

KLE Society's
Lingaraj College, Belgaum
 (Autonomous)

M.A. in Economics: I Semester

Compulsory Paper: Micro Economic Analysis
 (w.e.f. 2018-19 and onwards)

SYLLABUS

Teaching hours per week – 4	:	Maximum Marks	:	100 Marks
		Semester End Examination	:	70 Marks
		Internal Assessment	:	30 Marks

Course Outcome:

At the end of this course students will be able to:

1. To familiarize the students with the micro-foundations of the economy.
2. To understand and analyse the behaviour of individuals, firms and markets; and
3. To study the recent theoretical advancements and promote practical applications of the same.

Module I: Introduction to Basic Concepts **05 Hrs.**

Basic Economic Problems; Choice and Scarcity; Economic Models; Characteristics of Equilibrium and Disequilibrium Systems; Static and Dynamic Equilibrium.

Module II: Demand Analysis **10 Hrs**

Cardinal and Ordinal Utility Approach; Indifference Curve and their Applications; Revealed Preference Theory; Revision of Demand Theory by Hicks; Lancaster's Approach to Demand Theory; Consumer's Choice Involving Risk; Recent Developments in Demand Analysis; (Pragmatic Approach and Linear Expenditure Systems) Elasticity of Demand-Theoretical Aspects and Empirical Estimation.

Module III: Theory of Production and Costs **15 Hrs**

Supply and Elasticity of Supply; Production Function- Short-run and Long-run; Law of Variable Proportions; Isoquants; Least Cost Combination of Inputs; Returns to Scale; Multi-Product Firm; Elasticity of Substitution; Technical Progress and Production Function; Cobb-Douglas, Constant Elasticity of Substitution Production Functions and Their Properties; Empirical Evidences; Traditional and Modern Theories of Costs- Empirical Evidence; Derivation of Cost Functions from Production Functions.

Module IV: Price and Output Determination **15 Hrs**

Marginal Analysis as an Approach to Price and Output Determination; Break even analysis; Perfect Competition- Short and Long-run Equilibrium of the Firm and Industry; Supply Curve; Monopoly- Short and Long-run Equilibrium; Price Discrimination; Monopoly Control and Regulation; Monopolistic Competition- Equilibrium of the Firm and the Group with Product Differentiation and Selling Costs; Excess Capacity under Monopolistic and Imperfect Competition; Oligopoly- Non-Collusive (Cournot, Bertrand, Edgeworth,

Chamberlin, Kinked Demand Curve and Stackelberg's Solution) and Collusive (Cartels and Mergers, Price Leadership and Basing Point Price System) Models.

Module V: Alternative Theories of the Firm

15 Hrs

Baumol's Sales Revenue Maximisation Model; Williamson's Model of Managerial Discretion; Morris' Model of Managerial Enterprise; Full-Cost Pricing Rule; Bain's Limit Pricing Theory and Recent Developments including Sylos-Labini's Model; Linear Programming; Models of Game Theory.

Suggested Readings :

1. Koutsoyiannis, A. (1979): *Modern Micro Economics*, Macmillan Press, London.
2. Salvatore, Dominick *Microeconomics*
3. *Pyndick and Rubinfeld: Micro Economics*
4. Sen, Anindya (1999): *Micro Economic Theory and Applications*, Oxford University Press, New Delhi.
5. Stigler.G. (1996): *Theory of Price* (4th Edition), Prentice Hall of India, New Delhi.
6. Baumol, W.J. (1982): *Economic Theory and Operations Analysis*, Prentice Hall of India, New Delhi.
7. Hirshleifer J.A.Glazer (1997): *Price Theory and Applications*, Prentice Hall of India, New Delhi.
8. Kreps, David .M. (1990): *A Course in Micro Economic Theory*, University Press Princeton.
9. Layard.P.R.G.and A.W.Walters (1978): *Micro Economic Theory*, McGraw Hill New York.
10. Dacosta, G.C. (1980): *Production, Prices and Distribution*, Tata McGraw Hill, New Delhi.
11. Archibald,G.C.(Ed) (1971): *Theory of the Firm*, Hammondsworth.
12. Varian,H. (2000) *Micro Economic Analysis*, W.W.Norton, New York.

