

**சென்னைப் பல்கலைக்கழகம்**  
**தொலைதரரக் கல்வி நிறுவனம்**



**M.A. Degree Course in**  
**ECONOMICS**  
**பொருளாதாரம்**

*Syllabus for Core Subjects*

**Non-Semester**

(Effective from the Academic Year 2005 - 2006)

**UNIVERSITY OF MADRAS**  
**INSTITUTE OF DISTANCE EDUCATION**  
CHENNAI - 600 005

# M.A. ECONOMICS

## SCHEME OF EXAMINATION

### FIRST YEAR

Paper	Title	Duration Hours	Max. Marks
I	Micro Economic Theory	3	100
II	Indian Economic Development and Policy	3	100
III	Statistics for Economists	3	100
IV	Economics of Development	3	100
V	Principles of Management	3	100

### SECOND YEAR

VI	Macro Economic Theory	3	100
VII	Public Economics	3	100
VIII	International Economics	3	100
IX	Monatrary Economics	3	100
X	Economics of Human Resource Development	3	100

# **INSTITUTE OF DISTANCE EDUCATION**

## **M.A. DEGREE COURSE IN ECONOMICS**

### **SYLLABUS**

#### **FIRST YEAR**

#### **PAPER I - MICRO ECONOMIC THEORY**

##### **Unit 1**

The theory of consumer Behaviour : Utility and preference ordering : budget constraints, consumer equilibrium, effects of changes in price and income on consumer behaviour, derivation of demand curves (Marshall, Hicks and Spetsky). Market demand curve, income and price elasticities. Consumer surplus (Marshall and Hicks). Revealed preference hypothesis : labour - leisure choice. Two period.

##### **Unit 2**

Theory of Production : Characteristics of technology, variations in factor proportion, variations in scale, linear homogenous production function, Cobb Douglas and CES production functions. Multi-product firm.

##### **Unit 3**

Cost of Analysis : Concepts of costs, opportunity cost, direct and indirect costs ; short - run and long-run cost minimization.

## **Unit 4**

Market Structure : Market classification, elements of different markets. Competitive market : equilibrium in the short - run and long - run.

## **Unit 5**

Monopoly : Price and output decision, price discrimination. Multiplant monopoly, measure of monopoly and power, efficiency loss, control of monopoly - Duopoly and Oligopoly - Price and output determination.

## **Unit 6**

Monopolistic Competition : equilibrium solution, product differentiation, seiling costs, excess capacity and ideal output, evaluation.

## **Unit 7**

Alternative theories of firm : Critique of the neo-classical theory, entrepreneurial firm (Scitovsky) revenue maximizing firm (Baumol) expense preference theory of the firm (O.E. Willismson) and public firm. Objectives of business firms as explained by Marris, Simon, Hall and Hitch and Cyert and March. Theories of pricing.

## **Unit 8**

Factor of Market : Personal vs. factor income, competitive market firm's demand for input, single variable, many variable cases, market demand, determinants of price elasticity of demand ; market supply backward bending labour supply ; input price determination, Imperfect competition :

- i. Imperfect product market : firm's demand for single variable and many variable inputs market demand and input price determination.
- ii. Monopoly - Price and employment, single and two variable cases. Labour unions, collective bargaining and bilateral monopoly.

## **Unit 9**

Two sector model of general equilibrium with application to exchange and production - Walrasian model.

## **Unit 10**

Welfare Economics : Criteria of social welfare. Community indifference curves - Pareto optimality - market forms and welfare - problem of welfare maximization.

## **Books for Reference**

1. Bain, J.S. : Pricing, Distribution and Employment.
2. W.J. Baumol (1978) : Economic Theory and Operations Analysis, 4th edition - Prentice Hall of India.
3. Bilas, R.A. : Micro Economic Theory
4. Boulding, K.E., : Micro Economics, Economics Analysis.
5. Calvo, P. and Waugh, G. Micro economics, 1977.
6. K.J. Cohen and R.M. Cyert (1976) : Theory of the Firm, Prentice Hall of India.
7. Ferguson, C.E. (1968) : Microeconomic Theory, Cambridge University Press, London.

