MEC- 301

UNIVERSITY OF SCIENCE AND TECHNOLOGY, MEGHALAYA

M.A. ECONOMICS SYLLABUS

PUBLIC FINANCE

SEMESTER-III

CREDIT-4 **TOTAL MARKS-100**

Unit-1: The Provision of Public Goods

The nature of Public goods, Public Goods & market failure, the efficient provision of public goods. Basic concepts- The Theory of Clubs, Tiebout Hypothesis, Voluntary Bargaining in Small Groups (Coase's analysis). Public goods - externalities, corrective policies, and viability of government intervention. Public Choice: Voting rules: Majority Rule and the Median Voter, Logrolling.

Unit-2: Public Expenditure

Theories of Pubic of Expenditure-: Lindahl's Voluntary Exchange Model, Samuelson's general equilibrium theory. Public Expenditures on non-marketed goods, fixed-quantity subsidy for marketed goods, excise subsidy - their impact on allocation and distribution Evaluation of public expenditure- cost-benefit analysis.

Unit-3: Public Revenue and Public Debt

Principles of Taxation: The Benefit Principle. The Ability to Pay Principle- Concepts of equal sacrifice, ability to pay and tax rate schedules. The Neo-classical Theory of Tax Incidence and Shifting. Public Debt – Sources, burden and effects. Pay-As-You-Use and Pay-As-You-Go Finance.

Unit-4: Public Budget

Structure of a public budget, Incremental and Zero-base Budget, Outcome Budget Concepts: Budget deficit, revenue deficit, fiscal deficit and primary deficit.

Unit-5: Fiscal Policy.

Fiscal Policy and its role in the economy, Compensatory Fiscal Policy, Functional Finance and Pump Priming. The Balanced Budget Multiplier, Incidence of deficit financing: The Ricardian Equivalence Theorem. Impact of deficit finance on the capital market: The *Crowding-Out* Effect.

Recommended Readings:

1. Browning E.K. & Browning J.M., *Public Finance and the Price System*, Pearson Education, Singapore.
2. Hyman D N, *Public Finance: A Contemporary application of Theory to Policy***,** Thomson South Western.
3. Ulbrich H *Public Finance in Theory and Practice*, Thompson South Western.
4. Musgrave & Musgrave., *Public Finance in Theory and Practice***,** McGraw Hill, Singapore.
5. Cullis, John & Jones, Philip, *Public Finance and Public Choice*, McGraw Hill.

MEC- 302

UNIVERSITY OF SCIENCE AND TECHNOLOGY, MEGHALAYA

M.A. ECONOMICS SYLLABUS

ECONOMICS OF GROWTH AND DEVELOPMENT

SEMESTER-III

CREDIT-4 **TOTAL MARKS-100**

Unit-1: Theories of Growth

Economic growth and development, Classical theory of growth: General, Ricardo and Adam Smith; Harrod-Domar growth model, Instability of growth; Solutions of instability problem; Neo-Classical models of growth: R.M. Solow; Cambridge growth model of Kaldor; Endogenous growth - AK model.

Unit – 2: Development and its Measurement

Problems in Defining Economic Development — Per Capita Income as an Index of Development– Alternative Measures of Development Gap: HDI, GDI and related indices.

Unit – 3: Poverty, Inequality and Growth

Poverty: Concepts and Measurement - Income Inequality and Growth – Redistribution with Growth.

Unit – 4: Development Theories

Theories of Evolution of a Capitalist Economy: Classical, Marx and Schumpeter - Theorie**s** of persistence of Underdevelopment: The Vicious Circle Theory, The Process of Cumulative Causation: Myrdal, Neo-Colonial Dependence Model - The Stages of Growth: Rostow.

Unit – 5: Development Strategies

Big Push: Rosenstein – Rodan – Balanced Growth: Nurkse – Unbalanced Growth: Hirschman – Critical Minimum Efforts: Leibenstein. - Unlimited Supply of Labour and the Dual Economy Models of Lewis and Fei-Renis – The Harris–Todaro Model.