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M.A. in Economics: I Semester

Compulsory Paper: Macro Economic Analysis

(w.e.f. 2018-19 and onwards)

SYLLABUS

Teaching hours per week – 4	:	Maximum Marks	:	100 Marks
		Semester End Examination	:	70 Marks
		Internal Assessment	:	30 Marks

Course Outcome:

At the end of this course students will be able to:

1. To understand and comprehend different Micro economic issues and polities.
2. To understand the concepts and operationalise the concepts in macro analytical framework.
3. To understand the theoretical models that explain the behaviour and determination of equilibrium income output and employment.

Module I: Introduction and National Income Accounting 10 Hrs

National income- Concepts and Importance- Methods of Measurement- Measurement Difficulties- Accounting concepts- A brief about System of National Accounts- GDP Deflator- Green Accounting.

Module II: Classical Theory of Employment and Output 10 Hrs

Basic assumptions and foundations of the classical school- Say's Law of markets, Classical Theory of Full Employment Equilibrium, Savings, Investment and Rate of Interest: Pigovian theory of wage-price flexibility, The determination of output, employment and income- policy implications and critical evaluation.

Module III: Keynesian Macroeconomics 15 Hrs

The concept of underemployment equilibrium and principle of effective demand– consumption function and its determinants – Implications – Keynesian Psychological Law of Consumption; Short run and Long run Consumption Function- Theories of Consumption Function– Investment function– MEC and its determinants- Principles of Multiplier and Acceleration – Determination of equilibrium income and output in two sector, three sector and four sector models –Relevance and critique of Keynesian policies.

Module IV: Macro Economics- Post Keynesian Developments 15 Hrs

Introduction – Time horizon – Fluctuations: Business cycle theories – Nominal and Real Rigidities and Economic Fluctuations – Fluctuations in the open economy; Inflation – Concept - demand pull and cost push theories – structuralist approach- Monetarist, Keynesian & New- classical views on inflation -Inflation & unemployment trade-off- the Phillips curve – policy implications.

Module V: New Classical Macroeconomics

10 Hrs

Rational Expectations Hypothesis- Policy Implications- Supply Side Economics- Theoretical Propositions and Implications- The Keynesian Counter Critique- Neo-Classical Economic Hypothesis.

Suggested Readings:

1. Shapiro Edward (2004) *Macroeconomic Analysis*, Galgotia Publications Pvt. Ltd, New Delhi.
2. Rudiger Dornbusch, Stanley Fisher & Richard Startz, *Macroeconomics*, Tata McGraw – Hill Publishing Co. Ltd, New Delhi 2004
3. Mankiw N Gregory (2003) *Macroeconomics*, Worth Publishers, New York.
4. David Romer, *Advanced Macroeconomics*, McGraw Hill International Edition, 2001.
5. Gardner, Ackley: *Macroeconomics: Theory and policy*, McMillian, New York.
6. Richard T Froyen: *Macroeconomics – Theories and Policies*.
7. Gupta R.D. and Rana A.S. (1998): *Post Keynesian Economics*, Kalyani Publishers, Ludhiana.
8. Reddy Y.V. (2000): *A review of Monetary and Financial Sector Reforms in India*, UBSPD, New Delhi.
9. Blackhouse, R and A. Salansi (Eds) (2000): *Macro Economics and the Real World*, OUP, London.
10. Branson, W.A. (1989): *Macro Economic Theory and Policy*, Harper and Row, New York.
11. Dornbusch, R and F. Stanley (1997): *Macro Economics*, McGraw Hill, New York.
12. Romer, D.L. (1996): *Advanced Macro Economics*, McGraw Hill, New York.
13. Gordon,R.and Harris S.G. (1998): *Macro Economics* Addison Wesley.
14. Taylor.K. (1983): *Structuralist Macro Economics* Basic Books, New Longman
15. Turnovsky, S.J. (1977): *Macro Economic Analysis and Stabilization Policy* CUP, Cambridge.
16. Jha.R. (1999): *Contemporary Macro Economic Theory and Policy*, New Age International, New Delhi.
17. Laidler, D.F.W. (1977): *Demand for Money: Theory and Evidence* Dum-Don Valley, New York.
18. Hall.R.E. and J.B.Taylor. (1986): *Macro Economics*, W W Norton, New York.

