



St. PETER'S UNIVERSITY

St. Peter's Institute of Higher Education and Research

(Declared Under Section 3 of the UGC Act, 1956)

AVADI, CHENNAI – 600 054

TAMIL NADU

M.A. (ECONOMICS)

Code No. - 403

(Effective From 2009 – 2010)

(Distance Education)

Regulations and Syllabi

(I & II Year)

St. PETER'S INSTITUTE OF DISTANCE EDUCATION

Recognized by Distance Education Council and

Joint Committee of UGC – AICTE - DEC, New Delhi

(Ref. F. No. DEC/SPU/CHN/TN/Recog/09/14 dated 02.04.2009 and

Ref.F.No.DEC/Recog/2009/3169 dated 09.09.2009)

St. PETER'S UNIVERSITY
St. PETER'S INSTITUTE OF DISTANCE EDUCATION
Chennai – 600 054.

Code No. – 403
M.A. (ECONOMICS)
(Distance Education)

Regulations and Syllabi
(Effective from 2009 – 2010)

- 1. Eligibility:** Candidates who passed any degree examination of this University or an examination of other University accepted as equivalent thereto are eligible for admission to Two Year M.A. Programme in Economics.
- 2. Duration:** Two Years.
- 3. Medium:** English is the medium of instruction and examination.
- 4. Methodology:** The methodology of distance education includes the supply of self-instructional study materials in print format and in CD, face-to-face instruction for theory and practicals for a limited period during week ends and on holidays, provision of virtual class in phased manner, dissemination of information over e-mail, Student - Support Service at various Centres of the University, Continuous Assessment and End Assessment conducted by the University at various parts of India.
- 5. Weightage for Continuous and End Assessment:** There is no weightage for Continuous Assessment unless the ratio is specifically mentioned in the scheme of Examinations. The End Assessment (EA) has 100% weightage.

6. Credit System: Credit system be followed with 36 credits for each Year and each credit is equivalent to 25-30 hours of effective study provided in the Time Table of the formal system.

7. Scheme of Examinations

First Year

| Code No. | Course Title | Credit | Marks | |
|---------------|-----------------------|-----------|------------|------------|
| | | | EA | Total |
| Theory | | | | |
| 109PECT01 | Micro Economics | 7 | 100 | 100 |
| 109PECT02 | Macro Economics | 7 | 100 | 100 |
| 109PECT03 | Fiscal Economics | 7 | 100 | 100 |
| 109PECT04 | Development Economics | 7 | 100 | 100 |
| 109PECT05 | Monetary Economics | 8 | 100 | 100 |
| Total | | 36 | 500 | 500 |

Second Year

| Code No. | Course Title | Credit | Marks | |
|---------------|---------------------------|-----------|------------|------------|
| | | | EA | Total |
| Theory | | | | |
| 209PECT01 | Indian Economy | 7 | 100 | 100 |
| 209PECT02 | Managerial Economics | 7 | 100 | 100 |
| 209PECT03 | Human Resource Management | 8 | 100 | 100 |
| 209PECT04 | International Economics | 7 | 100 | 100 |
| 209PECT05 | Statistical Methods | 7 | 100 | 100 |
| Total | | 36 | 500 | 500 |

8. Passing Requirements: The minimum pass mark (raw score) be 50% in End Assessment.

9. Grading System: Grading System on a 10 Point Scale be followed with 1 mark = 0.1 and the conversion of the Grade point as given below.

$$\begin{aligned} \text{Overall Grade Point Average (OGPA)} &= \frac{\text{Sum of Weighted Grade Points}}{\text{Total Credits}} \\ &= \frac{\sum (EA)C}{\sum C} \end{aligned}$$

The Overall Grade: The Overall Grade and Classification of all successful candidates be arrived at from the Overall Grade Point Average as stipulated in the following conversion Table.

| Grade | Over all Grade Point Average(OGPA) | Over all weighted Average marks | Classification |
|--------------|---|--|-----------------------|
| 0 | 9.00 to 10.00 | 90.00 to 100 | First Class |
| A | 8.00 to 8.99 | 80.00 to 89.99 | First Class |
| B | 7.00 to 7.99 | 70.00 to 79.99 | First Class |
| C | 6.00 to 6.99 | 60.00 to 69.99 | First Class |
| D | 5.00 to 5.99 | 50.00 to 59.99 | Second Class |
| F | 0.00 to 4.99 | 0.00 to 49.99 | Fail |

The Grade Sheets of successful candidates provide particulars such as (1) Overall weighted Average Marks, (2) Overall Grade Point Average, (3) Overall Grade and (4) the Overall classification.

10. Pattern of the Question Paper: The question paper for the End Assessment will be set for three hours and for a maximum of 100 marks with following divisions and details.

Part A: 10 questions (with equal distribution to all the units in the syllabus). Each question carries 2 marks.

Part B: 5 questions with either or type (with equal distribution to all the units in the syllabus). Each question carries 16 marks.

The total marks scored by the candidates will be calculated to the maximum prescribed in the Regulations.

11. Syllabus

109PECT01 – MICRO ECONOMICS

UNIT – I: BASIC CONCEPTS

Nature, Scope and Methodology of Economics – Economic models – Induction Vs Deduction, Micro Vs Macro Economics – Static and Dynamic Analysis, Positive Vs Normative Economic Analysis – Role and significance of assumptions in Economic Analysis.