8. J.P. Gould and C.E. Ferguson (1980) : Microeconomics, 4th Edition.
9. H. Gravells and R. Rees (1981) : Microeconomics, Longmans.
10. Jack Hirschleifer (1980) : Price theory and Applications, 2nd Edition, Prentice Hall of India.
11. A : Koutsoyiannis (1983) : Modern Microeconomics, 2nd Edition Mac Millan.
12. Little, I.M.D. : A Critique of Welfare Economics.
13. E. Mansfield (1979) : Microeconomics, 4th Edition, W.W. Norton.
14. Ryan, W.J.I and Pearce, D.W. Price Theory (1977)
15. Samuelson, P.A. : Foundations of Economic Analysis, Economics.
16. Stigler, G.J. : The Theory of Price
17. Watson, D.S. : Price Theory and its uses, Scientific Book Co., Calcutta.
18. G.C. Archibald (ed.) (1971) : The Theory of the Firm, Penguin.
19. W. Breit and H.H. Hochman : Readings in Microeconomics, Holt, Rinehart.
20. H.A.J. Creen (1974) : Consumer Theory 2nd Edition, Macmillan
21. Hibdon, J.E., : Price and Welfare Theory

22. Hicks, J.R. : Value and Capital
23. Richard, H. Leftwich : The Price System and Resource Allocation.
24. H. Townsent (ed.) (1980) : Price Theory, Penguin.

## **PAPER II - INDIAN ECONOMIC DEVELOPMENT AND POLICY**

### **Unit 1**

Planning in India, concept of mixed economy, objectives of planning, perspective planning.

### **Unit 2**

Indian plan models : Harrod - Domar, Mahalanobis, Input-output, multisectoral, minimum needs ; evaluation and appraisal of five year plans.

### **Unit 3**

Agriculture : Institutional and technological policies - green revolution ; agricultural price policy,. agricultural credit, intersectoral terms of trade.

### **Unit 4**

Industry : Evolution of Industrial Policy, Licensing, production and distribution controls, pattern of industrial growth, productivity trends, modernization, small vs large industries.

### **Unit 5**

Public sector investment and pricing policies. Public sector losses, Budgetary deficits, Industrial finance - Indian capital market.

## **Unit 6**

Trade policies, import substitution and import liberalism, technology transfer, role of foreign capital.

## **Unit 7**

Poverty and income distribution, public policies relating to asset distribution, employment and poverty - measurement of poverty line.

## **Unit 8**

Macroeconomic imbalances, need for structural changes - State Vs Market - Lessons learnt from past experience

## **Unit 9**

New Economic Policies - Agriculture - Industry - Employment.

## **Unit 10**

Privatisation - Strategies and issues - Disinvestment strategies - Globalisation Strategies.

## **References**

1. J. Bhagwati and S. Chakravarty : Indian Economic Analysis : A Survey.
2. A.K. Das Gupta : Planning and Economic Growth
3. Bhagwati and P. Desai : Planning for Industrialisation
4. A. Rudras : Indian Plan Models
5. J.S. Uppal : Indian Economic Problems.
6. Planning Commission : Five-Year Plan Reports



7. Reserve Bank of India : Report on Currency and Finance.
8. Wadhwa(ed). : Problems in India's Economic Policy.
9. Byres, Terence : The Indian Economy (OIP)
10. Srinivasan, TN : 8 Lect on India's Eco Refor (OIP)
11. Marjit & Rayachaudhur : India's Exports (OIP)
12. Narayana, N.S.S. : Eco Policy

## **PAPER III - STATISTICS FOR ECONOMISTS**

### **Unit 1**

Measures of central tendency - measures of variation or dispersion - merits and demerits (or) Dispersion co-efficient of variation Sheppard's connection - Moments, Skewness and Kurtosis.

### **Unit 2**

#### **Probability and Probability Distributions**

Introduction - Random variable - meaning of probability -probability rules - calculus of mathematical expctations and variance - Moment generating and characteristic function - some probability distributions - binomial distribution - normal distributioun - Poisson, Chi square, t and f distribution.

### **Unit 3**

#### **Sampling andSampling Distribution**

Need for sampling - types of sampling - error in sampling - sampling and non-sampling errors - sampling distribution of mean and proportion - Theorms on sampling distribution - central limit theorem - using sampling distribution for inference.

