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**MA AND PhD  
COURSE STRUCTURE & SYLLABUS**

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**DEPARTMENT OF ECONOMICS AND PUBLIC POLICY**

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Central University Of Himachal Pradesh  
[ESTABLISHED UNDER THE CENTRAL UNIVERSITIES ACT 2009]  
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## Explanatory Notes

**Credit Equivalent:** One credit is equivalent to or is defined as given below:

- i. 10 hours of lectures /organized classroom activity /contact hours;
- ii. 5 hours of laboratory work / practical / field work /Tutorial /teacher-led activity;
- iii. 15 hours of other workload such as independent individual/group work; obligatory/ optional work placement; literature survey/ library work; data collection/ field work; writing of papers/ projects/dissertation/thesis; seminars, etc.

### Attendance Requirements

Students are expected to attend all lectures in order to be able to fully benefit from the course. A minimum of 75% attendance is a must failing which a student may not be permitted to appear in examination.

### Evaluation Criteria

1. Mid Term Examination: 25 per cent
2. End Term Examination (External): 50 percent
3. Comprehensive Internal Assessment: 25 percent

## Semester wise courses offered

### SEMESTER II

#### Core Compulsory Courses

Course Code	Course Name	Credits
ECN 451	Macroeconomics I	4
ECN 520	Microeconomics II	4
ECN 452	Econometrics I	4
ECN 503	Development Economics	4

**One course of 2 credits from Skill Development Courses being offered by other departments**

**One course of 2 credits from Human Making Courses being offered by other departments**

### SEMESTER IV

Course Code	Course Name	Credits
ECN 408	Public Economics	4
ECN 424	Economics and Law	4
ECN 440	Evolution of Indian Economic System	4
ECN 446	Community Lab for Economics	4
ECN 513	Institutional Economics	4

## Courses for PhD

<b>Course Code</b>	<b>Course Name</b>	<b>Credits</b>
ECN: 411	Agricultural Economics	4
ECN 601	Research Methods in Quantitative Techniques	4
ECN 603	Advanced Economic theory	4

## ECN: 408 Public Economics

**Course Code:** ECN 408  
**Course Name:** Public Economics  
**Credit:** 4

### Course Objectives

- familiarize students with basic concepts of public economics.
- enable students to understand different principles and theories of public economics.
- enable students to understand changing scenario of revenue and expenditure.
- enable students to understand changing role of government in the changed economic dispensations.

### COURSE CONTENTS

#### UNIT I (10 hours)

Introduction and Background to public finance; Theoretical Tools of Public Finance; Budget Analysis and Deficit Financing: Government Budgeting, Measuring the Budgetary Position of the Government

#### UNIT II (10hours)

Externalities: Problems and Solutions: Externality Theory , Private-Sector Solutions to Negative Externalities, Public-Sector Remedies for Externalities; Externalities in Action: Environmental and Health Externalities

#### UNIT III (10 hours)

Public Goods: Optimal Provision of Public Goods, Private Provision of Public Goods, Public Provision of Public Goods; Cost-Benefit Analysis: Measuring the Costs of Public Projects, Measuring the Benefits of Public Projects; Unanimous Consent on Public Goods Levels, Mechanisms for Aggregating Individual Preferences, Representative Democracy

#### UNIT IV (15 hours)

Taxation: Types of Taxation, Measuring the Fairness of Tax Systems, Defining the Income Tax Base; The Equity Implications of Taxation; Tax Inefficiencies and Their Implications for Optimal Taxation, Taxation on savings; Fundamental Tax reform.

## UNIT V

(15 hours)

Public Expenditure: rationale for the growth of public expenditure; Wagner's law of increasing state activities, Wiseman-Peacock hypothesis; cost benefit analysis, shadow pricing, discounting and cost of capital, risk and uncertainty;

### Prescribed Text Books:

1. Gruber, Jonathan(2010) *Public Finance and Public Policy* , New York: Worth Publisher
2. Atkinson, A., and J. Stiglitz (1980) *Lectures on Public Economics*. New York, NY: McGraw Hill

### Supplementary Readings:

1. Cullis, John. And Jones. Philip, *Public Finance and Public Choice Analytical Perspectives, Third edition* , Oxford university press.
2. Musgrave, R.A. and P.B. Musgrave, *Public Finance in Theory and Practice Fifth Edition*, Tata- McGraw Hill Education Private Ltd, New Delhi.
3. Amaresh Bagchi, (2005) *Readings in Public Finance*, Oxford University Press, New Delhi.

## ECN: 411 Agricultural Economics

**Course Code:** ECN 411

**Course Name:** Agricultural Economics

**Credit:** 4

**Course objectives:**

- familiarize students with theoretical and conceptual issues in agricultural economics
- familiarize students with issues that are relevant to Indian agricultural economics
- enable students to understand and analyse problems of Indian agriculture

### COURSE CONTENTS

**UNIT I (12 hours)**

Role of agriculture in economic development, Decline in the importance of agriculture with economic growth and structural change, Production function, input-input and product-product relationships, Equilibrium of the capitalist farm and peasant family farm, Equilibrium of share-tenant farm and its efficiency.

