MEC- 201
UNIVERSITY OF SCIENCE AND TECHNOLOGY, MEGHALAYA
M.A. ECONOMICS SYLLABUS
MICRO ECONOMIC ANALYSIS – II
SEMESTER-II

CREDIT-4 **TOTAL MARKS-100**

Unit 1. Price & output Determination (I) –

Perfect Competition - Features, Price Determination, Equilibrium of the Firm and Industry. Monopoly: - Price and Output Determination.-Comparison between Monopoly equilibrium in and perfect Competition Equilibrium- Discriminating Monopoly – Price Discrimination, Equilibrium under Discriminating Monopoly**,** Regulation of Monopoly – Through Taxation, and Price Regulation.

Unit 2. Price & output Determination (II) -

Monopolistic Competition – Price and Output Determination.-Critique of Chamberlin's Theory of Monopolistic Competition-Excess Capacity under Monopolistic Competition- Selling Cost.- Oligopoly – Price and Output Determination.- Cournot's Model and Chamberlin's Model of Oligopoly.- Kinked Demand Curve in Oligopoly- Duopoly – Price and Output Determination.

Unit 3. Alternative Theories of the Firm –

A critique of the Traditional Theories of Firm – Managerial Theories of Firm: Contributions of Baumol, Morris and Williamson – Pricing Policies and Tactics: Target Return Pricing, Cost Plus Pricing, Product Line Pricing, Price Skimming and Penetration Pricing.

Unit 4: Risk and Uncertainty-

Individual behaviour towards risk, expected utility and uncertainty equivalence approaches; Risk and risk aversion – gambling and insurance, the economics of insurance, cost of risk, risk pooling and risk spreading, mean-variance analysis and portfolio selection; efficient market hypothesis; Economics of information.

Recommended Readings:

1. Dewett K.K., *Modern Economic Theory*, S. Chand & Company Ltd.
2. Koutsoyiannis A., *Modern Microeconomics*, Macmillan Press, London.
3. Henderson, A.M. and R.E. Quandt, *Microeconomic Theory. A Mathematical Approach*, McGraw Hill, New Delhi.
4. Sen, A., *Microeconomics: Theory and Applications*, OUP, New Delhi.
5. Madalla and Miller, *Microeconomics*, Tata McGraw Hill.
6. Salvatore, D. Micro economics *Microeconomics: Theory and Applications*, OUP, New Delhi.
7. Pindyck, R. & Rubinfield, D.L., *Microeconomics*, Prentice Hall of India

MEC- 202

UNIVERSITY OF SCIENCE AND TECHNOLOGY, MEGHALAYA

M.A. ECONOMICS SYLLABUS

MICRO ECONOMIC ANALYSIS – III

SEMESTER-II

CREDIT-4 **TOTAL MARKS-100**

Unit – 1: Determination of Factor Prices

Pricing of Factors under Perfect Competition – Factor Share and Technical Progress – Backward Bending Supply Curve of Labour – Monopsony.

Unit –2: General Equilibrium

Partial Versus General Equilibrium Approaches – Meaning of General Equilibrium – Walrasian General Equilibrium System: Tatonnement; Existence, Stability and Uniqueness of the Equilibrium Introductions to the Contributions of Arrow and Debreu – Critique of General Equilibrium Theory – Non–tatonnement Process.

Unit – 3: Welfare Economics

Pareto Optimality – The Fundamental Theorems of Welfare Economics – Market Failure: Externality and Public Good – Welfare Effects of Non-price Allocations and Price Control – Problem of Welfare Maximization: Compensation Principle, Social Welfare Function – Social Choice: Contributions of Arrow and Sen.

Recommended Readings:

1. Koutsoyiannis A., *Modern Microeconomics*, Macmillan Press, London.
2. Madalla and Miller, *Microeconomics*, Tata McGraw Hill.
3. Layard and Walters, *Microeconomic Theory*, McGraw –Hill.
4. Gravelle and Rees, *Microeconomics*, Longman.
5. Baumol, W.J., *Economic Theory and Operations Research*, Prentice Hall.
6. Varian, Hall, *Intermediate Microeconomics*, W.W. Norton & Company.
7. Sen, Amarty., *On Economic Inequality*, Wiley & Sons, Ltd.

MEC- 203
UNIVERSITY OF SCIENCE AND TECHNOLOGY, MEGHALAYA
M.A. ECONOMICS SYLLABUS
MACRO ECONOMIC ANALYSIS-II
SEMESTER-II

CREDIT-4 **TOTAL MARKS-100**

Unit 1. Current issue and controversy in Macro Economics:

The school of thoughts: Classical, neo classical, Keynasian and post Keynesian.

Unit 2 : Neo-classical and Keynesian Synthesis:
Neo-classical and Keynesian views on interest; -The IS-LM model; Extension of IS LM model with government sector; Relative effectiveness of monetary and fiscal policies; -Extension of IS-LM models with labour market and flexible prices.

Unit 3. Post-Keynesian Demand for Money:
Post-Keynesian approaches to demand for money — Patinkin and the Real Balance Effect, Approaches of Baumol and Tobin; Friedman and the modern quantity theory;- Crisis in Keynesian economics and the revival of monetarism.