## **Unit 4**

### **Statistical Estimations**

Concepts of estimation - point and interval estimation - estimation of population mean with known population variance - estimation of population with only known sample variance - estimation of population proportion with known population variance and known sample variance - Properties of estimators.

## **Unit 5**

### **Hypothesis Testing : Single Mean**

Need for hypothesis testing - concept of hypothesis testing - testing population mean where population variance is known - conclusion of hypothesis testing - hypothesis testing and interval estimation - hypothesis testing when population variance is unknown - testing of population proportion.

## **Unit 6**

Correlation - Definition - Co-efficient of Correlation - types of correlation - Multiple and Partial correlation - Properties of correlation coefficient.

## **Unit 7**

### **Simple Linear Regression and Correlation**

Introduction - the model and estimation of regression coefficients, methods of least squares - error variable "e" - assessing the model - required conditions - sum of squares of errors - standard error of the estimate - testing the slope - coefficient of determination - prediction of interval estimate of slope - testing of linear relationship.

## **Unit 8**

### **Chi-Square test and ANOVA**

Introduction - test of multinomial experiment - contingency table - introduction to analysis of variance - one way analysis of variance "independent sample".

## **Unit 9**

### **Time Series Analysis**

Introduction - components of time series - time series models smoothing techniques - moving averages - exponential estimate - trend estimate - measuring cyclical effects - measuring seasonal effects - forecasting using trend estimate.

## **Unit 10**

### **Index Numbers**

Introduction - consumer price index - constructing unweighted index - constructing weighted index - introduction to various price indexes - use of deflator in arriving real GNP.

### **Books of Reference**

1. A.L. Nagar and R.K. Das : 'Basic Statistics', Oxford University Press, New Delhi.
2. Ronald J Wonnacott and Thomas H Wonnacott : 'Statistics'.
3. T. Yamahe : Statistics
4. R. Veerachamy : Quantitative Methods for Economists, New Age International. Ed.
5. Murray R Spigel and Larry J. Stephens : Statistics, McGraw Hill International, Ed.
6. Murray R Spiegel : Theory and Problems of Probability and Statistics, McGraw Hill International, Ed.

# **PAPER IV - ECONOMICS OF DEVELOPMENT**

## **Unit 1**

Nature of Development Economics - Traditional Economic measures - The new Economic view of development - Sen's Capabilities Approach

## **Unit 2**

Defining the Developing World - The structural diversity of developing economics - physical and human resources - Relative importance of the public and private sectors - external dependence - economic political and cultural.

## **Unit 3**

The economics of growth : capital, labour, and technology - capital accumulation - population and labour force growth - Technological progress.

## **Unit - 4**

Classical theories of development : a comparative analysis - Rostow's stages of growth - the Harrod Domar model - obstacles and constraints - structural change model - the Lewis theory of Development - False - Paradigm model - Dualistic Development thesis.

## **Unit - 5**

Market fundamentalism - free markets, public choice and market - friendly approaches - traditional neoclassical growth theory - endogenous growth - underdevelopment as a coordination failure.

## **Unit 6**

Poverty, inequality, and Development - measuring inequality and poverty - poverty, inequality, and social welfare - Kuznets' inverted-U Hypothesis - Growth and inequality - Rural poverty - women and poverty - Ahluwalia - Chenery Welfare Index.

## **Unit 7**

Population Growth and Economic Development : Causes, consequences - and controversies - population growth and the quality of life - the causes of high fertility in developing countries - the consequences of High fertility - goals and objectives -

## **Unit 8**

Roles of Education and Health - Investing in education and health : the human capital approach - child labour - the gender gap : women and education - educational systems and development - health systems and development.

## **Unit 9**

Agricultural Transformation and rural development - agricultural progress and rural development - the structure of agrarian systems in the developing world - the economics of agricultural development : transition - subsistence farming : Risk Aversion - improving small scale agriculture - conditions of rural development - macroeconomic instability, IMF stabilization policies and their critics.

## **Unit 10**

The nature of development planning and the role of the state - planning in mixed developing economics - the rationale

for development planning - fiscal policy for development - macrostability and resource mobilization - state owned enterprises. Military expenditures and economic development.

