
DEPARTMENT OF ECONOMICS

COURSE CATALOGUE

MA ECONOMICS

SEMESTER III

2019-20



Central
Himachal

University Of
Pradesh
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PO BOX: 21, DHARAMSHALA, DISTRICT KANGRA - 176215
(HP) www.cuhimachal.ac.in

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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)**
Indian Economy at Independence; The economic legacies of Colonial Rule in India

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; 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.

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 Stolper-Samuelson Theorem; The Rybczynski Theorem.

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 and fixed exchange rate; 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.

Unit-V International Economic Institutions (12 hours)

International Movement of Capital, Foreign Direct Investment, Capital Flows and Multinational Corporations (MNCs), Role of Multinational corporations in developing

countries with special reference to India ; International economic institutions; Functions and achievements WTO and IMF; 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 (3rd ed.) (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).

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).

Prescribed Text Books:

1. Ahuja, Ram (2001). Research Methods, Rawat Publications, Jaipur.
2. Babbie, Earl (2014). The Practice of Social Research, 13th Edition. Rawat Publications, Jaipur.
3. Kumar, Ranjit (2014). Research Methodology: Step-by-Step Guide for Beginners. Sage Publication India Pvt Ltd.

Supplementary Readings:

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

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.

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, Caplin-Spulber Model

Prescribed Text Books:

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

2. Knoop, Todd A. 2010. *Recessions and Depressions: Understanding Business Cycles*, 2nd edition, Praeger, Westport, CT
3. 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. Blanchard, Olivier Jean, Fischer Stanley. 1989. *Lectures on Macroeconomics*, MIT Press, London
4. Burnside, C., Eichenbaum, M., and S. Rebelo, 1993. "Labor Hoarding and the Business Cycle." *Journal of Political Economy*, 101, p. 245-273.
5. Faig, M., and Z. Li, 2009. "The Welfare Costs of Expected and Unexpected Inflation." *Journal of Monetary Economics*, 56(7), p. 1004-1013.
6. Greenwald, B. and J. Stiglitz, 1993. "Financial market imperfections and business cycles." *Quarterly Journal of Economics*, 108, p. 77-114.
7. Greenwood, J., Hercowitz, Z. and G. W. Huffman, 1988. "Investment, Capacity Utilization, and the Real Business Cycle." *American Economic Review*, 78: 402-417.
8. Hall, R. 2005. "Employment Fluctuations with Equilibrium Wage Stickiness." *American Economic Review*, 95(1) p. 50–65.
9. Hansen, G. D., 1985. "Indivisible Labor and the Business Cycle." *Journal of Monetary Economics*, 16, p. 309-327.
10. Kiyotaki, Nobuhiro. and John H. Moore, 1997. "Credit cycles." *Journal of Political Economy*, 105, p. 211-248.
11. Kydland, F. E. and E. C. Prescott, 1982. "Time to Build and Aggregate Fluctuations." *Econometrica*, 50, p. 1345-1370.
12. Lagos Ricardo, and Randall Wright, 2005. "A Unified Framework for Monetary Theory and Policy Analysis," *Journal of Political Economy*, 113(3): 463-484.
13. Ljungqvist, Lars and Thomas J. Sargent, 2004. *Recursive Macroeconomic Theory*, MIT
14. Long, J. B. and C. I. Plosser, 1983. "Real Business Cycles." *Journal of Political Economy*, 91, p. 39-69.
15. Lucas, R. E. Jr., 1972. "Expectations and the Neutrality of Money." *Journal of Economic Theory*, 4, p. 103-124.
16. Lucas, R. E. Jr., 1973. "Some International Evidence on Output-Inflation Tradeoffs." *American Economic Review*, 63, p. 326-334.

17. Lucas, R.E., 1978. "Asset prices in an exchange economy." *Econometrica*, 46, p. 1429-1445.
18. Mehra, R. and E.C. Prescott, 1985. "The equity premium: a puzzle," *Journal of Monetary Economics*, 15, p. 145-161
19. Shimer, R. 2012. "Reassessing the Ins and Outs of Unemployment." *Review of Economic Dynamics* 15(2) p. 127–48.
20. Stockey, Nancy und Lucas, Robert E., with E. Prescott, 1989. *Recursive Methods in Economic Dynamics*, Harvard University Press, Cambridge MA, London
21. 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
Course Instructor: Dr. Archi Bhatia

Course objectives

- To equip the students with advance tools of time series and teach them the skills required to complete a research project.
- To train the students to use various quantitative techniques required in economic research.

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: 50 per cent
3. Counseling, Activities and Tutorials (CAT): 25 per cent
 1. Class Participation: 5 percent
 2. Assignment: 10 percent
 3. Quiz/Class Test: 10 percent

Course Content

Unit-I (10 Hours)

Single Equation regression Models: Basic Revision, Multiple Linear Regression Model, Dummy Variable, use of t and F-test, tests involving Dummy variables.

Reference: Pindyck and Rubinfeld, Ch 5

UNIT-II (15 Hours)

Univariate Time series Modelling- AR Models, Characteristics of stochastic processes, Autoregressive processes, Auto-correlation Function, Partial ACF, Stationarity Condition of AR process

Reference: Properties of Stationary processes, characteristics-Gujarati, Ch 21
Time series, the ACF- Pindyck and Rubinfeld, Ch 16

UNIT-III (10 Hours)

Estimating with Time Series Models- Moving Average processes, Partial Autocorrelation function, Invertibility condition

Reference: Brooks- Ch 5
MA, AR, ARMA- Pindyck and Rubinfeld, Ch 17
Box Jenkins, ARMA in E-views- Brooks Ch 5, Gujarati Ch 22

UNIT-IV (10 Hours)

ARMA models and Model selection Technique, ARMA process, Box Jenkins Approach, ARMA models in E-views.

Reference: Box Jenkins, ARMA in E-views- Brooks Ch 5, Gujarati Ch 22

Unit V

Unit root, Testing for Unit roots, Hands on Eviews (15 Hours)

Reference: Brooks- Ch 7, Enders Ch 6, Gujarati Ch 21

References:

- 1) Damodar, N. Gujarati – Basic Econometrics, 4th edition
- 2) Chris Brooks- Introductory Econometrics for Finance (2008) Cambridge University Press
- 3) Walter Enders- Applied Econometric Time Series, Wiley 2nd edition
- 4) Robert S. Pindyck and Daniel L. Rubinfeld- Econometric Models and Economic Forecasts, McGraw Hill, 4th edition