**UNIT II (12 hours)**

Nature and Type of Risk and Uncertainty in Agriculture, Methods used by farmers and Government policies for reducing risk and uncertainty, Nature of supply and demand for agricultural products and structure of agricultural markets, Instability of agricultural prices; need and objectives of agricultural price policy, Schultzian theory and role of technological change in modernization of traditional agriculture.

**UNIT III (12 hours)**

Natural Resource Base of Indian Agriculture, Agrarian Structure in India, Agricultural growth in India since 1950-51, Capital Formation in Indian Agriculture, Agricultural Inputs (Seeds, Fertilisers, Irrigation), land reforms in India, Progress of Green revolution in India and its impact on production, rural employment and income distribution.

**UNIT IV (12 hours)**

Nature of return to scale and farm size productivity relationship in Indian agriculture, Terms of trade of agricultural sector in India since independence, Agricultural Price Policy in India, WTO & Indian Agriculture, and Trends in Agricultural Trade in the context of the reforms.



## UNIT V

(12 hours)

Agricultural Credit in India: Sources, problems and government policies since independence, Recent initiatives in improving access to credit in agriculture, Liberalization and Indian Agriculture, Contract Farming, Farmer Distress and Suicide.

### Prescribed Text Books

1. Heady, E. O. (1952) *Economics of Agricultural Production and Resource Use*, Prentice-Hall of India Pvt. Ltd, New Delhi.
2. Schultz, T. W. (1969), *Transforming Traditional Agriculture*, Lyall Book Depot, Ludhiana.
3. Himmat Singh (2001), *Green Revolution Reconsidered*, Oxford University Press, New Delhi
4. R. Cohen (1968), *The Economics of Agriculture*, Butler & Tanner Limited, Frome and London, London
5. Rao, C. H. Hanumantha (2005), *Agriculture, Food Security, Poverty and Environment*, Oxford University Press, New Delhi
6. L. S. Subba Reddy, P. Raghu Ram, T. V. Neelakanta Satry and I Bhavani Devi (2004), *Agricultural Economics*, Oxford IBh Publishing Co. Pvt. Ltd., New Delhi
7. Bhalla, G S & Gurmail Singh (2001), *Indian Agriculture: Four Decades of Development*, Sage Publication, New Delhi
8. Bhalla, G S (2007), *Indian Agriculture since Independence*, National Book Trust, India.
9. Basu, Kausik & Maertens, Annemie (Ed.) (2010), *The Concise Oxford Companion to Economics in India*, Oxford University Press.

### Supplementary Readings

1. Sharma, H. R. (1995), *Agrarian Relations in India: Patterns and Implications*, Har-Anand Publication, New Delhi.
2. Bruce F. Johnston and John W Mellor (1962), 'Role Agriculture in Economic Development' *American Economic Review*, Vol.51, No. 4, Sept, pp. 566-593
3. Sharma, H. R. (1994), 'Distribution of Landholdings in Rural India, 1953-54 to 1981-82: Implications for Land Reforms', *Economic and Political Weekly*, Vol. XXIV, No. 13, pp. A12-A25.
5. Sharma, H. R. (2010), 'Magnitude, Structure and Determinants of Tenancy in Rural India: A State Level Analysis', *Indian Journal of Agricultural Economics*, Vol. 65, No. 1, pp. 80-100

## ECN: 424 Economics and Law

**Course Code:** ECN 424

**Course Name:** Economics and Law

**Credit** 4

**Credit:** 4 (One credit is equivalent to 10 hours of lectures / organized classroom activity / contact hours; 5 hours of laboratory work / practical / field work / Tutorial / teacher-led activity and 15 hours of other workload such as independent individual/ group work; obligatory/ optional work placement; literature survey/ library work; data collection/ field work; writing of papers/ projects/dissertation/thesis; seminars, etc.)

### Course objectives:

- to develop an understanding of application of economic methodology in analysing of the law.

### COURSE CONTENTS

#### UNIT I (10 hours)

Introduction to Law and Economics: Meaning of economic analysis of the law, Efficiency vs. distribution in analysis of private law, Importance of applying economic methodology to law; Microeconomic theory and economic analysis of law; Introduction to Law and Legal Institutions: The Civil and the Common law tradition, Nature of legal disputes, Evolution of legal rules

#### UNIT II (12 hours)

Property Law: Legal concept of property, Bargaining theory, Origin of institution of property, Economic theory of property, Protection of property rights, Limits of private property (Public vs. Private goods), Rights of the owner, Distribution aspect of property, Remedies of violation of property rights

#### UNIT III (16 hours)

Tort Law: Meaning of Tort law, Economic theory of Tort liability, Computation of damages

**UNIT IV****(12 hours)**

Contract Law: Bargaining theory, Economic theory of contract enforcement, Economic analysis of Contract breach remedies, Economic interpretation of contracts, Relational Contract (long-run contracts), Remedies vs. Incentives, Formation Defences and Performance Excuses.

