential for proper comprehension of different issues and policies. Macroeconomics now is not only a scientific method of analysis but also a body of empirical economic knowledge. The course equips the students at the postgraduate level to understand systematic facts and theoretical developments for empirical analysis,

**Course Objectives:**

- To provide a thorough understanding of the principles of macroeconomics and the application of macroeconomic concepts in various contexts.
- To discuss the modern developments in macroeconomics.

**Programme Outcome:**

- Ability to analyze and demonstrate knowledge of the basic theories/laws in economics- general equilibrium psychological law of consumption, etc.
- At the end of the course, the student should be able to evaluate macroeconomic concepts, models and its use in real life situations.

**1. Aggregate Demand and Aggregate Supply Analysis 12**

- 1.1 Aggregate Demand Curve (with price flexibility)-Derivation of aggregate demand curve-shift in aggregate demand curve and multiplier effect
- 1.2 Aggregate Supply curve (with variable prices)-shift in aggregate supply curve-long-run aggregate supply curve –Derivation of Aggregate supply curve-
- 1.3 Macroeconomic equilibrium: AS-AD Model-Friedman’s Natural Rate Hypothesis-Economic Fluctuations
- 1.4 Three Models of the Upward Sloping SRAS (short-run aggregate supply curve) –The Sticky Wage Theory, The Sticky Price Theory and The Misperceptions (Fooling) Theory

**2. The IS-LM Curves Model 12**

- 2.1 Introduction-The Structure of the Model
- 2.2 Derivation of IS Curve and LM Curve –Shifts in IS Curve and LM curve, causes in shifts in IS and LM Curve.
- 2.3 Simultaneous Equilibrium in Goods Market and Money Market-Extension IS-LM model with government sector Fiscal policies.
- 2.4 Extension of IS-LM model with Labor Market and flexible prices.

**3. Inflation-Unemployment Trade-Off: Phillips Curve and Rational Expectations Theory 12**

- 3.1 Inflation and Unemployment-Phillips curve-Explanation of Phillips curve.
- 3.2 Causes of shifts in Phillips Curve- Long-run Phillips curve and adaptive expectations – Long-run Phillips curve: Rational expectations.
- 3.3 Relation between short-run Phillips curve and long-run Phillips curve.

- 3.4 Stagflation and Supply-side Economics-stagflation in India-1991-04, causes of stagflation
- 3.5 Supply-side economics-basic propositions of supply-side economics-Taxation and labour supply, Incentive to save and investment, the tax wedge-tax revenue and Laffer curve, a critical appraisal of supply side economics.

#### **4. The New Classical Macro Economics & the Open Economy Issues 12**

- 4.1 Introduction -Meaning of Rational Expectations- Barrow's view
- 4.2 The New Classical Model
- 4.3 The Role of the Monetary and Fiscal policy
- 4.4 Rational Expectations and the Real Business Cycles
- 4.5 Criticism of the Rational Expectations Hypothesis.
- 4.6 Open Economy-Balance of Trade-Balance of Payments-Mundel-Fleming Model, Exchange Rate Regimes.

#### **BASIC READING LIST:**

15. August Swanenberg (2005) 'Macroeconomics Demystified' A Self Teaching Guide, McGraw Hill Education
16. Ackley, G. (1978), Macro Economics: Theory and Policy, Macmillan, New York.
17. Agrawal Vanita, (2010) Macroeconomics: Theory and Policy, Pearson Publication, New Delhi.
18. Ahuja H.L., Macroeconomics: Theory and Practice, S.Chand & Co. New Delhi.
19. Blackhouse, R. and A. Salansi (Eds.) (2000) Macroeconomics and the Real World (2 Vols.), Oxford University Press, London. Dornbusch,
20. Campbell R. McConnell, Stanley L. Brue, (2001) Macroeconomics: Principles, Problems and Policies', McGraw Hill, Inc., New York.
21. Froyen Richard T (2006) 'Macroeconomics– Theories and Policies' Pearson Education; 8<sup>th</sup> edition
22. Gupta S.B. (1997) 'Monetary planning for India' OUP
23. Jha, R. (1991), Contemporary Macroeconomic Theory and Policy, Wiley Eastern Ltd., New Delhi.
24. Mankiw Gregory (2007) 'Macroeconomics' Worth, New York
25. Rao, V.K.R.V. (1983) India's National Income : 1950 to 1980, Sage Publications, New Delhi
26. Gupta, S.B. (1995), Monetary Planning in India, OUP, New Delhi.
27. Sampat Mukherjee (2013), 'A Global Text-Macroeconomics', New Central Book Agency
28. Soumyen Sikdar (2006) 'Principles of Macroeconomics' Oxford University Press
- 29 Bhise V.B , Khandare V.B & Babar , (2014) Macro Economics , Chinmay Publication Aurangabad.

