DEPARTMENT OF ECONOMICS

COURSE CATALOGUE

MA ECONOMICS

SEMESTER III

2019-20

Central University Of Himachal Pradesh
[Established under the Central Universities Act 2009]
PO Box: 21, Dharamshala, District Kangra - 176215
(HP)www.cuhimachal.ac.in

Contents

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.

Credit Requirement
For completing MA degree programme the student is required to accumulate 80 credits. The distribution of credits is as follows:

Course Type		Credit Required
Core courses	Compulsory (50%)	40
	Open (15%)	12
Elective courses	Specialization (20%)	16
	Open Elective (5%)	4
Foundation courses		
	Human making (5%)	4
	Skill development (5%)	4
Total credit requirement (100%)		80

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   I

Course Code Teacher(s)	Course Name	Credits	
ECN: 403	Statistical Methods	4	AKB
ECN: 450	Microeconomics I	4	HRS
ECN: 404	Mathematics for Economists*	4	
AKB			
	or		
ECN: 523	Mathematical Optimization**	4	IVS
ECN 502	History of Economic Thought	4	KS

*Offered for those students who have not studied mathematics in graduation
**Offered for those students who have studied mathematics in graduation

SEMESTER   III

Course Code Teacher(s)	Course Name	Credits	
ECN 440	Evolution of Indian Economic System	4	KS
ECN 423	International Economics	4	KS
ECN 455	Research Methodology for Social Sciences	4	AKB
ECN 521	Macroeconomics II	4	IVS
ECN 522	Econometrics II	4	IVS

FOUNDATION COURSES
Human Making Course

Course Code Teacher(s)	Course Name	Credits	
ECN 449	Issues in Economic Development	2	KS

Skill Development Course

Course Code	Course Name	Credits	
ECN 445	Basic Terms and Concepts in Economics	2	KS

NOTE: HRS- Prof. HR Sharma; AKB- Dr. Amit Kumar Basantaray; KS- Mr. Kamal Singh; IVS- Dr. Indervir Singh

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; 12th 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 (28th 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.
8. गुसा, बी. ल. *भारत का आर्थिक इतिहास*, हरियाणा ग्रन्थ अकादमी, पंचकूला

ECN 423 International Economics

Course Code: ECN 423
Course Name: International Economics
Course Credit: 4

Credits Equivalent: 4 Credits (One credit is equivalent to 10 hours of lectures / organised 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:

- Familiarize students with basic concepts of international economics
- Enable students understand different principles and theories of international trade
- Enable students understand the impact of different trade policies and their implications towards economic growth
- Enable students analyse issues related to Indian trade both in goods and services

COURSE CONTENT

Unit-I: Introduction and Theories of International Trade (12 hours)

Introduction to International Economics; Trade : Inter– regional and International ; Gains from Trade; The Pure Theory of International Trade: Theories of absolute advantage, Comparative advantage and opportunity costs; Heckscher -Ohlin theory of trade and Leontief paradox; Factor price equalization theorem and Stopler-Samuelson Theorem; The Rybczynski Theorem and Immiserising growth

Unit-II New Approaches to International Trade (12 hours)

News approaches to trade theory the Product cycle and economies of scale theory; Causes of emergence and measurement of intra-industry trade; Economies of scale; imperfect competition and international trade

Unit-III Tariffs, Economic Integration and Custom Union (12 hours)

Theory of Tariffs: Effects of tariffs on balance of payments, terms of trade, national income, consumption, output and income distribution; Emergence of and the political economy of Non-tariff barriers; Optimum and effective rate of tariffs; Forms of economic integration: The Theory of customs union.

Unit-IV Balance of Payment and Exchange Rate (12 hours)

Concepts and components of balance of payments, dis-equilibrium in the balance of payments; The process of adjustment in the Balance of Payments under Gold Standard,

fixed exchange rate and flexible exchange rate systems; Elasticity and absorption approaches to balance of payments; Monetary and fiscal measures for adjustment in balance of payments dis-equilibrium ; Monetary approaches to the balance of payments; Foreign trade multiplier with and without foreign repercussions.