**UNIT V****(10 hours)**

Legal Process: Goal of the Legal Process, Why Sue?, Exchange of information, Settlement bargaining, Trial, Appeals.

**Prescribed Text Book:**

- Cooter, Robert and Thomas Ulen, (2012) Law and Economics, Sixth Edition, Addison-Wesley, Delhi.

## ECN: 440 Evolution of Indian Economic System

**Course Code:** ECN 440  
**Course Name:** Evolution of Indian Economic System  
**Credits:** 4

### Course Objectives:

- to familiarize students with different aspects of evolution of Indian economic system
- understand different policies, their rationale and implications for economic growth

### COURSE CONTENTS

#### UNIT I

**(8 Hours)**

Capitalism and Underdevelopment of the Indian Economy: British rule and exploitation of India, British rule and India's Underdevelopment. Growth and Structural change 1857-1947: Measuring and explaining change, globalization and pattern of Trade, saving and investment, public finance, balance of payments great depression

#### UNIT II

**(15 Hours)**

Agriculture: Importance, role, nature and cropping pattern; productivity and production trends; green revolution; agriculture finance and marketing; Contract Farming; Farmer distress and suicides; agriculture subsidies and food security in India. Industry Sector: role and importance, Industrial policy of 1948, 1956, 1977 and 1991; Industrial licensing policy — MRTP Act, FERA and FEMA; small and cottage Industries; micro, small and medium enterprises. Nature, causes and magnitude of poverty, and unemployment and its measurement. Human resources: Demographic dividend, mobility of population, population policy

#### UNIT III

**(15 Hours)**

Indian money market: components and characteristics; banking sector in India; financial sector reforms. Indian capital market: components and characteristics; SEBI; capital market reforms; Parallel economy and its implications. Monetary and Financial sector reforms in India

**UNIT IV****(12 Hours)**

International Trade Policies: composition and directions of India's foreign trade; factors determining the balance of payment; Disequilibrium in the balance of payment; Causes, consequences and policy measure; exchange rate policy and the convertibility of Rupee.

**UNIT V****(10 Hours)**

Planning in India: rationale, objective and evaluation of economic planning; 12<sup>th</sup> five year plan. Rationale of internal and external reforms; Globalization of Indian economy; W.T.O. and its impact on the different sectors of the economy

**Prescribed Text Books:**

1. Kaushik basu (ed.) (2004), *India's Emerging Economy: Performance and Prospects in the 1990s and Beyond*, Oxford University Press, New Delhi
2. Misra S.K. & V.K.Puri (28<sup>th</sup> Edition) *Indian Economy* – Himalaya Publication house Mumbai.
3. Roy. Tirthankar (2011) *The Economic History of India 1857-1947* , Oxford University Press, New Delhi.
4. Government of India, Economic Survey (Annual), Ministry of Finance, New Delhi
5. Economic and Political Weekly (Various Issues)

**Supplementary Readings:**

1. Ahluwalia, I J (Eds.) (1998), *India's Economic Reforms & Development* (Essays in Honour of Manmohan Singh), Oxford University Press, New Delhi
2. Jalan B (1992), *The Indian Economy-Problems and Prospects*, Viking, New Delhi Publication, Calcutta.
3. Rudra Dutt and K.P.M. Sundram (2009), *Indian Economy*, S. Chand, New Delhi.
4. Dhingra, I. C. (2001), *The Indian Economy : Environment and Policy*, Sultan Chand & Sons, New Delhi.
5. Rangarajan, C (1998) *Indian Economy: Essays on Money and Finance*, UBS, New Delhi.
6. Chelliah Raja J. (1996), *Towards Sustainable Growth- Essays in Physical and Financial Sector Reforms in India*, Oxford University Press, New Delhi.
7. Kaushik basu (ed.) (2004), *India's Emerging Economy: Performance and Prospects in the 1990s and Beyond*, Oxford University Press, New Delhi.

## ECN: 446 Field Work and Report Writing

**Course Code:** ECN 446

**Course Name:** Field Work and Report Writing

**Credits:** 4

### Objectives:

- to enable students to raise researchable issues, form objectives and prepare questionnaire for primary survey.
- to equip students with basic skills of data collection and data analysis.
- to develop the analytical and report writing skills of the students.

### Division of Marks

1. Assessment of Student's performance during Data Collection & analysis	25
2. Mid-Term appraisal of the research work*	25
3. Evaluation of the Research Report	25
4. Viva-Voce Examination**	25
<b>Total Marks = 100</b>	

\* Mid-Term appraisal of the research work shall be done during Mid-Term examinations where students shall be sharing experiences and observations on their field survey.

\*\* Viva-Voce examination shall be taken by an external examiner towards the end of the semester.

### The Format of the Final Report

The report shall be written by each student based on data collected from the field through a detailed schedule approved by the course instructors and its analysis as per the objectives of the problem. The following is the proposed format for the field work report.

