



**APPLICABILITY OF REGULATIONS FOR THE TIME  
BEING IN FORCE**

Notwithstanding the integrated nature of a course spread over more than one



**OUTLINES OF TESTS, SYLLABI AND COURSES OF READING FOR M.A. ECONOMICS  
SEMESTER SYSTEM FOR THE EXAMINATION OF 201 -201**

**Course Structure :**

The M.A. in Economics will be a four semester full time programme. The course will be organized over two years, each year consisting of two semesters—the summer semester and the winter semester.

The programme of study consists of sixteen courses out of which **12** are core courses—**compulsory** for all students—and are **elective courses**. Each of these courses will carry 100 marks, of which 20 marks will be for internal assessment and 80 marks for the end semester examinations to be held in December (Semesters I and III) and April (Semesters II and IV). The teaching hours will be 50 per course per semester. The courses will be offered according to the following schedule :

**SEMESTER-I**

**All Compulsory Papers**

|           |   |           |
|-----------|---|-----------|
| MAECO-101 | Micro Economics-I                       | 100 Marks |
| MAECO-102 | Contemporary Issues in Indian Economy-I | 100 Marks |
| MAECO-103 | Quantitative Methods                    | 100 Marks |
| MAECO-104 | History of Economic Thought             | 100 Marks |

**SEMESTER-II**

**All Compulsory Papers**

|           |  |           |
|-----------|--|-----------|
| MAECO-201 | Micro Economics-II                       | 100 Marks |
| MAECO-202 | Contemporary Issues in Indian Economy-II | 100 Marks |
| MAECO-203 | International Economics                  | 100 Marks |
| MAECO-204 | Economics of Public Finance              | 100 Marks |

**SEMESTER-IV**

**There will be two Compulsory Papers**

|           |  |           |
|-----------|--|-----------|
| MAECO-401 | Macro Economics-II                     | 100 Marks |
| MAECO-402 | Economics of Growth and Development-II | 100 Marks |

*An two o<sup>h</sup> o o n op on o p A C*

- |       |                                |           |
|-------|--------------------------------|-----------|
| (i)   | Economics of Agriculture-II    | 100 Marks |
| (ii)  | Economics of Industry-II       | 100 Marks |
| (iii) | Mathematical Economics         | 100 Marks |
| (iv)  | Economics of Money and Banking | 100 Marks |

**OR**

- |     |   |           |
|-----|---|-----------|
|     | Economics of Financial Markets & Institutions | 100 Marks |
| (v) | Advanced Econometrics                         | 100 Marks |





**Recommended Readings**

- n*                      *n*
1. Mankiw Gregory N. (1998) : Principles of Economics, 3<sup>rd</sup> Edition, Thomson, 3rd Indian Reprint (2007).
  2. Pindyck, Robert S., Rubinfeld Daniel, L. and Gupta, P.L. (2006) : Micro-Economics, Prentice Hall of India, New Delhi.
  3. Maddala, G.S. and Miler Ellen (2004) : Micro-Economic Theory and Applications, Tata McGraw Hill.
- h*                      *n*
1. Boumol, William J. and Blinder : Microeconomics: Principles and Policy, 9<sup>th</sup> Edition,



**Pedagogy of the Course Work**

The course relies on a combination of lectures, solving problems, and discussing of academic articles or real-

### Recommended Readings

- n*            *n* :
1. Acahya Shankar and Rakesh Mohan (Eds.) : India's Economic Performance and Challenges: Essay's in Honour of Montek S Ahluwalia, New Delhi, Oxford University Press. (2011)
  2. Brahmananda, P R and Panchmukhi, V R (eds.) : The Development Process of Indian Economy, Himalya Publishing House, Bombay. (1987)
  3. Jalan , B (1992) : The Indian Economy - Problems and Prospects, Viking, New Delhi
  4. Kapila, Uma (Ed) Latest : Indian Economy Since Independence, Academic Foundation, New Delhi.
  5. Krueger, A.O. (Ed) Latest : Economic Policy Reforms and the Indian Economy, Oxford University Press, New Delhi



**UNIT – II**

**Integration, Differential Equations, Linear Programming**

*n* *on*: Indefinite and Definite Integration of a Function with a Single Variable, Method of Substitution.  
Economic Applications.

