

M.S. ECONOMICS
VIII SEMESTER

Paper-I : ECONOMIC DEVELOPMENT

Module-1 : Development and underdevelopment : Objective of development- Measurement of development – Per capita income, Physical Quality of Life Index (PQLI), Human Development Index (HDI), Human Poverty Index (HPI) – Per capita income and Human Development – Development Gap-Convergence hypothesis.

Module-2 : Approaches to Development : Linear stages approach – Rostow; Structuralist approach; Lewis's structural changes and development pattern – Dualistic development – Rural urban migration – Neo-colonial dependence approach; The Neo – classical counter revolution – Sen's Capability approach; Economic approaches to population growth – Education – health and Nutrition.

Module-3 : Development Strategies, Agriculture Vs Industry; inward looking Vs outward looking; Investment criteria; choice of technology; strategy of globalization – liberalization – Privatization.

Module-4 : Institution and development – Neo-classical political economy, the State and Development – The political economy of Rent. Seeking society, state vs market; institutions and economic performance – The issue of governance.

Module-5 : Financing of Development: Domestic Savings – Prior Savings approach – Financing through foreign trade – Foreign investment Vs Foreign assistance; Debt and Development.

Basic Reference Books:

1. Meier, Gerald, Rauch, James, (2000), Eds. Leading issues Economic Development. Oxford, Oxford University Press.
2. A.P. Thirwall, (1999), growth and Development, Sixth Edition, Macmillan.
3. Debaraj Ray (1998) Development Economics, Oxford University Press.
4. Michael P. Todaro (1997), Economic development (Sixth Ed), Addison Wesley.
5. Mukerjee, Suman K. (1994), Text Book Economic development, Orient Longman.
6. S. Ghatak (1986), An introduction to Development Economics, Allen and Unwin. Additional Readings:
7. Mahbub Ul Haq. (1999), Reflections on Human Development, OUP.
8. Kaushik Basu (1998) Analytical Development Economics, OUP.
9. Pranab Bardhan (1998), Development Micro Economics, OUP.
10. Sukmoy Chakravarty (1997) writing on development, OUP.
11. Chenery H. and T.N. Srinivasan, Hand Book of Development Economics, Vol. 1 and 2 E Series.
12. Behrman, S. and T.N. Srinivasan (1995), Hand Book of Development Economics, Vol. 3, E. Series.

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Paper-II : INTERNATIONAL FINANCE

Module-1: Balance of Payments:

Meaning and Components of balance of payments ; measurement of balance of payments – surpluses and Deficits ; General Theory of balance of payments – the Classical Theory – Keynesian Theory – Foreign Trade Multiplier.

Module-2 : Equilibrium and Disequilibrium in Balance of Payments : Types and causes for disequilibrium ; The process of adjustments under gold standard, fixed exchange rates and flexible exchange rates; devaluation; Marshal lerner conditions ; expenditure – reducing and expenditure – switching policies and direct control for adjustment.

Module-3 : Foreign Exchange market:

Theories of exchange rate determination – Purchasing power parity Theory Monetary and portfolio balance approaches; Equilibrium exchange rates; stability in the exchange market and market intervention policy.

Module-4 : International Capital Movements:

International capital movements ; the transfer problem – The Euro currency market – International Development Agencies ; Theory of Short term capital movements and East Asian Crisis and lessons for developing countries.

Module-5: international Monetary System:

Rise and fall of gold standard and Bretton – wood system; Ned, adequacy and determinants of international reserves; conditionally clause of IMF: Role of International Finance agencies (IMF, IBRD and ADB) n solve international liquidity problem; Emerging international monetary system with special reference to post Maastricht Development and developing countries.

Basic Reading list:

Bhagwati, J.(E.d)(1981), International Trade, Selected Readings, Cambridge university press Massachsetts.

Carbough, R.J.(1999), International Economics, International Thomposon Publishing, New York.

Chacholiadas, M.(1990), International trade: Theory and Policy, McGraw Hill, Kogakusha, Japan.

Dana, M.S.(2000), International Economics : Study Guide and Work Book (5th Edition), Routiedge Publishers, London.

Kindleberger, C.P.(1973), International Economics, R.D.Irwin, Homewood.Policy: A Reader, McGraw Hill International, Singapore.

Krugman, P.R. and M.Obstfeld (1994), International economics : Theory and Policy, Glenview, Foresman.

Salvalore, D.(1997), international Economics, Prentce Hall, Upper Saddle River, N.J. New York.

Soderston, B.O.(1991), International economics, The Macmillan Press Ltd., London.

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Paper-III : APPLIED ECONOMETRICS

Module-1 : Theory of Demand – Demand Function – Estimation of Demand function – specification- Estimation of simple Demand function -Engel functions –pooling of Cross section and Time series Data —Estimation of Complete Demand System-Properties of Complete Demand System – Linear Expenditure system – Estimation, Problems, Interpretation

Module-2: Consumption function – Theories of the consumption function – absolute income hypothesis – Relative income hypothesis – Life cycle Hypothesis – permanent income Hypothesis as errors in variables model – Specification of the functional form – problems of estimating the consumption function – Review of empirical studies.

Module-3 : Production and Cost functions – Neo-Classical theory of the production function – Cobb-Douglas production function – problems and methods of estimating cob – Douglas production function – CES production functions – Estimating CES production function – Translog production function – Specification and estimation – Problems of estimating aggregate production function – Review of some empirical studies – Estimating cost function.

Module-4 : Investment function – Theories of investment behavior – Accelerator hypothesis – Profits hypothesis – jorgenson's Neo – Classical theory of investment – problems of estimating investment functions – review of some empirical studies.