**Books for References :**

1. Adelman, (1961) : Theories of Economics Growth and Development, Stanford University Press, Stanford.
2. Chakravarthy, S. (1982) Alternative Approaches to a theory of Economic Growth, Oxford Univrsity Press.
3. Chakravarthy S. (!989) Development Planning : The Indian Experience Clarendon Press.
4. Chatak. S., (1986) : An Introduction to Development Economics, Allen and Unwin.
5. Kindleberger, c.P (1977) : Economic Development 3ed. McGraw Hill.
6. Meler, G.M. (ed.) (1984) : Leading issues in Economic Development 4ed. Oxford University Press.,
7. Mair, G.M., and D. Seers (Eds.) (!987) : Pioneers in Development, Oxford University Press.
8. Thirilwall, A.P (1978) : Growth and Development 2ed Macmillan
9. Michael P. Todaro and Stephen C. Smith (2003) : Economic Development, Pearson Education Pte. Ltd., Singapre.

# **PAPER V - PRINCIPLES OF MANGEMENT**

## **Unit 1**

Management defined - Basic principles of management. The evolution of management. The evolution of management science.

## **Unit 2**

Planning : Planning is the first step in the process of management cycle - basic techniques of planning.

## **Unit 3**

Basic factors involved in planning - Key planning points - Psychological hazards to rational planning - strategic consideration in planning.

## **Unit 4**

Policy making : Policy making as a guide to action in organisation - general policies and specific policies in an organisation - basic areas of policy making.

## **Unit - 5**

Need for organisation - organisational hierarchy in large concerns - top management organisation - staff units and committee - factors to be considered in the establishment of an organisation.

## **Unit 6**

Basic division of functional activities - methods of grouping activities - typical patterns used - use of organisational charts and manual.

## **Unit 7**

Authority, relationship - Line function and staff - basics of delegation of responsibility and authority. Centralization and decentralization of authority and the pros and cons of each.

## **Unit - 8**

Span of control - Pros and cons of narrow and wide spans of control - optimum span

### **Books for Reference**

1. Allen, L.A., : Management and organisation, McGraw Hill Publishing Co., Ltd.,
2. Chandrabose, D. (2002) : Principles of Management and Administration, PHI.
3. Hellrigel/Jackson, Solum : Management - A Contemporary based approach, Thomson, South Western.
4. Hennagan, Management concepts and practices, Macmillan India Ltd.,
5. Koontz Dohnel, Principle of Management, McGraw Hill Publishing Co., Ltd.,
6. Prasad I.M., Principles and Practices of Management, Sultanchand & Sons.
7. Peter Drucker, The Practice of Management - Hillied Publications.
8. Sathyaraju (2002). Management : Text & Cases, PHI,
9. Stoner (2002), Management, 6th Edition, PHI.



**SECOND YEAR**  
**PAPER VI - MACRO ECONOMIC THEORY**

**Unit 1**

National Income components, concepts measurement problems, concepts of social accounting.

**Unit 2**

Classical Theory - Say's Law and Walrasian Identity, Role of money, Keynesian theory, Determinants of consumption, investment and money demand - Criticisms of classical theory.

**Unit 3**

Keynesian theory - effective demand and employment - consumption and saving functions - Liquidity preference - Marginal efficiency of capital

**Unit 4**

Synthesis of classical and Keynesian approach - IS-LM Curves, Money and real balance effect, IS LM curves, real, balance effect, Analysis of economic policies, Extension to open economy.

**Unit 5**

Developments in consumption functions : absolute income, relative income, permanent income and life-cycle hypothesis ; empirical studies ; policy implications.

## **Unit 6**

Investment spending - Accelerator Theory - Profit theory  
- Neo Classical theory.

## **Unit 7**

Money market : Balance of payments, Demand for Money and supply of money - Money and assets - Theory of portfolio choice.

## **Unit 8**

Inflation : Types, sources, consequences ; policies ; Philips curve.

## **Unit 9**

Macroeconomic policy goals : full employment, price stability, growth and distribution, monetary, fiscal and income policies.

## **Unit 10**

Rational expectation hypothesis - dis - equilibrium macro models.

