

## COURSE - I

### RESEARCH METHODOLOGY AND STATISTICAL TECHNIQUES

**Total Credit: 04**

**Subject Code:  
LTPC 4 0 0 4**

#### **Preamble**

The course is designed to create academic researchers as well as professionals who are capable of conducting policy analysis, relating to National and Global economic and development issues from quantitative and inter-disciplinary perspectives. While an interdisciplinary approach is encouraged, the programme lays somewhat larger emphasis on economics to provide an integrated framework within which various development issues can be addressed.

#### **Objectives:**

1. To train the research scholars to use the techniques of statistical analysis, which are commonly applied to understand and analyze economic problems.
2. To learn robust statistical and econometrics tools and techniques for research analysis.

#### **Module I: Research Methods (10 L)**

Social Research – Nature, Scope, Uses and Major steps – Pure, Applied and Action Research – Scientific Method: Theory and Facts – Formulation of a Research problem – Hypothesis: Types, Sources and Characteristics of a good hypothesis.

#### **Module II: Research Design (12 L)**

Need and Types of Research Design – Exploratory, Descriptive, Diagnostic and Experimental Design – Sampling Design: Probability Sampling, Simple Random, Systematic, Stratified and Multistage or Cluster Sampling, Non Probability Sampling – Purposive, Judgment, Quota and convenience sampling – Data Collection – Primary and Secondary methods – Observation, Document, Case Study and Survey – Schedule and Questionnaire – Construction and Requisites of a Good Questionnaire – Mechanics of Thesis writing – Format of a Research Report – Footnotes and Reference.

#### **Module III: Descriptive Statistical (12 L)**

Presentation of data – Editing, coding and tabulating data – Diagrammatic and Graphic representation of data – Processing data – Averages: Mean, Median, Mode and Weighted average – Merits and Demerits – Dispersion: Range, Standard deviation, Co-efficient of variation and Gini Ratio – Skewness, Pearson's and Bowley's coefficient of skewness.

#### **Module IV: Statistical Methods (14 L)**

Correlation – Simple, Partial and Multiple – Pearson's coefficient of correlation and Rank correlation – Regression: Simple, Linear and non-linear regression – Multiple regression – Probit model and Logit model – Time Series Analysis – Components and Uses – Methods of estimation trend and seasonal variation – Scaling techniques – Types – Reliability and validity – doctometry – Statistical Packages in Computer – Interpretation of SPSS Package output relevant for Multivariate analysis Logit model.

**Module V: Statistical Inference****(12 L)**

Steps in testing of hypothesis – Large sample Z – Test – Uses and Simple problems – ‘t’ Test: Assumptions, Properties and Applications and Simple problems – ‘F’ Test Assumptions, Properties and Applications and Simple problems, Chi-square [ $\chi^2$ ] Test: Assumptions, Properties and applications and non parametric tests – ‘U’ test and ‘H’ test.

**References:****Basic Reading list:**

1. Elhance, D.N.(2000), Fundamentals of Statistics, Allahabad; Kitab Mahal.
2. S.P. Gupta (2001), Statistical Methods, S. Chand and Co., New Delhi.
3. Kothari, C.R (1998), Research Methodology, Wiley Eastern Ltd., New Delhi.
4. Wilkison and Bhandarkar (1991), Methodology and techniques of social Research, Himalaya Publishing House, Bombay.

**Additional Reading List:**

1. Eari Babbie (1975), Practice of Social Research, Wadsworth Publishers, New York.
2. Ferber and Verdoon (1962), Research Methods in Economics and Business, Macmillan, New York.
3. Goode and Halt (1987), Methods in Social Research, MoCraw Hill, London.
4. Kurein, C.T. (1973), Research Methods in Economics, Madras Sangam Publisher.
5. Moser, C.A. and Kolton, C (1980) Survey Educational Methods in Social investigation, investigation, Heinemann Educational Books, London.
6. Sonachalam, K.S. (1978), Research methodology in Social Science, Kadayam, Tamilnadu.
7. Shanmugasundaram, V. (1974), Papers on the Methodology of Research in Social Sciences, University of Madras, Chennai.
8. Sitaram Pillai (1989), Basic Statistic, Progressive Publishers, Chennai.

## COURSE - II

### BASIC CONCEPTS AND THEORIES IN ECONOMICS

Total Credit: 04

Subject Code:  
LTPC 4 0 0 4

#### Preamble

The objective of this course is to make the students aware of the fundamentals of economics and also the contemporary issues of social and water Irrigation in India. This course will help the student in deciding their area of research interest.

#### Objectives:

1. To learn basic concepts and theories of economics will gain the importance because of sustained interest of the developing countries in uplifting their economic condition by restructuring their economies to greater diversity, efficiency and equity in consonance with their priorities.

#### Unit I Basic Economics (12 L)

Demand and Supply, Concept of Elasticity, Movement along the curve versus shift of the curve - Basic Utility Theory, Indifference Curves- Production Function, Average Cost, Marginal Cost, Short run, Long run cost curves- Perfect Competition and Monopoly- National Income (GDP, GNP) and multipliers, inflation, price index number.

#### Unit II Micro Economics (12 L)

Consumer Behaviour - Production and Costs - Markets – Perfect Competition, Monopoly, Monopolistic Competition, Oligopoly - Theory of Distribution/ Theory of Factor Market.

#### Unit III Macro Economics (12 L)

National Income Accounting Methods - Classical Model, Keynesian Model, IS-LM Model, Fiscal and Monetary Policies - Solow Growth Model - Inflation, Index Numbers - Exchange Rate Systems - Balance of Payments Account - Keynesian Multipliers in an Open Economy - Structural Reforms - Indian Money Market and RBI's Monetary Policy.

#### Unit IV Social Issues (12 L)

Discrimination, the market, statistical discrimination, minimum wage, gender discrimination, exclusion - Income inequality and poverty, causes of income inequality and poverty (inflation) income distribution over time, the official poverty rate - Unemployment, measurement, types and cost of unemployment, interpreting the unemployment rate, social security - Governance and Corruption.

#### Unit V Water Irrigation and Pricing (12 L)

Irrigation development in post-independence India - Interlinking of rivers - Water shed development - Impact of irrigation development in agriculture- Ground water market - Efficiency and equity in water use - Political economy of water pricing.

## References:

### Unit I Suggested readings

- Mankiw G N. Principles of Macroeconomics. 6th ed. South Western, 2012.
- Robert S Pindyck & Daniel L Rubinfeld. Microeconomics. 7 th ed. Dorling Kindersley (RS), 2008.

### Unit II Suggested readings

- Hal R. Varian. Microeconomic Analysis. 3<sup>rd</sup> ed. Tata Mcgraw Hill Education Private Limited, 2005.
- Anna Koutsoyiannis. Modern Microeconomics. 2nd ed. Macmillan India Limited.