#### **Recommended Readings:**

16. Branson, W.A. (1989), Macroeconomic Theory and Policy, (3rd Edition), Harper and Row, New York.
17. Culbertson, J.M. (1968), Macroeconomic Theory and Stabilization Policy, McGraw Hill, Kogenkosh, Tokyo.
18. Duesenberry, J.S. (1949), Income Saving and the Theory of Consumer Behaviour. Harvard University Press, Harvard.
19. Edey, M. and A.T. Peacock (1967), National Income and Social Accounts, Hutchinson University Library, London
20. Fisher, Dornbusch, Schamalensee (1988) 'Economics' McGraw Hill International Edition ; 2<sup>nd</sup> edition

21. Friedman, M. (1957), The Theory of Consumption Function, Princeton University Press Princeton.
22. Friedman, M. (1956), Studies in the Quantity Theory of Money, The University of Chicago Press, Chicago
23. Glahe, Fred, R. (1973), Macroeconomics: Theory and Policy, Harcourt Brace Javanovich, Inc., New York.
24. Harris Lawrence (1980) 'Monetary Theory' McGraw Hill Inc.
25. Keynes, J.M. (1936), 'The General Theory of Employment Interest and Money', Macmillan, London.
26. Ruggles, R. and N. Ruggles (1956), National Income Accounts and Income Analysis, McGraw Hill New York.
27. Shapiro, E. (1996) Macroeconomic Analysis, Galgotia Publications, New Delhi.
28. D.Wrightsmen 'An Introduction to Monetary Theory and Policy' The Free Press New York 1983

**Recommended Journals:**

Applied Economics- Taylor & Francis Online

Journal of Macroeconomics-Elsevier

Macroeconomics and Finance in Emerging Market Economies- Taylor & Francis Online

The Indian Economic Journal- Sage Journal

**CORE COURSE**  
**SEMESTER IV**  
**EC- 4002**  
**GROWTH & DEVELOPMENT II**  
(This course will have *FOUR* credits)

**PREAMBLE**

The course makes an attempt to provide an introduction to the economics of Growth and Development and at the same time provide an understanding of the analytical rigour of the subject. Growth and Development-I is a core course that covers meaning and concept of Economic Growth and Development, measuring the economic growth and development, theories of economic growth and development, poverty, inequality and unemployment and role human capital in economic development . Growth and development-I will try to clear the concepts regarding the economic growth and development and provides basic knowledge to the students to get engaged in the activities.

**Course Objectives:**

- To enable learning and understanding of the basic concepts and process to measure the growth and economic development etc.
- To analyze and evaluate the obstacles in the process of economic growth and development

**Programme Outcome:**

- Ability to analyze and demonstrate knowledge of the economic growth and development theories of economic growth and development
- Ability analyze, evaluate and apply the growth and development concepts, role of human capital, etc. in real life situations

- 1. Sectoral Development: An Overview** **12**
- 1.1 International agreements and Agriculture in India
- 1.2 Agriculture Productivity, Agriculture Price Policy, Land Holding and Cropping Pattern
- 1.3 Industrial Production Trends at National and International Level, Role Of MSMEs, Government Policies for Industrial Development
- 1.4 Growth of Services Sector in India, ICT and Services sector, International Comparison.
- 2. Technology and Development** **12**
- 2.1 Role of Technology and Development
- 2.2 Capital Formation and Technical Progress as Sources of Growth
- 2.3 Technological Strategy of Development
- 2.5 Economics of R&D, Invention and Innovation, Relation to Development
- 2.6 Technology Centered Development
- 3. Environment and Development** **12**
- 3.1 Sustainable Development, Sustainability Performance and Reporting
- 3.3 Environment and Rural-Urban Development
- 3.4 Industrialization and Environment Protection
- 3.5 Climate change and Agriculture

## 4. Development Strategies

12

- 4.1 The Role of the Government in the Developmental process
- 4.2 The Market versus Detailed Centralized Planning
- 4.3 Approaches to Poverty Alleviation and Employment Generation
- 4.4 Policy of Export Promotion & Import Substitution
- 4.5 Policy of Infrastructure Development

### Basic Reading List:

1. Basu Kaushik (1998) *Analytic Development Economics: The Less Developed Economy Revisited*, OUP
2. Behrman, S. and T.N. Srinivasan (1995), *Handbook of Development Economics*, Vol. 3, Elsevier, Amsterdam.
3. Felix Raj, Sampat Mukherjee, Mallinath Mukherjee, Amitava Ghose, Ranjanendra N. Nag (2007) *“Contemporary Development Economics From Adam Smith to Amartya Sen”*, New Central Book Agency Private Limited
4. Gillis, M., D.H. Perkins, M. Romer and D.R. Snodgrass (1992), *Economics of Development*, (3rd Edition), W.W. Norton, New York.
5. Kindleberger, C.P. (1977), *Economic Development*, (3rd Edition), McGraw Hill, New York. Economics
6. Meier Gerald M. and James E. Rauch, *“Leading Issues in Economic Development”* Oxford University Press, 2006
7. Ray Debraj (1998) *“Development Economics”*, Oxford University Press
8. Solow Robert M. (2000) *“Growth Theory An Exposition”* Oxford University Press
9. Thirwall, A.P. (1999), (6th Edition), *Growth and Development*, Macmillan, U.K.
10. Todaro, M.P. (1996), (6th Edition), *Economic Development*, Longman, London.