UNIT – II: THEORY OF DEMAND AND PRODUCTION

Marshall's Cardinal utility Law of Demand – Deviation of Demand Curve and consumer equilibrium – Hicksian ordinal theory – Elasticity of Demand, types of elasticity – Price effect income and substitution effect – Hicks and Slutsky methods.

Consumer surplus Marshall and Hicks Analysis – Samuelson's revealed preference theory – Recent developments in the theory of consumer behavior.

Concept of Production – Laws of Production – Returns to Scale – Internal and External Economics – Production function with one variable input – Isoquants – Isocosts – Equilibrium Substitution between inputs and elasticity of substitution.

Linear Homogenous production function – Cobb-Douglas and CES production function – Multi product firm.

UNIT – III: COST ANALYSIS AND THEORIES OF PRICING

Concepts of costs – Short run and Long run costs – their relationship – The production possibility curve.

Marshall's time period analysis – Pricing under different market conditions – Perfect competition – Monopoly – Discriminating monopoly – Shut down point – Supply curve of the firm – Monopolistic competition – Firm and Group Equilibrium with product differentiation, selling costs, excess capacity – Ideal output evaluation.

Oligopoly – Meaning and types – Cournot Model – Kinked demand curve – Collusive Oligopoly model – Price leadership – Dominant firm – Barometric models – Joint profit maximization and market sharing models – Baumol's sales maximization hypothesis.

The Basic assumptions of the New-classical theory of pricing – The Hall and Hitch Report – Bains Limit pricing theory – Baumols theory of revenue maximizing firm – Price Discrimination and its effects – Public sector pricing – Marginal cost pricing and problems of its applicability to public utilities.

UNIT – IV: DISTRIBUTION

Classical Approach – Ricardo’s theory of Distribution – Marxian theory of Distribution – Factor prices and Factor shares – Eulers theorem – Technical progress and factor shares – Neutral and biased technical progress – Limitations of the Marginal Productivity Theory.

UNIT – V: GENERAL EQUILIBRIUM AND WELFARE ECONOMICS

Partial Vs General Equilibrium Approach – Walrasian General Equilibrium Model – Critique of the General Equilibrium Theory.

Criteria for social welfare – Pareto optimality – Pigou’s welfare Economics – Theory of Second Best – Kaldor, Hicks and Scitorsky Criterion – Social Welfaer Function – Raulsian concept of Justice, Fairness and Altruism – Equity and Efficiency trade off.

Reference Books:

1. Baumol, W.J Economic theory and Operations Analysis 4th Edn., Prentice Hall New Delhi
2. Fercuson. C.E. Micro Economic theory, Cambridge University Press, London(1978).
3. Gravel, H. and Rees. R, Micro Economics, Longmans(1981)
4. Foutsoyiannis, Modern Micro Economics 2nd Ed., Mcmillan(1983)
5. Little, I.M.D. A Critique of welfare economics
6. E. Mansfield, Micro Economics, 4th Ed., W.W. Norton
7. Mishar E.J. Welfare Economics – An Assessment North Holland, Amsterdam
8. Quirk, J & R Saposnic – Introduction to General Equilibrium and Welfare Economics, McGraw Hill, Newyork

109PECT02 – MACRO ECONOMICS

UNIT – I: INTRODUCTION:

Macro Economics – Meaning – Importance and Limitations – Micro and Macro Economics – Static, Comparative Static and Dynamics.

UNIT – II: NATIONAL INCOME AND CONSUMPTION AND INVESTMENT FUNCTION:

Circular flow of income in two-three-four sector economy.

National Income Components, Concepts, Measurement, Problems – Different forms of National Income accounting – Social – Input – Flow of funds and Balance of Payment Accounting.

Keynesian Psychological Law of consumption – Factors determining consumption – Short run-Long run consumption function.

Income – Consumption relationship – Long run consumption function – Absolute Income – Relative Income, Life cycle and Permanent Income hypothesis.

Marginal efficiency and level of investment – Long run and Short run – Accelerator and investment behaviour – Impact of inflation.

UNIT – III: SUPPLY AND DEMAND FOR MONEY:

Credit creation – A behavioural approach to money supply determination – Money supply determined by demand – Money supply and RBI policy – High powered money and money multiplier – Money supply and Management of Budget deficits – Open Economy and control of money supply.

Classical approach for Demand for money - Fishers Equation – Cambridge's Quantity Theory – Keynesian Liquidity preference approach – Demands for money moves – Aggregation of Demand for money.

UNIT – IV: GENERAL EQUILIBRIUM ANALYSIS AND POST KEYNESIAN THEORIES:

Hicks – Hansen Synthesis – IS-LM model – IS-LM model with Government sector.

Patinkin and Real Balance Effect – Approach to Baumol and Tobin – Friedman and the monetary quantity theory – Revival of monetarism.

UNIT – V: INFLATION, BUSINESS CYCLES AND MACRO ECONOMIC POLICY GOALS:

Classical, Keynesian, Monetarist approaches to inflation – Structuralism – theory of inflation – Phillips Curve Analysis – Short run and long run Phillips Curve – Samuelson and Solow – The Natural rate of unemployment hypothesis – Policies to control inflation.

Types – Phases – Theories of Schumpeter, Kaldor, Samuelson and Hicks – Control of Business Cycles – Relative effectiveness of monetary and fiscal policies.

Neo Classical Macro Economics - Rational Expectations hypothesis.

Full Employment – Price stability – Growth and Distribution – Fiscal and Income policies.