### Unit III Suggested readings

- Rudiger Dornbusch & Stanley Fischer. Macroeconomics 6<sup>th</sup> ed. Tata Mcgraw Hill Education Private Limited, 2005.
- William H. Branson. Macroeconomic Theory & Policy 3<sup>rd</sup> ed. East-West Press, 2005.

### Unit IV Suggested readings

- Pissarides, C A, Equilibrium Unemployment Theory, MIT Press 2000.
- Menger, Carl (1976), Principles of Economics, New York University Edition
- Marshall, Alfred (1890), Principles of Economics: An Introductory Volume
- Mankiw, N Gregory (2009), Principles of Economics, 6th edition, South Western Cengage Learning, USA.

### Unit V Suggested readings

- Vaidyanathan A. (2006) “India’s water resources – Contemporary issues on irrigation”, Oxford University press, New Delhi.
- Vaidyanathan A. (2013) Water resources of India, Oxford University Press.
- Ariel Dinar and Ashok Subramanian “Water Pricing Experiences – An International Perspective” World Bank, Washington, D.C.
- Helligers P.J.G.J. and Perry C.J (2004) “Water as an Economic Good in Irrigated Agriculture: Theory and Practice” The Hague, Agricultural Economics Research Institute.
- Subranmanian Asok, VijayJaganathan N. and Ruth Merinzen Dick “User Organizations for sustainable water services” World Bank technical paper no. 354, The Worl Bank, Washington D.C.
- Bhattarai, M A Narayanamoorthy and Randolf Barker (2006) “Direct and Total Benefits of irrigation in India and Its Implications to Irrigation Financing and Cost Recovery”, International Association of Agricultural Economists, Australia.

## COURSE – III (Optional Papers)

### 1. AGRICULTURE AND RURAL DEVELOPMENT

Total Credit: 04

Subject Code:  
LTPC 4 0 0 4

#### Preamble

The place of agriculture and rural economics in the overall economic literature is unique in the context of the Indian economy. The development programmes in India are centered around the rural area. The paper is intended to highlight the working and significance of the rural economy along with the institutional involvement in implementing the government programmes. Agriculture, allied sectors, the non-farm sector and Co-operative movement is the thrust area of the paper.

#### Objectives:

1. To enable the learners to know about preparation of plan and management of agricultural and rural development
2. To acquaint the learners with the different strategies adopted by the Government of India for enabling financial resources for agriculture and rural development.

#### Unit I Agriculture and Economic Development (12 L)

Nature and scope of agricultural and rural economics; Traditional agriculture and its modernization; Role of agriculture in economic development; Interdependence between agriculture and industry — some empirical evidence; Agricultural development, poverty and environment. Land Reforms and Land Policy

#### Unit II Agricultural Growth in India (12 L)

Recent trends in agricultural growth in India; Inter-regional variations in growth of output and productivity; Cropping pattern shifts; Supply of inputs — Irrigation, power, seed and fertilizers; Pricing of inputs and role of subsidies; Role of Public investment and capital formation in Indian agriculture; Agricultural and non agricultural pricing policies in India. Food security issue and Public distribution system, Recent initiative for second green revaluation, Globalization of Indian economy and problems and prospects of Indian agriculture; Impact of World Trade Organization on Indian agriculture.

#### Unit III Agricultural Transformation and Rural Economy (12 L)

Role of agriculture in rural economic development, rural credit markets, Micro Finance in India: Microfinance and rural development, SHGs-Bank Linkage Programmes and emerging scenario of Microfinance regulation in India, Causes and effects of rural urbanization Migration, Harris-Todaro model of rural-urban migration, Agricultural wages in India; Non-agricultural rural employment-Trends and determinants.

#### Unit IV Diversification of Rural Economy (12 L)

Diversification of Agriculture-Dairy Farming, Horticulture, Floriculture, Fishery, and Farm Forestry; Rural Industrialisation- Importance, Programmes, Progress and Problems of Small- Scale and Cottage Industries and Remedial Measures. Rural social infrastructure: issues and problems in Educational and Health infrastructure; Housing and Sanitation; Drinking Water Supply; Rural Transport and Communication; Rural Electrification.

## Unit V Agricultural Finance

(12 L)

Need for Agricultural Finance – Non-institutional sources of Agricultural Finance: Money Lenders-Traders commission Agency – Land Lords – Institutional Sources of Agricultural Finance: Cooperative Banks, Commercial Banks, NABARD, RRBs.

### Reading List:

1. Biradar, R.R.(2008): Rural Non-Agricultural Employment in India: An Analysis of Its Determinants and Impact on Poverty and Inequality, Concept Publishing Company, New Delhi
2. Chadha, G. K. and A. N. Sharma (Eds) (1997): Growth, Employment and Poverty: Change and Continuity in Rural India, D K Publishers, New Delhi.
3. Chambers, R. (1983): Rural Development: Putting the Last First, Longman, Harlow.
4. Dandekar, V.M. and N. Rath (1971): Poverty in India, GIPE, Pune.
5. Dantwala, M. L. (1973): Poverty in India: Then and Now, 1870-1970, Macmillan, Bombay.
6. Dantwala, M. L. and Others (Ed) (1986): Indian Agricultural Development since Independence: A Collection of Essays, Oxford and IBH Publishing Co.Pvt. LTd. New Delhi.
7. Gupta. K .R. (Ed) (2003): Rural Development in India, Atlantic Publishers and Distributors, New Delhi.
8. Jain, Gopal Lal (1997): Rural Development, Mangal Deep Publications, Jaipur,.
9. Singh, Katar (1986): Rural Development: Principles, Polices and Management, Sage Publications, New Delhi, (Second Edition).
10. Karalay, G. N. (2005): Integrated Approach to Rural Development: Polices, Programmes and Strategies, Concept Publishing Company, New Delhi
11. Maheshwari, S. R. (1985): Rural Development in India, Sage, Publications New Delhi.
12. Satya Sundaram, I. (1997): Rural Development, Himalaya Publishing House, Delhi.
13. Mehta, Shiv R. (1984): Rural Development Polices and Programmes, Sage Publications, New Delhi.
14. Srinivasan, T. N. and P. K. Bardhan (Eds) (1974): Poverty and Income Distribution in India, Statistical Publishing Society, Calcutta.
15. Tyagi, B. P. (1998): Agricultural Economics and Rural Development, Jai Prakash Math and Co., Meerut.
16. Visaria, P. and R. Basant Ed) (1994): Non-Agricultural Employment in India: Trends and Prospects, Sage Publications, New Delhi.

## 2. ECONOMICS OF INFRASTRUCTURE AND DEVELOPMENT

Total Credit: 04

Subject Code:  
LTPC 4 0 0 4

### Preamble

The important role infrastructure plays in a country's development need not be reiterated. In case of developing countries, lack of adequate infrastructure has been held as a major obstacle to growth. Of the various categories of infrastructure, the category of social overhead capital has gained particular prominence. The contents of the paper 'Economics of Infrastructure' exposes the student wholly to issues involved in development of infrastructure in developing countries like India.