### Recommended Readings:

1. Barro Robert J. and Xavier Sala-i-Martin (2004) *“Economic Growth”* Prentice Hall of India Brown, M. (1966), *On the Theory and Measurement of Technical Change*, Cambridge University Press, Cambridge, Mass.
2. Dasgupta, P. (1993), *‘An Enquiry into Well-being and Destitution’*, Clarendon Press, Oxford.
3. Gillis, M., D.H. Perkins, M. Romer and D.R. Snodgrass (1992), *Economics of Development*, (3rd Edition), W.W. Norton, New York.
4. Meier, G.M. (1995), *Leading Issues in Economic Development*, (6<sup>th</sup> Edition), OUP
5. Nayyar Deepak (2019) *‘Resurgent Asia’* OUP
6. Todaro Michael P. (1981) *“Economics for A Developing World”*, Longman, London.

### Recommended Journals:

Economic Development and Cultural Change- Chicago Press  
Journal of Development Economics-Elsevier  
IMF Economic Review- Palgrave Macmillan  
Oxford development Studies- Rutledge  
Review of Development Economics-Wiley  
Review of World Economics-Springer  
Review of Economic Dynamics- Elsevier

**CORE COURSE**  
**SEMESTER IV**  
**EC-4003**  
**RESEARCH PROJECT**  
(This course will have *FOUR* credits)  
(Only for Internal Students)

**PREAMBLE:**

Students who complete their post-graduation in Economics are mentally equipped to pursue research in the same discipline. It is generally accepted that research is nothing but extension and application of knowledge in a certain specialized field. Therefore regular students who do their post-graduation, as internal students will be given an opportunity to get exposed to a few elements of social research and also they are expected to complete a small research project under the expert guidance and supervision, Elementary knowledge of research methodology shall consolidate and deepen their understanding of various branches of Economics. Preparing a small dissertation is intended to train them in scientific thinking and art of systematic presentation. It is essentially a job-oriented exercise to enable them to take up the exciting field of social and economic research.

**Part I:** Internal IV Semester students shall submit a dissertation of minimum 8000 words & maximum 10,000 words in three copies to the Head of the Department on or before 30<sup>th</sup> April. The dissertation shall be prepared under the guidance of an internal postgraduate recognized teacher.

**Part II:** An internal supervisor shall assess each dissertation for out of 50 marks, based on the methodology, analysis, contents and quality of the dissertation.

**Part III:** A viva voce examination of each candidate shall be held where he/she will have to make a presentation of the dissertation and defend the research. A panel of two referees shall be formed out of whom one shall be an internal examiner.

The viva voce shall carry 50 marks. Internal & external examiners shall give out of 25 marks each. The copies of dissertation and the record of the viva voce examination shall be maintained by the centre for two more academic years for inspection. The Marks obtained for project work shall be included in the statement of marks of all the regular internal students.

**Scale of Remuneration will be as per the University Guidelines.**

**External examiner will be appointed by the University.**

**CORE COURSE**  
**SEMESTER IV**  
**EC-4003**  
**RESEARCH METHODOLOGY**  
**( ONLY EXTERNAL STUDENTS)**  
(This course will have *FOUR* credits)

**PREAMBLE**

The main objective of this paper is to make the students aware of the importance of Research Methodology. Today research is of importance in every field of life. Hence students need sound initiation in the world of research. Thus this syllabus is prepared to equip students with basics of research methodology and also provide them acquaintance with the main ingredients of major sources secondary data on Economics, some hands-on experience in conduct so survey including designing questionnaire and interview schedules, collection of data, analysis of data and preparation of report.

**Course Objectives:**

- To enable an understanding of Research and its methods under various areas of economics.
- To demonstrate the practical and the applied aspects of research in relation to Economics.

**Programme Outcome:**

- Ability to develop, demonstrate and examine topics under Economics to pursue research.
- Ability to evaluate and examine subject areas in economics and explore possibilities of research.