#### Chapter-1: Introduction

- Nature & Rationale of the proposed Problem
- Research issues, Hypothesis and Objectives
- Data and Methodology

##### I. Sample Selection

## II. Analytical Tools

### Chapter-2: Literature Review

- Review of the related studies
- Gaps/Researchable issues

### Chapter-3: Results and Discussions

### Chapter-4: Conclusion and Recommendation

- Summary of the report
- Policy Implications

# ECN: 451 Macroeconomics I

**Course Code:** ECN 451

**Course Name:** Macroeconomics I

**Credits:** 4

**Course Objectives:**

- Introduce basic concepts on macroeconomics
- Enable students understanding functioning of the macro economy
- Developing critical skills to understand the implications of macroeconomic policies

## COURSE CONTENTS

### UNIT I

**(10 Hours)**

Evolution of Macroeconomics, Schools in Macroeconomics; Basic models of Macroeconomics; National income: concepts and measurement. Macroeconomic Theories of Consumption: Relative income, Permanent income, Life cycle income hypotheses and Hall Approach. Role of liquidity constraint and Pigou effect and real balance effect on consumption demand

### UNIT II

**(15 Hours)**

Macroeconomic Theories of Investment: The Keynesian approach, Accelerator theory, Neo-classical theory of investment, Tobin's Q theory of investment. The Demand for Money: Keynesian approach, Baumol and Tobin's contribution and Friedman's restatement of quantity theory of money. The neutrality of money

### UNIT III

**(15 Hours)**

Derivation, properties and shifts in IS and LM curves and simultaneously equilibrium in the goods and money market. Effects of monetary and fiscal policies under different cases in IS and LM framework including derivation of aggregate demand curve.

Demand and supply of labour: The Classical and Keynesian views. Keynesian and Classical model of income determination. Wage price flexibility. Expectations and aggregate supply curve. The classical and Keynesian dichotomies and their resolution by Patinkin's real balance effect and through IS-LM model respectively. Monetary, fiscal and Income Policies. Rational expectations hypothesis; Rational Expectations and demand policy and policy ineffectiveness proposition



#### **UNIT IV**

**(10 Hours)**

Inflation; Theories of Inflation: Demand-pull and cost-push inflation; short and long-run Phillips curve analysis; Expectation Augmented Philips curve. Wages, prices and productivity. The Keynesian, the monetarist and the rational expectations analysis

#### **UNIT V**

**(10 Hours)**

Keynesian and monetarist perspectives on monetary, fiscal and income policies. Stabilization policies: Rules vs. Discretion: lagged effects of policies and role of expectations. Crowding out effect and government budget constraint. Rational expectations and effectiveness of stabilization policies.

#### **Prescribed Text Books:**

1. Branson, W.H., (2005), *Macro-Economic Theory and Policy*, East-West Press Private Limited, New Delhi.
2. Dornbusch, R. and S. Fischer (2005) *Macroeconomics*, 4<sup>th</sup> Edition, McGraw-hill Education Private limited, New Delhi.
3. Blanchard, Oliver (2007), *Macroeconomics*, Pearson Education, New Delhi.
4. Shapiro, Edward (1984), *Macroeconomic Analysis*, Galgotia Publication, New Delhi

#### **Supplementary Readings:**

1. Errol D Souza (2012), *Macroeconomics*, Pearson, New Delhi, New York.
2. Rakshit, M. (1998), *Studies in Macroeconomics in Developing Countries*, Oxford University Press, New Delhi
3. Andrew B. Abel, Ben S Bernake and Dean Croushore(2011), *Macroeconomics*, Indian Edition, Pearson.New Delhi, New York
4. Richard T. Froyen (2012), *Macroeconomics: Theories and Policies*, Pearson.

## **ECN: 452 Econometrics I**

**Course Code:** ECN 452

**Course Name:** Econometrics I

**Credits:** 4

### **Course objectives:**

- to familiarize students with the econometrics theory;
- to enable students to understand applications of basic econometric methods.

### **COURSE CONTENTS**

#### **UNIT I (15 Hours)**

Introduction: Meaning and rationale of Econometric as a separate discipline, Methodology, Types of Econometrics, Nature and Sources of Data used in Econometric Analysis. Functional Forms of Regression Models. Estimation of the Two Variable and Multiple Regression Models with the Method of Ordinary Least Squares (OLS); BLUE Properties and Testing of Hypothesis, Maximum Likelihood Estimation (MLE).

#### **UNIT II (10 Hours)**

Nature, Consequences, Detection & Remedial Measures for the problems of: Multicollinearity, Heteroscedasticity and Autocorrelation.

#### **UNIT III (10 Hours)**

Specification Errors, Tests of Specification and Misspecification, Errors of Measurement, Encompassing. Models and Criteria for Model Selection. Dummy Variables: Introduction and Uses [as independent variables].