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M.A. in Economics: I Semester

Compulsory Paper: Indian Economic Policy
 (w.e.f. 2018-19 and onwards)

SYLLABUS

Teaching hours per week – 4	:	Maximum Marks	:	100 Marks
		Semester End Examination	:	70 Marks
		Internal Assessment	:	30 Marks

Course Outcome:

At the end of this course students will be able to:

1. To help the students to understand the functioning of Indian Economy
2. To update their knowledge about the current issues and problems of the economy.
3. To promote ability and creativity to find solutions to the problems
4. To enable them to participate and contribute to the debates on Indian Economy in the context of globalization and liberalization.

Module I: Overview of Indian Economy 10 Hrs

A brief review of Planning Era- Current status of Indian Economy- NITI Aayog: Objectives and Functions- Recent trends in National Income- Natural and Human Resources- Demographic trends- Basic problems; poverty, unemployment, inequalities, programmes and policies; Human Development- Meaning and Concepts: HDI, GDI, HPI and DDI; Millennium and Sustainable Development Goals.

Module II: Sectoral Growth Patterns 10 Hrs

Review of agricultural growth- Programmes and policies for agricultural development- Development of rural non-farm sector- Growth of Indian industries - Industrial policies- Role of MSMEs - Industrial productivity, competitiveness and sickness - Role of public sector - Disinvestment process - Growth of trade and service sector- informal sector.

Module III: Development of Infrastructure 15 Hrs

Development of irrigation and power- Irrigation policy- energy crisis- transport and communication- Reforms- Restructuring- pricing and regulation- Public private Partnership- Development of social infrastructure- Health and education- drinking water and sanitation- flagship programmes in Education and Health- basic issues- Manpower Planning.

Module IV: Banking and Finance 10 Hrs

Banking in India- RBI: Functions and Policies- Progress and Performance of Commercial Banks- Co-operative and Regional Rural banks- Money and capital markets-

non banking financial intermediaries- Financial sector reforms- Emergence of Crypto Currencies.

Module V: Macro Economic Policy and External environment

15 Hrs

Savings and capital formation- Finances of Government of India- Public Debt - monetary and fiscal Policy Management- First generation and second generation reforms - External Sector- Trade policy reforms- Foreign Direct Investment –WTO and India - Global financial crisis- Impact –Sustainable development.

Suggested Readings:

- Agarwal A n Indian Economy Recent edition
- Ahluwalia I J and IMD Little(ed) India's Economic reforms and Development 9 essays in honour of Dr. Manmohan Singh) OUP 1999 New Delhi
- Bimal Jalan (ed) The Indian Economy- Problems and Prospects Viking Press new Delhi 1992
- Govt. of India Economic Survey
- Jean Dreze and Amartya Sen – India Development and Participation OUP- 2002
- Planning Commission India- Vision2020 Academic Foundation2004
- Rangarajan C 1998 Indian Economy
- Kirti S Parikh- India Development Report
- Riddar Datt- Indian economy- Recent Edition

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M.A. in Economics: I Semester

Compulsory Paper: Statistics for Economics
 (w.e.f. 2018-19 and onwards)

SYLLABUS

Teaching hours per week – 4	:	Maximum Marks	:	100 Marks
		Semester End Examination	:	70 Marks
		Internal Assessment	:	30 Marks

Course Outcome:

At the end of this course students will be able to:

1. To enable the students to understand the basic concepts of statistics.
2. To train the students to apply statistical tools in economic analysis.

Module I: Methods of Statistics **15 Hrs**

Meaning and Scope of Statistics- Types of Data; Primary and Secondary, Methods of Collecting Primary and Secondary Data- Classification, Tabulation and Presentation of Data; Measures of Central Tendency- Mean, Median, Mode, Geometric Mean and Harmonic Mean- Measures of Dispersion- Standard Deviation- Measures of skewness: Coefficient of Skewness.

Module II: Correlation and Regression Analysis **10 Hrs**

Scatter diagram, Karl Pearson's coefficient of correlation (one way table only), Rank correlation, Regression: Methods of the least squares.

Module III: Analysis of Time Series **10 Hrs**

Meaning, Components of time series, Measurement of trend- Method of moving averages, Method of least squares - straight line trend, parabolic trend, exponential trend, logarithmic trend- Estimation of growth rates - Calculation of seasonal variations- Index Numbers - Types and Construction of Simple and Weighted Index Numbers.