*D n q on* : Variable Separable Case, Homogenous Case, Standard Linear Diffe4(-)57.6134(V)4.235381o8035(n)-120f r

4. Kandoi, Balwant Mathematics for Business and Economics with Applications, Vol. 1, Himalaya, Mumbai, 2012.

8

M.A. ECONOMICS (SEMESTER SYSTEM) SYLLABUS

5. Kandoi, Balwant Mathematics for Business and Economics with Applications, Vol. 2, Himalaya, Mumbai, 2012.
6. Weber J.E. *Mathematical Statistics (Business and Economic Applications)* 4<sup>th</sup> Edition, Harper and Row, New York, 1982.
7. Yamane, Taro *Fundamental Methods for Mathematics Economics*, Prentice-Hall, New Delhi, 1972.

**Unit III and IV**

1. Arora, P. N., Sumeet Arora and S. Arora. *Comprehensive Statistical Methods*, S. Chand & Company Ltd, New Delhi, 2007.
2. Aggarwal, S. C. and R. K. Rana. *Business Statistics (Latest Edition)*, V K (India) Enterprises, Delhi.
3. Freund, J. E. *Mathematical Statistics*, Prentice Hall India, 5<sup>th</sup> Edition, Prentice-Hall, New Delhi, 1992.
4. Gupta S.P. *Statistical Methods (latest Edition)*, Sultan Chand & Sons, New Delhi.
5. Spiegel, M. R. and Stephens L.J. *Theory and Problems of Statistics* 3<sup>rd</sup> Edition, Schaum's Series, Tata McGraw Hills, New Delhi, 2000.

**Paper-MAECO-10 HISTORY OF ECONOMIC THOUGHT**

|                     |            |
|---------------------|------------|
| Max. Marks          | : 100      |
| Theory              | : 80 Marks |
| Internal Assessment | : 20 Marks |
| Time                | : 3 Hours  |
| Teaching Hours      | : 50       |

**Objectives**

Evolution of economic ideas is both a response to contemporary economic problems and a self-conscious attempt to refine earlier ideas to integrate them as a part of current social thought. The objective of this course is to familiarize the students with the historical evolution of economic ideas into the contemporary economics.

The students would be evaluated at the end of each semester through subjective type questions/answers (both short and essay type). The scripts would be evaluated by the examiners having adequate postgraduate teaching experience in the paper/option concerned.

**Pedagogy of the Course Work**

The course relies on a combination of lectures, solving problems, and discussing of academic articles or real-life situations. Teacher will assign topic for assignments on contemporary themes and issues from the syllabi. Special tutorials/contact hour for one-to-one student-teacher interactions.

**INSTRUCTIONS FOR THE PAPER-SETTER AND CANDIDATES**

1. The paper shall be of the nature of a short answer type question.
2. There shall be 9 questions in all.
3. The first question, which would be **compulsory**, shall be short answer type (word limit 25-30 each). It would carry 15 short questions, spread over the entire syllabus. The candidate will be required to attempt any 10 short answer type questions. Each short answer type question would carry 2 marks ( $10 \times 2 = 20$ ).
4. Rest of the paper shall contain 4 units. Each unit shall have two questions and the candidates shall be required to attempt one question from each Unit— 4 in all. Each question shall carry