#### **UNIT IV (15 Hours)**

Distributed Lag and Autoregressive Models: Introduction and Nature of Distributed Lag (DL) & Autoregressive (AR) Model. Koyck Approach for Estimation of DL & AR Models Rationalization of Koyck Approach by Adaptive Expectation and Partial Adjustment Hypothesis; Almon's Polynomial Approach

**UNIT V [for assignment only]****(10 Hours)**

Estimation of Regression Models using Standard Statistical/Econometric Packages [SPSS/E-View/STATA/Gretl/R]\*. Interpretation of Estimates and Hypothesis Testing. Testing for and redressal of Multicollinearity, Heteroscedasticity, Autocorrelation using Computer Techniques.

**\* Note: Choice of the software shall be based on availability.**

**Prescribed Text Books:**

1. Dougherty, Christopher (2011) *Introduction to Econometrics 4<sup>th</sup> Edition*. New York: Oxford University Press.
2. Koutsoyiannis, A. (1977). *Theory of Econometrics*. Macmillan Publishers
3. Wooldridge, Jeffrey M. (2010) *Econometric Analysis of Cross Section and Panel Data 2<sup>nd</sup> Edition*. MIT Press.
4. Greene, W.H. (2003), *Econometric Analysis*, fifth edition, Pearson Education Inc.

**Supplementary Readings:**

1. Goldberger, A. S. (1998). *Introductory Econometrics*. Cambridge: Harvard University Press.
2. Hill, R. Carter, William E. Griffiths and Guay C. Lim (2011) *Principles of Econometrics 4<sup>th</sup> Edition*. Wiley.
3. Hsiao, Cheng (2002). *Analysis of Panel Data*. Cambridge University Press.
4. Mukherjee, Chandan, Howard White and Marc Wuyts (1998) *Econometrics and Data Analysis for Developing Countries*. New York: Routledge.
5. Gujarati, Damodar N. (2002). *Basic Econometrics 4<sup>th</sup> Edition*. McGraw Hill
6. Maddala, G. S. (2005). *Introduction to Econometrics*. New Delhi: Wiley India Pvt. Ltd.

## **ECN: 453 Development Economics**

**Course Code:** ECN 453

**Course Name:** Development Economics

**Credits:** 4

**Course Objectives:**

- to familiarize students with basic concepts of growth and development.
- to understand different strategies and models of economic growth & development.
- to understand various issues related to development.

### **COURSE CONTENTS**

**UNIT I (10 Hours)**

The Concept Economic Development, The Development Imperative, Measuring Economic Growth & Development, Historical Perspective of Development, The Roots of Development Theory

**UNIT II (15 Hours)**

Classical Theories (Adam Smith, Malthus, Ricardo, Marx), Neoclassical model of Solow and Swan

**UNIT II (12 Hours)**

Endogenous Growth Theories and New Strategies for Development, Theory of Big-Push, Balanced and Unbalanced Growth, Growth with unlimited labor supplies, Stages of Growth Theory

**UNIT IV (13 Hours)**

Initial Structural Transformation and Industrialization Process, Agriculture and Development

**UNIT V (10 Hours)**

Population, Education, and Human Capital; Technology and Development; The International Monetary Fund, The World Bank, and Foreign Aid

### **Prescribed Text Books**

1. Barro, Robert J. and Martin, Xavier Sala I (2009). *Economic Growth*, 2<sup>nd</sup> Edition, PHI Learning Private Ltd., New Delhi.
2. Chenery Hollis and Srinivasan, T.N. (1988). *Handbook of Development Economics (eds) Volume 1*, North Holland Publications.
3. Cypher, James M. and Dietz, James L (2009). *The Process of Economic Development*, 3<sup>rd</sup> Edition, Routledge, Oxon.

### **Supplementary Reading:**

1. Basu, Kausik (1998), *Analytical Development Economics*, Oxford India Paperbacks, New Delhi.
2. Ghatak, Subrata (2003). *Introduction to Development Economics*, 4<sup>th</sup> Edition, Routledge Taylor & Francis Group.
3. Higgins, B. (1966), *Economic Development*, Central Book Depot, Allahabad.
4. *Journal of Development Economics*.
5. Sen, Amartya (1999), *Development vs. Freedom*, Oxford University Press, London.
6. Thirwall, A. P. (2006). *Growth and Development with Special Reference to Developing Economies*, 8<sup>th</sup> Edition, Palgrave Macmillan, New York.
7. Todaro, M. P. and Smith, S. C. (2003). *Economic Development*, Pearson Education Limited, New Delhi.

## ECN: 513 Institutional Economics

**Course Code:** ECN 513

**Course Name:** Institutional Economics

**Credit** 4

### Course objectives:

- to enable students to understand the role of institutions in individual decision making.
- to develop an understanding of the economic implications of various institutional structures.