Recommended Readings:

1. Meier, G.M., *Leading Issues in Economic Development*, OUP.
2. Todaro, M.P., *Development Economics* Pearson.
3. Thirlwal, A. P. *Growth and Development* Palgrave
4. Basu, K., *Analytical Development Economics*:, OUP.
5. UNDP, *Human Development Reports*, OUP.
6. World Bank, *World Development Reports*, OUP
7. Barro & Salai-Martin, *Economic Growth*, Prentice Hall of India.

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UNIVERSITY OF SCIENCE AND TECHNOLOGY, MEGHALAYA

M.A. ECONOMICS SYLLABUS

INDUSTRIAL ECONOMICS

SEMESTER-III

CREDIT-4 **TOTAL MARKS-100**

Unit 1. Introduction -

Meaning, Scope, Need & Significance of the Study of Industrial Economics.- Industrial Profile - Private Sector, Large, Medium & Small Scale Industries, -Integration, Industrial Combinations - Causes, Mergers & Amalgamations.

Unit 2 .Theories of Industrial Location

Factors Influencing Location of Industries.-Theories of Industrial Location, Weber, Sargent Florence-Market concentration, Measurement of market concentration, Aggregate concentration

Unit 3. Industrial Productivity and Pricing

Productivity - Norms and Measurement-The Competitive Environment and productivity- Pricing in Practice: Cost-plus pricing, variable cost pricing, target rate of return pricing, the going rate pricing. Transfer pricing.

Unit 4. Industrial Finance:-

Sources of Industrial Finance: Private, Public and Co-operative Sector - Shares, Debentures, Bonds, Deposits, Loan etc.-Foreign capital: Need for Foreign Capital, Governments Policy towards Foreign Capital. Direct Investment,- Foreign Institutional Investment, GDR, ADR.

Unit 5. Government Regulation of Industries.

Need for Government Regulation of Industries, - Industrial Policy – 1991; Trends in Industrial Growth after 1991. The competition Act 2002-The Concept of labour productivity and its measurement, Methods of payment, time rate and Incentive payment.

Recommended Readings

1. Alhuwalia I.J., *Industrial Growth in India*, Oxford University Press New Delhi.
2. Barthwal R.R., *Industrial Economics,* Wiley Eastern Ltd., New Delhi.
3. Cherunilam, F., *Industrial Economics: Indian Perspective*, Himalaya Publishing House, Mumbai.
4. Desai, B., *Industrial Economics in India*, Hamalya Publishing House, Mumbai.
5. Divin, P.J. and R.M. Jones et. al., *An Introduction to Industrial Economics*, George, Allen and Unwin Ltd., London.
6. Government of India , *Economic Survey* (Annual).
7. Hay D. and D.J. Morris, *Industrial Economics Theory and Evidence*. Oxford University Press, New Delhi.
8. Kuchhal S.C., *Industrial Economy of India*, Chaitanya Publishing Houses, Allahabad.
9. Reserve Bank of India , *Report on Currency and Finance* (Annual)
10. Singh, A and A.N. Sandhu, *Industrial Economics*, Himalaya Publishing House, Bombay.

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UNIVERSITY OF SCIENCE AND TECHNOLOGY, MEGHALAYA
M.A. ECONOMICS SYLLABUS
FINANCIAL ECONOMICS
SEMESTER-III

CREDIT-4 **TOTAL MARKS-100**

Unit-1: The Financial System
Components of the financial system: Institutions, Markets, Instruments, and Services.-Functions of the Financial System. - Relationship between the Financial System and Economic Growth- Financial development ratio.

Unit-2: Financial Markets- Money Market
Structure and Functions - Instruments in the money market -Treasury Bill, Call Money Market, Commercial Papers, Certificate of Deposits and Commercial Bills. Money Market Intermediaries: The Discount and Finance House of India and Money Market Mutual Funds. Liquidity Management Instruments in the Money Market -.Money Market Derivatives.

Unit- 3: Financial Markets- Capital Market
Structure and functions of the capital market - Primary Equity Market: Instruments of resource mobilization- Public Issues, Right Issues, and Private Placement. Resource mobilization from International Capital Market.- Secondary Equity Market: Functions of the secondary market. The Stock market and its operation. Stock Market Index- The BSE Sensex and the NSE Nifty -Derivative Equity Market: Nature of Derivatives and their benefits. Types of Financial Derivatives. - Debt Market: Participants in the Debt Market- The Private Corporate Debt Market, The PSU Bond Market and the Government Securities Market, MF Role and types of MF –Concepts of NPV.