Books Recommended:

1. Ackley, G - Macro Economic Theory & Policy Collter, MacMillan (1978)
2. Blackhouse, R and Salansi, A. - Macro Economics and the Real World (2 Vols) Oxford University Press, London.
3. Dornbusch, R. and Fischers - Macro Economics (5th Edn.,) McGraw Hill, Singapore.
4. William R. Branson - Macro Economic Theory and Policy Universal Book Stall, New Delhi. (1991)
5. Don Patinkin - Studies in Monetary Economics New York, Harpert Ren (1972)
6. Edward Shapiro - Macro Economic Analysis New York, Harcount Brace Javonorich, Inc., (1978)
7. Jack Vernon - Macro Economics Illinois, Dryden Press (1980)
8. Hall, R.E. and J.B. Taylor - Macro Economics W.W. Norton, New York (1986)
9. Jha, R. - Contemporary Macro Economics, Theory and Policy Wiley Eastern Ltd., New Delhi. (1991)
10. RBI Reports on Currency and Finance

109PECT03 – FISCAL ECONOMICS

UNIT – I: INTRODUCTION:

Role of Government in an organized society – Role of Government in a Mixed Economy – Private Sector and Public Sector – Competition and Cooperation – Government a tool in the planning process – Budget – Private goods, Public goods and Merit Goods: Market failure.

Public Choice – Allocation of resources – Mechanism for allocation of resources problems- Theory of Public Goods – Voluntary exchange model - Contribution by musgrave and Samuelson

Keynesian case for Stabilisation Policy – Uncertainty and Expectations – Social Goals – Poverty Alleviation, Providing infrastructural facilities elimination of distributional inequalities and regional imbalances.

UNIT – II: PUBLIC EXPENDITURE:

Wagner’s Law of Increasing state activities – Wiseman Peacock hypothesis – Structure and Growth of Public expenditure – Evaluation of Public expenditure – Criteria for public investment – Cost benefit analysis – Shadow prices – Discount rate – Reforms in public expenditure budgeting – Performance budgeting – Programmes budgeting – Zero base budgeting – Indian Public expenditure.

UNIT – III: PUBLIC REVENUE: PUBLIC DEBT AND FISCAL POLICY:

Theories of Taxation – Benefit and ability to pay Principles – Incidence of Taxation – Alternative concepts – Optional taxation – Excess burden concept – Equity and efficiency trade-off – Double taxation.

Indian Tax Structure – Major taxes in India – Direct and Indirect taxes – Reforms – Agricultural taxation – Post reform taxes – Value Added Taxes – Tax evasion – Non-tax revenue of Central, State, Local bodies – Tax policies – appraisal.

Classical theory of public debt – Compensatory aspects of public debt – Burden of public debt – Debt through created money – Public debt and price level – Principles of debt management – Growth and composition of public Debt in India.

Objectives of Fiscal policy – Interdependence of fiscal and monetary policies – Budgetary deficits – Fiscal policy for stabilization – Automatic and discretionary stabilization – Other measures of resource mobilization and their impact on growth, distribution and prices.

UNIT – IV: FISCAL FEDERALISM:

Fiscal federalism in India – Principles of Fiscal Federalism – Allocation of functions and sources of revenue – Constitution and fiscal federalism – Finance commission and Planning Commission – Theory of Grants – Resource transfer mechanism from Union to States – Criteria for transfer of resources – Centre-State Financial relation - Problems – State resources and indebtedness-problems – Transfer of resources from union and state to local bodies – Local financial relation.

UNIT – V: ANALYSIS OF CENTRAL AND STATE GOVERNMENT BUDGETS:

Lack of flexibility – Shrinking size of development finance through budgets – Trends in public expenditure and public debt – Fiscal crisis and Fiscal sector reforms in India – Finance Commission Reports.

Books Recommended: -

1. Musgrave, R.A., and Musgrave, P.A. Public finance in theory and practice – Mc Graw Hill, Tokyo
2. Mishan, E.J. - Introduction to Normative Economics Oxford University Press, New York-1986
3. Mishra, D.K. - Public Debt and Economic Development of India Lucknow, Prince House. (1985)
4. Dwiwedi, D.N. - Readings in Indian Public Finance Chankya Publications, New Delhi –1981
5. Mishan, E.J. - Cost-Benefit Analysis – An Informal Introduction – George Allen & Unwin London (1982)
6. Chellia, R. - Fiscal Policy in underdeveloped countries, George Allen and Unwin, Bombay (1971)
7. Seligman, E.R.A. - Essays in Taxation, Augustus, Mkelley, Newyork.
8. Baumol, W.J. - Public and Private Enterprises in a Mixed Economy, Mac Millan, London (Ed.1980)
9. Chellia, R and others - Trends and Issues in Indian Federal Finance, National Institute of Public Finance & Policy, New Delhi.
10. Gulati, I.S. - Essays in Fiscal Federalism, (1981) Greenwood Press, Wesport.(1977)
11. Stiglitz, J.E. - Economics of the Public Sector, Norton, New York. (1986)
12. Peacock, A. and Shaw G.K., -Fiscal Policy and Employment problems in less Developed Countries, OECD, Paris

109PECT04 – DEVELOPMENT ECONOMICS

UNIT – I: THEORIES OF GROWTH AND DEVELOPMENT:

Growth –Development – Objectives and relevance of economic development – measurement difficulties in measurement and comparison – Poverty – Income distribution – Income inequality redistribution with growth. Factors affecting economic growth – Capital, Labour and Technology.

a) Growth Models: Grand Theories Adam Smith, Ricardo, Marx and Schumpeter – Development of Capitalistic economy – Theory of Social change – Samples value profit and exploitation – Marx’s Theory of under development – Schumpeter – technology and development – Role of innovations.