- n*                      *n*
1. A.K. Dasgupta (1986) : Epochs of Economic Theory, Oxford University Press, New Delhi.
  - 2 D.C. Collander (Ed.) : Neo-classical Economists.
  - 3 D.P.O. Brien (1975) : The Classical Economists, London, Oxford University Press.
  - 4 Dobb, Maurice (1973) : Theories of Value and Distribution since Adam Smith.
  - 5 E. Mandel (1971) : Marxist Economic Theory, Rupa & Co.
  - 6 Eric Roll (1992) : History , London 1 0 0 1 aaE.297(d)0.128F 0 06769(c)-1 0 0 1 b

**SEMESTER-II**

**Paper-MAECO-201 MICRO-ECONOMICS-II**

|                     |   |          |
|---------------------|---|----------|
| Max. Marks          | : | 100      |
| Theory              | : | 80 Marks |
| Internal Assessment | : | 20 Marks |
| Time                | : | 3 Hours  |





**Recommended Readings**

- n*                      *n*
1. Mankiw Gregory N. (1998) Principles of Economics; 3<sup>rd</sup> Edition, Thomson; 3<sup>rd</sup> Indian Reprint (2007).
  2. Boumol, William J. and Blinder Alan S. (2007) Microeconomics : Principles and Policy, 9<sup>th</sup> Edition Thomson, 1<sup>st</sup>

### Pedagogy of the Course Work

The course relies on a combination of lectures, solving problems, and discussing of academic articles or real-life situations. Teacher will assign topic for assignments on contemporary themes and issues from the syllabi. Special tutorials/contact hour for one-to-one student-teacher interactions.

### INSTRUCTIONS FOR THE PAPER-SETTER AND CANDIDATES

1. The paper shall be of the following nature:
  - (a) There shall be 9 questions in all.
  - (b) The first question, which would be **compulsory**, shall be short answer type (word limit 25-30 each). It would carry 15 short questions, spread over the entire syllabus. The candidate will be required to attempt any 10 short answer type questions. Each short answer type question would carry 2 marks ( $10 \times 2 = 20$ ).
  - (c) Rest of the paper shall contain 4 units. Each unit shall have two questions and the candidates shall be required to attempt one question from each Unit— 4 in all. Each question shall carry 15 marks ( $15 \times 4 = 60$ ).

### UNIT - I

#### *Development Process of the Indian Economy in the Post-reform Era :*

(a) Growth, Pattern and Future Prospects.

(b) Development - Need, Performance and Government Strategy on infrastructure Development with Special Emphasis on Special Economic Zones (SEZs).

(c) Competition Policy and Consumer Protection Act.

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### UNIT - II

#### *Financial Sector in the Post-reform Era :*

Structure of the Financial System in India. Financial Sector Reforms. Capital Market—Growth, Prth wo

**Unit- IV**

***External Sector the Post-reform Era***

Trade Policy during Post Reform Period. Liberalised Exchange Rate Management System. Foreign Direct Investment – Trends and Issues. India and the World Trade Organisation.

**Recommended Readings**

8. Rangarajan, C. (1998) : Indian Economy : Essays on Money and Finance, UBS, New Delhi.
9. Reserve Bank of India : Report on Currency and Finance (Annual), Mumbai

**Paper-MAECO-20 INTERNATIONAL ECONOMICS**

**UNIT - III**

The Balance of Payments and Adjustments: Concepts and Components of Balance of Payments. Causes of Disequilibrium in the Balance of Payments.

**The Process of Adjustment Under**

$o$   $n$  - Specie Flow Mechanism;

$h$   $n$  - Devaluation, Marshal Lerner's Conditions, Keynesian Absorption Approach, J-Curve Effect.

$h$   $n$  - Mundell Fleming model.

Foreign Trade Multiplier.

**UNIT - IV**

Foreign Exchange Markets: Euro Currency Markets, International Bond Markets. Contemporary Exchange Rate Systems. Foreign Exchange Transaction Forms. Foreign Exchange Arbitrage and Market Hedging. World Trading System - WTO.