## **Books for References**

1. G. Ackley : Macroeconomic Theory, Colier Macmillan
2. E. Shapiro : Macroeconomic Analysis
3. Levacic and Rebman : Macroeconomics, Macmillan
4. Ascheim : Macroeconomics - income and Monetary Theory.
5. Mueller : Reading's in Macroeconomics.
6. Smith and Tigan : Readings in Macroeconomics

7. Eugene.A. Diulio :Theory and Problems of Macroeconomic Theory
8. Samuel. A. Morley : Macroeconomics
9. Dornbusch, R. and S. Fischer : Macroeconomics 4th Edn.
10. Gupta, S.B. Monetary Economics
11. William, R. Branson : Macroeconomic Theory and Policy, 2nd Edn.
12. Don Patinkin : Money, Interest and Prices
13. Eeijonheid : Keynesian Economics and the Economics of Keynes
14. GOI : Economic Survey
15. ICSSR : Survey of Macroeconomics
16. RBI : Reports on Currency and Finance
17. Bose/Ray/Sarkar (EDS) : Contemporary Macroeconomics (OIP)

## **PAPER VII - PUBLIC ECONOMICS**

### **Unit 1**

Government in Mixed Economy - Public and Private Sectors - Co-operation or competition - Role of Public Enterprises in India - Pricing Policies of public enterprises - Administrative prices - Peakload pricing - Marginal cost pricing.

### **Unit 2**

Welfare foundation of public economics - Pareto optimality - Arrows social welfare function - Majority Rule - Intensity of Preference - Transaction Cost and non-market decision making.

### **Unit 3**

Theory of social goods - Market failures - Imperfection - Decreasing cost condition - collective consumption - Externalities - Coorection of externalities - Partial and general equilenin. approaches - Theory of second best.

### **Unit 4**

Public expenditure - Wagner's Law - Wiseman - Peacock Hypothesis - Structure and Growth of public expenditure - Development vs Non - Development expinditure - Evaluation of Public expenditure - Cost Benefit Analysis - Shadow Prices - Discout Rate - Reforms in Public Expenditure - Budgeting - Performance Budgeting - Programmes Budgeting - Zero Base Budgeting - Appraisal of Public Expenditure Policy in India

### **Unit 5**

Taxation - Theories of Taxation - Benefit and Ability to pay Principles - Concept of Excess Burden of Taxes - Classical and Modern views - Tax structure in India - Particular Taxes - personal Income Tax, Corporation Income Tax - Capital Gains Tax - Union Excise Duties - MANVAT, MODVAT - Tax Evasion - Tax Reforms - State Taxes - Agricultural Taxation - Appraisal of Tax Policies of India.

### **Unit 6**

Public Debt - Theories of Public Debtl - Classical and modern theories - Concept of Burden of public debt - Growth and compositon of public debt in India - Debt Management.

## **Unit 7**

Fiscal Policy -Fiscal and monetary policies - Budgetary. Fiscal deficit and its measurement - Fiscal policy for stabilization - Fiscal policy and liberalization.

## **Unit 8**

Fiscal Federalism - Principles of Federal Finance - Fiscal Federalism in India - Assignment of Functions and sources of Revenue - Logic of the constitutional scheme.

## **Unit 9**

Finance Commission and Planning Commission - Resource Transfer mechanism in India - Backwardness and other criteria - Union State Financial Relations - Problem of State Indebtedness.

## **Unit 10**

Local Finance - Finance for Local Bodies - Panchayat Raj Institutions - Reforms - 73 and 74 Amendments - State Finance Commission Report and its recommendations.

## **Books for References**

1. J. Burkhed and J. Mincer (1971) : Public Expenditure, Macmillan
2. Government of India - Finance Commission Report.
3. Musgrave, R.A. and Musgrave, P.A. (1976) - Public Finance in Theory and practice, McGraw Hill, ogakusha, Tokyo.
4. Pogue, T.F., and Sgontz. L.G., (1978) - Government and Economic Choice : An Introduction to Public Financece, Houghton Fiffilin, Boston.