### COURSE CONTENTS

#### **UNIT I (10 hours)**

Meaning of institutions, Measuring institutions, Types of institutions (Public-order vs. Private-order institutions)

#### **UNIT II (12 hours)**

Old and New Institutional economics, Property right theory, Contract theories, Transaction cost theory, Private governance structure: Market, Firm

#### **UNIT III (16 hours)**

The social capital school, Historical roots of informal institutions, Connecting formal and informal institutions

#### **Unit- IV (12 hours)**

Institutional change, Institutions and development

#### **Unit- V (10 hours)**

Public interest theory, Interest Group theory, Institutional Failure: Cause of corruption, Impact of corruption, Failed states, Rent-seeking, Regulatory capture

### Prescribed Text Book:

1. Groenewegen, John, Antoon Spithoven and Annette Van den Berg (2010), "Institutional Economics: An Introduction", Palgrave Macmillan
2. North, Douglass (1990), "Institutions, Institutional Change and Economic Performance", Cambridge University Press, New York
3. Menard, Claude & M. Shirley, Mary. (2008). "Handbook of New Institutional Economics". Springer, Berlin

### Recommended Readings:

1. Acemoglu, Daron and Simon Johnson. 2005. Unbundling institutions. *Journal of Political Economy* 113: 949–997.
2. Acemoglu, Daron, Simon Johnson and James A. Robinson. 2005. Institutions as a fundamental cause of long-run growth. In Philippe Aghion and Stephen N. Durlauf (Eds.), *Handbook of economic growth: volume 1A* (pp. 385–472). Amsterdam: Elsevier.
3. Baumol, William J. 1990. Entrepreneurship: Productive, unproductive, and destructive. *Journal of Political Economy* 98: 893–921.
4. Bjørnskov, Christian. 2008. The Growth-Inequality Association: Government Ideology Matters. *Journal of Development Economics* 87: 300-308.
5. Bjørnskov, Christian. 2010. How does Social Trust Lead to Better Governance? *Public Choice*, 144(1/2): 323-346.
6. Boix, Carles and Daniel N. Posner. 1998. Social capital: explaining its origins and effects on government performance. *British Journal of Political Science* 28: 686-695.
7. Brinkerhoffer, Derick. 2005. Rebuilding Governance in Failed States and Post-Conflict Societies: Core Concepts and Cross-Cutting Themes. *Public Administration and Development* 25: 3- 14.
8. Dreher, Axel, Christos Kotsogiannis and Steve McCorriston. 2007. Corruption around the World: Evidence from a Structural Model. *Journal of Comparative Economics* 35: 443-466.
9. Foreign Policy. 2005. The Failed States Index 2009. *Foreign Policy* 173: 80-83.
10. Gerring, John. 1997. Ideology: A Definitional Analysis. *Political Research Quarterly* 4: 957-994.
11. Greif, Avner. 1989. Reputations and Coalitions in Medieval Trade: Evidence on Maghribi Traders. *Journal of Economic History* 49, 857-882.
12. Guiso, Luigi, Paola Sapienza and Luigi Zingales. 2008. Long Term Persistence. NBER Working Paper 14278.

13. Kaufmann, Daniel, Aart Kraay and Pablo Zoido-Lobaton. 1999. Aggregating Governance Indicators. World Bank Policy Research Department Working Paper No. 2195.
14. Kingston, Christopher and Guillermo Caballero. 2009. Comparing theories of institutional change. *Journal of Institutional Economics* 5: 151-180.
15. Knack, Stephen and Laura Langbein, 2010, The worldwide governance indicators and tautology: six, one, or none? *Journal of Development Studies* 46: 350-370.
16. Mauro, Paolo. 1995. Corruption and Growth. *Quarterly Journal of Economics* 110: 167-195.
17. Méon, Pierre-Guillaume, Khalid Sekkat and Laurent Weill. 2009. Institutional Changes Now and Benefits Tomorrow: How Soon Is Tomorrow? *Economics & Politics*.
18. Munck, G.L. and J. Verkuilen, 2002, Conceptualizing and Measuring Democracy: Evaluating Alternative Ideas, *Comparative Political Studies* 35, 1: 5-34.
19. Rodrik, D., Subramanian, A., & Trebbi, F. (2004). Institutions rule: The primacy of institutions over geography and integration in economic development. *Journal of Economic Growth*, 9(2), 131–165.
20. North, Douglass. 1991. Institutions. *Journal of Economic Perspectives*, 5(1): 97-112.
21. North, Douglass and Barry Weingast. 1989. Constitutions and commitment: The evolution of institutions governing public choice in seventeenth-century England, *Journal of Economic History* 49: 803-832.
22. Nunn, Nathan and Leonard Wantchekon. 2008. The Trans-Atlantic Slave Trade and the Evolution of Mistrust in Africa: An Empirical Investigation. AfroBarometer Working Paper 100.
23. Putnam, Robert. 1993. *Making Democracy Work*. Princeton University Press, Princeton.
24. Rodrik, Dani, Arvind Subramanian and Francesco Trebbi. 2004. Institutions rule: The primacy of institutions over geography and integration in economic development. *Journal of Economic Growth* 9: 131–165.
25. Treisman, Daniel. 2000. The Causes of Corruption: A Cross-National Study. *Journal of Public Economics* 76: 399-457.
26. Williamson, Oliver E. 2000. The New Institutional Economics: Taking Stock, Looking Ahead. *Journal of Economic Literature* 38: 595-613.
27. Zak, Paul and Stephen Knack. 2001. Trust and Growth. *The Economic Journal* 111: 295-321.
28. Spiller, Pablo and Sanny Liao (2008), "Buy, Lobby or Sur: Interest Groups' Participation in Policy Making: A Selective Survey", in Brousseau, Eric and Jean-Michael Glachant (eds.), *New Institutional Economics: A Guidebook*, Cambridge: Cambridge University Press.