### Objectives:

1. To study the role of infrastructure plays in a country's development need not be reiterated.
2. To expose the students wholly the lack of adequate infrastructure has been held as a major obstacle to growth in developing countries like India.

### **I Infrastructure and Economic Development – Concepts (12 L)**

Definition, Meaning, Classification of infrastructure (Social and Economic Infrastructure); Infrastructure and economic development — Infrastructure as a public good; Special characteristics of public utilities. The peak-load, Off-Load Problem, Dual Principle Controversy; Economies of scale of Joint supply; Marginal Cost Pricing vs. other methods of pricing in public utilities; Cross-subsidization — free prices, equity and efficiency. Urban and Rural Infrastructure schemes in India – PURA; Spatial aspects of development and linkages with infrastructure.

### **II Physical Infrastructure – I (Energy, Electricity, Gas and water Supply) (14 L)**

Primacy of Energy in the Process of Economic Development. Factors Determining Demand for Energy; Effects of Energy Shortages. Energy Conservation. Renewable and Non-conventional Sources of Energy. Energy Modelling. The Search for an Optimal Energy Policy in the Indian Context- Electricity, Gas and Water Supply: Bulk Supply and Pricing of Electricity. The Relative Economics of Thermal, Hydel and Nuclear Power Plants. The Case for a National Power Grid. Financing Water Utilities. Urban and Rural Water Supply. The Exploitation of Natural Gas. Pricing Problem.

### **III Physical Infrastructure – II (Transport & Communication) (14 L)**

Significance of Transport Infrastructure; Factors affecting Transport Network – Growth and Present status of Transport System in India; Impact of Transport Development on location of economic activities; Transport Sector Reforms in India Postal and Telegraph. Telecommunication and Information Technology; Major issues in IT – Growth and present status of IT industry in India; Implications for Regional Development

### **IV Social and Tourism Infrastructure (10 L)**

Growth and present status of Social Infrastructure – Education, Health, Housing and Banking & Insurance; Impact of Social Infrastructure on Human and Economic Development, and development of social services in Indian plans-tourism and economic development - role of state in promoting tourism - tourism planning - infrastructural requirements for marketing tourism.

## **V Infrastructure Demand & Financing**

**(10 L)**

Demand Simulation for Infrastructure; Financing Needs; Infrastructure Financing in Plan Period; Infrastructure Financing in Recent Times; Privatization of Infrastructure and PPP Models; Implications for Infrastructural Development.

### **References:**

1. Baru, R.V. (1998), Private Health Care in India : Social Characteristics and Trends, Sage Publications, New Delhi.
2. Becker, G.S. (1974), Human Capital (2nd Edition), National Bureau of Economic Research, New York.
3. Berman, P. and M.E. Khan (1993), Paying for India's Health Care, Sage Publications, New Delhi.
4. Centre for Monitoring Indian Economy (1996), India : Energy Sector, CMIE, Mumbai.
5. Crew, M.A. and P.R. Kleindorfer (1979), Public Utility Economics, Macmillan, London.
6. Indian Council of Social Sciences Research (ICSSR) (1976), Economics of Infrastructure Vol. VI, New Delhi.
7. McMohan, W.W. (1999), Education and Development : Measuring the Social Benefits, Oxford University Press, Oxford.
8. National Council of Applied Economic Research (NCAER) (1996), India Infrastructure Report : Policy Implications for Growth and Welfare, NCAER, New Delhi.
9. Parikh, J. (Ed.) (1997), Energy Models for 2000 and Beyond, Tata McGraw-Hill, New Delhi.
10. Parikh, K.S. (Ed.) (1997), India Development Report 1997, Oxford, New Delhi.
11. Parikh, K.S. (Ed.) (1999), India Development Report — 1999-2000, Oxford, New Delhi.

## **3. ENVIRONMENTAL AND RESOURCE ECONOMICS**

**Total Credit: 04**

**Subject Code:  
LTPC 4 0 0 4**

### **Preamble**

Due to the speedy growth of industries and population there is an increasing demand for the environmental resources. The free goods in the nature have now become the priced goods in the economy. The various types of pollutions have created the problems to the human beings as well as the biosphere. The quality of environmental resources is being fastly deteriorated. This paper would enable the students to know about the relationship between environment and economy, global Issues relating to environmental problems, policies and protection.

### **Objectives:**

1. To learn the environmental degradation can very badly affect all living things coupled with human beings in particular and it should be resorted to achieve sustainable development.
2. To undertake research pertaining to economic aspects of environment and development.



**Unit I Introduction to Environmental Economics (12 L)**

Basic concepts of Environmental Economics, Economy-Environment interaction, Market failure, Property rights, Open access resources, Collective action, Environment and development trade-off, Environmental Kuznet's curve.

**Unit II Economics of Exhaustible and Renewable Resources (14 L)**

Basic concepts - Hotelling's rule, Solow-Harwick's rule, Market structure and optimal extraction policy, Uncertainty and the rate of resource extraction, Resource scarcity; Economic models of forestry and fisheries, Economics of biodiversity.

**Unit III Environmental Valuation (10 L)**

Market and non-market valuation; Physical linkage methods; Revealed and stated preference methods, Hicksian equivalence, Exposure to the type of models.

**Unit IV Environmental Policy (10 L)**

Command and control versus market mechanisms; Uncertainty and instrument choice, Regulatory compliance and enforcement, Eco-taxes and other fiscal measures.

**Unit V Global Environmental Issues (14 L)**

Trans-boundary pollution, economics of global warming, Climate change negotiations, Kyoto protocol, Impact of trade on environment and environment on trade, Porter's hypothesis, Pollution havens hypothesis.

**Suggested Readings**

1. Kolstad, C., Environmental Economics, Oxford University Press, 2000.
2. Baumol, W.J, and W.E. Oates, The Theory of Environmental Policy, Cambridge University Press, 1988.
3. Freeman, A. M., The Measurement of Environmental and Resource Values, 2nd Edition, Resources for the Future, 2003.
4. Hanley, N., J.F. Shogren, and B. White, Environmental Economics: In Theory and Practice, Macmillan India Ltd., 1997.

## 4. FINANCIAL ECONOMICS

**Total Credit: 04**

**Subject Code:  
LTFC 4 0 0 4**

### **Preamble**

The positive and significant role of finance 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. India is no exception and has taken far reaching measures since 1991 in this direction. This paper focuses on the financial system and its relationship with the financial markets both at the national and international levels.

### **Objectives:**

1. To develop an understanding of the basic principles of financial economics and also to improve student's analytical skills and ability to solve financial market problems.
2. To learn in-depth concepts financial system and its relationship with the financial markets both at the national and international levels.

