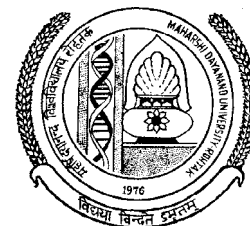# Maharshi Dayanand University Rohtak

Syllabus and Courses of
Reading for
M.A. Economics I & II Semester
Examination

Session 2008-2009

Available from:

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Rohtak-124 001 (Haryana)

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M.A. Economics w.e.f. 2008-09
(Course Structure)

Semester I

		M. Marks	Int. Asst.	Time
Paper-I	Microeconomics-I	80	20	3 Hrs.
Paper-II	Macroeconomics-I	80	20	3 Hrs.
Paper-III	Economics of Growth and Development-I	80	20	3 Hrs.
Paper-IV	Mathematics for Economists-I	80	20	3 Hrs.
Paper-V	Statistical Methods-I	80	20	3 Hrs.

Semester II

		M. Marks	Int. Asst.	Time
Paper-VI	Microeconomics-II	80	20	3 Hrs.
Paper-VII	Macroeconomics-II	80	20	3 Hrs.
Paper-VIII	Economics of Growth and Development-II	80	20	3Hrs.
Paper-IX	Mathematics for Economists-II	80	20	3 Hrs.
Paper-X	Statistical Methods-II	80	20	3 Hrs.

Semester III

		M. Marks	Int. Asst.	Time
Paper-XI	Indian Economy-I	80	20	3 Hrs.
Paper-XII	International Trade and Finance-I	80	20	3 Hrs.
Paper-XIII	Public Economics - I	80	20	3 Hrs.
Paper-XIV	& XV Optional (Any two of the following)	80	20	3 Hrs.
	(i) Mathematical Economics - I	80	20	3 Hrs.
	(ii) Industrial Economics - I	80	20	3 Hrs.
	(iii) Agricultural Economics - I	80	20	3 Hrs.
	(iv) Financial Institutions and Markets-I	80	20	3 Hrs.
	(v) Econometrics-I	80	20	3 Hrs.
	(vi) Oprations Research-I	80	20	3 Hrs.
	(vii) Managerial Economics-I	80	20	3 Hrs.

Semester IV

		M. Marks	Int. Asst.	Time
Paper-XVI	Indian Economy-II	80	20	3 Hrs.
Paper-XVII	International Trade and Finance-II	80	20	3 Hrs.
Paper-XVIII	Public Economics - II	80	20	3 Hrs.
Paper-XIX	& XX Optional (Any two of the following)			
	(i) Mathematical Economics - II	80	20	3 Hrs.
	(ii) Industrial Economics - II	80	20	3 Hrs.
	(iii) Agricultural Economics - II	80	20	3 Hrs.
	(iv) Financial Institutions and Markets-II	80	20	3 Hrs.
	(v) Econometrics-II	80	20	3 Hrs.
	(vi) Oprations Research-II	80	20	3 Hrs.
	(vii) Managerial Economics-II	80	20	3 Hrs.

M.A. (Previous) Paper-I
Semester - I
MICROECONOMICS-I

Maximum Marks : 100
External Examination : 80
Internal Assessment : 20
Time : 3 Hrs.

Unit-I

Nature and scope of Economics and Microeconomics. Positive and normative analysis. Role of assumptions in economic analysis. Circular flow of economic activity. Concepts of household, firm, factors of production, equilibrium, partial and general, static, comparative static and dynamic analysis, margin and slope.

Elasticity - need and measures - Relationship between revenue and elasticity.

Unit-II

Analysis of consumer behaviour, demand function, law of demand-cardinal, ordinal and revealed preference approaches, income-consumption curve, Engel curve, substitute and complimentary goods.

Market demand curve; consequences of Bandewagon, Snob and Veblen effect. Concept of consumer surplus.

Unit-III

Laws of Production : short run and long run. Internal and external economies and diseconomies. Concept of cost, derivation of short and long run cost curves. Optimum input combination. Simple case of multiproduct firm. Technical progress and production function : Hick's classification. Elasticity of substitution. Properties of Cobb -Douglas and CES production function.

