

# Syllabus

2<sup>nd</sup> Semester

**M.A. (Applied Economics)**

## MA. APPLIED ECONOMICS

### Semester II

Course Code	Course Title	Course ID	L	T	P	L	T	P	Total Credits	MARKS				
			(Hrs)			Credits				TI	TE	PI	PE	Total
<b>Core Course(s)</b>														
CC-A04	Micro Economic Theory and Applications-II		4	0	0	4	0	0	4	30	70			100
CC-A05	Macro Economic Theory and Policy-II		4	0	0	4	0	0	4	30	70			100
CC-A06	Statistics for Economics		4	0	0	4	0	0	4	30	70			100
<b>Discipline Specific Elective Courses</b>														
DSE-02 (One from Pool of Courses)	1. Indian Economy		3	0	0	3	0	0	3	25	50			75
	2. Financial Economics													
	3. International Business													
<b>Multidisciplinary Course(s)</b>														
MDC-02	One from Pool of Courses		-	-	-	-	-	-	3	-	-	-	-	75
<b>Ability Enhancement Course(s)</b>														
AEC-02	One from Pool of Courses		-	-	-	-	-	-	2	-	-	-	-	50
<b>Skill Enhancement Course(s)</b>														
SEC-01	Data Analysis with Statistical Softwares-I / One from Pool of Courses		0	0	2	0	0	2	2	-	-	15	35	50
<b>Total Credits</b>									<b>22</b>					

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### Core Courses + DSC

Course Code	Course Title	Course ID	L	T	P	L	T	P	Total Credits	MARKS				
			(Hrs)			Credits				TI	TE	PI	PE	Total
<b>Core Course(s)</b>														
CC-A04	Micro Economic Theory and Applications-II		4	0	0	4	0	0	4	30	70			100
CC-A05	Macro Economic Theory and Policy-II		4	0	0	4	0	0	4	30	70			100
CC-A06	Statistics for Economics		4	0	0	4	0	0	4	30	70			100
<b>Discipline Specific Elective Courses</b>														
DSE-02 (One from Pool of Courses)	1. Indian Economy		3	0	0	3	0	0	3	25	50			75

Course Code	Course Title	Course ID	L	T	P	L	T	P	Total Credits	MARKS				
			(Hrs)			Credits				TI	TE	PI	PE	Total

<b>Multidisciplinary Course(s)</b>														
MDC-02	One from Pool of Courses		-	-	-	-	-	-	3	-	-	-	-	75

<b>Skill Enhancement Course(s)</b>														
SEC-01	Data Analysis with Statistical Softwares-I / One from Pool of Courses		0	0	2	0	0	2	2	-	-	15	35	50

<b>Ability Enhancement Course(s)</b>												
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AEC-02	One from Pool of Courses		-	-	-	-	-	-	2	-	-	-	-	50
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**MA. APPLIED ECONOMICS (CORE COURSES = DSE)**  
**SEMESTER II**

	<b>Micro Economic Theory and Applications-II</b>	<b>L</b>	<b>T</b>	<b>P</b>	<b>C</b>
		<b>4</b>	<b>0</b>	<b>0</b>	<b>4</b>

**Max. Marks: 100**

**Written Exam: 70**

**Credits: 4**

**Internal Assessment: 30**

**Note For the paper Setter**

1. Nine Questions will be set in all and students will be required to attempt 5 questions.
2. Question No. 1 will be compulsory and will consist of 7 short answer type questions of 2 marks spread over the entire syllabus (2x7=14 marks).
3. For the remaining eight questions, students will attempt 1 out of 2 questions from each of the four units (14 marks each).

**Course objective**

This course is designed to give you a strong understanding of the theory and logic of microeconomics. We will discuss the standard models of oligopoly, and the implications of these models for resource allocation and market efficiency. We will also discuss game theory, theories of firms including optimization, comparative statics and equilibrium.

**Course Outcomes**

- CO1: Understand the relevance of game theory, and various models of oligopoly along with their implications.
- CO2: Appreciate the theories of firm and product pricing and become able to identify the major determinants of managerial decision making and product pricing.
- CO3: Comprehend the theories of factor pricing and their policy relevance.
- CO4: Learn the basics of general equilibrium approach and welfare economics.

**Unit-I**

**Oligopoly**

**Teaching Hours: 14**

Collusive Oligopoly- Cartels, Price Leadership and Basing Point Price System; Non-Collusive Oligopoly- Cournot, Bertrand, Chamberlin and Kinked Demand Models of Oligopoly.

**Theory of Games**

Two-person Zero-sum game. Pure and Mixed strategy, Saddle Point Solution.