### **Unit I Introduction**

**(10 L)**

Nature and Scope of Financial Economics; Basic financial concepts, Economics of capital Budgeting; Investment Criteria, Estimation of project Cash Flows, Risk Analysis.

### **Unit II Financial System**

**(14 L)**

Financial System-Meaning, constituents, functions and importance of financial system; Indian Banking System: Banking structure in India, Structure and functions of commercial banks; Functions of Central bank, Monetary policy and Central bank; Money market: Introduction, Treasury bills, Commercial paper, Certificates of deposit; Call money market, Money market mutual funds; Capital market: Primary market-shares and debentures-Types and their issuance; Secondary market- Stock exchange - Stock market indices, Methods of trading; Reforms in the Indian stock market; Role of SEBI, Debt market: Introduction; Private corporate debt market, Government securities market; Capital asset pricing model; Arbitrage pricing theory; Stock market efficiency.

### **Unit III Security Analysis**

**(14 L)**

Price-value interaction model- Buy-sell decision rules, information traders and liquidity traders, Samuelson's continuous equilibrium, Passive and Aggressive trading. Risk and Return: Expected return and variances-portfolios systematic and unsystematic risk-diversification and portfolio risk Mean- Variance Criterion -systematic risk and beta-efficient frontier characteristic lines- optimum portfolio -capital asset pricing model, arbitrage pricing theory, Valuation: Bond valuation-equity valuation.

### **Unit IV Systems of Financial Markets**

**(10 L)**

Spot Markets – Contingent Claims Markets – Arrow Securities – Ordinary Securities Markets – Incomplete Markets – Financial Markets and Financial Intermediaries.

### **Unit V Firms and Financial Markets**

**(12 L)**

Firms and Stock Market Equilibrium – Separation of Ownership and Control – Financial Structure of the Firm – Insurance Markets – Debt Contracts – Credit Rationing.

### **Suggested Readings:**

1. Bhole, L M, Financial Institutions and Markets: Structure, Growth and Innovations, Fourth Edition, Tata McGraw-Hill Publishing Co., New Delhi, 2004.
2. Brealey, R. and S. Myers, Principles of Corporate Finance, Fifth edition, New York, McGraw Hill, 1997.
3. Copeland, T. E. and J. F. Weston, Financial Theory and Corporate Policy, Addison Wesley, 1992.
4. Elton, E.J and M.J. Gruber, Modern Portfolio Theory & Investment Analysis, Fourth edition, John Wiley & Sons 1991.
5. Houthakker, H.S. and P.J. Williamson, Economics of Financial Markets, Oxford University Press, 1996.
6. Khan, M Y, Indian Financial System, Seventh edition, Tata McGraw-Hill Publishing Co., New Delhi, 2009.
7. Copeland T.E., J. F. Weston and K. Shastri (2005): Financial Theory and Corporate Policy, Fourth Edition, Pearson Addison-Wesley USA.
8. Cuthbertson, K, (1996): Quantitative Financial Economics: Stocks, Bonds and Foreign Exchange, John Wiley and Sons, USA
9. Eichberger J. and I.R. Harper (1997): Financial Economics, Oxford University Press, New York.
10. Tuckman, B. (1995), Fixed Income Securities – Tools for Today’s Markets, Wiley Frontiers in Finance.
11. Zvi Bodie, Alex Kane and Alan J. Marcus, Investments, 8th edition, ISBN: 0-07- 338237-X, McGraw-Hill.

## **5. GENDER ECONOMICS**

**Total Credit: 04**

**Subject Code:  
LTFC 4 0 0 4**

### **Preamble**

Gender biases in societal practices and development policies have resulted in persistent gender inequalities. It is increasingly being realized that mitigating such inequalities and enhancing women’s capabilities and entitlements are crucial to the overall development of the country. This course “Economics of Gender and Development” would provide students an understanding of the nature of the economic role of women and their contribution to the national economy on the basis of a scientific and non-sexist analysis. The modules incorporated in this course provide an analysis of issues at the theoretical level and also with regard to specificity of issues prevailing in the Indian context.

### **Objectives:**

1. To understand the nature of the economic role of women and their contribution to the national economy on the basis of women-social nexus analysis.
2. To analyze the various modules related to gender and development, especially with reference to India.

## **Unit I Introduction and Review**

**(10 L)**

Families and households, Importance and concepts of women studies — Women in patriarchal and matriarchal societies and structures, patrilineal and matrilineal systems and relevance to present day society in India, Gender bias in the theories of value, distribution, and population, Women in the economic history , Race, class, and the economics of gender , The economics of gay identity D'Emilio

## **Unit II Demography**

**(10 L)**

Demography of female population: Age structure, mortality rates, and sex ratio — Causes of declining sex ratios and fertility rates in LDCs and particularly India — Theories and measurement of fertility and its control; Women and their access to nutrition, health, education, and social and community resources, and their impact on female mortality and fertility, economic status, and in work participation rate.

## **Unit III Women in Decision Making**

**(12 L)**

Factors affecting decision making by women; property rights, access to and control over economic resources, assets; Power of decision making at household, class, community level; Economic status of women and its effect on work-participation rate, income level, health, and education in developing countries and India; Role of kinship in allocating domestic and social resources.

## **Unit IV Gender and the Economics of the Labor Market**

**(14 L)**

Labour force participation patterns, Labour force participation and family structure Factors affecting female entry in labour market; Supply and demand for female labour in developed and developing countries, particularly India; Studies of female work participation in agriculture, non-agricultural rural activities, informal sector, cottage and small-scale industries, organized industry, and services sector; Discrimination : Labour market biases and gender discrimination Compensating Differentials : Wage differentials in female activities; Determinants of wage differentials; gender, education, skill, productivity, efficiency, opportunity; Structures of wages across regions and economic sectors. Feminisation of the economic sector, Human Capital,

## **Unit V Social Security and Social Protection for Women**

**(14 L)**

Social security of women: entitlements, ensuring economic independence and risk coverage, access to credit and insurance markets; Role of voluntary organizations, self-help groups in providing social security; effectiveness of collective bargaining; Review of legislation for women's entitlements, protection of property rights, social security — Schemes for safety net for women; Need for female labour unions; affirmative action for women and improvement in their economic and social status- Gender and development indices; Mainstreaming gender into development policies; Gender planning techniques; Gender sensitive governance; Paradigm shifts from women's wellbeing to women's empowerment; Democratic decentralization (panchayats) and women's empowerment in India, Gender Budgeting.