Unit-IV

Pricing process and equilibrium of firm and industry under perfect competition, monopoly (including discriminating

monopoly and bilateral monopoly, monopolistic competition. Welfare effects of price control, price support and production quota.

Note :

The question paper shall have five units. Each of the first four units will contain two questions and the students shall be asked to attempt one question from each unit. Unit five shall contain eight to ten short answer type questions without any internal choice and it shall cover the entire syllabus. As such, unit five shall be compulsory.

SUGGESTED READING

Koutsoyiannis, A. "Modern Microeconomics" (Mac millan)

Lipsey, R.G. and Chrysal, K. Alec " An Introduction to Positive Economics " (OUP)

Salvatore, D. "Microeconomic Theory" (Shaum's Outline series, Tata Mc Graw Hill)

Paper-II MACROECONOMICS-I

Maximum Marks : 100
External Examination : 80
Internal Assessment : 20
Time : 3 Hrs.

Unit-I

Determination of Output and Employment : Classical Approach - Output and Employment in classical Theory; The Quantity Theory of Money and the Price Level; Classical Model without saving and investment; Classical Model with saving and investment.

Keynesian Approach_Two Sector Model, Three Sector Model and Four Sector Model.

Unit-II

Determination of Output and Employment : The extended Model (Hickes- Henson Synthesis) : Fixed Price Level - The goods Market and the Money Market; Equilibrium in Goods Market and Money Market; Changes in Aggregate Demand;

Govt. spending, Taxation and Agggregate Demand; The IS-LM Elasticities and Monetary Fiscal Policies.

Unit-III

The Extended Model :Variable Price Level - Deviation of Agrregate Demand Curve and Determination of equilibrium priceand output level; wage- price flexibility and the Full Employment equilibrium; Monetary- Fiscal policies and the Full-Employment Equilibrium.

Unit-IV

Behavioural Foundation : Theories of Consumption - The Absolute Income Hypothesis, The Permanent Income Theory of Consumption; The Life cycle Theory of Consumption ; Theories of Investment - The Present Value Criterion for Investment; The Marginal Efficiency of Capital and Investment; The Accelerator Theory; Financial Theory of Investment.

Note :

The question paper shall have five units. Each of the first four units will contain two questions and the students shall be asked to attempt one question from each unit. Unit five shall contain eight to ten short answer type questions without any internal choice and it shall be covering the entire syllabus. As such, unit five shall be compulsory.

SUGGESTED READING

- Ackley, G (1978), *Macroeconomics : Theory and Policy*, Macmillan, New York.

-. Banson, W.A. (1989), *Macroeconomic Theory and Policy, (3ʳᵈ Edition),* Harper and Row, New York.

- Dorn Busch, R. and F. Stanley (1997), *Macroeconomics,* McGraw Hill, Inc. New York.

- Heijdra, B.J. and V.P. Fredricck (2001), *Foundation of Modern Macroeconomic,* Oxford University Press, New Delhi.

- Jha, R. (1991) *Contemporary Macroeconomics Theory and Policy,* Wiley Eastern Ltd., New Delhi.

- Shapiro, E. (1996), *Macroeconomic Analysis,* Galgolia Publication, New Delhi.

- Survey, M.J.C. (Ed.) (1976), Macroeconomic Themes, Bo and Reed Geoffrey (1994) *International Economics*, Macmillan Press Ltd.

- Peterson, W.C.(1978), Income Employment and Economic Growth, Norton, New York.

- Sheffrin, Steven M. (1996), Rational Expectations, 2nd edition, cambridge University Press.

Paper-III ECONOMICS OF GROWTH AND DEVELOPMENT-I

Maximum Marks : 100
External Examination : 80
Internal Assessment : 20
Time : 3 Hrs.

Unit-I

Economic growth, Economic development-meaning, development and under development.

Perpetuation of underdevelopment - vicious circle of poverty, circular causation, structural view of under-development.

Measurement of development - conventional, Human Development Index and quality of life indices, concept of sustainable development.

Unit-II

Theories of development : Classical, Marx Schumpeter and structural analysis of development, Lewis model of development.

Renis - Fei Model, dependency theory of development.

Restow's - Theory of stages of economic growth.