## ECN: 520 Microeconomics II

**Course Code:** ECN 520

**Course Name:** Microeconomics II

**Credits:** 4

### Course Objectives:

- familiarize students with the advanced topics in microeconomics.
- exposing students to general equilibrium and welfare economics.
- introducing game theory to students

### COURSE CONTENTS

#### UNIT I (12 Hours)

Games, Rules of the Game, Extensive Forms and Strategic or Normal Form of Game, Morgenstern Utility Function, Some Examples, Strategic Form Games and its Case Study on Art Auction, Dominance Strategy Solution, Dominance Solvability

#### UNIT II (15 Hours)

The Concept and Examples of Nash Equilibrium, Cournot Model and Its Nash Equilibrium, Variants of Nash Equilibrium and Stackelberg Model, The Commons Problem, Definition and Examples of Mixed Strategy, Mixed Strategy and Pure Strategy, Mixed Strategy and Bluffing, Mixed Strategy and Nash Equilibrium, Application of Mixed Strategies (Natural Monopoly and Bankruptcy Law), Zero-Sum Games

#### UNIT III (10 Hours)

Introduction to Welfare Economics, Pigovian Approach, Pareto Optimal Conditions, Two Fundamental Welfare Theorems, Social Welfare Function, Welfare Criteria-Kaldor, Hicks, Scitovsky, Bergson-Samuelson, Gorman's Intransitivity Problem

#### UNIT IV (13 Hours)

Factors for Sub-Optimal Welfare- Market Failure, Imperfect Competition, Natural Monopoly, Imperfect Knowledge, Uncertainty, Non-existent and Incomplete Market, Externality and its Types, Coase Theorem, Scitovsky Contour for Public Goods, Inefficient Provision for Public Goods, Lindahl Formula, Theory of Second Best, Arrow's Impossibility Theorem, Rawl's Theory of Justice, Equity-Efficiency Trade-Off

**Unit-V****(10 Hours)**

Pure Exchange Model, Walrasian Equilibrium, Brouwer's Fixed Point Theorem, Mechanism for Attaining Walrasian Equilibrium-Stability and Uniqueness, Competitive Equilibrium and Pareto Efficiency

**Prescribed Text Book**

1. Dutta, Prajit K. (1999) *Strategies and Games: Theory and Practice*, MIT Press, Cambridge.

**Supplementary Readings:**

1. Mas-colell, Andreu, Michael D. Whinston, Jerry R. Green (2006) *Microeconomic Theory*, Oxford University Press, New Delhi.
2. Varian Hal R (2009), *Microeconomic Analysis, 3<sup>rd</sup> edition*, W.W. Norton, NewYork
3. Materials Provided by the teacher on Welfare Economics and General Equilibrium

# ECN 601: Research Methods in Quantitative Techniques

**Course Code:** ECN 601

**Course Name:** Research Methods in Quantitative Techniques

**Credits:** 4

## Course Objectives:

The course shall help the students to:

- develop a theoretical understanding of research methodology
- acquire the skills for social science research
- acquire the skills for data analysis and research writing

## COURSE CONTENT

### UNIT I (10 Hours)

Quantitative and Qualitative research, Science and social science research, Scientific research, Philosophy of science and research paradigm, Ethical issues in research.

### UNIT II (15 Hours)

Formulation of research problem, and Hypothesis, Logic of inquiry, Research proposal and literature review.

### UNIT III (15 Hours)

Methods of data collection, Problems in data collection, Data processing, and ethical issues in data collection.

### UNIT IV (10 Hours)

Tabulation ,diagrammatical representation and analyses, Measurement and scaling techniques, Index and scales, Univariate, Bivariate and multivariate data analysis.

### UNIT V (10 Hours)

Statistical estimation and hypothesis testing, Cross sectional, times series and panel data analysis , Scientific writing.

## Prescribed Text Books:

1. Babbie, Earl (2014). *The Practice of Social Research, 13<sup>th</sup> Edition*. Rawat Publications, Jaipur.

2. Ahuja, Ram (2001). *Research Methods*, Rawat Publications, Jaipur.
3. Kumar, Ranjit (2014). *Research Methodology: Step-by-Step Guide for Beginners*. Sage Publication India Pvt Ltd.