**Unit-II**

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### **Extension of Traditional Theory of Firm**

**Teaching Hours: 12**

Baumol's Theory of Sales Revenue Maximization; Marris' Model of The Managerial Enterprise; Williamson's Model of Managerial Discretion; Behavioural Model of Cyert and March.

**Theory of Product Pricing-** Basic Assumptions underlying Traditional Theory of Pricing – Hall and Hitch Full Cost Pricing; Bain's Limit Pricing; Model of Sylos- Labini – Model of Franco Modigliani.

### **Unit- III**

#### **Theory of Factor Pricing**

**Teaching Hours: 10**

Neoclassical Theory of Factor Pricing Under Competitive Conditions, Monopolistic Power in Product Market, Monoposonistic Power in Factor Market, Bilateral Monopoly in Factor Market. Monopoly in Factor Market; Product Exhaustion Problem; Neoclassical Theory of Rent, Quasi-Rent, and Interest.

### **Unit-IV**

#### **General Equilibrium**

**Teaching Hours: 12**

Interdependence in Economy Partial and General Equilibrium, Walrasian General Equilibrium; Existence, Uniqueness and Stability of General Equilibrium.

#### **Welfare Economics**

Criteria's of Old Social Welfare Economics- Pareto Optimality; New Welfare Economics- Kaldor, Hicks Compensation Criteria, Scitovsky Criteria; Social Welfare Function-Bergson, Samuelson, Arrows Impossibility Theorem, Pigouvian Welfare Economics; Point of Bliss- Theory of Second Best; Rawlsian Concept of Justice.

#### **Suggested Readings**

- Koutsoyiannis, A. (1979), Modern Microeconomics, (2nd Edition), Macmillan Press, London.
- Varian, H. (2003), Intermediate Microeconomics, East-West Press.
- Salvatore D(2006), Microeconomics-Theory and Applications, Oxford University Press
- Lipsey and Chrystal(2014), Economics, Oxford University Press
- Mankiw(2006),Principles of Microeconomics,Cengage Learning
- Mansfield Edwin, Applied MicroEconomics, W.W.Norton, New York London.
- Jehle Geoffrey A.andReny Philip J (2008), Advanced Micro Economic Theory, Dorling Kindersley (India)

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- Collel A., Whinston and Green (2012), Microeconomic Theory, Oxford University Press.

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	<b>Macro Economic Theory and Policy-II</b>	<b>L</b>	<b>T</b>	<b>P</b>	<b>C</b>
		<b>4</b>	<b>0</b>	<b>0</b>	<b>4</b>

**Max. Marks: 100**

**Written Exam: 70**

**Credits: 4**

**Internal Assessment: 30**

**Note For the paper Setter**

1. Nine Questions will be set in all and students will be required to attempt 5 questions.
2. Question No. 1 will be compulsory and will consist of 7 short answer type questions of 2 marks spread over the entire syllabus (2x7=14 marks).
3. For the remaining eight questions, students will attempt 1 out of 2 questions from each of the four units (14 marks each).

**Course objective**

This paper aims at strengthening the knowledge of important macroeconomic variables and their role in determining the equilibrium level of output and employment and provides insights into the factors influencing the capital inflows and outflows in an open economy model. The students will be able to critically evaluate the consequences of basic macroeconomic policy options under differing economic conditions.

**Course Outcomes**

- CO1: Learn and explain various theories of demand for money.  
 CO2: Understand the theories of money supply and interest rates.  
 CO3: Appreciate the theories of inflation along with recent developments.  
 CO4: Identify the role of expectations in affecting macroeconomic variables and comprehend some latest developments in macroeconomic analysis.

**Unit-I**

**Demand for Money**

**Teaching Hours: 14**

Classical Approach to Demand for Money – Quantity Theory, Fisher's equilibrium, Cambridge Quantity theory; Keynes Liquidity Preference Approach; Post Keynesian approaches to demand for money: Tobin, Baumol, Friedman, Patinkin's real balance effect; Akerlof and Milbourne (A-M) model; Miller-Orr model.

**Unit-II**

**Supply of Money & Interest Rates**

**Teaching Hours: 10**

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Measures of money supply and Monetary Aggregates; Determinants of money supply; Money Multiplier Approach;

### **Interest Rates**

Theories of Determination of Interest Rate: Classical, Loanable Funds and Keynesian Theory.

### **Unit-III**

#### **Theory of Inflation and Unemployment**

**Teaching Hours: 12**

The effect of Inflation on the distribution of Income, output, Employment and the Growth Rate; Demand Side and Supply Side theories of inflation.

Phillips Curve; Trade off and Non-Trade Off, Adaptive Expectation and Rational Expectation Modified Phillips Curve - Tobin, Samuelson-Solow. Keynesianism Vs Monetarism.