Unit-V International Economic Institutions **(12 hours)**

International Monetary system; Role of Multinational corporations in developing countries with special reference to India ; International economic institutions; Functions and achievements WTO , IMF ,ADB and SAARC; Globalization and Anti-Globalization

Text Books
1. Paul, R. Krugman& Maurice Obstfeld (2000), International Economics: Theory and Policy (5th ed.), Addison-Wesley, Longman, Pearson Education.
2. Sodersten, B.O. and Geoffrey Reed (3rded.) (1999), International Economics, The Macmillan Press Ltd. London.
3. Salvatore, D. (1996), International Economics, Prentice Hall, New York

ECN 455 Research Methodology for Social Sciences

Course Code: ECN 455
Course Name: Research Methodology for Social Sciences
Course Credit: 4

Credit Equivalent: 4 Credits (One credit is equivalent to 10 hours of lectures / organised 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 CONTENT

Unit-I   **(10 Hours)**
Science and Social Research (Introduction, Foundations of Social Science, Some Dialectics of Social Research; Scientific Research (Characteristics, Types, and Methods); Concepts, Constructs, Variables, and Types of Measurement Scale

Unit-II   **(15 Hours)**
Formulation of Research Problem (Reviewing Literature, Identification of Research Gap, Research Problem); Hypothesis (Types, Characteristics, Sources, Functions, Testing, and Criticisms); Logic of Inquiry

Unit-III   **(15 Hours)**
Selection of Research Topic (Sources, Focus, Operationalizing Concepts, and Formulating Research Questions); Research Design (Meaning, Goals, Phases, and Types); Research Proposal; Sampling (Meaning, Purpose, and Types)

Unit-IV   **(10 Hours)**
Techniques of Data Collection (Questionnaire, Interview Schedule, Interview, Observation, Case Study, Content Analysis, and Projective Techniques)

Unit-V   **(10 Hours)**
Data Processing; Tabulation; Diagrammatic Representation and Analysis; Measurement and Scaling Techniques; Theory Building (Models, Paradigms and Theories); Statistical Techniques.

Prescribed Text Books:
1. Babbie, Earl (2014). The Practice of Social Research, 13th 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 Readings:

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, 4th Editions. Sage Publications India Pvt Ltd, New Delhi.

ECN 521 Macroeconomics II

Course Code: ECN 521
Course Name: Macroeconomics II
Course Credit: 4

Credits Equivalent: 4 Credits (One credit is equivalent to 10 hours of lectures / organised 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 Content

Unit – I **(10 Hours)**

Business Cycles I:- Samuelson's Model, Hicks and Goodwin's Model, Austrian Business Cycle Theory.

Unit-II **(10 Hours)**

Business Cycles II:- Monetarists Interpretation of Business Cycles; Real Business Cycle Theory: A Baseline Real Business Cycle Model, Household Behavior, A Special Case of the Model, Solving the Model in the General Case, Empirical Applications of Real Business Cycle Model

Unit-III **(12 Hours)**

Nominal Rigidity:- Exogenous Nominal Rigidity: A Baseline Case: Fixed Prices; Price and Wage Rigidity; Departures from Perfect Competition in the Goods and Labour Markets; Usable Model with Exogenous Nominal Rigidity

Unit-IV **(15 Hours)**

Microeconomic Foundations of Incomplete Nominal Adjustment: Model of Imperfect Competition and Price Setting; Real Rigidity; Coordination Failure Models and Real Non-Walrasian Theories; Taylor model; Lucas Imperfect Information Model, policy ineffective theorem; Caplin-Spulber Model.

Unit-V **(12 Hours)**

Dynamic Stochastic General-Equilibrium Models of Fluctuations:- Dynamic New Keynesian Models; Predetermined Prices: The Fischer Model; Fixed Prices: The Taylor

Model; The Calvo Model and the New Keynesian Phillips Curve; State-Dependent Pricing; Models of Staggered Price Adjustment with Inflation Inertia.

Prescribed Text Books:

1. Romer, David. 2011. *Advanced Macroeconomics, 4th edition*, McGraw-Hill Higher Education.

2. Blanchard, Olivier Jean, Fischer Stanley. 1989. *Lectures on Macroeconomics*, MIT Press, London

3. Knoop, Todd A. 2010. R*ecessions and Depressions: Understanding Business Cycles, 2nd edition*, Praeger, Westport, CT

4. Hayek, F. A. 1933. Monetary Theory and the Trade Cycle. Sentry Press, New York. [URL: https://mises.org/library/monetary-theory-and-trade-cycle-0]

Supplementary Readings

1. Alvarez, F., and R. Shimer. 2011. "Search and Rest Unemployment." Econometrica, 79(1) p. 75–122.

2. Bernanke, B., and M. Gertler, 1989, "Agency costs, net worth, and business fluctuations." American Economic Review, 79, p. 14-31.

3. Burnside, C., Eichenbaum, M., and S. Rebelo, 1993. "Labor Hoarding and the Business Cycle." Journal of Political Economy, 101, p. 245-273.

4. Faig, M., and Z. Li, 2009. "The Welfare Costs of Expected and Unexpected Inflation." Journal of Monetary Economics, 56(7), p. 1004-1013.

5. Greenwald, B. and J. Stiglitz, 1993. "Financial market imperfections and business cycles." Quarterly Journal of Economics, 108, p. 77-114.

6. Greenwood, J., Hercowitz, Z. and G. W. Huffman, 1988. "Investment, Capacity Utilization, and the Real Business Cycle." American Economic Review, 78: 402-417.