Unit-4: Valuation of Financial Assets
The time value of money and asset pricing - The valuation of debt instruments - The equilibrium price and quantity of bonds: loanable fund approach, Demand and Supply approach. – Valuing stock and other assets- income stocks and growth stocks -Equilibrium price and value of stock transactions.

Unit-5: Financial Sector Reforms
Evolution of Banking System in India - Banking Sector Reforms - Reforms in the Capital Market.

Recommended Readings:
1. Baye, R. Michael & Jonson, W. Bennis, *Money, Banking and Financial Market-An Economic Approach*, AITBS Publishers.
2. Pathak, Barati, B., *Indian Financial System*, Pearson Publication.
3. Chandler, V.L., "The Economics of Money and Banking"
4. Saxena, R.M., "Development Banking in India"
5. Gupta, S. B., "Monetary Economics: Institutions, Theory and policy"
6. Avadnani, V.A., "Studies in Indian Financial System"
7. Sharma, S.K., "The Institutional Structure and Capital Market in India"
8. Dagli, V., "Financial Institutions in India"
9. Gupta, U.L., "Working of Stock Exchanges in India"
10. Raj, J., "Money Market, Mutual Funds: Scope and Implications"
12. Reserve Bank of India, "Functions and Workinng.

MEC- 304 (A)
UNIVERSITY OF SCIENCE AND TECHNOLOGY, MEGHALAYA
M.A. ECONOMICS SYLLABUS
ADVANCED ECONOMETRICS
SEMESTER-III

CREDIT-4 **TOTAL MARKS-100**

Unit-1: Non-Linear Estimation

Non-Linear Least Squares and Iteration process – Models with Binary Dependents Variables – Logit and Probit Models.

Unit – 2: Distributed Lag Models Concept

Koyck Model – Partial Adjustment and Adaptive Expectation Models – Estimation of Models with a Lagged Dependent Variable – Test of Autocorrelation in Auto-Regressive Models.

Unit – 3: Simultaneous Equation Models

Formalization of Identification Problem - Order and Rank Conditions of Identification – Identification through Restrictions on the Covariance Matrix of Structural Disturbances Recursive Models – Methods of Estimation: ILS, 2SLS, IV, 3SLS and FIML Methods with Properties – Forecasting and Simulation.

Unit – 4: Time Series Modeling

Stationary and Non Stationary Series, Random Walk, Integrated Series - Unit root - Univariate Time Series Modeling, Forecasting with ARMA and ARIMA models - Co-integration and Error Correction Mechanism, Granger Causality Test.

Unit – 5: Introduction to Panel DataTechniques

Random Coefficients Model; Fixed effects model, random effects model - Housman Test – Estimation methods.

Recommended Readings:.

1. Johnston and Dinardo, *Econometric Methods*, McGraw Hill
2. Pindyck and Rubinfeld, *Econometric Models and Econometric Forecasts*, McGraw Hill.
3. Greene, William, *Econometric Analysis*, Macmillan
4. Christopher Daugherty, *Introduction to Econometrics*, OUP.
5. Maddala G.S., *Econometric methods and Application*, Alderson U.K.
6. Theil H., *Introduction to Econometrics*, Prentice Hall of India, New Delhi.
7. Damodar Gujrati, Sangeetha - *Basic Econometrics*, Tata McGraw Hill, New Delhi.
8. Johnson J., *Econometric Methods*, MC Graw Hall Book Co. London.

MEC-305 (B)
UNIVERSITY OF SCIENCE AND TECHNOLOGY, MEGHALAYA
M.A. ECONOMICS SYLLABUS
AGRICULTURAL ECONOMICS
SEMESTER-III

CREDIT-4 **TOTAL MARKS-100**

UNIT-1: AGRICULTURE AND ECONOMIC DEVELOPMENT

Meaning, nature and scope of agricultural economics – Traditional agriculture and its modernization – Interdependence between agriculture and industry - Role of agriculture in economic development.

UNIT-2 : DIVERSIFICATION OF RURAL ECONOMIC ACTIVITIES

Livestock economics–Livestock resources and their productivity –Problems of marketing, White revolution, Fishery and poultry development; Forestry; Horticulture and Floriculture -Issues and problems in rural industrialization.