***Essential Readings***

Bhagwati, J.N (1998) : International Trade

**Paper- MAECO-20 ECONOMICS OF PUBLIC FINANCE**

|                     |   |          |
|---------------------|---|----------|
| Max. Marks          | : | 100      |
| Theory              | : | 80 Marks |
| Internal Assessment | : | 20 Marks |
| Time                | : | 3 Hours  |
| Teaching Hours      | : | 50       |

**Objective**

Role and functions of the Government in an economy have been changing with the passage of time. The term 'Public Finance' has traditionally been applied to the package of those policies and operations which involve the use of tax and expenditure measures while budgetary policy is an important part to understand the basic problems of use of resources, distribution of income etc. There are vast array of fiscal institutions – tax systems, expenditure programmes, budgetary procedures, stabilization instruments, debt issues, levels of government etc., which raise a spectrum of issues arising from the operation of these institutions. Further, the existing of externalities, concern for adjustment in the distribution of income and wealth, etc. require political processes for their solution in a manner which combines individual freedom and justice. This paper combines a thorough understanding of fiscal institu

**UNIT-II**

Various Approaches of Equity in Taxation; Benefit Principle, Lindahl Theory and Ability to Pay Approach. Incidence analysis in a partial and General Equilibrium Setting. Excess burden. Effects of Taxation on Work Efforts, Savings and investment.

**UNIT-III**

Growth and Structure of Public Expenditure. Wagner's Law and Peacock - Wiseman Hypothesis. Pattern of Public Expenditure in India and Recent Reforms in India.

**UNIT-IV**

Deficit Finance. Issues relating to Public debt : Debt Burden Analysis and Management of Public Debt; Recent Policy in India.  
Central State Financial Relations in India.

**Recommended Readings**

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**SEMESTER-III**

**UNIT-I**

*Con p on n on* Absolute Income Hypothesis, Relative Income Hypoth

13. Eugene, Diulio (1997) : Macroeconomics, Schaum's Outlines of Theory and Problems, McGraw Hill.
14. Friedman, M. (1970) : A Theory of the Consumption Function, Oxford and IBH.
15. Friedman, M. (1956) : Studies in the Quantity Theory of Money, The University of Chicago Press, Chicago.
16. Frisch, H. (1983) : Theories of Inflation, Cambridge University Press, Cambridge.
17. Gordon, R. and S. G. Harris (1998) : Macroeconomics, Addison Wesley.
18. Hagger, A. J. (1977) : Inflation: Theory and Policy, Macmillan, London.
19. Hall, R. E. & J. B. Taylor (1986) : Macroeconomics, W. W. Norton, New York.
20. Heijdra, B. J. & V. P. Frederick (2001) : Foundations of Modern Macroeconomics, Oxford University Press, New Delhi.
21. Hicks, J. R. (1950) : A Contribution to the Theory of Trade Cycles, Clarendon Press, Oxford.
22. Hicks, J. R. (1974) : The Crisis in Keynesian Economics, Oxford University Press, New Delhi.
23. Jha, R. (1999) : Contemporary Macroeconomic Theory and Policy, New Age International (P.) Ltd., New Delhi.
24. Keynes, J. M. (1936) : The General Theory of Employment, Interest and Money, Macmillan, London.
25. Laidler, D. E. W. (1977) : Demand for Money : Theory and Evidence, Dum-Don Valley, New York.
26. Levacic, R. and R. Rebman (1986) : Macroeconomics : An Introduction to Keynesian and Neo-classical Controversies, Macmillan, London.
27. Lucas, R. (1981) : Studies in Business Cycle Theory, MIT Press, Cambridge, Massachusetts.
28. Mankiw, N. G. and D. Romer (eds.) (1991) : New Keynesian Economics (2 Vols.), MIT Press, Cambridge.
29. Mathews, R. C. O. (1964) : The Trade Cycle, Cambridge Univ. Press.
30. Mckinen, G. E. (1978) : Money, The Price Level and Interest Rates, Prentice Hall of India, New Delhi.
31. Mueller, M. G. (1966) (3<sup>rd</sup> ed.) : Readings in Macroeconomics, Holt Rinehart and Winston, New York.
32. Patinkin, D. (1965) : Money, Interest and Prices (2<sup>nd</sup> ed.), Harper and Row, New York.