Module-5 : Macro econometric models – Nature of macro econometric models – Construction and use of macro econometric models – Review of some macro econometric models – Killin Gold Berger model for USA – Whartan group Models – the Brookings quarterly Econometric Model of the USA – Macro Econometric models of India.

Books for reference:

1. M.D. Intgriligator : Econometric Models, Techniques & Application
2. Megrand Desai : Applied Econometrics
3. M.K. Evans : Macro Economic Activity – Theory, Forecasting and Control: An Econometric Approach.
4. J.L. Bridge : Applied Econometrics
5. K.L. Krishna (Ed.) : Econometric Applications in India.
6. K. Krishna Murthy and D.U. Sastry: Investment and Financing of Corporate Sector in India.

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Paper-IV : ENVIRONMENTAL ECONOMICS

Module-1 : Environment, Ecology and Economy

Environment and Economy – Elements of Ecology – Energy Flow and Energy Systems Dynamics – Pollution and Externalities – market Inefficiency and Externalities – Property Rights and Externalities – Non-Convexities and Externalities – Common Property Rights.

Module-2 : Measurement of Environment Values :

Concept of Total Economic Value – objective standard based Valuation – Selective preference based valuation – indirect Methods of Environmental Valuation; Travel Cost Method, Hedonic Price theory – Direct methods of Environmental Valuation; Contingent valuation method.

Module-3 : The Theory of Environmental Policy:

Environmental externalities – pigovian taxes and subsidies, marketable pollution permits and mixed instruments permits and mixed instruments (the charges and standard approach), Coase's bargaining solution and collective action, informal regulation and the new model of pollution control, Monitoring and enforcement of environmental regulation, Environmental institution and gross root movements, Global environmental externalities and climatic change – Tradable pollution permits and international carbon tax, Trade and environment in TWO regime.

Module-4 : Economics of Natural Resources Management and Sustainable Development:

Theories of optimal use of exhaustible and renewable resources; Environment and development trade off and concept of sustainable development; Rules of sustainable development – indicators of sustainable development – integrated environmental and economic accounting and the measurement of environmentally corrected GDP – Macro-economic policies and environment.

Module-5 : Environmental and Natural Resource Problems in India:

Mechanism for environment regulation in India; Environmental laws and their implementation – policy instruments for controlling water and air pollution – forestry policy; People's participation in the management of common and forest lands – The institution of joint forest management; social forestry and rationale and benefits.

Basic Reading List:

Bhattacharya, R.N.(E.d)(2001), Environmental Economics : An Indian perspective, Oxford University Press, New Delhi.

Baumol, W.J. and W.E.Oates (1988), The theory of Environmental policy (2nd edition), Cambridge university Press, Cambridge.

Fisher, A.C.(1981), Recourses and Environmental Economics, Cambridge University Press, Cambridge.

Hanely, N., J.F. Shogern and B.White (1997), environmental Economics in Theory and Practices, Macmillan.

Hussen, A.M. (1999), Principles of Environmental Economics, Routledge, London.

Jereen, C.J.M.Ven Den Berg (1999), Handbook of Environmental and resource economics, Edward Elger publishing Ltd., Jk.

Kolstad C.D. (1999), Environmetal Economics, oxford University press, New Delhi.

Pearce, D.W. and R. Turner (1991), Economics of natural Resource use and Environment. Jhon Hopkins University Press, baltimere.

Perman, R.M. and J.McGilvary (1996), Natural Resource and Environmental economis, Longman, London.

Sankar, U.(Ed) (2001), Environmental Economis, Oxford, university Press, New Delhi.

Tietenber.T.(1994), environmental Economics and policy, Harper Collins, New York.

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Paper-V : ACTUARIAL STATISTICS

Unit-1 : Theory of interest rates, rate of interest, nominal rate of interest. Accumulation factors. Force of interest, present values, Stoodley formula for the force of interest, present value of cash flows, valuing cash flows. Basic compound interest function, equations of values and yield on transaction – annuities certain, present values and accumulation, concept of different annuities, continuously payable annuities, varying annuities.

Unit-2 : utility theory, insurance and utility theory, models for individual claims and their sums, approximations for the distribution of the sum. Application to insurance. Survival function, time until death for a person age x , curate future life time, force of mortality.

Unit-3 : Life table and its relation with survival function, examples, the deterministic survivorship group, recursion formulas, assumptions for traditional ages, some analytical laws of mortality, select and ultimate tables.

Unit-4 : Life insurance : insurance payable at the moment of death and at the end of the year of death – level benefit insurance, endowment insurance, deferred insurance and varying benefit insurance. Life annuities. Single payment, continuous life annuities, discrete life annuities life annuities with monthly payments, recursions, complete annuities – immediate and apportionable annuities - due.

Unit-5 : Multiple life functions, joint life and last survivor status, insurance and annuity benefits through multiple life function, evolution for special mortality laws. Multiple decrement models , deterministic and random survivorship groups, associated single decrement tables, central rates of multiple decrement, central force assumptions for multiple decrements. Uniform distribution assumption for multiple decrements.

Text Books;

Bowes, N.L., Gerber, H.U., Hickman, J.C, Jones, D.A., and Nesbitt, C., J.(1986). Actuarial Mathematics. Society of Actuaries, Ithaca, Illins, U/S.A. 2nd ed. (1997) C.H.1,2,3,4,5,9 & 10
Mc Cutcheon, J.J. and Scott, W.F., An introduction to Mathematics of finance. Butter Worth & Heinemann.

References:

Spurgeoin, E.T.(1972). Life Contingencies. Cambridge University Press. Nall, A. (1977). Life Contingencies. Heinemann. .