**1 Data Collection** **12**

- 1.1 Sources of Data- Primary, Secondary.
- 1.2 Surveys and Interviews Methods
- 1.3 Observation Method
- 1.4 Secondary Sources of Data

**2 Sampling And Data Analysis** **12**

- 2.1 Basic Concepts: Population, Sample, Sample Size
- 2.2 Sampling Methods: Probability and Non-probability Sampling Methods
- 2.3 Analysis of Data: Classification, Tabulation, Graph, Diagram and
- 2.4 Overview of Statistics in Data Analysis

**3 Testing Hypothesis** **12**

- 3.1 Hypothesis: Meaning, Types, Formulation, Criteria for a Good Hypothesis
- 3.2 Basic Concepts: Level of Significance, Critical error, Type I and Type II Error
- 3.3 Procedure of Testing Hypothesis
- 3.4 Parametric and Non Parametric Tests

**4 Report Writing** **12**

- 4.1 Goals of Report Writing
- 4.2 Report writing for Quantitative Research and Qualitative Research
- 4.3 Layout of Research Project
- 4.4 Report Writing: Considerations and Precautions
- 4.5 Computer Use in Research -Internet Source of Data Collection- Use and Precautions



**Basic Reading List:**

1. Banamati Mohanty (2015) 'Statistics for Behavioral and Social Sciences' Sage Texts
2. Bryman Alan (2018) 'Social research methods' OUP
3. Cooper Donald R. & Pamela S. Schindler (1999), "Business Research Methods", Tata McGraw-Hill Edition, New Delhi
4. Flick Uwe (2011) 'Introducing Research Methodology' Sage Publications
5. Kothari C. R, Gaurau Garg (2019) 'Research Methodology, Methods and Techniques', New Age International Publications, 4<sup>th</sup> Edition
6. Kumar Ranjit, (2012), "Research Methodology" 2<sup>nd</sup> Ed, Pearson Education
7. Wilkinson and Bhandarkar (2016) 'Methodology and Techniques of Social Science Research; HPH
8. Willson Jonathan (2017) 'Essentials of Business Research: A Guide to Doing Your Research Project' Sage Publications

**Recommended Readings:**

1. Basotia G.R. Sharma K.K. (1999) 'Research Methodology' Mangal Deeop Publications
2. Don E. Ehridge (2004) 'Research Methodology in Applied Economics: Organizing Planning and Conducting Economics Research', John Wiley and Sons
3. Gopal M.H. (1971) 'An Introduction to Research Procedure in Social Sciences', Asia Publishing House
4. Kothari S. R (2012) 'Research Methodology, Methods and Techniques', Pragn Publications
5. Krishnaswamy, O.R. (1993) 'Methodology of Research In Social Sciences, HPH
6. Kurein C. T. (1973) A Guide to Research in Economics' Sangam Publishers for Madras Institute of Development Studies
7. Les Oakshott (2012) 'Essential Quantitative Methods for Business, Management and Finance', Palgrave Macmilan, 5<sup>th</sup> edition
8. Moser C.A., G. Kalton (1985) 'Survey Methods in Social Investigations' Routedledge
9. BAV Sharma D Ravindra Prasad and P. Satyanarayana (1983) Research Methods in Social Sciences' Sterling publishers, New Delhi
10. Sadhu AN, Amarjit Singh (2007) 'Research Methodology in Social Sciences' HPH
11. Thakur Devendra (2009) 'Research Methodology in Social Sciences' Deep and Deep Publications
12. Young P.V. (1984) 'Scientific Social Survey and Research', Prentice Hall -India
13. Khandhare V.B., Yadav Y., 2016, Chinmay Publication, Aurangabad.

**Recommended Journals:**

Journal of Mixed Methods Research- Sage  
Journal of Applied Social Sciences- Sage  
Research in Economics- Elsevier  
Social Science Research- Elsevier  
The Social Science Journal – Elsevier/ ScienceDirect

**SEMESTER IV**

**ELECTIVE PAPERS**

**(Choose Any ONE Paper)**

**EC-4004**

**01 - ECONOMETRICS**

**02 - PUBLIC POLICY**

**03 - ECONOMICS OF ENVIRONMENT**

**04 - FOREIGN EXCHANGE MARKET**

**ELECTIVE COURSE**  
**SEMESTER IV**  
**EC- 4004**  
**ECONOMETRICS**  
(This course will have *FOUR* credits)

**PREAMBLE**

Application of economic theory needs a reasonable understanding of economic relationships and relevant statistical methods. The syllabus of econometrics is to equip the students with an understanding of theoretical econometrics and the relevant applications of the econometric methods. This course covers various econometric methods applicable for testing empirical relationships in economics and those needed for applied economic research. An introductory module on time series methods has also been included in this course, which constitutes an important tool for analysis in economic studies.

**Course Objectives:**

- To apply econometric theory with the help of mathematical modeling and the use of statistical tools in order to solve economic problems.
- To demonstrate the practical and the applied aspects of econometrics involved in conducting empirical studies.

**Programme Outcome:**

- Ability to develop analytical and quantitative understanding, demonstrate and examine problem solving aptitude.
- Ability to evaluate and examine subject areas in economics with the help of econometric modeling.