b) Modern Theories: Basic assumptions of growth models – The Harrod Domar Model – The Neo –Classical Model with and without technical Progress – Its relevance to LDCs –Kaldor- Mirrless Growth model – Embodied technical progress.

c) Partial Theories : Vicious circle Theory – The stages of growth – Rostow Simplus Labour – Lewis, Big push theory – Rescution Rodan, Balanced Growth theory – Nurske, Heirshmans Model – critical minimum effort – Leibenstein Low income equilibrium trap – Nelson, Dual Economic Models- Fei-rani’s Model Jorgenson

UNIT – II: FACTORS IN DEVELOPMENT PROCESS:

a) Labour: Human Resource Development – Population growth and development process, - Theory of demographic transition – Optimum Population – employment problem – Population – Poverty and Environment – Haris-Tadora model – Manpower planning Human development and other indices of development – Quality of life, food security, education health and nutrition.

b) Capital: Role of capital in development – Capital output ratio – Capital and labour saving technical progress – value of capital output ratio in assessing resources – internal and external – financial and physical resources.

UNIT – III: ALLOCATION OF RESOURCES AND CHOICE :

Investment criteria – present Vs future alternate investment criteria - Assigning priorities for various investment schemes – choice of techniques – Capital intensive Vs labour intensive technology – The Capital goods sector and wage goods sector – appropriate and inappropriate technology cost –Benefit analysis – shadow prices – Project evaluation.

UNIT – IV: INTERNATIONAL DEVELOPMENT PERSPECTIVES

Terms of Trade and economic development – dynamic and static gains - International trade as the engine of growth – Terms of Trade and development - Secular stagnation thesis of Singer Perbisch and Myrdal – Technical progress and terms of trade. Tariffs and economic development - Dual Gap analysis of Trade theory – Export instability and economic development – WTO and development countries – New International Economic Order.

UNIT – V: DEVELOPMENT PLANNING:

Need for planning – types of planning – Two sector - Harrod Domar Model of Planning – Filedman, Mahalanobis – Domar (FMD) Sectoral Planning Model (FMD) Input –Output analysis – Two Gap approach
Development Plans in India - Agriculture and economic development – efficiency and productivity in agriculture new technology and sustainable agriculture – Issues in liberalisation of domestic and international trade in agriculture – terms of trade between agriculture and industry.
Monetary and fiscal policies - MNCs and globalization IMF and world Bank policies- Borrowing – external and internal – burden of borrowing.

Books Recommended:

1. Addman, I, (1961) : Theories of Economic Growth and Development, Stanford University Press, Stanford.
2. Bose, A (1975) : Marxian and post – Marxian Political Economy, Penguin, London.
3. Bright sing D, (1988) : Economic Growth – Problems and Policies
4. Chakravarthy S (1982) : Alternative approaches to a theory of Economic Growth, Oxford University Press, Delhi.
5. Chakravarthy S (1983) : Macro models for Developing Countries, McGraw Hill, New York
6. Ghatar S (1986) : An introduction to Developing Economics Allen and Unwin, London
7. Sen, A.K. Ed, (1971) : Growth Economics, Penguin Books, Haimonds Worth
8. Thirlwall, A.P. (1978) : Growth and Development, Macmillan, London
rahmananda P.R and
9. C.N. Vakil (1956) : Planning for an Expanding Economy
10. Higgins, B , (1959) : Economic Development Norton, New York
11. Lewis, W.A. (1955) : The Theory of Economic Growth Allen & Unwin, London
12. Myrdal, G. (1957) : Economic Theory and underdeveloped Regions Duckworth, London
13. Myrdal, G. (1968) : Asian Drama (3 Vols.)
14. Meir, G.M. (Ed. 1984) : Leading Issues in Economic Development Oxford University Press, New York.
15. Litle I.M.D. Scitovsky & : Industry and Trade in some Developing countries M. SCOH (1970) Oxford University Press, London.
16. Kindleberger, C.P. : Economic Development, Mc Graw Hill, New York
17. Theberge, J.D. (1968) : Economics of Trade and Development John Wiley & Sons., New York.

109PECT05 – MONETARY ECONOMICS

UNIT – I: FUNDAMENTAL CONCEPTS AND MONETARY THEORIES:

Role of Money in the developed and developing Economy – Concepts – Inside money – Outside money – Neutrality of money – Money and uncertainty – Value of money – Factors determining value of money.

Fisher's Quantity Theory of Money – Cambridge Equation – Keynes income – Expenditure theory – Modern quantity theory – Friedman – Don Patinkin – Liquidity approach – Velocity of circulation.

UNIT – II: SUPPLY OF MONEY:

The H Theory of Money supply and the factors affecting it – The money multiplier process and its determinants – Theories of money supply – Factors affecting money supply – RBI Control of the money stock – Money stock and the Interest rates.

UNIT – III: BANKS, NON-BANKING FINANCIAL INSTITUTIONS AND THE CAPITAL MARKET:

Credit – Meaning and Functions and uses of credit – Kinds of credit – Organised credit.

Commercial Banks – Origin – Functions – Structure and Organisation – Types of Banks – Traditional and Modern Banking theory – Commercial banks and Economic Development.

Balance sheet of a Bank – Liabilities and asset structure – Credit creation – Nationalisation of Commercial Banks in India – Theories of Commercial Banking – Co-operative banks – Development banks – Non-banking financial intermediaries – Types

Unregulated credit markets and agencies – Money market and capital market.