**UNIT-IV**

*op on o h ono D op n n n on n* The Historical Changes in World Population, Demographic Transition, Interrelation between Population Growth and Economic Development (from Pessimism to Optimism), Sustainable Development (Conceptualization, Concern, Indicators and Remedial Measures).

**UNIT-I**

*n o on* : Nature and Scope of Economics of Agriculture; Specificities of Farm Organisation and Agricultural Production and Markets; Inter-sector Linkages of Agriculture [Backward and Forward Linkages and Feedback Effects].

*o o A n ono D op n* Contribution of Agriculture to Economic Development; Historical Perspective [Experience of England, United States, Australia, Latin America, Soviet Russia, Japan,

6.



**UNIT-I**

Modern Corporation Enterprise. Size and Ownership S

14. Gupta, Vinod K. (1972) : "Some Factors relating to Concentration in Indian Industries", Artha Vijnana (December, 1972).
15. -do- (1985) : 'Profit Margin Performance and Market Structure in Indian Manufacturing Industries', Artha Vijnana, Vol. XXVII, March, 1985.
16. Kansra, S. L. (1990) : Monopoly Power : Some Aspects of its Impact on Indian Industry (Unpublished Ph.D. Thesis, P. U.).
17. Economic and Political Weekly : Various Issues.
18. CMIE Publications : Various Issues.

**Paper-MAECO- 0 0 OPTION iii BASIC ECONOMETRICS**

|                     |            |
|---------------------|------------|
| Max. Marks          | : 100      |
| Theory              | : 80 Marks |
| Internal Assessment | : 20 Marks |
| Time                | : 3 Hours  |
| Teaching Hours      | : 50       |

**Objective**

Application of economic theory need a reasonable understanding of economic relationships and relevant statistical methods. The econometric theory thus becomes a very powerful tool for understanding of applied economic relationships and for meaningful research in economics. This paper accordingly is devoted to equip the students with basic theory of econometrics and

**UNIT-I**

**Paper-MAECO- 0 0 OPTION iv ECONOMICS**

**UNIT-III**

Migration : Concepts, Measurement, Migration Selectivity, Causes and Consequences of Migration.  
Migration in India : Causes and Trends. Migration Differentials in India : Rural-Urban, Male-Female.

**UNIT-IV**

Estimation of Population in India : Census, Sampling Vital Registration Methods.  
Growth and Structure on Indian Population since Independence.  
Population Policy in India since Independence.

***Recommended Readings :***

*n*            *n*



**UNIT-III*****Managing Human Resources:***

Techniques of Labour Demand Forecasting, Establishing Pay Plans, Various Incentive Schemes.  
Internal Labour Market.

Asymmetric Information in the Functioning of the Human Resource Market: Principal Agent Problem,  
Market Signaling, Efficient Wage Theory.

3. Sen, A.K. (1975) : Employment, Technology and Development, Oxford University Press, New Delhi.
4. Solow, R.M. (1990) : Labour Market as an Institution, Blackwell, London.
5. Standing, G. & V. Tokman (1991). : Towards Social Adjustment, ILO, Geneva (Eds.)
6. Stoney, John J. (ed.) (2001) Human Resource Management: A Critical Text, Rutledge, London.
7. Venkata Ratnam, C.S. (2001) : Globalization and Labour Management Relations : Dynamics of Change, Sage Publications/Response Books, New Delhi.