**1. Introduction:**

**04**

- 1.1 What is Econometrics?
- 1.2 Statistical Background and Econometrics
- 1.3 The Methodology of Econometrics
- 1.4 Review of Statistical Inference – Statistical Estimation and Hypothesis Testing

**2. Simple Regression Analysis:**

**14**

- 2.1 The Two-Variable Linear Regression Model
- 2.2 The Ordinary Least-Squares Method and its Properties
- 2.3 Test of Significance of Parameter Estimates
- 2.4 Test of Goodness of Fit and Correlation
- 2.5 Analysis of Variance – One way and Two-way Analysis

**3. Multiple Regression Analysis:**

**10**

- 3.1 The Three-Variable Linear Regression Model
- 3.2 Tests of Significance of Parameter Estimates
- 3.3 The Coefficient of Multiple Determination
- 3.4 Test of the Overall Significance of the Regression
- 3.5 Partial-Correlation Coefficients

<b>4. Violations of Classical Assumptions and Remedies:</b>	<b>06</b>
4.1 Multicollinearity	
4.2 Heteroscedasticity	
4.3 Autocorrelation	
<b>5. Further Techniques and Applications in Regression Analysis</b>	<b>10</b>
5.1 Functional Forms	
5.2 Dummy Variables	
5.3 Simultaneous-Equations Models	
5.4 Identification using Rank and Order Condition	
<b>6. Introduction to Time-Series Methods</b>	<b>04</b>
6.1 Stationary Time Series – Strict Stationarity, Weak Stationarity	
6.2 Non-stationary Series	
6.3 Concept of Unit Root Process and Testing	
6.4 Introduction to Forecasting using Time Series Models	

### **Basic Reading List**

1. Enders Walter (2018) ‘Applied Econometric Time Series’, (4<sup>th</sup> ed.) Wiley India
2. Gujarati, D. N., Porter, D. C. & Gunasekaran, S. (2009). Basic Econometrics. (5th ed.). Tata McGraw Hill
3. H. Stock James, W. Watson Mark (2017) ‘Introduction to Econometrics’ Pearson Education, Third Edition
4. Maddala G. S., Kajari Lahiri (2012) ‘Introduction to Econometrics’, John Wiley & Sons.

### **Recommended Books:**

1. Dominick Salvatore and Derrick Reagle (2011) Schaum's Outline of Statistics and Econometrics, Second Edition (Schaum's Outlines).
2. Dougherty, C. (2011) Introduction to Econometrics (4th ed). Oxford University Press.
3. Gujarati Damodar (2017) ‘Econometrics by Example’, Palgrave Macmillan, 2<sup>nd</sup> edition
4. Jeffrey M. Wooldridge (2008) ‘Introductory Econometrics: A Modern Approach’ South Western, Second Edition
5. Koutsoyiannis A. (2001) ‘Theory of Econometrics’ Palgrave Macmillan, Second Edition
6. Nachane, Dilip M. (2008). Econometrics: Theoretical Foundations and Empirical Perspective (1st ed.). Oxford Textbooks

### **Recommended Journals**

1. Journal of Quantitative Economics, The Indian Econometric Society
2. Quarterly Journal of Economics, Oxford Academic.
3. Econometrica, The Econometric Society
4. Journal of Econometrics - Elsevier
5. The Econometrics Journal, The Royal Economic Society

**ELECTIVE COURSE**  
**SEMESTER IV**  
**EC- 4004**  
**PUBLIC POLICY**  
(This course will have *FOUR* credits)

**PREAMBLE**

Public Policy is a specialized area in social sciences, with special reference to economics along with political science and sociology; the subject covers the study of public policy, the process and perspectives of policy making and the analysis and evaluation of Public Policy. The study of Public Policy provides an understanding of the various aspects of policy making on theories, concepts, process, methods, analysis and evaluation. The subject discusses public policy in historical perspective, the concepts of public policy, the methodologies for implementation as well as evaluation along with the impact of globalization on public policy.

**Course Objectives:**

- To develop an understanding of public policy in the theoretical as well as practical context.
- To discuss and debate the various aspects of public policy and policy making

**Course Outcomes:**

- Ability to analyze and evaluate the subject with reference to various aspects of Public Policy.
- Ability to develop an understanding of the public policy, its perspectives and processes and to be able to construct intellectual dialogue on the policy making and policy analysis and evaluation

**1. Introduction to Public Policy**

**08**

- 1.1 Concept, Meaning and Definitions of Public Policy
- 1.2 Historical Emergence and Relevance of Public Policy
- 1.3 Nature and Scope of Public Policy; Process of Policy Making
- 1.4 Perspectives of Policy Making, Impact of Globalization on Policy making

**2. Concepts of Public Policy**

**08**

- 2.1 Institutionalism
- 2.2 Process: Policy as a Political Activity
- 2.3 Public Choice
- 2.4 Strategic Planning