UNIT – IV: CENTRAL BANKING:

Principles of Central Banking – Objectives and functions of central banking – Methods of credit control – Role of central banking in developing countries – Regulatory and promotional – The currency and the credit schools – Radcliffe committee – Reserve Bank of India – Role, Functions – Central Banking system in USA and UK.

UNIT – V: MONETARY POLICY AND GROWTH MODELS IN DEVELOPING ECONOMY:

Frame Work – Objectives – Restrictive – Accommodating – Monetary policy – Monetary management – Lags in Monetary policy – Current issues in monetary policy – Public debt management – Monetary policy compared with

Fiscal policy.

Growth without inflation – Monetary and Fiscal policy for stability – Fixed or Flexible monetary policy – Monetary policy and Government deficits – Interest rate stability and deficit spending.

Monetary policy and the business cycle – Neo classical view versus Monetarist and Keynesian views on Monetary policy – Monetary policy and external stability.

Books Recommended:

1. Davidson. P - Money and the Real World, Mac Millan, London (1978)
2. Harris, L. - Monetary Theory McGraw Hill, New York. (1985)
3. Chakravarthy Committee - Review of the Working of the Report Monetary system
4. Chaudler (L.V.) and - Economics of Money and Banking Gold Field, S.M. Horper & Row, New York (1977)
5. Sayers, R.S. - Modern Banking Oxford University Press, Delhi (1978)
6. Radcliffs Committee - Report of the Committee on the working of the marketing system, Mac Millan, London (1959)
7. Narasimham - Report of the Committee on the Financial System (1991)
8. Dorn Bush, R. & Fisher - Macro Economics 3rd Ed., Mc Graw Hill, New York (1984)
9. Gibson and WE Kauffman - Monetary Economics – Readings on current issues, Tata Mc Graw Hill, New Delhi. (1975)
10. Gupta S.B. - Monetary planning for India Oxford University Press, Delhi.
11. RBI, Janaki Raman Committee- Final Report of the committee to ensure into the Securities transactions of the Banks and Financial Institution
12. Roger N. Waud - Macro Economics 5th Edn., Herper Collins, New York (1992)
13. Don Patinkin - Studies in Monetary Economics Harper International, New York (1972)
14. N.N. Shrivastava - New Dimensions in Monetary Theory Print House, Lucknow (1986)
15. Vaish, M.C. - Monetary Theory
16. Government of India 2002 - Economics Survey
17. De Cerh, M.H. - Central Banking
18. Sethi, J.D., - Problems of Monetary Policy in an under developed country
19. Alak Ghosh - Financial Intermediaries and Monetary policy
20. IMF, World Bank, IDA, - A Survey of Contemporary Banking Trends. IFC & ADB, Basu, S.K.,
21. Hansen - Monetar Theory and Fiscal Policy
22. S.B. Gupta - Monetary Economics, Theory & Policy S.Chand, New Delhi.
23. Murugan, S.K. - Modern Banking in India
24. Sen, S.N. - Central Banking in underdeveloped countries
25. Simha, S.L.N. - The Indian Capital Market
26. Sethi, T.T. - Monetary Economics S.Chand, New Delhi.
27. Sayers, R.S. - Central Banking after Base hot.
28. RBI (1977) - Money supply in India – Concepts, Compilations and Analysis Report of the Second Workshop Group.
29. RBI (1985) - Working of the Monetary systems in India, Report of the Sukumoy Chakravarty Committee

209PECT01 – INDIAN ECONOMY

UNIT – I: ECONOMIC DEVELOPMENT AND PLANNING IN INDIA:

Meaning – Concepts – India as an underdeveloped economy – basic characteristics – Major hurdles in economic development- Indicators of development – Human Development Index (HDI), Gender Development indices – Indian human development reports – Determinants of economic development.

India's experiment with planning – Objectives of Planning – Mixed economy and economic planning – Models of development – Nehru and Gandhi, Mahalanobis model – Rao, Manmohan model – Strategies and achievements of plans – Planning Era in India - First plan to 10th Five Year Plan – Failure of Planning.

UNIT – II: POPULATION AND INFRASTRUCTURE:

Size and Growth rate of population in India – Sex composition – Age composition – Urbanization and Economic growth in India – Population explosion as an obstacle to economic development – Family planning policy and Indian population – Population control – Poverty and inequality reduction.

India's Infrastructural and Resource Potential:

Natural Resources in India – Economic and Social overheads in India – Energy – Saves – Types – Energy crisis – Transport – Power – Social over heads – Education and Health – Environmental degradation in India – Infrastructure development problems and measures by the Government.

UNIT – III: Agriculture and Industry:

Agriculture and the Government intervention – Green Revolution and its impact on production and income distribution – Buffer stock operations – Price and input subsidies – Marketing and Credit policies – Facilitating the supply of inputs – Power, Irrigation, Seed and Fertilizer – Mobilization of resources from agriculture – Agricultural taxation – Current budget and agricultural development – Policies for sustainable agriculture.

Industrial policy relations – Private and Public sector – Disinvestment of public sector – Disinvestment of Public Sector undertakings – Pattern of Industrial growth – Industrial sickness – Productivity in Indian Industries – Small Scale Sector in India – Role, Significance and Problems – Foreign Collaboration – Liberalization era and Industrial policy – EXIM Policy of the Government.

UNIT – IV: Public Finance, Banking and Foreign Trade:

Centre and State Financial relations in India – Finances of the Central Government – State Governments – Parallel Economy and its impact in the economy – Control of parallel economy – Fiscal reforms.