#### **SEMESTER-IV**



**UNIT-I**

13. Eugene, Diulio (1997) : Macroeconomics, Schaum's Outlines of Theory and Problems, McGraw Hill.
14. Friedman, M. (1970) : A Theory of the Consumption Function, Oxford and IBH.
15. Friedman, M. (1956) : Studies in the Quantity Theory of Money, The University of Chicago Press, Chicago.
16. Frisch, H. (1983) : Theories of Inflation, Cambridge University Press, Cambridge.
17. Gordon, R. and S. G. Harris (1998) : Macroeconomics, Addison Wesley.
18. Hagger, A. J. (1977) : Inflation : Theory and Policy, Macmillan, London.
19. Hall, R. E. & J. B. Taylor (1986) : Macroeconomics, W. W. Norton, New York.
20. Heijdra, B. J. & V. P. Frederick (2001) : Foundations of Modern Macroeconomics, Oxford University Press, New Delhi.
21. Hicks, J. R. (1950) : A Contribution to the Theory of Trade Cycles, Clarendon Press, Oxford.
22. Hicks, J. R. (1974) : The Crisis in Keynesian Economics, Oxford University Press, New Delhi.
23. Jha, R. (1999) : Contemporary Macroeconomic Theory and Policy, New Age International (P) Ltd., New Delhi.
24. Keynes, J. M. (1936) : The General Theory of Employment, Interest and Money, Macmillan, London.
25. Laidler, D. E. W. (1977) : Demand for Money : Theory and Evidence, Dum-Don Valley, New York.
26. Levacic, R. and R. Rebman (1986) : Macroeconomics : An Introduction to Keynesian and Neo-classical Controversies, Macmillan, London.
27. Lucas, R. (1981) : Studies in Business Cycle Theory, MIT Press, Cambridge, Massachusetts.
28. Mankiw, N. G. and D. Romer (eds.) (1991) : New Keynesian Economics (2 Vols.), MIT Press, Cambridge.
29. Mathews, R. C. O. (1964) : The Trade Cycle, Cambridge University Press.
30. Mckinen, G. E. (1978) : Money, the Price Level and Interest Rates, Prentice Hall of India, New Delhi.
31. Mueller, M. G. (1966) (3<sup>rd</sup> ed.) : Readings in Macroeconomics, Holt Rinehart and Winston, New York.
32. Patinkin, D. (1965) : Money, Interest and Prices (2<sup>nd</sup> ed.), Harper and Row, New York.
33. Peston, M. H. (1982) : Theory of Macroeconomic Policy, Heritage Publishers.
34. Rakshit, M. (1998) : Studies in the Macroeconomics of Developing Countries, Oxford University Press, New Delhi.
35. Romer, D. L. (1996) : Advanced Macroeconomics, McGraw Hill Co. Ltd., New York.





11. Romer, Paul M. (1990) : Endogenous Technological Change, *o n o o*  
*ono* October.
12. Schultz, Theodore W. (1981)

**UNIT-I**

A *n n*

Financial Characteristics of Agriculture, Imperfect Information [Agency Relationship, Adverse Selection, and Moral Hazard] and Enforcement Problems in Credit Markets; Segmented Rural Credit Markets, Resolving Information and Incentive Problems; Managing Borrowers' Credit Risks; Agribusiness and Trade Financing; and Rationale for Government Intervention in Rural Credit Markets.

Structure and Functioning of Rural Credit Market in India.

**UNIT-II**

A

Nature, Types and Problems of Agricultural Commodity Markets; Marketing Margins and Marketing Margin Determinants; and Evaluation of Marketing Efficiency.

Horizontal Structure of Agricultural Marketing, Ver



**UNIT-I**

Nature of Industrial Data for Organized Industry. Annual Survey of Industries – Scope and Coverage. Uses and Critique of ASI Data. Major Classification of the Organized Industry – by Economic Activities, Type of Organization, Type of Ownership, Size of Employment, Size of Output and Net Value Added and by States.

**UNIT-II**

Public Policy for Industrial Development in India since Independence – A Critique. Pattern of Industrial Growth and Changes in Industrial Structure in India since 1951. National Manufacturing Policy.