**3. Policy Implementation and Evaluation**

**10**

- 3.1 Concept of Policy Implementation and Methods/Techniques of Policy Implementation
- 3.2 Concept of Policy Evaluation and Methods/Techniques of Policy Evaluation

**4. Economics of Public Policy**

**12**

- 4.1 Types of Public Policy Analysis – -Empirical, Normative, Retrospective and Prospective; -Descriptive and Prescriptive
- 4.2 Actors in Public Policy Analysis --Government, Media, Civil Society -Multinational Agencies, Transnational Agencies, International Donor Agencies
- 4.3 Constraints in Public Policy Analysis- Economic Constraints, International

Constraints, Social and Cultural Constraints, Political Constraints/Feasibility  
4.4 Emerging Trends – Ombudsman, Local Bodies, Whistle Blowers, Citizens Organizations

**1 5. Globalization and Public Policy 10**

- 2 5.1 Globalization of Economic Activity
- 3 5.2 Reforming Institutions – The State, The Market and Public Domain
- 4 5.3 Global Public Policy – Global Trade, Global Financial Markets and Global Crime
- 5 5.4 Globalization and Interdependence, Organizations and Accountability

**Basic Reading List:**

1. Anderson James. E., (2010) *Public Policy-Making: An Introduction*”, Cengage Learning, 7<sup>th</sup> Edition
2. Birkland Thomas A., (2005), *An Introduction to The Policy Process: Theories, Concepts, And Models of Public Policy Making*, Armonk;
3. Chandler. Dye Thomas (2008), *Understanding Public Policy*, Singapore, Pearson Education
4. Chakrabarti Rajesh, Kaushiki Sanyal (2016) “Public Policy in India” OUP India
5. Mathur Kuldeep (2015) *Public Policy and Politics in India: How Institutions Matter*” OUP India
6. McCool, Daniel C. (ed.), (1995), “Public Policy Theories, Models, and Concepts: An Anthology”, NJ: Prentice-Hall
7. Moran Michael, Martin Rein, Robert E. Goodin (2018) “The Oxford Handbook of Public Policy” OUP
8. Saumitra Mohan (2018) “Indian Policy and Development: A Manual for National Schemes and International Policies” McGraw Hill Education

**Recommended Books:**

1. Ashford, Doug (ed.), (1992), “History and Context in Comparative Public Policy”, Ithaca, NY: University of Pittsburgh Press.
2. Bergerson, Peter J. (ed.), (1991), “Teaching Public Policy: Theory, Research and Practice”, Westport, RI: Greenwood Press
3. Dahl, Robert and Charles Lindblom, (1976), “Politics, Economics and Welfare”, New York, Harper
4. Dror.Y, (1989), “Public Policy making Re-examined”, Routledge, 2<sup>nd</sup> Edition
5. Hill Michael, (2005), *The Public Policy Process*, Harlow, UK; Pearson Education, 5<sup>th</sup> Edition
6. Houghton Bardach, Eugene (1977), “The Implementation Game: What Happens After a Bill Becomes a Law”, Cambridge, MA: MIT
7. Howlett, Michael, and M. Ramesh, (1995), “Studying Public Policy: Policy Cycles and Policy Subsystems”, OUP, Toronto
8. Jones, C.O., (1970), “An Introduction to the Study of Public Policy”, Belmont, Prentice - Hall
9. Lerner, D. and H.D.Lasswell (eds.), (1951), “The Policy Sciences”, Stanford University Press
10. Lindblom, C.E., and E.J., Woodhouse, (1993), “The Policy making Process”, 3<sup>rd</sup> ed., Prentice - Hall
11. Nachmias, David, (1979), “Public Policy Evaluation: Approaches and Methods”, New York: St. Martin's Press
12. Jay M. Shafritz (ed) (1998), “International Encyclopedia of Public Policy and Administration”, Westview Press

13. John, Peter, (2012), “Analysing Public Policy”, Routledge, 2<sup>nd</sup> Edition
14. M.E. Sharpe Brewer, Gary D., and Peter de Leon (1983), “The Foundations of Policy Analysis”, Homewood, IL.: The Dorsey Press
15. Bellinger William K (2015) “The Economic Analysis of Public Policy” Routledge, 2<sup>nd</sup> Edition

**Recommended Journals**

Indian Journal of Public Policy and Administration - Sage  
International Journal of Public Policy – Inderscience  
Journal of Asian Public Policy –Taylor and Francis Online  
Journal of Public Policy – Cambridge  
Journal of Public Policy and Administration – Science Publishing Group  
Science and Public Policy – Oxford Academic Journals

**ELECTIVE COURSE**  
**SEMESTER IV**  
**EC-4004**  
**ECONOMICS OF ENVIRONMENT**  
(This course will have *FOUR* credits)

**PREAMBLE**

Environmental economics has emerged as an important sub-discipline of economics in recent times as humanity struggles to respond to the environmental crisis that challenges the very existence of human beings. Environmental economics focuses on the relationship between human behavior, economic systems as well as mechanisms and environmental quality. It attempts to explore fundamental questions of how the economic system shapes economic incentives in ways that lead to environmental degradation as well as improvement. It focuses on the nature of environment as a social good and the relationship between environment and economic development. Environmental economics explores economic principles, economic theories and various analytical tools of economics for environmental protection, regulation and policy making. This curriculum introduces post graduate students of economics to the field of environmental economics and equips them with analytical tools to comprehend various environmental issues.