Causes for Inflationary Spiral in India – Control of inflation – Price policy
– Financial Sector reforms – Interest rate policy – RBI Monetary Policy.

Composition of India's Foreign Trade – Direction of Foreign Trade –
Balance of Payments position – Export and Import policy – Foreign Exchange
Management – Foreign Capital and MNC's in India – Foreign Trade since 1991.

UNIT – V: Economic Reforms:

Economic Reforms and Liberalization – Privatization and Globalization
Poverty reduction – Social Sector reforms – Fiscal reforms – Strategy for
Economic reforms – Reforms with a human face.

Books Recommended:

1. Asok Rudra - Indian Plan Models
2. Bramananda, P.R. & - The Development Process of Indian Economy Panchamuki, V.R.
3. Brahmananda, P.R. - Growthless inflation by means of stockless money
4. Brahmananda, P.R. - Planning for an Expanding Economy
5. Banerjee Mrityunjoy - Planning in India (1981)
6. Chakravarthy - Indian Economic Analysis – A Survey
7. Chakravarthy - Report of the Reserve Bank of India Committee to review the worship of the Monetary system.
8. Chakravarthy - Development planning – Indian Experience
9. Chaudury Pranit - Indian Economy, Poverty and Development 1978
10. Chaudary, N.K. - Indian Economy Crisis and Reforms (1997)
11. Dandekar, V.M. & Rath. N. - Poverty in India
12. Dutt Rudder 2003 & - Indian Economy Sundaram, K.P.
13. Dutt Rudder 2003 & - India's New Economic Policy Sundaram, K.P.
14. Gupta, S.B. - Monetary Planning in India
15. Gadgil, D.R. - Planning and Economic Policy in India
16. Kidron, M. - Foreign Investments in India
17. Kidron, M. - Economic Development in South Asia.
18. Kurieu, C.T., - India's Mixed Economy
19. Rao, V.K.R.V. (1983) - India's National Income 1959-1960, An analysis of Growth and Change Page, New Delhi.
20. Simha, S.L.N. - Inflation in India
21. Srinivasan, T. Little I.M.D., - foreign Trade Requires and Development Scitovsky and Scott, M
22. Uphal, J.S. - Indian Economic Problems.
23. Lurdawalah, D.T., - Unit – State Financial Relations
24. Jha, L.K. - Economic Strategy for the 80 s.
25. Minhas, B.S., - Planning Commission and the Poor.
26. Venkata Subbiah - Indian Economy since Independence.
27. Jalan Bimal (1991) - Indian Economic crisis – The way Ahead.

209PECT02 – MANAGERIAL ECONOMICS

UNIT – I: INTRODUCTION:

Introduction to Managerial Economics – Nature and Scope – Managerial economics and other disciplines – Role and Responsibilities of Managerial Economists in business – Managerial Economics and Decision making - Application of Theories of Economics in Business decisions – Fundamental concepts

UNIT – II: DEMAND ANALYSIS:

a) Demand Function :

Distinctions in Demand – Determinants of Demand – Elasticities of Demand and their applications in business.

b) Demand Forecasting:

Methods of Demand forecasting – Forecasting of different types of goods – For Established products – New products – Producer and consumer goods – Perishable and Durable goods.

UNIT – III: PRODUCTION AND COST ANALYSIS:

a) Production function – Practical Importance – Optimal combination of factor inputs – Isoquants – Isocost curves – Returns to scale – Cobb Douglas Production function – Linear programming.

b) Cost Concepts – Cost function – Cost-output relationship – Classification – Economics and Diseconomies of scale and costs – Relationship between short run and long run costs.

c) Pricing policies and methods – Sales maximization model – pricing policies for new products – Skimming and penetrating pricing policies – Pricing methods – Going rate pricing – Marginal cost pricing – Full cost pricing Peak load pricing – Product line pricing suggestive pricing.

d) Price determinations under different market competition.

i. Perfect Competition – Characteristics – Short run and long run equilibrium Evaluation.

ii. Monopoly – Characteristics Long run and short run equilibrium – Disadvantages of monopoly.

Measurement of market power – Elasticity of Demand – The Learner Index – Cross Elasticity of Demand.

Determinants of market power – Economics of Scale – Barriers created by Government – Input barriers – Brand loyalties.

iii. Discriminating monopoly – Meaning – When it is possible – Conditions – Describing – Degrees of price discrimination.

iv. Monopolistic competition – Features – Price Determination short run and long run – Group Equilibrium – Selling costs – Non-price competition – Wastes of monopolistic competition.

v. Oligopoly – Duopoly – Features – Price rigidity – Oligopoly models – Price leadership model – Kinked demand curve model – Baumols Revenue maximization model – The Gance Theory model – Other pricing models.

UNIT – IV: ADVERTISEMENT – COST AND PROFIT ANALYSIS:

Advertisement and Sales promotion Analysis – Selling costs and Profits – Advertising costs – Advertisement budget – Advertisement effectiveness in sales.

Profit Management Analysis – Measurement of Profit – Profit policies – Planning and control – Break-even analysis – Cost-benefit analysis – Profit forecasting – Cost control.

UNIT – V: CAPITAL BUDGETING AND MACRO ANALYSIS:

Capital Budgeting – Appraising project profitability and choice of optimum investment programme – Cost of Capital.

Macro Economic policies and Business – Monetary and Fiscal policies their effectiveness in business decisions – Business cycles and business policies – Demand recessions – Causes indicators and prevention.