Unit-III

Strategies of economic growth : balanced growth, critical minimum

efforts, big push, unbalanced growth, low income equilibrium trap.

Unit-IV

Theories of economic growth : Models of growth of John Robinson and Kaldor, Harrod-Donar model, instability of equilibriumn, Neo-classical growth solow's model, steady state growth, meade.

Note :

The question paper shall have five units. Each of the first four units will contain two questions and the students shall be asked to attempt one question from each unit. Unit five shall contain eight to ten short answer type questions without any internal choice and it shall cover the entire syllabus. As such, unit five shall be compulsory.

SUGGESTED READING

- Meir, G.M. (1995), *Leading Issues in Economic Development,* Oxford University Press, New Delhi.

- Mishra S.K. and V.K. Puri, ERconomics of Development and Planning, Himalaya Publishing House, Mumbai.

- Todaro, M.P. *Economic Development,* Latest Edition, Longman, London.

- Hogendorn, J. (1996), *Economic Development, Addison,* Wesley, New York.

- Thiwal, A.P. (2003), (6th Edition), *Growth and Development,* Macmillan, New York.

Paper-IV MATHEMATICS FOR ECONOMISTS

Maximum Marks : 100
External Examination : 80
Internal Assessment : 20
Time : 3 Hrs.

Unit-I

Basics : real number system, sets and set operations, relations and functions, inverse functions; solution of linear equations in two variables, solution of quadratic equations, logarithms and exponents; exogenous and endogenous variables.

Unit-II

Fundamentals of Matrices; Determinants. Solution of a system of upto 3 equations by matrix inversion and Cramer's rule. Input- Output analysis - Static open model.

Unit-III

Differentiation-idea of limit (but not its evaluation), meaning and economic interpretations of derivative. Rules of differentitation including logarithms and exponential functions. Unconstrained optimization - single choice variable; global and local.

Unit-IV

Calculus of multivariable funtions, higher order derivatives, constrained optimization with upto 2 equality constraints.

Note :

1. *Purpose of the course is to learn,with understanding application of mathematical tools, in economics. Derivations and proofs are to be avoided*

2. *The question paper shall have five units. Each of the first four units will contain two questions and the students shall be asked to attempt one question from each unit. Unit five shall contain eight to ten short answer type questions without any internal choice and it shall cover the entire syllabus. As such, unit five shall be compulsory.*

SUGGESTED READINGS

- Chiang, Alpha C. "Fundamental Methods of Mathematical Economics" (Mcgraw Hill).

- Dowling, Edward T. "Mathematics for Economists" (Schaum's Outline Series, Tata Mcgraw Hill).

Paper-V STATISTICAL METHODS-I

Maximum Marks : 100
External Examination : 80
Internal Assessment : 20
Time : 3 Hrs.

Unit-I

Diagrammatic and graphic representation of statistical data. Measures of central tendency : A.M., G.M.,H.M., Median, quartiles, deciles, percentiles, mode, relationship between A.M., G.M. and H.M. selection of an average, Limitations of averages.

Unit-II

Measures of dispersion : Range, interquartile range, quartile deviation, mean deviation, standard deviation. Standard deviation of the combined series, variance, coefficient of variation, relation between various measures of dispersion, Lorenz curve, skewness and kurtosis, moments.

Unit-III

Index numbers : Problems and methods of construction of various types of indices, Laspeyres, Paasche's and Fishers ideal index numbers. Time reversal, factor reversal and circular tests; chain-base indices, base shifting, splicing and deflating the index numbers. Cost of living index numbers and consumer price index numbers. Time series components of time series and their decomposition. Methods of measuring trend, cyclical, seasonal and irregular variations.

Unit-IV

Random experiment, random variable, sample space, events, fundamental principles of counting, classical, relative frequency and axiomatic approaches to probability, basic results on probability, conditional probability, Baye's theorem.

Note :

The question paper shall have five units. Each of the first four units will contain two questions and the

students shall be asked to attempt one question from each unit. Unit five shall contain eight to ten short answer type questions without any internal choice and it shall cover the entire syllabus. As such, unit five shall be compulsory.

SUGGESTED READING

- Gupta S.C. "Fundamentals of Statistics" S. Chand & Sons New Delhi (1993).