5. Mishan, E.J. (1986) - Introduction to Normative Economics, Oxford University Press, New York.
6. Chelliah, R. (1971) - Fiscal Policy in under-developed countries, George Allen and Unwin, Bombay.
7. Muller, D.C., (1979) - Public Choice, Cambridge University Press, Cambridge.
8. Musgrave, R.A. and Shoup, C.Eds (1970) - Readings in the Economics of Taxation, George Allen and Unwin, London
9. Seligman, E.R.A. (1969) - Essays in Taxation Augustus M. Kelley, New York.
10. Mishan, E.J. (1982) - Cost Benefit Analysis : An informal introduction, George, Allen and Unwin, London.
11. Thevaraj, M.J.K. (1978) - Financial Administration in India, Sultan and Chand, New Delhi.
12. Baumol. W.J. ed. (1980) - Public and Private Enterprises in a mixed economy, Macmillan, London.
13. Turvey. R. (19781) - Economic Analysis and Public Enterprise, George Allen and Unwin, London.
14. Government of India (1972) - Report of the Committee on Taxation of Agricultural Wealth and Income, Government of India (Ministry of Finance), New Delhi.
15. Government of India (1978) - Report of the Indirect Taxation Enquiry Committee, Government of India (Ministry of Finance), New Delhi.
16. Mudle Sudipto (ed.) - Public Finance : Policy issues for India (OUP)

17. Premchand A - Control of Public Money - The Fiscal Machinery in Developing Countries (OUP)
18. Mishra.D.K., (1985) - Public Department and Economic Development of India, Prince House, Lucknow.
19. Chelliah, R. and others (1981) - Trends and Issues in Indian Federal Finance, National Institute of Public Finance and Policy, New Delhi.
20. Gulati, I.S. (1979) - Centre stand Federal Financial Relations : An Assessment of the Role of Finance Commission, M.S. University of Baroda.
21. Musgrave, R.A. (1977) - Essays in Fiscal Federalism, Green Wood Press, Wesport.
22. Oates, W.E. (1972) - Fiscal Federalism, Harcourt Brace and Jovanowich, New York
23. Reacock, and Shaw, G.K. (1971) - Fiscal Policy and the Employment problem in less developed countries, OECD, Paris.
24. Dutta, Bhaskar : Welfare Economics (OIP)
25. Mundle, Sudipto : Public Finance (OIP)

## **PAPER VIII - INTERNATIONAL ECONOMICS**

### **Unit 1**

Theoretical basis of trade : Classical theory - Adam Smith, Ricardo, J.S. Mill ; Neo - Classical theory ; Haberiens opportunity cost - community indifference curve - Trade indifference curve - offer curves.

## **Unit 2**

Modern theory : Hecksher - ohlin theorem - Factor - price equilization theorem - factor prices and factor reversals.

## **Unit 3**

Trade, economic growth and welfare : Gains from trade - immiserizing growth - factor increase, growth progress, terms of trade and welfare - Stolper - Samulson theorem - Rybezynski theorem - Technical progress and trade

## **Unit 4**

Role of foreign capital in economic development - issues in foreign capital in economic development - theory of direct investment - issues in foreign direct investment - Multinational corporations - Transfer and capital movements - interest rate and capital movements - foreing Aid.

## **Unit 5**

Alternative theories of trade - vent - for surplus - monopolistic competition - Technology imitation gap, and product cycles.

## **Unit 6**

Trade policy : Tariff - Quota - case for free trade versus protection - theory of customs union - Trade problems of developing countries: UNCTAD - GATT and Tokyo declaration - WTO - import substitution and export promotion - North South dialogue and New International Economic order.

## **Unit 7**

Balance of payment and National income ; Foreign trade Multiplier and National income - foreign repercussion and



stability problem - B.O.P. and exchange rate determination - purchasing power parity theory - fixed versus flexible exchange rate system - developments in international monetary system.

### **Unit 8**

Balance of payment and Disequilibrium : Structure of the B.O.P. account Disequilibrium and corrective measures - Automatic mechanisms under fixed and flexible exchange rate.

### **Unit 9**

Devaluation - elasticity approach - income absorption approach - monetary approach - exchange controls - Means of achieving internal and external equilibrium - Fiscal - monetary mix.

### **Unit 10**

International monetary system : Problems in international monetary system - international liquidity - international debt - 1. M.F. S.D.R. Eurodollar market.

### **Books for Reference**

1. Bo Sodersten : International Economics (1980)
2. Kindleberger, C.P., : International Economics, 5th Edition
3. Ellsworth : International Economy
4. Caves, R.E. and Jones : World trade and payments (1973)
5. Scammel W.M. : International trade and payments
6. Scammel W.M. Internatinoal monetary policy, Brettonwoods and after

7. Chacholiades. M. L International Monetary theory and Policy
8. Chacholiades. M. International Monetary theory and policy
9. Bagwati, J. International Trade
10. Grubel H.G. International Economics
11. Machulp. F. International Monetary Economics
12. Mundle. R. International Economics

## **PAPER IX - MONETARY ECONOMICS**

### **Unit 1**

Money : Concepts and Measurement : Current Indian Practice

### **Unit 2**

Money in Macro Economy : The Classical approach ; The Keynesian Approach : Post - Keynesian Developments ; Empirical Evidence.