### **Unit-IV**

#### **New Classical Macroeconomics**

**Teaching Hours: 12**

Rational Expectation Model. Lucas Rational Expectation Theory of Business Cycle, Real Business Cycle Theory, Random Walk of GDP Theory, Critical Evolution of Rational Expectation Model. New Keynesian Economics and its Common Elements, Mankiw's New Keynesian Model

#### **Suggested Readings**

- Ackley, G. (1978), Macroeconomics: Theory and Policy, Macmillan, New York.
- Blackhouse, R. and A. Salansi (Eds.) (2000), Macroeconomics and the Real World (2Vols.), Oxford University Press, London.
- Branson, W.A. (1989), Macroeconomic Theory and Policy, (3rd Edition), Harper and Row, New York.
- Dornbusch, R. and F. Stanley (1999), Macroeconomics, Irwin McGraw Hill, Inc. New York, 7th Edition.
- Heijdra, B.J. and V.P. Fredericck (2001), Foundations of Modern Macroeconomics, Oxford University Press, New Delhi.
- Jha, R. (1991), Contemporary Macroeconomic Theory and Policy, Wiley Eastern Ltd., New Delhi.
- Romer, D.L. (1996), Advanced Macroeconomics, McGraw Hill Company Ltd., New York.
- Shapiro, E. (1996), Macroeconomic Analysis, Galgotia Publications, New Delhi.
- Mankiw, N.G. and D. Romer (Eds.) (1991), New Keynesian Economics, (2Vols.), MIT Press, Cambridge.
- Mankiw, N. Gregory (2000), Macroeconomics Macmillan Worth Publishers 4th Edition
- Frisch, H. (1983), Theories of Inflation, Cambridge University Press, Cambridge.
- Sheffirin, S.M. (1996), Rational Expectations, Cambridge University Press, Cambridge.

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- Lucas, R. (1981). Studies in Business Cycle Theory, MIT Press, Cambridge, Massachusetts.
- Taylor, L. (1983). Structuralist Macroeconomics, Basic Books, New Longman.
- Turnovsky, S.J. (1977), Macroeconomic Analysis and Stabilization Policy, Cambridge University Press, Cambridge.

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<b>Statistics for Economics</b>			<b>L</b>	<b>T</b>	<b>P</b>	<b>C</b>
			<b>4</b>	<b>0</b>	<b>0</b>	<b>4</b>

**Max. Marks: 100**

**Written Exam: 70**

**Credits: 4**  
**30**

**Internal Assessment:**

**Note For the paper Setter**

1. Nine Questions will be set in all and students will be required to attempt 5 questions.
2. Question No. 1 will be compulsory and will consist of 7 short answer type questions of 2 marks spread over the entire syllabus (2x7=14 marks).
3. For the remaining eight questions, students will attempt 1 out of 2 questions from each of the four units (14 marks each).

**Course objective**

The objective of this course is to make the students acquainted with statistical tools and techniques to understand the behaviour of data and its further analysis to increase the extent to which statistical thinking is embedded in economics for decision making. The course also aims to provide the knowledge of statistical packages so as to make the teaching learning process a problem solving and interesting one.

**Course Outcomes**

- CO1: Comprehend the evaluation of degree and directional relationship as well as the cause and effect relationship between two variables.
- CO2: Understand and address the difficulties of index number formulation and interpretation for economic variables, as well as measure different components of time series.
- CO3: Understand, explain, solve, and implement hypothesis testing and the selection of an appropriate statistical technique for testing hypotheses.
- CO4: Apply, solve, and prove several probability theorems in addition to analysing and interpreting statistical data with proper probability distributions.

**Unit-I**

**Correlation and Regression Analysis**

**Teaching Hours: 12**

Karl Pearson and Spearman's Correlation Coefficients, Simple Regression Analysis, Single Linear Equation Regression Model (by OLS Method); Concept of an Estimator and its Desirable Properties; Coefficient of Determination; Estimation of Simple and Exponential Growth Rates.

## Unit-II

### Index numbers

**Teaching Hours: 12**

Laspeyres, Paasche's and Fisher's Ideal Index Numbers, Time Reversal, Factor Reversal and Circular Tests; Chain Base Indices, Base Shifting Splicing and Deflating the Index Numbers, Costs of Living Index Numbers and Consumer Price Index Numbers; Time Series: Components of Time Series and their Decomposition, Methods of Measuring Trend, Cyclical, Seasonal and Irregular Variation

## Unit-III

### Hypothesis Testing

**Teaching Hours: 12**

Statistical Hypothesis, Distribution of Test Statistics, Type I and Type II Errors, Power of Test; Types of Data and Statistical Analysis Procedures; Univariate, Bivariate and Multivariate (Only Overview); Hypothesis Testing Procedures Based on Z, t, Chi Square and F-Test and One-Way ANOVA.