7. Hall, R. 2005. "Employment Fluctuations with Equilibrium Wage Stickiness." American Economic Review, 95(1) p. 50–65.

8. Hansen, G. D., 1985. "Indivisible Labor and the Business Cycle." Journal of Monetary Economics, 16, p. 309-327.

9. Kiyotaki, Nobuhiro. and John H. Moore, 1997. "Credit cycles." Journal of Political Economy, 105, p. 211-248.

10. Kydland, F. E. and E. C. Prescott, 1982. "Time to Build and Aggregate Fluctuations." Econometrica, 50, p. 1345-1370.

11. Lagos Ricardo, and Randall Wright, 2005. "A Unified Framework for Monetary Theory and Policy Analysis," Journal of Political Economy, 113(3): 463-484.

12. Ljungvist, Lars and Thomas J. Sargent, 2004. Recursive Macroeconomic Theory, MIT

13. Long, J. B. and C. I. Plosser, 1983. "Real Business Cycles." Journal of Political Economy, 91, p. 39-69.

14. Lucas, R. E. Jr., 1972. "Expectations and the Neutrality of Money." Journal of Economic Theory, 4, p. 103-124.

15. Lucas, R. E. Jr., 1973. "Some International Evidence on Output-Inflation Tradeoffs." American Economic Review, 63, p. 326-334.

16. Lucas, R.E., 1978. "Asset prices in an exchange economy." Econometrica, 46, p. 1429-1445.

17. Mehra, R. and E.C. Prescott, 1985. "The equity premium: a puzzle," Journal of Monetary Economics, 15, p. 145-161

18. Shimer, R. 2012. "Reassessing the Ins and Outs of Unemployment." Review of Economic Dynamics 15(2) p. 127–48.

19. Stockey, Nancy und Lucas, Robert E., with E. Prescott, 1989. Recursive Methods in in Economic Dynamics, Harvard University Press, Cambridge MA, London

20. Thomas F. Cooley (ed.), 1997. *Frontiers of Business Cycle Research*, Princeton University Press

ECN 522 Econometrics II

Course Code: ECN 522
Course Name: Econometrics II
Course Credit: 4

Credit Equivalent: 4 Credits (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 students with the econometrics theory;
- to enable students to understand applications of econometric methods.

Course Content

UNIT-I   **(10 Hours)**

Qualitative Response Regression Models: Nature of Qualitative Response Regression Models. Description and Estimation of Linear Probability, Logit, Probit.

UNIT-II   **(15 Hours)**

Simultaneous Equations Models (SEM): Nature of SEM's Simultaneous Equation Bias, Identifications Problem. Rank and Order Conditions. Testing Identification of Economic Models. Estimation of SEM'S : Instrumental Variable (IV) Method, ILS, 2SLS Methods.

UNIT-III   **(15 Hours)**

Time Series Analysis: Testing Casuality in Economics: Granger Causality
Test. Stationary, Test of Stationary, Spurious Regression, Unit Roots, Dickey-Fuller Test, Cointegration, Engle Granger Test.
Forecasting: AR, MA and ARIMA processes, Box Jenking Methodology.
Vector Auto Regression (VAR) Model, Introduction, Formulation and Estimation. Impulse Response function, Variance Decomposition.

UNIT-IV   **(10 Hours)**

Panel Data Models: Introduction: Advantages and Issues Involved in Utilizing Panel Data.
Simple Panel Data Models: Fixed Effects Models, Random Effects Models. Hausman Test.
Dynamic Panel Model: Random, Coefficient Model.

UNIT-V   **[For assignment only]**   **(10 Hours)**

Estimation and Interpretation of Qualitative response, Simultaneous equation models, Time Series and Panel data models using Standard Statistical/Econometric Packages [SPSS/E-Views/STATA/Gretl].

Prescribed Text Books:
1. Bhaumik, Sankar Kumar (2015) Principles of Econometrics: A Modern Approach Using E-Views, Oxford University Press, New Delhi.

2. Dougherty, Christopher (2011) Introduction to Econometrics 4th Edition. New York: Oxford University Press.

3. Enders, W. (2013), Applied Econometric Time Series, 3rd edition, John Wiley and Sons, New Delhi.

4. Wooldridge, Jeffrey M. (2010) Econometric Analysis of Cross Section and Panel Data 2nd Edition. MIT Press.

5. Greene, W.H. (2003), Econometric Analysis, fifth edition, Pearson Education Inc.

Supplementary Readings:
1. Hamilton, J. D. (1994), Time Series Analysis, Princeton University Press,

2. Goldberger, A. S. (1998). Introductory Econometrics. Cambridge: Harvard University Press.

3. Hsiao, Cheng (2002). Analysis of Panel Data. Cambridge University Press.