- Spiegel, Murry R "Theory and problems of Statistics" (Schaum's outline series, McGraw Hill) (1992)

- Kamal P.H. and Polasek M. " Applied Statistics for Economists (4th Edition), Pitman, Australia.

M.A. (Previous)
Semester - II
Paper-VI MICROECONOMICS-II

Maximum Marks : 100
External Examination : 80
Internal Assessment : 20
Time : 3 Hrs.

Unit-I

Oligopoly : non collusive models - Cournot, Bertrand, kinked demand model ; collusive models - joint profit maxmising, market sharing and leadership cartels. Critique of neo-classical theory of firm. Theory of games - two person, zero sum game, pure and mixed strategy, saddle point solution.

Unit-II

Alternative theories of firm : Baumol's Sales maximization model (simple, static without advertisement model), Morris, Williamson, Average/ full cost pricing, Bain's limit pricing and behaviouralist model of Cyert and March.

Unit-III

Neoclassical theory of factor pricing under comparartive conditions, with monopolistic power in product market, monoposonistic power in factor market, bilateral monopoly in factor market, monopoly in factor market. Product exhaustion problem. Neoclassical theory of rent, quasi -rent, interest and profit. Issues in General Equilibrium analysis.

Unit-IV

Concept of social welfare, some early criteria, Pareto optimally criterion and efficiency conditions, Bergson's social welfare fucntion, idea of theory of second best and Arrow's impossibility theorem, compensation criterion. Market structure and welfare maximization. Market failure - case of externality and public goods and ways of correcting it.

Note :

The question paper shall have five units. Each of the first four units will contain two questions and the students shall be asked to attempt one question from each unit. Unit five shall contain eight to ten short answer type questions without any internal choice and it shall cover the entire syllabus. As such, unit five shall be compulsory.

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Salvatore, D. " Microeconomic Theory " (Schaum's Outline series, Tata Mc Graw Hill.).

Paper-VII MICROECONOMICS-II

Maximum Marks : 100
External Examination : 80
Internal Assessment : 20
Time : 3 Hrs.

Unit-I

The Demand for and supply of money : Classical Approach to Demand for Money - Quantity Theory Approach; Fisher's equilibrium; Cambrdige Quantity theory; Keynes Liquidity Approach - Transaction, Precautionary and Speculative Demand for Money, Aggregate Demand for Money; Friedman, Patinkin, Baumol and Tobin.

Determinants of money supply, High-power Money, Money Multiplier.

Unit-II

Inflation : Definition of Inflation ; Economic effects of

Inflation - The effect of Inflation on the distribution of Income and Wealth, The effect of Inflation on output, Employment and the Growth Rate; Demand side and supply side theories of inflation.

Unit-III

Inflation and unemployment : The Phillips Curve, The Inflationary Pressure Curve : Phillips Curve, Infeationary Pressure Curve and the Rate of inflation. the Phillips Curve; Trade off and Non Trade off. Adaptive Expectation and Rational Expectation, Keynesianism Vs Monetarism.

Unit-IV

Trade Cycles - Models of Samuelson, Hicks and Kaldor, Economic Growth : Harrod - Domar Model; Neo Classical Model (with money & without money). International Adjustment : The Determination of National Income in open Economy; The International Transmission of Disturbance : Transmission under Fixed Exchange Rate; Transmission under Floating Exchange rate (Mundell Fleming Model).

Note :

The question paper shall have five units. Each of the first four units will contain two questions and the students shall be asked to attempt one question from each unit. Unit five shall contain eight to ten short answer type questions without any internal choice and it shall be cover the entire syllabus. As such, unit five shall be compulsory.

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- Dorn Busch, R. and F. Stanley (1997), *Macroeconomics,* McGraw Hill, Inc. New York.

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- Peterson, W.C.(1978), Income Employment and Economic Growth, Norton, New York.
- Sheffrin, Steven M. (1996), Rational Expectations, 2nd edition, Cambridge University Press.

Paper-VIII ECONOMICS OF GROWTH AND DEVELOPMENT - II

Maximum Marks : 100
External Examination : 80
Internal Assessment : 20
Time : 3 Hrs.