## Suggested Books and Readings

### Books:

- Blau, Francine, Marianne Ferber and Anne Winkler 1998. *The Economics of Men, Women and Work* (Englewood Cliffs, NJ: Prentice Hall, Third Edition). (BFW)
- Boserup E. (1970), *Women's Role in Economic Development*, George Allen and Unwin, London.
- Desai, N. and M.K. Raj. (Eds.) (1979), *Women and Society in India*, Research Centre for Women Studies, SNDT University, Bombay.
- Government of India (1974), *Towards Equality — Report of the Committee on the Status of Women in India*, Department of Social Welfare, Ministry of Education and Social Welfare, New Delhi.
- Hoffman, Saul D. and Susan L. Averett 2004. *Women and the Economy: Family, Work and Pay* (Addison-Wesley-Longman). (HA)
- Krishnaraj, M., R.M. Sudarshan and A. Shariff (1999), *Gender, Population and Development*, Oxford University Press, New Delhi.
- Jacobsen, Joyce P.. 1998. *The Economics of Gender*, 2nd edition, New York: Blackwell.
- Jacobsen, Joyce. 1998. *The Economics of Gender* (Cambridge: Blackwell, 2nd Edition). (On reserve at Odegaard).
- Stack, Carol B. 1974. *All Our Kin: Strategies For Survival in a Black Community*. New York, NY: Harper & Row.
- Seth, M. (2000), *Women and Development : The Indian Experience*, Sage Publications, New Delhi. Economics 179
- Srinivasan K. and A. Shroff (1998), *India : Towards Population and Development Goals*, Oxford University Press, New Delhi.
- Venkateswaran, S. (1995), *Environment, Development and the Gender Gap*, Sage Publications, New Delhi.
- Wazir, R. (2000), *The Gender Gap in Basic Education : NGOs as Change Agents*, Sage Publications, New Delhi.

### Readings:

- D'Emilio, John. 1993. "Capitalism and Gay Identity," reprinted in *The Lesbian and Gay Studies Reader*, Henry Abelove, et. al., eds., New York: Routledge.
- Ehrenreich, Barbara and Deirdre English. 1973. "Women and the Rise of the American Medical Profession," reprinted in Wendy McElroy, ed., *Freedom, Feminism, and the State*, 2nd edition, New York: Holmes and Meier, 1991.
- Hochschild, Arlie Russel. 1989. *The Second Shift*, New York: Avon, chapter 4.
- McKenzie, Richard and Gordon Tullock. 1975. *The New World of Economics*, Homewood, IL: Richard Irwin, chapter 9.
- Rhoads, Steven E.. 1993. *Incomparable Worth: Pay Equity Meets the Market*, Cambridge: Cambridge University Press, chapter 2.

- Robinson, John P. and Melissa A. Milkie. 1998. "Back to Basics: Trends in and Role Determinants of Women's Attitudes Toward Housework," *Journal of Marriage and the Family* 60, February: 205-18.
- Segalen, Martine. 1996. "The Industrial Revolution: From Proletariat to Bourgeoisie," in Andre Barguiere, et. al., eds, Sarah Hamburg Tenison, trans., *A History of the Family* vol. 2, Cambridge, MA: MIT Press.
- Walker, Deborah. 1995. "Feminism and Economics: Legislation or Markets?" in Rita J. Simon, ed., *Neither Victim nor Enemy*, Lanham, MD: Women's Freedom Network and University Press of America.

**Videos:**

- 1900 House (selected episodes). Shown on the campus network

## **6. HEALTH ECONOMICS**

**Total Credit: 04**

**Subject Code:**

**LTTC 4 0 0 4**

**Preamble**

Health status of the population forms a major variable in measuring the Human Development Index. Health infrastructure provisions both public and private sector assumes significance in the overall health policy of a country. The present paper analyses the national health scene, correlation of health output and input indicators with level of economic development. Resource allocation in the health sector both public and private sector, evaluation of benefits and costs of health services, financing of health services and role of government and institutions also is examined.

**Objectives:**

1. To enable the learners to understand of the interplay between demographic processes and economic development.
2. To acquaint the learners to gain a sound command over the basic tenets of demography as well as key demographic issues and illustrations in India's context.

**Unit I Introduction to Health Economics**

**(12 L)**

Defining Health Economics. Importance of Health Economics – Essential Features. Basic concepts of health economics: Health, Health Care, Birth rate, Fertility rate, Death rate, IMR, CMR, MMR, Morbidity rate (Acute and Chronic), Disability Adjusted Life Year (DALY), Quality Adjusted Life Year (QUALY), Sex Ratio.

**Unit II Demand for Health and Health Care**

**(12 L)**

Welfare economics of medical care, production of health, demand for health and health care, equity, efficiency and the need, link between development and health, investing in health for economic development.

### **Unit III Health Production Function**

**(12 L)**

Nature of production function, different types of production function and their applications, national and international perspective, distributional inequities in opportunity and commercialization of medical and para-medical education, cost escalation in the health care system, easy access and availability to appropriate technology, need for regulation and control

### **Unit IV Health Care Incentives, Costing and Financing**

**(12 L)**

Goals of health care provision and financing, competitive health insurance and risk adjustment, Demand and supply of health insurance, asymmetric information and agency, costing of health care market insurance, self-insurance and protection, employment based insurance, health insurance in India, , public-private partnership and the role of state

### **Unit V Measuring Health Status and Health Care in India**

**(12 L)**

Measurement of health state utilities, QALYs and its alternatives- different approaches of valuing health, multi-attribute utility instruments and their development - Various health indicators and its recent trend, health care expenditures, target of health care and achievements, different options for financing healthcare, taxation, user fees, health insurance, role of urban and rural local bodies, role of WHO, economic impact of HIV/AIDS in India and gender issues.

### **Suggested Readings**

1. CII-Mckinsey Report, Healthcare in India: The Road Ahead, 2004.
2. Culyer, A. J. and J.P. Newhouse (eds.), Handbook of Health Economics, Volume 1 A & 1 B, NorthHolland, 2000.
3. Folland, S., A.C. Goodman and M. Stano, Economics of Health and Health Care, Fifth edition, Pearson Prentice Hall, 2006.
4. Pradhan, B.K. and R Sundar, Gender Impact of HIV and AIDS in India, United Nations Development Programme, 2006.
5. Pradhan, B.K. and R Sundar, Socio-economic impact of HIV AIDS in India, United Nations Development Programme, 2006.
6. Reports of WHO.
7. Zweifel, P., Health Economics, Oxford University Press, 1997.

## 7. INTERNATIONAL ECONOMICS AND POLICY

**Total Credit: 04**

**Subject Code:  
LTPC 4 0 0 4**

### **Preamble**

International Economics and Economic Policy focuses on contributions that are relevant to economic policy, emphasizing both theoretical and empirical papers. In particular, the course focuses on comparative economic policy; international political economy, including international organizations and policy cooperation; monetary and real/technological dynamics in open economies; globalization and regional integration; trade; migration; international investment; internet commerce; and regulation.

### **Objectives:**

1. To enable the students to understand to analyze various issues pertaining to India's International Trade and Policies for economic development.
2. To learn the student about the International monetary systems and its reforms.