Books Recommended:

1. Joel Dean - Managerial Economics Prentice Hall
2. Hayne, Mote and Paul - Managerial Economics Tata Mc Graw Hill, New Delhi 1979
3. R.L.Varshney and - Managerial Economics Maheswari, K.L
4. H. Craig Peterson and - Managerial Economics W. Cris Lewis Prentice Hall, New Delhi 1995.
5. M.C.Guigan, Moyer and Harris - Managerial Economics West Publishing Company, Minneapolis, St. Paul, 1993.
6. Henry and Haynes - Managerial Economics Analysis and Cases Business Publications Inc., Dallas, Texas 1978.
7. Eugene F. Brigham and - Managerial Economics James Pappas Hindsale, Illinois, The Dryden Press 1976.
8. Koutosyiannis - Managerial Economics : ELBS

209PECT03 – HUMAN RESOURCE MANAGEMENT

UNIT – I: INTRODUCTION:

Meaning – Significance – Functions – Objectives – Role and Function – Evolution.

Job design – Job Analysis – Job description – Job specification – Uses of Job analysis.

UNIT – II: HUMAN RESOURCE PLANNING : RECRUITMENT AND SELECTION:

Integrated strategic planning and human resource planning – Different levels planning – Process – Demand and supply forecasting techniques – Qualitative aspects of human resource planning – Problems – Succession planning.

Definitions – Objectives – Sources and techniques of recruitment – Internal – External – Modern sources and techniques – Pre-requirements of a recruitment policy – Recruitment practices in India.

Selection procedure – Steps – Tests – Interview – Types – Quality of a good interview – Placement – Induction.

UNIT – III: TRAINING AND DEVELOPMENT AND PERFORMANCE APPRAISAL:

Training – Need – Principles, Training Programmes – Steps – Method of training – Simulation – Training evaluation – Vocational guidance.

Definitions – Purpose and Importance – Approaches to performance appraisal – Evaluation process – Methods, techniques and tools for appraising performance – The concept of MBO – MBO process – Requirements of effective performance appraisal – Essential centre method – Human Asset Accounting method – Behaviorally anchored rating scales – Systems of performance appraisal – Counselling – Managerial appraisal

UNIT – IV: WAGE AND SALARY ADMINISTRATION:

Factors for consideration of wages – Wage differentials – Wage systems – Mechanism of wage and Salary Administration – Bonus – Managerial compensation – Profit sharing – Co-partnership – Employee Stock option plan – Wage policy in India.

Fringe benefits – Types – Monetary and non-monetary rewards.

Motivation – Objectives – Types – Quality of working life – Quality circles – Management of conflict – Conflict stimulating techniques – Motivation theories – Leadership – Team building – Morale – Communication – Job satisfaction – Career Planning.

UNIT – V: HUMAN RESOURCE MANAGEMENT AND MANPOWER PLANNING

Human Resource Development – Wages and benefits – Trade unions – Collective bargaining, participative management and quality circles – Managing diversified cultures.

Term – Principles & core concepts – Total quality of human resource – Strategy.

Good HRD Practice – Elements of Good HRD – Evaluation of Good HRD.

Books Recommended:

1. Rakesh, K. Chopra (2001) - Management of Human Resources Text and Cases, Kitab Mahal, New Delhi.
2. Rabia Jahani Faranza, G. - Human Resource Management Ganeshkumar (2003) Swathi Publications, Chennai.
3. P. Subha Rao (2002) - Essentials of Human Resource Management and Industrial Relations Text cases and Games – Himalaya Publishing House, New Delhi.
4. Subramani, P.N. and - Human Resource Management and Industrial Rajendra, G. (2001) Relation, Himalaya Publishing House, New Delhi.
5. Michael, V.P. (1997) - Human Resources Management and Human Relation Himalaya Publishing House, New Delhi.
6. Kaila, H.L., - Human factors in Organisational Management Ravisankar, S, Himalaya Publishing House, New Delhi Mishra, R.K. (2003)
7. Sing, P.N. - Developing and Managing Human Relations
8. Rajinder, S. Arora and - Management and Human Resource Nithin, G. Vazirani Development – The Indian context.

209PECT04 – INTERNATIONAL ECONOMICS

UNIT – I: THEORY OF INTERNATIONAL TRADE AND MEASUREMENT OF GAINS OF TRADE

Classical Theory: - Adam Smith, Comparative cost theory of Ricardo, Mill
- Modifications of the Theory

Neo Classical Theory:- Opportunity Cost Theory.

Modern Theory : - Heckscher Ohlin Theory of Trade – Ryberynski's
Theorem – Stolper – Samuelson Theorem.

Terms of Trade – Concept, Gains from Trade – Secular deterioration of
terms of trade – Trade as an engine of growth – Welfare aspects – Technical
progress and Growth.

UNIT – II: INTERNATIONAL MONETARY THEORY:

Balance of payments – Concepts – Equilibrium and Disequilibrium in the
balance of payments – Adjustment mechanism – Exchange rate determination –
Fixed and flexible exchange rates – Merits and demerits under conditions of
growth and development in developing countries – Exchange control – Means of
achieving internal and External equilibrium – Fiscal Monetary mix.

UNIT – III: Commercial Policy and Regional Co-operation:

Free trade Vs Protection – Tariff – Quotas and non-tariff barriers –
Economic repercussions on national income, output, employment, terms of trade
and income distribution – State trading – Trade problems of developing countries.

Regional trade groups – theory of customs union – EEC, EV, SAARC,
SAPTA, ASEAN – Regionalism EU, NAFTA.