**Supplementary Texts:**

1. Neuman, Lawrence W. (2006) *Social Research Methods: Quantitative and Qualitative Approaches, Sixth edition*. New Delhi: Pearson Education.
2. Field, Andy (2014). *Discovering Statistics Using IBM SPSS Statistics, 4<sup>th</sup> Editions*. Sage Publications India Pvt Ltd, New Delhi.

## ECN 603 : Advanced Economic Theory

**Course Code:** ECN 603

**Course Name:** Advanced Economic Theory

**Credit:** 4

**Credit:** 4(One credit is equivalent to 10 hours of lectures / organized classroom activity / contact hours; 5 hours of laboratory work / practical / field work / Tutorial / teacher-led activity and 15 hours of other workload such as independent individual/ group work; obligatory/ optional work placement; literature survey/ library work; data collection/ field work; writing of papers/ projects/dissertation/thesis; seminars, etc.)

### Course objectives:

- to familiarize the students with advancements in economic theory.

### COURSE CONTENTS

#### UNIT I (10 hours)

Economics of Search: Search costs. Information failure and missing markets. Asymmetric Information: The market for Lemons. Adverse selection: Insurance Markets. Market Signaling. The Problem of Moral Hazard. The Principal-Agent Problem

#### UNIT II (12 hours)

Economic growth and income distribution

#### UNIT III (16 hours)

Human Capital in the Neoclassical Growth Model

#### UNIT IV (12 hours)

Economic Growth and Technological change

## Institutions and Economic Growth

**Suggested Readings:**

- Akerlof, George A. (1970). "The Market for 'Lemons': Quality Uncertainty and the Market Mechanism" *Quarterly Journal of Economics*. 84 (3): 488–500.
- Arrow, Kenneth J. (1963). "Uncertainty and the Welfare Economics of Medical Care" *American Economic Review*. 53 (5): 941–973.
- Jensen, Michael C. and William H. Meckling. (1976). "Theory of the firm: Managerial behavior, agency costs and ownership structure" *Journal of Financial Economics*, 3(4): 305–360
- Michael Spence (2002). "Signalling in Retrospect and the Informational Structure of Markets" *American Economic Review*. 92 (3): 434–459.
- Spence, Michael (1973). "Job Market Signalling" *Quarterly Journal of Economics*. 87 (3): 355–374.
- Ravallion, M. (2013) "The Idea of Antipoverty Policy" NBER Working paper 19210
- Jones, C. (1997) "On the Evolution of the World Income Distribution" *Journal of Economic Perspectives*
- Sala-i-Martin, X. (2006) "The World Distribution of Income: Falling Poverty and convergence, period", *Quarterly Journal of Economics*
- Bourguignon, F. and C. Morrisson (2002) "Inequality among World Citizens: 1820-1992" *American Economic Review*.
- Dollar, David and Kraay, Aart, (2002) "Growth Is Good for the Poor," *Journal of Economic Growth*
- Lucas, R. (1990), "Why Doesn't Capital Flow from Rich to Poor Countries" *American Economic Review*
- Mankiw, G, D. Romer and D. Weil (1992) "A Contribution to the Empirics of Economic Growth" *Quarterly Journal of Economics*
- Lucas, R. (1988) "On the Mechanics of Economic Development" *JME*
- Bosworth, B. and S. Collins (2008), "Accounting for Growth: Comparing China and India" *Journal of Economic Perspectives*.
- Solow R. (1994) "Perspectives on Growth Theory" *Journal of Economic Perspectives*.
- Romer, P. (1994) "The Origins of Endogenous Growth" *Journal of Economic Perspectives*.
- Murphy, K., A. Shleifer and R. Vishny (1989) "Industrialization and the Big Push" *Journal of Economic Perspectives*.

- Grossman, G. and E Helpman (1994) "Endogenous Innovation in the Theory of Growth" *Journal of Economic Perspectives*.
- Romer, P. (1986) "Increasing Returns and Long-Run Growth" *Journal of Economic Perspectives*.
- Irwin, D. and P. Klenow (1994) "Learning-by-doing Spillovers in the Semiconductor Industry" *Journal of Economic Perspectives*.
- Olson, M. (1996) "Big Bills Left on the Sidewalk: Why Some Nations are Rich, and Others Poor" *Journal of Economic Perspectives*.
- Hall, R. and C. Jones (1999) "Why Do Some Countries Produce So Much More Output per Worker than Others?" *Quarterly Journal of Economics*
- Acemoglu, D., S. Johnson and J. Robinson (2001) "The Colonial Origins of Comparative Development: An Empirical Investigation" *American Economic Review*.
- Acemoglu, D., S. Johnson and J. Robinson (2002) "Reversal of Fortune: Geography and Institutions in the Making of the Modern World Income Distribution" *Quarterly Journal of Economics*.
- Acemoglu, D., S. Johnson and J. Robinson (2004) "Institutions as the Fundamental Cause of Long-Run Growth" NBER
- Easterly, W. (2008) "Institutions: Top Down or Bottom Up?" *American Economic Review*.
- Henry, P.B. and C. Miller (2009)"Institutions versus Policies: A Tale of Two Islands," *American Economic Review*.