UNIT 3: RURAL INFRASTRUCTURE & FINANCE

Rural infrastructure: Progress and Problems - Use of land, Water, energy, rural transport, communication, banking, extension services, - rural social infrastructure-education and health and information dissemination. - Role of capital and rural credit, organized and unorganized capital markets - Rural savings and capital formation - Reorganization of rural credit- co-operatives, commercial banks, regional rural banks, micro-finance, role of NABARD

UNIT: 4 AGRICULTURAL PRICES AND POLICY

Marketing and state policy: Agricultural market and marketing efficiency-Marketing functions and costs: Market structure and imperfections, regulated markets, marketed and marketable surplus - Behaviour of agricultural prices, Cobweb model, price and income stability - State policy with respect to agricultural marketing, warehousing prices, taxation and crop insurance - Terms of trade between agricultural and non-agricultural sectors, need of state intervention, objectives of agricultural price policy- instruments and evaluation, Commission for Agricultural Costs and Prices (CACP)

UNIT: 5 AGRICULTURE AND GLOBALIZATION

International trade in agricultural commodities- Role of WTO - Issues in liberalization of domestic and international trade in agriculture - Impact of WTO on Indian agriculture.

Recommended Readings:

1. Heady, E.O."*Economics of Agricultural Production and Resource Use*", Prentice Hall.
2. Heady, E.O. and Dhillon, J., "*Agricultural Production Functions*", Kalyani.
3. Schultz, T.W., "*The Economic Organisation of Agriculture*", McGraw Hill.
4. Cohen, R., "*The Economics of Agriculture*", Cambridge University Press.
5. Soni, R.N., "Leading Issues in Agricultural Economics".
6. Fei, Ranis, " *Economic Growth: An Evolutionary Perspective*".
7. Ray, Debraj, "*Development Economics*", OUP.
8. Debertin, David L. "*Agricultural Production Economics"* Pearson Education
9. Kay, Ronald D. ,William M. Edwards, and Patricia A. Duffy. *" Farm Management*" McGraw

MEC-305 (C)
UNIVERSITY OF SCIENCE AND TECHNOLOGY, MEGHALAYA
M.A. ECONOMICS SYLLABUS
ECONOMICS OF ENVIRONMENT
SEMESTER-III

UNIT -1:

Environment and economics system, Classification of goods, Pareto optimality, Market failure in case of environment goods, Causes of market failure. The First two laws of Thermodynamics.

UNIT 2:

Public goods and Externalities: Coase Property rights and transaction costs, Pigouvian taxes and effluent fees, Lindahl's equilibrium and public goods, Common property resources and Tragedy of Common.

UNIT-3:

Environmental valuation; Use values, and non-use values, Valuation techniques: Production based, Contingent valuation, Hedonic-pricing, Travel cost method, Risk assessment, Environmental impact assessment, Social cost and benefit analysis.

UNIT 4:

Sustainability; Concept and indicator, Environmental Kuznet curve, Classification of Resources, Issues relating to renewable and non-renewable resources, Hotelling theory of exhaustible resources, Environmental accounting :Policies for Sustainable Development

UNIT 5:

Forestry management and some policy measures, GEF, REDD and REDD+: Climate change International Conventions and Protocols: Koyto protocol, carbon bank, –Trade and Environment – Pollution Havens.

Recommended Readings:

1.Roger Perman, Yue Ma, Michael Common, David Maddison and James McGilvray, *Natural Resource and Environmental Economics*, Pearson Education/Addison Wesley.
2. Charles K., *Intermediate Environmental Economics*, Oxford University Press.
3. Hanley N., J.F. Shogren and B. White. *Environmental Economics in Theory and Practice*, Macmillan.
4. Kolstad, C.D., *Environmental Economics*, Oxford University Press, New Delhi.
5. Pearce, D.W. and R. Turner., *Economics of Natural Resource Use and Environment*, JohnHopkins Press, Baltimore.
6. Tietenberg, T., *Environmental Economics and Policy*, Harper Collins, New York.
7. Shankar, U. (Ed.),. *Environmental Economics*, Oxford University Press, New Delhi.