### **Unit I Theory of International Trade (12 L)**

Mercantilist theory, Classical and Neo-classical (Adam Smith, Ricardo, J.S.Mill,H-O Model, Haberler), Theory of Opportunity Cost, New construction of Ricardian Theory, New Trade Theories (Vernon, Posner, Cannon) Technological dynamics, Factor intensity Reversal, Leontief Paradox, Stolper Samuelson theorem, Theory of Change in Factor Endowment, Factor Equalization Theorem, Specific Factor Model, Immiserizing Growth, Theory of Custom Union, Gains From Trade, Inter and Intra Industry Trade Model, Free trade better than no trade, Restricted trade better than no trade and free trade

### **Unit II External Trade Policy (12 L)**

Exim policy, ECGC, Export Promotion Councils, DGFT, Incoterm, Tariff and Non-Tariff Barriers, Terms of trade, Protection, New Economic Policy

### **Unit III Theory of International Finance (12 L)**

Prices in the open economy: purchasing power parity, Financial markets in the open economy, Open economy macroeconomics, exchange rate determination: Flexible prices: the monetary Model, Fixed prices: the Mundell-Fleming model, Coordination of Fiscal and Monetary policy under fixed and flexible exchange rate, Asset Market Model, Exchange rate dynamics, Expectations, Balance of Payment and adjustment Mechanisms, Foreign Trade Multiplier and repercussion effect.



#### **Unit IV International Monetary System**

**(12 L)**

International Monetary system, Euro currency, Euro dollar, Dollarization, SDR, China and reserve currency issues. Optimum currency areas and monetary union, Recent Financial crisis Regional Trade Agreement, Economic Integration in North America, The European Union: Many Markets into One, ASEAN, Trade and Policy Reform in Latin America, Emerging Economies, BRICS and the world economy,

#### **Unit V International Financial Architecture**

**(12 L)**

IMF, World Bank, WTO, GATT, UNCTAD, Reforming the international institutional architecture

#### **Suggested Reading:**

- Pugel, T.A. (2008), International Economics, 13th Edition, Tata Mcgraw hill publishing Co, New Delhi.
- Bhagwati, J. N., A. Panagariya and T.N.Srinivasan(1998), Lectures on International Trade, OUP,NewDelhi, Second Edition.
- Krugman, P.A. and M Obstfeld (2003), International Economics: Theory and Policy,Sixth Ed.
- Salvatore Dominick (2010), International economics, 8th edition, Wiley Publication, New Delhi, ISBN: 978-81- 265-1413-7
- Laurence Copeland (May, 2008), Exchange Rates and International Finance 5th Edition Paperback, ISBN13: 9780273710271
- Leontief, W. W. (1953). "Domestic Production and Foreign Trade: The American Capital Position Re-examined". Proceedings American Philosophical Society 97: 332–349.
- Leamer, E.E. (1980). "The Leontief Paradox Reconsidered". Journal of Political Economy 88: 495– 503.
- Y. Shiozawa (2007) A New Construction of Ricardian Trade Theory: A Many-country, Manycommodity with Intermediate Goods and Choice of Techniques, Evolutionary and Institutional Economics Review, 3(2): 141-187.
- Jones, Ronald W. 1961 Comparative Advantage and the theory of Tariffs; A Multi-Country, Multi-commodity Model, Review of Economic Studies, 28(3): 161-175.
- R. Dornbusch; S. Fischer; P. A. Samuelson 1977 Comparative Advantage, Trade, and Payments in a Ricardian Model with a Continuum of Goods, The American Economic Review, 67(5): 823-839.
- Shiozawa, Y. 2007 A New Construction of Ricardian Trade Theory—A Many-country, Manycommodity Case with Intermediate Goods and Choice of Production Techniques—, Evolutionary and Institutional Economics Review 3(2): 141-187.

- Shiozawa, Y. 2007 A New Construction of Ricardian Trade Theory—A Many-country, Manycommodity Case with Intermediate Goods and Choice of Production Techniques—, *Evolutionary and Institutional Economics Review* 3(2): 141-187.
- Chipman, J. (1965) “A Survey of the Theory of International Trade, Part I: The Classical Theory,” *Econometrica* 33: 477–519.
- Balassa, B. (1963) “An Empirical Demonstration of Classical Comparative Cost Theory,” *Review of Economics and Statistics* 45: 231–8.
- Haberler, Gottfried (1936) *The Theory of International Trade*, New York: Macmillan, ch. 12.
- Heller, H. Robert (1968) *International Trade, Theory and Empirical Evidence*, Englewood Cliffs, NJ: Prentice Hall, ch. 4.
- Rybczynski, T. M. (1955) “Factor Endowments and Relative Commodity Prices,” *Economica* 22: 336–41; reprinted in R. Caves and H. Johnson (eds) (1968) *Readings in International Economics*, Homewood, IL: Irwin.
- Samuelson, P.A. (1949) “International Factor-Price Equalization Once Again,” *Economic Journal* 59: 181–97.
- Stolper, W. and Samuelson, P.A. (1941) “Protection and Real Wages,” *Review of Economic Studies* 9: 58–73.
- Vernon, R. (1966) “International Investment and International Trade in the Product Cycle,” *Quarterly Journal of Economics* 80:190–207.
- Balassa, B. (1975) “Trade Creation and Diversion in the European Common Market,” *European Economic Integration*. Amsterdam: North-Holland.
- Brown, A., Deardorff, A., and Stern, R. (1992) “North American Integration,” *Economic Journal* 102: 1507–1518.
- Frankel, J.(1997) *Regional Trading Blocs in the World Economic System*, Washington, DC: Institute for International Economics.
- Hufbauer, G. and Schott, J. (1993) *NAFTA: An Assessment*, Washington, DC: Institute for International Economics.
- Staiger, Robert (1995) “International Rules and Institutions for Trade Policy,” in G. Grossman and K. Rogoff
- Jackson, John (1997) *The World Trading System, Law and Policy of International Economic Relations*, 2nd edn, Cambridge, MA: MIT Press.
- Amiti, M. and Freund, C. (2007) “An Anatomy of China’s Export Growth,” Paper prepared for Global Implications of China’s Trade, Investment and Growth Conference, IMF Research Department.
- Balassa, B. (1971) *The Structure of Protection in Developing Countries*, Baltimore: Johns Hopkins University Press.
- Havrylyshyn, O. (1990) “Trade Policy and Productivity Gains in Developing Countries,” *World Bank Research Observer*, 1–24.