**Course Objectives:**

- To develop an understanding of the economics of environment in the theoretical as well as practical context.
- To discuss various analytical tools to comprehend various environmental issues.

**Programme Outcome:**

- Ability to analyze and evaluate the subject with reference to various aspects of the economics of environment.
- Ability to develop an understanding of the economics of environment and various analytical tools to comprehend environmental issues

**1 Introduction**

**12**

- 1.1 Economics of Environment – Meaning, Nature, Scope and Significance
- 1.2 Environment as an Economic and a Social Good – Exhaustive and Renewable Common Property Resources
- 1.3 Economic Development and Environment – Trade-off, Environmental Kuznets Curve & Limits to Growth
- 1.4 Sustainable Development

**2 Environmental Challenges**

**12**

- 2.1 Environment and Agricultural Development – Technological Change –Use of Water, Fertilizers, Pesticides – Groundwater and Forest Depletion
- 2.2 Environment and Industrial Development – Pollution, Urbanization
- 2.3 Global Environmental Issues – Depletion of Ozone Layer, Green House Effect, Global Warming, Climate Change, Loss of Bio-diversity

**3 Environmental Regulation – Theories and Analytical Tools**

**12**

- 3.1 The Economic Theory of Efficient Pollution Control – Marginal Abatement Cost (MAC) & Marginal Environmental Damage (MED)
- 3.2 Externalities and Market Failures – Coase Theorem



- 3.3 Environmental Regulation – Command and Control Regulation versus Market Based Instruments – Emission Taxes and Charges, Environmental Taxes and Subsidies, Resolutions through Direct Negotiations, Emissions Trading
- 3.4 Environmental Value Assessment – Environmental Value, Revealed Preference Method, Stated Preference Method, Cost-Benefit Analysis

#### **4 Climate Change, Environmental Agreements and Policies 12**

- 4.1 Climate Change – Greenhouse Gases, Accumulation of Emissions and Process of Global Warming,
- 4.2 Kyoto Protocol – Emission Reduction Targets, Kyoto Mechanisms, Limitations of Kyoto Protocol, Carbon Credits
- 4.3 Paris Agreement – Aims, Nationally Determined Contributions, Effects on Global Temperature, Mechanisms and Criticism
- 4.4 India’s Environmental Policy, Environment Protection Laws, National Green Tribunal

#### **Reading List:**

- 1 Baumol, W.J. & Oates, W.E. (1997), *The Theory of Environmental Policy*, Prentice Hall, Englewood-cliffs
- 2 Bhattacharya, R. N. (2006), *Environmental Economics: An Indian Perspective*, Oxford University Press, New Delhi
- 3 Field, Barry & Field, Martha (2016), *Environmental Economics: An Introduction*, McGraw-Hill Education, New York.
- 4 Managi, Shunsuke & Kuriyama, Koichi (2017), *Environmental Economics*, Routledge, London and New York
- 5 Singh, Katar & Shishodia, Anil (2010), *Environmental Economics: Theory and Applications*, Sage Publications, New Delhi
- 6 Smith, Stephen (2011), *Environmental Economics: A Very Short Introduction*, Oxford University Press, New York
- 7 Ulaganathan, Sankar (2006), *Environmental Economics*, OUP, New Delhi

#### **Recommended Books:**

- 1 Ali, S.A. (1979), *Resources for Future Economic Growth*, Vikas Publishing House, New Delhi.
- 2 Charles Peering (1987) *Economy and Environment* Cambridge University Press, New York.
- 3 Dorfman, R & N. Dorfman (Eds.) (1977), *Economics of the Environment*. W.W. Norton, New York.
- 4 Hanley, Nick; Shogren, Jason & White, Ben (2004), *Environmental Economics in Theory and Practice*, McMillan India Limited, Delhi

#### **Recommended Journals:**

- Journal of Environmental Economics and Management
- Review of Environmental Economics and Policy
- Environmental and Resource Economics
- Ecological Economics
- Annual Review of Resource Economics
- Land Economics

**ELECTIVE COURSE**  
**SEMESTER IV**  
**EC-4004**  
**FOREIGN EXCHANGE MARKET**  
(This course will have *FOUR* credits)

**PREAMBLE:**

The course makes an attempt to provide an introduction to the foreign exchange market and at the same time provide an understanding of the analytical rigour of the subject. Foreign exchange market is an elective course that covers meaning and concept of foreign exchange market, transactions in foreign exchange market, exchange rate mechanism and risk management of the foreign exchange market. Foreign exchange market will try to clear the concepts regarding the currency market and provides basic knowledge to the students to get engaged in the activities.