**UNIT-III**

Analysis of Business Groups in India. Ownership Pattern of Indian Corporate Sector. MRTP and Nature of Concentration in Indian Industry. Liberalization and Privatization in Indian industry. Mergers and Takeovers. Competition Policy and Consumer Protection in India.

**UNIT-IV**

India's FDI Inflows – Nature and Extent. FDI and Acquisition of Technology in India. Trends in Indian Direct Investment Abroad. Impact of Economic Reforms on Industrial Sector in India.

*n*                      *n*

1. Bhagwati, J. and Desai, P.  
(1970)



theory, theory of production, pricing, trade cycles, growth models etc. The paper covers important aspects of microeconomics; macroeconomics and development theory and the various modules have been accordingly designed.

The students would be evaluated at the end of each semester through subjective type questions/answers (both short and essay type). The scripts would be evaluated by the examiners having adequate postgraduate teaching experience in the paper/option concerned.

### **Pedagogy of the Course Work**

The course relies on a combination of lectures, solving problems, and discussing of academic articles or real-life situations. Teacher will assign topic for assignments on contemporary themes and issues from the syllabi. Special tutorials/contact hour for one-to-one student-teacher interactions.

### **INSTRUCTIONS FOR THE PAPER-SETTER AND CANDIDATES**

1. There shall be 9 questions in all.
2. The first question, which would be **compulsory**, shall be short answer type (word limit 25-30 each). It would carry 15 short questions, spread over the entire syllabus. The candidate will be required to attempt any 10 short answer type questions. Each short answer type question would carry 2 marks ( $10 \times 2 = 20$ ).
3. Rest of the paper shall contain 4 units. Each unit shall have two questions and the candidates shall be required to attempt one question from each Unit— 4 in all. Each question shall carry 15 marks ( $15 \times 4 = 60$ ).

### **UNIT-I**

There shall be 9 questions in all.

**UNIT-IV**

Simplex Method; Dual and its Economic Interpretation; Complimentary Slackness Conditions; Duality Theorems; Applications of Linear Programming in Economics.

Two person Zero Sum Game, Max-Min Strategy. Non-Zero Sum Game, Static Games in

$h$   $n$

1. Chiang, A. C. (1984) : Fundamental Methods of Mathematical Economics (3<sup>rd</sup> edn.),



**UNIT-II***o n*

The Expectations Theory, Liquidity Premium Theory, Market Segmented Theory, Preferred Habitat Theory.

*o n o*

Targets, Goals and the Trade Offs Among Alternate Goals, Lags in Operation, Transmission Mechanism – Classical Model, Keynesian Model and Monetarist Model, Rules vs. Discretion.

**UNIT-III***C n B n n*

Origin and Evolution, Main Functions, Policy Tools, RBI – Monetary Policy and Autonomy.

*Co B n n*

Functions, Major Developments in Commercial Banking in India since Nationalization. Banking Sector Reforms.

**UNIT-IV**

*D op n n n n on* Role, Growth and Structure of Development Financial Institutions in India. Types and Control of Non - Banking Financial Companies (NBFCs) by RBI.

*n n on on*

IMF and International Liquidity. European Monetary System – Features of the Maastricht Treaty and Post Maastricht Treaty Developments.

**Recommended Readings***n n*

1. Bofinger Peter (2001) : Monetary Policy : Goals, Institutions, Strategy and Instruments, Oxford University Press.
2. Dennis Geogrey, E.J. (1981) : Monetary Economics, Longman.
3. Dinlio, A. Eugene (Latest Edition) : Theory and Problems of Money and Banking, International Edition (Schaum's Outline Series).
4. Fabozzi, F. J. and Franco Modigliani (Fourth Edition) (2009) : Capital Markets Institutions and Instruments, Prentice Hall, New Jersey.
5. Howells, Peter and Bain Keith (2002) : The Economics of Money, Banking and Finance, Prentice Hall, Pearson Education Ltd.
6. Khanna, Perminder (2005) : Advanced Study in Money and Banking Theory and Policy Relevance in the Indian Economy, Atlantic Publishers, New Delhi.
7. Kulkarni, G. (1999) : Modern Monetary Theory, Macmillan, New Delhi.
8. Mankiw, N.G. (Fifth Edition) (2008) : Macro-economics, Macmillan Worth Publishers, New York.
9. Mohan Rakesh (2009) : Monetary Policy in a Globalized Economy – A Practitioner's View, Oxford University Press.