## 8. PUBLIC ECONOMICS AND POLICY

**Total Credit: 04**

**Subject Code:  
LTPC 4 0 0 4**

### **Preamble**

Role and functions of the Government in an economy have been changing with the passage of time. The term 'Public Finance' has traditionally been applied to the package of those policies and operations which involve the use of tax and expenditure measures. This course covers the rationale for government provision of goods in a market economy and the effects of taxes on economic efficiency. We will also contrast the traditional public finance view of the role of government with the public choice school of thought. The primary emphasis is on expenditures and taxes at the federal level. As a part of the broader fiscal restructuring plan of the central and state governments in India, reforms have been initiated with particular emphasis on radical reforms in indirect taxes both in terms of tax policy reforms like base broadening, elimination of tax concessions and reduction in the number of tax rates and rationalization of tax structures, as well as tax administrative reforms like modernization of tax administration and extensive use of IT.

### **Objectives:**

1. To enable the students to understand about the fiscal institutions, tax structure and its distribution, public policy and other several issues related to public economics.
2. To help the students to understand the nature, structure and functioning of the public economics, especially with reference to India.

### **Unit I Introduction**

**(12 L)**

Public Finance – Definition and Scope; Public and Private finance. The Role of the Government in a changing perspective, Fiscal Functions of the Government, Co-ordination among these functions.

### **Unit II Welfare Foundations of Public Economics**

**(12 L)**

Distinction between Private and Public Goods, Pareto Optimality, Theory of Second best, Market Failure, Optimal provision of Public Goods, Free Rider Problem. The Pure Theory of Public Goods by Samuelson.

### **Unit III Public Expenditure**

**(12 L)**

Growth and Structural changes in public expenditure, Wagner's Law, Peacock and Wiseman's hypothesis, Public Choice in Determining the Level of Public expenditure, Public expenditure on health, education and subsidies in India, Criteria for Expenditure Evaluation - Valuation of Benefit and Cost, Choice of Discount rate.

### **Unit IV Principles of Taxation**

**(12 L)**

Principle of Fiscal Neutrality, Excess Burden, Principle of Equity, Benefit Principle, Bowen and Lindhal Models, Ability to pay Principle.(7) Tax policy and administration Reform in indirect tax structure of India: MODVAT, CENVAT, Value Added Tax (VAT), Issue of taxation of services in India, Goods and Service Tax (GST), Problem of Tax Evasion and Parallel Economy.

## Unit V Issues on Federal Finance in India

(12 L)

Devolution Criteria, Division of fiscal powers between the centre and states and local bodies, problems of inter-jurisdictional spillovers and issues of tax harmonisation, Report of latest Finance Commission.

### Suggested Readings:

- Richard A. Musgrave (1989), Public Finance in Theory and Practice McGraw Hill Book Company, New York.
- M. Govinda Rao and Tapas Sen (1998) : Financial Federalism in India, McMillan, Delhi.
- Arun Kumar (1998) : Black Economy in India, Penguin Books, New Delhi.
- Buchaman J.M. (1970), The Public Finances, Richard D.Irwin, Homewood.
- Hemlata Rao (2006) Fiscal Federalism –Issues and Policies, New Country Publications, New Delhi.
- Atkinson A.B. and J.E. Sigitz (1980). Lectures on Public Economics, Tata MacGraw Hill, New Delhi.
- Comes R. and T.Sandler (1986) The theory of Externalities, Public Goods and Club Goods, Cambridge University Press, Cambridge.
- Alan, A. Tait, (1972): The Value Added Tax, McGraw- Hill Publications.
- National Institute of Public Finance and Policy, (1989): The Operation of MODVAT, NIPFP, New Delhi.

## 9. REGIONAL ECONOMIC ANALYSIS

**Total Credit: 04**

**Subject Code:  
LTFC 4 0 0 4**

### Preamble

It is being increasingly recognized that market forces do not result automatically in regionally balanced development of economics. For effective and meaningful intervention to pull up economically and socially the less developed regions, it is necessary to understand the dynamics of regional development. This paper attempts to teach to the students the dynamics of regional development right from the meaning and concepts related to regional development to a broad overview of the techniques of regional analysis.

### Objectives:

1. To enable the students to understand the basic concepts of regional importance of economic development
2. To enable the students to cope up regional coastal resources and management for sustainable economic development.

**Unit I Basics of Regional Economics (12 L)**

Need for study of Regional Economics, Definition of a region, Different types of regions, Differences between region and a nation; Regional income, Problems of estimation, Indicators of regional development, Social, Economic and Political factors in regional growth.

**Unit II Regional Allocation of resources (12 L)**

Balanced regional development; Cumulative Causation Models, Regional linkage-spread and backwash effects; Regional Convergence and divergence theories, Regional Polarisation, regional Economic Multiplier. The basis of interregional trade, Regional trade and factor price equalization, Regional trade and factor migration, issues and challenges in regional trade

**Unit III Transport costs and location (12 L)**

Location and regional growth, Transportation and regional growth, the role of cities in regional development, Thunen's, Weber's theory of location; Locational and weight triangles; Locational interdependence. Locational – Views of Christaller, Losch, Perroux, Florance, Hoover, Polander and Isaxd – Dynamic theory of regions. Hotelling Principle

**Unit IV Regional Development in India (12 L)**

Socio-Economic Regional imbalance in India; Regional planning; Rural urban inequality; Role of Planning commission and finance commission in regional development, Trends in Regional Disparities in Income & Consumption, Sectoral Income and Employment Pattern across regions, Spatial Concentration of Industries in Liberalised Regime, Trends in regional agro production and productivity, Regional Distribution of Infrastructure, Trends in regional disparities in Infrastructure. Key issues in regional development of Rajasthan.

**Unit V Coastal Resource and Environment (12 L)**

Issues in Coastal Zone Management in India – Impact of Globalisation in Coastal Zone - Impact of Megacities in Coastal Zone – Coastal Disasters - Coastal Erosion - Coastal Disaster Planning and Management - Tourism Issues - Coastal Zone Regulations in India – CRZ Classification - Coastal Resource Management in Tamil Nadu – Issues – Gulf of Mannar and Bio diversity and Its Conservation - Coral Reef Management Issues in Gulf of Mannar – and Role of Government, NGOs and Communities

**Selected Readings:**

- Adelman, I. and C.T. Morris (1973) – Economic Growth and Social Equity in Developing Countries, Stanford, USA
- Ahluwalia, M. (1976) – “Inequality, Poverty, and Development”, Journal of Development Economics, Vol. 6
- Anand, S. and R. Kanbur (1993) – “The Kuznets Process and the Inequality-Development Relationship”, Journal of Development Economics, Vol. 40