**Course Objectives:**

- To enable understanding of the concepts and transactions in the foreign exchange market such as spot and forward transactions, etc. and the risks associated.
- To enable understanding of the foreign exchange market activities at national and international level.

**Programme Outcome:**

- Ability to analyze and demonstrate knowledge of the foreign exchange market transactions, exchange rate mechanism and exchange risk in economics.
- At the end of the course, the student should be able to evaluate Foreign exchange market concepts, market structure, transactions and its use in real life.

**1. Introduction**

**12**

- 1.1 Foreign Exchange and Foreign Currency- meaning & Definitions
- 1.2 Structure of Foreign exchange Market: Market Segments, Market Players,
- 1.3 Features & Functions of Foreign Exchange Market
- 1.4 Constituents of Foreign Exchange Market- Central Bank, Commercial Banks, Non-Banks, Individuals & Firms, Speculators, Arbitrageurs, Forex Dealers, Forex Brokers

**2. Foreign Exchange Transactions**

**12**

- 2.1 Spot and Forward Transactions- Meaning & features
- 2.2 Financial Derivatives- Swaps, Options and Futures- Meaning
- 2.3 Hedging- Meaning
- 2.4 Arbitrage- Meaning

**3. Exchange Rate Mechanism**

**12**

- 3.1 Exchange Rate Determination: The PPP Theory, the BOP Theory
- 3.2 Fixed and Flexible Exchange Rates, Official and Free Market Rates
- 3.4 Relation between Rate of Interest and Foreign Exchange Rate

## **4. Risk Management**

12

- 4.1 Nature of Risk in Foreign Exchange Market,
- 4.2 Foreign Exchange Settlement Exposure and Foreign Exchange Settlement Risk
- 4.3 Types of Risks in Foreign Exchange Market –
  - 4.3.1 Market Risk, Credit risk, Liquidity Risk, Replacement Risk, Interest Rate Risk
  - 4.3.2 Operational Risk, Systemic Risk, Legal Risk, Country Risk, Sovereign Currency Risk
- 4.5 Intervention in Foreign Exchange Market
- 4.6 Role of RBI in Foreign Exchange Market in India; Developments since 1991

### **Basic Reading:**

- 7. Anthony Steve (2002) 'Foreign Exchange in Practice: the New Environment' Palgrave
- 8. Brandl Michael (2019) 'Money, Banking, Financial Markets and Institutions' Cengage Learning
- 9. Bhole, L. M., Jitendra Mahakud (2017) 'Financial Institutions and Markets' Tata McGraw Hill, ND
- 10. Fabozzi Frank J., Steven V. Mann, Moorad Choudhry (2002) 'The Global Money Markets' John Wiley & Sons
- 11. Frederic Mishkin and Stanley Eakins (2006) 'Financial Markets and Institutions', Pearson 5<sup>th</sup> Edition
- 12. Frederic Mishkin (2019) 'The Economics of Money, Banking and Financial Markets' Pearson Education India, 11<sup>th</sup> edition
- 13. Luca Cornelius (2007) 'Trading in Global Currency Markets' Penguin, USA
- 14. Madura Jeff (2014) 'Financial Institutions and Markets' Cengage
- 15. Gupta SL (2017) 'Financial Derivatives- Theory, Concept and Problems' PHI Learning
- 16. Srivastava Rajeev (2014) 'Derivatives and Risk Management' OUP

### **Recommended Readings:**

- 9. Batra G.S. "Financial Services and Markets", New Delhi: Deep and Deep Publications Pvt. Ltd., Latest Ed.
- 10. Das S. C. (2015) 'The Indian Financial System: Markets, Instruments, Institutions, Services and Regulations' PHI Learning
- 11. Gurusamy S (2004) "Financial Services and Markets", Vijay Nicole Imprints
- 12. Hull John C, Sankarshan Basu (2018) "Options, Futures and Other Derivatives", Pearson Education, 10<sup>th</sup> Edition
- 13. Kothari Rajesh. "Financial Services in India Concept and Application", New Delhi, Sage Publications. 2010.
- 14. Meir Kohn (2013) 'Financial Institutions & Markets; OUP
- 15. Chandra P. (2017), 'Investment Analysis and Portfolio Management', McGraw Hill Education, Fifth Edition

### **Recommended Journals:**

International finance- Wiley Online  
Journal of International financial Markets, Institutions and Money- Elsevier  
Journal of International Money and Finance