*h*      *n*

1. Government of India : Economic Survey (Recent Issues).
2. Reserve Bank of India : Various Reports.

**OR**

**Paper-MAECO- 0 0 OPTION – iv ECONOMICS OF FINANCIAL MARKETS AND INSTITUTIONS**

|                     |            |
|---------------------|------------|
| Max. Marks          | : 100      |
| Theory              | : 80 Marks |
| Internal Assessment | : 20 Marks |
| Time                | : 3 Hours  |
| Teaching Hours      | : 50       |

**Objective**

The positive and significant role of financial institutions in the process of growth and development has been very well recognized in the literature and indeed has become more important during the last two decades as the financial systems of different countries have become integrated in the process of globalization. India is no exception and has taken far reaching measures since 1991 in this direction. It is, therefore, essential that the students of economics should be well conversant with the theory and practice of different financial institutions and markets to understand and analyse the interconnection between the monetary forces and real forces, their developmental role and limitations in shaping and influencing the

**UNIT-I**

*n n n n n on*  
The role and structure of Financial Markets in the Economy. Functions of Financial Institutions.

*n o on o Co po n n*  
Various Methods of Corporate Finance, Goals of Financial Management, The Cost of Capital and the Capital Structure.

**UNIT-II**

*h pp o*  
Regulations Governing Supply of Securities, General Characteristics of Securities – Government Bonds – Index Linked Bonds – Corporate Securities, Mutual Funds and Money Market Funds.

*h D n o*  
The Time Dimension – Present Value and Duration, Yields on Zero-Coupon Bonds. Measurement of risk, Expected Utility Approach, Mean Variance Portfolio Theory, Portfolio Diversification.

**UNIT-III**

*n o*  
The Efficient Market Hypothesis (EMH), The Capital Asset Pricing Model (CAPM), The Arbitrage Pricing Theory (APT).

*on o n n*  
Securities and Exchange Board of India (SEBI) – Role and Functions. Recent Reforms in the Indian Financial Market.

**UNIT-IV**

*o n h n*  
Nature, Organisation and Participants.

**Recommended Readings**

- n n*
1. Bhole, L. M. (2002) : Financial Institutions and Markets, Tata McGraw Hill Publishers Company Ltd., New Delhi.
  2. Eatwell, John and Taylor Lance : International Capital Markets, System in Transition, Oxford University Press, Delhi. (2003)
  3. Fabozzi, Frank J. Modigliani : Capital Markets, Institution and Instruments, Prentice Franco (Third Edition)





**UNIT-III**

*n o q on o*  
 Nature of SEM's Simultaneous Equation Bias, Identifications Problem.  
 Rank and Order Conditions. Testing Identification of Economic Models.  
 Estimation of SEM'S : ILS, 2SLS, 3SLS, LVR and LIML Methods.

**UNIT-IV**

*An*  
 Testing Casuality in Economics: Granger Causality Test.  
 Stationary, Test of Stationary, Spurious Regression, Unit Roots, Dickey-Fuller Test, Cointegration, Engle  
 Granger Test.

*o n* AR, MA and ARIMA processes, Box Jenking Methodology.  
 Vector Auto Regression (VAR) Model, Introduction, Formulation and Estimation.

*n D o*  
*n o on* Advantages and Issues Involved in Utilizing Panel Data.  
 Simple Panel Data Models: Fixed Effects Models – LSDV Approach, Random Effects Models.  
 Dynamic Panel Model: Random, Coefficient Model.