### **Unit 3**

The Demand for Money : The Classical Approach ; The keynesian Approach ; Post Keynesian Development ; Empirical Evidence.

### **Unit 4**

The Supply of Money : The classical version ; the new view of James Tobin - Theories of Interests, Monetary Policy.

### **Unit 5**

Monetary Policy : Targets and Indicators.

## **Unit 6**

Financial Intermediaries : Implications for the theory and policy of money.

## **Unit 7**

Monetary Transmission Mechanisms : Theory and Evidence

## **Unit 8**

Monetary System in India : A review of its working

## **Unit 9**

International Monetary System : Problems and Prospects.

## **Unit 10**

The European Monetary System - European economic and monetary union - the Euro and Economic policy in the Euro zone.

### **Books for Reference :**

1. Laidler, D.E.W. : The Demand for Money : Theories and Evidence, Allied Publishers (Pvt.) Ltd,
2. Pierce, D.G. and Shaw, D.M. Monetary Economics : Theories, Evidence and policy, Butter Worths, London.
3. Graham Bird : The Internatinal Monetary System and the Less Developed Countries.
4. R.B.I. : Money Supply in India : Concepts, Compilations and Analysis Report of the Second Working Group 1977.

5. R.B.I. : Working of the Monetary System in India : Report of Sukumoy Chakravartjhy Committee, 1985.
6. Aschiam, J. and Hsich, Ching Yao; Macro economical Income and Monetary theory, Charles Merrill & Co. Ohio.
7. Bain, A.D. : The control of monetary supply, Penguin, London,
8. Croome, D.R. and Johnson, H.G. (Eds.) Money in Britain : O.U.P.
9. Friedman, M : The role of Monetary Policy : A.E.R. March 1968.
10. Johnson, H.G. Essays in Monetary Economics, Alien and Unwin, London.
11. Report of the Committee onthe Financial System, 1991 - Narasimhan Committee.

## **PAPER X - ECONOMICS OF HUMAN RESOURCE DEVELOPMENT**

### **Unit 1**

Introduction : Concept of human resources, quantitative and qualitative aspects, human capital in retrospect (Adam Smith and Alfred Marshall).

### **Unit 2**

Human capital and development :: Growth accounting and residual factor ; alternative methods of estimating the contribution of human capital to development (Methods of Dennison and Schultz); evaluation of the methods.

### **Unit 3**

Investment in human capital : Consumption and investment aspects of human capital private investment, cost benefit analysis.

### **Unit 4**

On the job training and education - age - earnings profiles - earning differentials.

### **Unit 5**

Social investment and cost - benefit analysis, problem of cost - benefit analysis of human capital.

### **Unit 6**

Human Capital and income contribution - Demand and supply of human capital ; role of ability and family background in investment

### **Unit 7**

Dispersion of human capital and rates of return ; earnings distribution.

### **Unit 8**

Non-Market return to human capital ; Education and fertility differences : Education and agricultural productivity.

### **Unit 9**

Criticism of human capital by screenist and by radical economists.

### **Unit 10**

Methods of man-power planning : Perms (MRP) method; cost - benefit analysis method. Criticism of the methods.

## **Books for Reference**

1. Marko Blaug : An introduction to Economics of Education, Penguin.
2. Gary,S. Becker : Human Capital 2nd Edn.
3. T.W. Schultz : Economic Value of Education
4. J. Mincer : Schooling Experience and Earnings.
5. E.F. Dension : Why Growth Rates Differ?
6. Jamison and Lau : Farmer Education and Farm Efficiency
7. T.W. Schultz (ed.) : Economics of Family
8. G.Psacharapoubs : Returns to Education.
9. H.S. Parnes (Ed.) Planning Education for Economic and Social Change.
10. NCAER : South India : Human Dev Report.
11. Svedberg, Peter : Poverty & Unde nutrition (OIP).