Commodity Agreement : GATT – WTO, UNCTAD.

GATT and Tokyo Declaration – UNCTAD – Import Substitution and
Export promotion.

New International Economic order: NIEO – Need – North-South Dialogue
– North-South and South-South Co-operation.

UNIT – IV: TRADE AND ECONOMIC DEVELOPMENT:

Theory of comparative cost advantage in the context of growth and under
development – Technical progress – Terms of trade and export earnings of
developing countries – Role of foreign capital in economic development – Issues
in foreign direct investments – Current trends.

Trade problems and policies in India since Independence – Direction and composition of trade – Trade reforms since 1991 – Export-Import policies – Multinational corporations in India – Export promotion.

UNIT – V: INTERNATIONAL MONETARY SYSTEM:

IMF – India and developing countries – Short term capital movements - East Asian crisis lessons for developing countries.

International liquidity – Debt – IMF – SDR – Euro Dollar regime – Reforms and future of the International monetary system.

Books Recommended:

1. Bhagwati, J. (Ed) (1969) - International Trade – Selected Readings.
2. Chacholiades, M. (1978) - International Trade Theory and Policy
3. Haberler, G. (1935) - The Theory of International Trade.
4. Heller, R. (1974) - International Monetary Economics
5. Johnson, H.G. (1964) - Money, Trade and Economic Growth
6. Kindleberger, C.P.(1976) - International Economics
7. Meir, G.M. (1968) - The International Economic Development
8. Sodersten, B. (1980) - International Economic
9. Ellsworth - International Economy
10. Caves, R.E. & Jones (1973)- World Trade Payments – An Introduction
11. Scammel, W.M. (1975) - International Monetary Policy
12. Chacholiades, M. (1978) - International Monetary Theory and Policy
13. Vaish, M.C. - International Economics
14. Mithani. D.M. - International Economics

209PECT05 – STATISTICAL METHODS

UNIT – I: HISTORICITY OF STATISTICS:

Role and Importance of Statistical Analysis - Sub-Divisions – Strategy, Assumptions and approach – Arranging data – Classification - Frequency Distribution – Construction of a frequency distribution – Tables and Graphs.

The Arithmetic mean – Weighted mean – Geometric mean – The median - The mode – Harmonic mean.

Measures of Dispersion – Range, Quartile Deviation – Mean deviation – Median deviation – Standard deviation – Coefficient of variation – Lorenz Curve – Gini Coefficient – Skewness – Kurtosis.

UNIT – II: CORRELATION AND REGRESSION:

Meaning and uses – Scatter Diagram – Karl Pearson’s product movement correlation – Interpretation of coefficient of correlation – Spearman’s Rank Correlation Coefficient – Uses of Correlation analysis.

Simple Linear Regression – Regression lines – Concept of the least squares – Properties of regression lines – Uses of regression analysis.

UNIT – III: ASSOCIATION OF ATTRIBUTES, INTER POLATION AND EXTRA POLATION:

Methods of Study of association of attributes – Comparison of observed and expected frequency method – Association and disassociation – Proportion method and Yule’s Co-efficient of association.

Graphic and Algebraic methods – Newton’s and Lagrange’s methods.

UNIT-IV: INDEX NUMBERS AND TIME SERIES ANALYSIS:

Simple and weighted index numbers – Construction of wholesale and retail price index numbers – Index of industrial production and business conditions – Tests of consistency for an index number – Conversion of bases – Shifting base periods and deflating – Uses and Limitations of index numbers.

Ratio Chart – Components of time series – Methods of trend determination – Seasonal index calculation – Cyclical variation – Measurement – Residual method – Application of time series in business forecasting.

UNIT – V: MEASURES OF PROBABILITY AND SAMPLE SURVEY AND ESTIMATION

Basic concepts – Types of probability – Probability rules – Probability under conditions of statistical independence and dependence – Additions and multiplications theorem – Baye’s rule – Concept of random variable – Discrete and continuous distributions.

Definition and properties of Binominal and Poisson Distribution – Fitting Binominal and Poisson Distributions – The normal Distribution – Expectations and functions of random variables.

Sampling and its uses – Sampling Techniques – Planning and Executing a sample survey.

Sampling Distribution – Standard Error – Tests of Significance – Meaning and Static parameter statistical hypothesis – Null and alternate hypotheses – Test static – Critical region and level of significance. – Large sample tests for proportions and means – Small sample tests for mean, variance and correlation coefficient, Chi Square test as a test of independence.

Point and Interval Estimation – Basic concepts – Interval estimates and confidence intervals – Calculating the interval estimates from mean and proportion of the large samples – Interval estimates using the ‘t’ distribution – Determining the sample size in estimation.

Books Recommended:

1. Gupta, S.P. - Statistical Methods – S.Chand, New Delhi
2. Sanchetti and Kappor - Advanced Statistical Methods S. Chand, New Delhi
3. Asthana, B.N. - Elements of Statistics Chaitanya Publishing House.
4. Kapur and Gupta - Fundamental of Applied Statistics
5. R.G.D.Allen - Statistics for Economics
6. David Bowers - Statistics for Economics
7. Elhance, D.N. - Fundamentals of Statistics
8. Richard, I. Levin - Statistics for Management
9. Thomas H. Worma COH - Introductory Statistical for Business and Ronald J.Wonna COH Economics
- 10.Croxten and Cowden - Applied General Statistics
- 11.Swain, A.K.P.C. - Statistical Methods Kalyani Publishing House.