Unit-I

Sectoral Aspects of development; Importance of agriculture and industry in economic development.
Role of institutions - government and markets.
Poverty - indicators and measurement.

Unit-II

Trade and development : trade as an engine of growth, two gap analysis, Prebisch, Singer and Murdal views, gains from trade and LDCs; Role of foreign Direct investment (FDI) and Multi-national corporations(MNCs) in the emerging scenario.

Unit-III

Objects and role of monetary and fiscal policies in

economics development; Choice of techniques and appropriate technology; Investment Criteria; Cost benefits analysis.

Unit-IV

Techniques of planning : Plan Models in India ; Planning in a market- oriented economy; Endogenous growth; role of education research and knowledge - Explanantion of Cross country differentials in economic development and growth.

Note :

The question paper shall have five units. Each of the first four units will contain two questions and the students shall be asked to attempt one question from each unit. Unit five shall contain eight to ten short answer type questions without any internal choice and it shall cover the entire syllabus. As such, unit five shall be compulsory.

SUGGESTED READING

- Behrman, S. and T.N. Srivasan (1995), *Handbook of Development Economics, Vol-3, Elsevier Amsterdam.*

- Chenery, H. B. et. al. (Eds.) (1974), Redistribution with Growth, Oxford University Press, Oxford.

- Higgins, B. (1959), Economic Development, W.W. Norton, New York.

- Kindleberger, C.P. (1977) Economic development (3rd Edition), Mc Graw Hill,New York.

- Todaro, M.P. *Economic Development,* Latest Edition, Longman, London.

- Thirwal, A.P. (2003), (6th Edition), *Growth and Development,* Macmillan, New York.

- Singh S.P. (ed.). From underdevelopment to Development

Paper-IX MATHEMATICS FOR ECONOMICS- II

Maximum Marks : 100
External Examination : 80
Internal Assessment : 20
Time : 3 Hrs.

Unit-I

Integration - meaning and economic interpretation. Indefinite and definite integration. Simple techniques including integration by substitution and integration by parts.

Unit-II

Differential equation - basic concepts, solution of first order linear differential equation. Non-linear differential equation - exact and variable separable type only. Linear differential equation of second order with constant coefficient and term.

Unit-III

Difference equation- basic concepts, solution of first and second order linear difference equation with constant term and coefficient.

Unit-IV

Linear Programming - Relevance and basic concepts, graphic, simplex and dual solution. Economic interpretation of dual.

Note :

1. *Purpose of the course is to learn, with understanding application of mathematical tools in economics. Derivations and proofs are to be avoided*

2. *The question paper shall have five units. Each of the first four units will contain two questions and the students shall be asked to attempt one question from each unit. Unit five shall contain eight to ten short answer type questions without any internal choice and*

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- Dowling, Edward T. "Mathematics for Economists" (Schaum's Outline Series, Tata Mcgraw Hill).

Paper-X STATISTICAL METHODS-II

Maximum Marks : 100
External Examination : 80
Internal Assessment : 20
Time : 3 Hrs.

Unit-I

Probability distribution of a random varaible, concept and use of mathematical expectation, mean and varainace of a distribution in terms of expectation, moments, density fucntions. Joint and marginal probability distributions. Binomial, Poisson and Normal distribution, properties and inter relationships, Fitting of distributions.

Unit-II

Census versus sample enumeration. Methods and types of sampling, sampling error, small and large sample, concept of an estimator and its sampling distribution; properties of a good estimator, concepts of point and interval estimation, OLS and ML estimators of regression parameters.

Unit-III

Elements of statistical Inference : Parameter and estimators, concepts of sampling distribution of a statistic, standard error, hypothesis testing, tests of significance, Type I and Type II errors, level of significance, Power of a test, z,t,chi-square and F tests.

Unit-IV

Correlation and regression; simple correlation, Pearson Spearman's correlation coefficients, multiple and partial correlation analysis, specification of a simple linear regression

model, least square estimation of linear regression coefficients, interpretation and regression coefficients and their properties.

Note :

The question paper shall have five units. Each of the first four units will contain two questions and the students shall be asked to attempt one question from each unit. Unit five shall contain eight to ten short answer type questions without any internal choice and it shall cover the entire syllabus. As such, unit five shall be compulsory.

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