Unit 4. Theory of Inflation and Business Cycles:
Classical, Keynesian and Monetarist approaches to inflation; -Structuralist theory of inflation;- Philips curve analysis — Short run and long run Philip curve;-Samuelson and Solow — the natural rate of unemployment hypothesis -Tobin‘s modified Philips curve; Policies to control inflation.- Theories of Schumpeter, Keyne‘s, Kaldor, Samuelson and Hicks, Goodwin‘s model;- Control of Business Cycles — relative efficacy of monetary and fiscal policies.

Unit – 5: International Payments

Balance of Payments- relationship between the Current Account and the Capital and Financial Account - Disequilibrium in Balance of Payments.

Recommended Readings:

1. Ackley,G., *Macroeconomics* : Theory and Policy, Macmillan, New York.
2. Dornbusch, R. and F. Stanley, *Macroeconomics*, McGraw Hill, Inc., New York.
3. Hall, R.E. and J.B. Taylor, *Macroeconomics*, W.W. Norton, New York.
4. Heijdra, B.J. and V.P. Fredericck, *Foundations of Modern Macroeconomics*, OxfordUniversity Press, New Delhi.
5. Jha, R., *Contemporary Macroeconomic Theory and Policy*, Wiley Eastern Ltd., NewDelhi.
6. Soderstein, B., *International Economics*, Tata McGraw Hill.

MEC- 204

UNIVERSITY OF SCIENCE AND TECHNOLOGY, MEGHALAYA

M.A. ECONOMICS SYLLABUS

MATHEMATICAL METHODS FOR ECONOMIC ANALYSIS -II

SEMESTER-II

CREDIT-4 **TOTAL MARKS-100**

Unit – 1: Integration

Applications relating to derivation of total functions from marginal functions, estimation of consumer's surplus, producer's surplus, problems relating to investment, capital formation and derivation of simple growth process (Domar).

Unit – 2: Calculus for Dynamic Analysis

First order differential equation and its solutions – application to dynamic stability of market and simple growth process (Harrod-Domar), First order difference equation and its solution application of difference equation – lagged market model (Cobweb) and Harrod's model of growth.

Unit – 3: Game Theory

Two-person Zero sum game – pure strategies with saddle point, games without saddle point – the rules of dominance – solution of games without saddle point – mixed strategies, Basic ideas and examples of no zero sum games – Nash equilibrium, Prisoner's dilemma and Repeated games.

Recommended Readings:

1. Chiang A. C., *Fundamental Methods of Mathematical Economics*, McGraw Hill.
2. Baruah S., *Basic Mathematics and its Economics Applications*, MacMillan.
3. Henderson J. M. and Quandt R. E. *Micro-economic Theory – A Mathematical Treatment*, Mcgraw Hill Education.
4. Allen R. G. D. *Mathematical Analysis for Economists*, Andesite Press
5. Yamane T., *Mathematics for Economists*, Literary Licensing.
6. Dowling E. T., *Theory and Problems of Mathematical Methods for Business and Economics*, McGraw Hill.
7. Mouhammed, *Introduction to Mathematical Economics*, Prentice Hall of India.

MEC- 205

UNIVERSITY OF SCIENCE AND TECHNOLOGY, MEGHALAYA

M.A. ECONOMICS SYLLABUS

BASIC ECONOMETRICS

SEMESTER-II

CREDIT-4 **TOTAL MARKS-100**

Unit 1: Nature, meaning and scope of Econometrics-

Simple and linear regression model- Standard Assumptions– Quantitative and Qualitative Explanatory Factors - OLS Estimators and their Properties- The Coefficient of Determination. The Coefficient of Determination – Some Results of Two and Three Variable Regression Models - Test of Hypothesis about Regression Coefficients – Prediction with the Linear Regression Equation.

Unit 2: Further Topics in Linear Regression Model-

Consequences of Omission of Relevant Regressors and Inclusion of Irrelevant Regressors; Multicollinearity: Effects, Detection and Remedies, Dummy Variable Trap; Heteroscadasticity: Consequences, Tests and Remedy, Auto-correlated Disturbances: Consequences, Detection and Remedy.

Unit 4: Simultaneous Equations–

Structural and Reduced Forms, Simultaneity Bias – Informal Introduction to Identification Problem.

Unit 4: Time series analysis–

The Idea of a Stochastic Time Series - Stationary and Non-stationary –Simple Random Walk and Random Walk with a Drift–Unit Root: Dickey Fuller Tests –Spurious Regression– Integrated Series and Simple Cointegration

Recommended Readings:

1. Maddala G.S. - *Econometric methods and Application* - Alderson U.K.
2. Theil H. *Introduction to Econometrics* - Prentice Hall of India, New Delhi
3. Koutsoyiannis A. *Theory of Econometrics* - The Mac Millon press Ltd. London
4. Krishna K. L. *Econometric Applications in India*, Oxford University Press New Delhi.
5. Damodar Gujrati, Sangeetha - *Basic Econometrics* Tata Mc Graw Hill, New Delhi.
6. Christopher Daugherty, *Introduction to Econometrics*, OUP.
7. Johnston and Dinardo, *Econometric Methods*, McGraw Hill.