## Unit-IV

### Probability Theory and Sampling

**Teaching Hours: 12**

Elementary Theory Sample Spaces and Events; Laws of Addition and Multiplication; Conditional Probability; Bayes Theorem (Statement); Binomial, Poisson and Normal Distribution; Basic Concepts of Sampling- Random and Non-Random Sampling.

### Suggested Readings

- Vohra, N. D. Quantitative Techniques in Management, Tata McGraw Hill, New Delhi.
- Speigal, M. R. Theory and Problems of Statistics, McGraw Hill Book, London
- Croxton, F. E., D. Cowden and S. Kliein, Applied General Statistics, Prentice Hall, New Delhi.
- Koutsoyiannis, A. (2001). Theory of Econometrics. Palgrave Macmillan Limited.
- Gupta S.C. and V.K. Kapoor, Fundamentals of Applied Statistics, S. Chand and Sons New Delhi.
- Yates, Frank, Sampling Methods for Census and Surveys, Charles, Griffin Co., London.
- Cochran, W. G., Sampling Techniques, John Willey, New York.
- Hansen, Hurditz and Meadow, Sample Survey Methods and Theory, John Willey New York.
- Naghshpour, S. (2012). Statistics for Economics. Business Expert Press
- Gupta S. C. Fundamentals of statistics, Himalaya Publishing house, New Delhi.
- Gupta S.P. and Gupta M. P. Business statistics, Sultan Chand and Sons, New Delhi.
- Kamanta J. Elements of Econometrics, Machmillan Publishing Co., Inc. New York.
- Sharma, J.K. (2012); Business Statistics, Dorling Kindersley (India) Pvt. Ltd., New Delhi.

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	<b>Indian Economy</b>	<b>L</b>	<b>T</b>	<b>P</b>	<b>C</b>
		<b>3</b>	<b>0</b>	<b>0</b>	<b>3</b>

**Max. Marks: 75**

**Written Exam: 50**

**Credits: 3**

**Internal Assessment:**

**25**

**Note for the paper Setter**

1. Seven Questions will be set in all and students will be required to attempt 4 questions.
2. Question No. 1 will be compulsory and will consist of 7 short answer type questions of 2 marks spread over the entire syllabus (2x7=14 marks).
3. For the remaining six questions, students will attempt 1 out of 2 questions from each of the three units (12 marks each).

**Course objective**

The objective of this course is to make students understand with the current and critical issues, challenges and problems of the Indian economy.

**Course Outcomes**

CO1: Understand the basic features of Indian economy, sources of revenue, how the government manages the fiscal imbalance in the economy.

CO2: Understand agriculture as the foundation of economic growth and development and analyze the progress and changing nature of agricultural sector and its contribution to the economy.

CO3: Utilize the detailed skills and techniques to address the problems of Indian economy like poverty, inequality, unemployment.

**Unit-I**

**Economic development since independence**

**Teaching Hours: 10**

Indian Economy during the planning era; Planning Commission to NITI Aayog; Sustainable Development Goals and Indian Economy; Trends of national income in India; Economic Reforms in India; Macroeconomic Stabilization; Structural Reforms.

**Unit-II**

**Indian Agriculture and Industrial Sector in India**

**Teaching Hours: 12**

Agriculture: Productivity trends and crop pattern; Food security in India, Issues and policies regarding sustainable agriculture in India; Agriculture Policy Vision 2030

**Structural change in Indian Economy**

Social Sector Reforms: Education, Health, Poverty, Inequality and Unemployment in India; Financing of Infrastructure Development.

### Unit-III

#### Policy Approaches in Fiscal, Financial and External Sector

Teaching Hours:14

Fiscal and Monetary Policy Approaches; Tax Reforms, Central Government Finances; Financial Sector Reforms, Foreign Trade Liberalization, Exchange Rate Policy; World Trade organization (WTO) and Indian Competition Policy.

#### Suggested Readings

- Kapila, U. (2018), 'Indian Economy since Independence', Academic Foundation, 28<sup>th</sup> Edition.
- Dutt and Sundharam, 'Indian Economy', 65th edition, S.Chand
- Mishra & Puri, (2015), 'Indian Economy', Himalaya Publishing House.
- Rangarajan, C., (2004), 'Select Essays on Indian Economy', Vol.1&2, Academic Foundation.
- Government of India. Ministry of Finance, "Economic Survey (latest Issue).
- Government of India, Ministry of Finance, "Finance Commission Report.(latest Issue).
- Krueger A. (2003), 'Economic Policy Reforms and the Indian Economy', Oxford University Press.
- Dev, S. Mahendra, Babu, P.G. (2016), 'Development in India Micro and Macro Perspectives', Springer.

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