- Anand, S. and R. Kanbur (1993a) – “Inequality and Development: A Critique”, *Journal of Development Economics*, Vol. 41
- Hoover, Edgar M., *An Introduction to Regional Economics*. New York. Alfred A. Knopf, 2nd edition.
- Isard, Walter, (1976), *Methods of Regional Analysis*, The M.I.T. Press Massachusetts and London, England, Chaps, 4,6,7,9 & 11.
- Kuznets, S. (1955) – “Economic Growth and Economic Inequality, *American Economic Review*, Vol. 45, Kuznets, S. (1963) – “Quantitative Aspects of Economic Growth of Nations: VIII, Distribution of Income by Size”, *Economic Development and Cultural Change*, Vol. 12.
- Mathur, Ashok (2000), *National and Regional Growth Performance in the Indian Economy, in Reform and Employment*, New Delhi, IAMR and Concept Publishers.
- Needleman, L., (ed.), (1968), *Regional Economics*, Penguin Books Ltd., Part-II, Cha. 4.
- Parloff, Harvey et. al., *Regions, Resources and Economic Growth*. University of Nebraska Press, Lincoln USA. Part II, pp.55-104.
- Richardson, Harry W., (1976): *Regional Economics*, Weidenfold and Nicoloson, London, Chaps. 1 to 5,7,9 & 13.
- Shand, Ric and S. Bhide (2000), “Sources of Economic Growth: Regional Dimensions of Reforms,” *Economic and Political Weekly*, Vol. 35, No. 42, October 14.
- Smith, David, (1971), *Industrial Location: An Economic Geography Analysis*, Hohn Wiley, New York.
- Donald Robadue, Jr. (Ed.) *Eight years in Ecuador The Road to Integrated Coastal Management –Coastal Resources Centre University of Rhode Island, USA, 1995.*
- Richard B. Pollnac and Brian R. Crawford, *Discovering Factors that Influence the Success of Community –Based Marine Protected Areas in the Visayas, Philippines,*
- *Coastal Resources Center, University of Rhode Island, USA,2000.*
- Gordon W. Thayer et al., *Science – Based Restoration Monitoring of Coastal Habitats, USA Department of Commerce NOAA, USA,2003.*
- Richard K. Wallace and Kristen M. Fletcher, *Understanding Fisheries Management, Auburn University and the University of Mississippi, USA, 1996.*
- Stephen Olsen, Donald D. Robadue, Jr., Luis Arriaga , *Atacames Special Area Management Plan ,Atacames-Sua-Muisne, CRC,URI, USA,1993.*

## 10. INDUSTRIAL DEVELOPMENT

**Total Credit: 04**

**Subject Code:  
LTPC 4 0 0 4**

### **Preamble**

It is being increasingly recognized that market forces do not result automatically in regionally balanced development of economics. For effective and meaningful intervention to pull up economically and socially the less developed regions, it is necessary to understand the dynamics of regional development. This paper attempts to teach to the students the dynamics of regional development right from the meaning and concepts related to regional development to a broad overview of the techniques of regional analysis.

### **Objectives:**

1. To enable the learners to understand in the contemporary world with globalization and liberalization more and more attention is being given to industry.
2. To acquire knowledge among the students on the basic issues such as productivity, efficiency, capacity utilization and debates involved in the industrial development of India.

### **Unit I Theory of the Firm**

**(10 L)**

Undifferentiated Products - Cournot, Stackelberg, Dominant firm model, Bertrand-Heterogeneous products - Chamberlin's small and large number case-Kinked demand curve theory - Bain's limit pricing - Sales and growth maximization hypothesis - Managerial theories of the firm - Game theoretical models.

### **Unit II Investment Decisions**

**(10 L)**

Conventional and modern methods - Risk and uncertainty - Sensitivity analysis - Financial statements and ratio analysis - Inflation accounting - Project appraisal methods – Industrial finance- Sources of finance - Capital structure - Incentive, signaling and control arguments - Separation of ownership and control.

### **Unit III Vertically Related Markets and Competition Policy**

**(12 L)**

Successive and mutually related market power - Monopoly, variable proportions and price discrimination - Monopsony and backward integration - Uncertainty - Diversification, rationing and cost economics and asset specificity - Internal hierarchies Hierarchies as information systems - Incentive structures and internal labour markets - Supervision in hierarchies - Competition policy: Need and requirements - Mergers and acquisitions - Coordination with other policies.

### **Unit IV Product market Differentiation and Imperfect Information**

**(14 L)**

Lancastrian and Hotelling approaches – representative consumer approach and Chamberlin's model of diversity of tastes - The address approach -Competition in address-Free entry-Pure profit and non-uniqueness in free entry equilibriumproduct diversity and multi address firms - Bargains and rip-offs - Theory of sales - Quality and reputations-Product varietyImperfect discrimination and price dispersions -Advertising - Dorfman Steiner condition - Lemons and information asymmetries.

## **Unit V Technical Change, Market Structure and Indian Industry**

**(14 L)**

The Economics of patents - Adoption and diffusion of innovations - Innovations and rivalry : Kamien and Schwartz - Measures of concentration - Concentration ratio - Hirschman - Herfindahl index - Entropy measure - Structure conduct performance paradigm - Contestable markets - Fixed costs, Sunk costs and contestability - Stackelberg - Spence – Dixit model- Industrial growth in India: Trends and prospects – Public enterprises; efficiency, productivity and performance constraints- Small scale industries : definition, role, policy issues and performance - Capacity utilization - Industrial sickness and Exit policy - Concept of competitiveness - Nominal protection-coefficients (NPC) and effective rate of protection (ERP) – Total-factor productivity - Technology transfer - Pricing policies-Administered pricing and LRMC based tariffs – Industrial location policy in India; regional imbalance - Globalization and competition - Privatization.

### **Selected Readings:**

- Ahluwalia, I. J. (1985), *Industrial Growth in India – Stagnation since Mid-sixties*, Oxford University Press, New Delhi.
- Ahluwalia, I. J. (1991), *Productivity and Growth in Indian Manufacturing*, Oxford University Press, New Delhi.
- Desai, A. V. (1994), —Factors Underlying the Slow Growth of Indian Industry, in *Indian Growth and Stagnation - The Debate in India* Ex. Deepak Nayyar, Oxford University Press.
- Ferguson, Paul R. and Glenys J. Ferguson, (1994), *Industrial Economics - Issues and Perspectives*, Macmillan, London.
- Shepher, William G. (1985), *The Economics of industrial Organisation*, Prentice - Hall, Inc, Englewood Cliffs, N. J.
- Staley, E & Morse R. (1965), *Modern Small Industry for Developing Countries*, McGraw Hill Book Company.
- Vepa R. K. (1988), *Modern Small Industry in India*, Sage Publications.
- Srivastava, M.P. (1987), *Problems of Accountability of Public Enterprises in India*, Uppal Publishing House, New Delhi.
- Mohanty, Binode (1991), Ed. *Economic Development Perspectives, Vol. 3, public Enterprises and Performance*, Common Wealth Publishers, New Delhi.
- Jyotsna and Narayan B. (1990), —Performance Appraisal of PEs in India: A Conceptual Approach, in *Public Enterprises in India - Principles and Performance*, Ed. Srivastava V.K.L., Chug Publications, Allahabad

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