Module IV: Probability Theory of Distribution and Sampling Distribution **10 Hrs**

Basic Concepts of Probability Theory - Definition of Probability Addition and Multiplication Theory of Probability - Discrete and Continuous Distributions - Binomial, Poisson and Normal Distributions - Census and Sample - An Overview of Sampling Methods, Probability Samples and Non- Probability Samples, Relationship between Sample Size and Errors.

Module V: Computer methods of Data Analysis **15 Hrs**

MS Office utilities, Features and facilities in MS-Word, MS-Excel, MS-PowerPoint – SPSS Package - Starting SPSS; SPSS main menus; Working with data editor; SPSS Viewer; Importing and Exporting data.

Suggested Readings:

1. Gupta. S. P. (2008) Statistical Methods, S. Chand and Company, New Delhi
2. Gupta. S. C. (1982) Fundamentals of Statistics, Himalaya Publishing House, Bombay
3. Nagar, A. L. and Das, R. K. (1982), Basic Statistics, Oxford University Press, Bombay
4. Elhance. D. N. (1977), Fundamentals of Statistics, Allahabad : Kitab Mahal
5. G.C. Beri, Statistics for Management III Edition.
6. Statistics for Business and Economics by Anderson, Sweeney, William, Thomson Publishing 9/E, 2007.

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M.A. in Economics: I Semester
Compulsory Paper: Economics of Growth
 (w.e.f. 2018-19 and onwards)

SYLLABUS

Teaching hours per week – 4	:	Maximum Marks	:	100 Marks
		Semester End Examination	:	70 Marks
		Internal Assessment	:	30 Marks

Course Outcome:

At the end of this course students will be able to:

1. Students will get benefit of conceptual approach of growth models which are applied for the actual development of the nation.
2. Students will be aware about the process of national development and requirements for it.
3. They will be able to distinction between Economic growth and Economic development and how economic development is influenced by population growth, gender aspects and foreign capital.

Module -1- Introduction

10 Hours

Economic Growth and Development- Factors affecting economic growth- Capital, Labour and Technology- Characteristics of Modern economic Growth- Economic Growth and income distribution: Inverted U Hypothesis- Limits to Growth- Environment and Economic Growth- Kuznet's Hypothesis.

Module II- Growth Models- Post Keynesian

10 Hours

Growth- Stability and Instability- Harrod-Domar Growth model- Joan Robinson's Model of Capital accumulation- Golden Age- Neo Classical Growth Theory- Solow's model and stable growth: Meade's model: Critical Growth Rate-Swan Model-Cambridge criticism- Capital controversy.

Module III- Growth Models- Dualism and Distribution

10 Hours

Lewis Model: Unlimited Supply of Labour- Ranis Fie Model- Jorgenson's Model: the development of a dual economy-Uzawa model: Conditions for Stability- Models of Distribution- Kaldor's model- Pasinetti model: Profits and Growth- Role of money in economic Growth- Tobin's Model – Johnson's Model.

Module IV-Technical Progress, Savings and Economic Growth

10 Hours

Role of Technical Progress- embodied and disembodied-Neural technical progress- Hicks and Harrod- Production Function Approach to economic Growth-Total Factor Productivity and Growth Accounting- Savings and Economic Growth- Optimal Savings- Present Vs. Future Consumption- Time Preference-Ramsay's Rule.

Module V: Human Capital Theories

10 Hours

Human Capital and Economic Growth- Human Capital Accumulation-Contributions of T.W. Schultz, Gary Becker and Mincer- Learning by Doing- Education, Research and Development: Global Comparison.

Books for Reference

1. Robinson J : Accumulation of Capital
2. Sen Amartya : Growth Economics
3. Meade J E Neo- Classical Theory of Economic Growth
4. Kaldor N Essays on Value and Distribution
5. GM Myier- Leading Issues in Economic Development
6. Romer D (1996) Advanced Macroeconomics
7. Solow r M Growth Theory OUP 1970
8. Mankiw N G Macro Economics (2003)

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M.A. in Economics: I Semester

Optional Paper: Industrial Economics
 (w.e.f. 2018-19 and onwards)

SYLLABUS

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		Semester End Examination	:	70 Marks
		Internal Assessment	:	30 Marks

Course Outcome:

At the end of this course students will be able to:

1. To acquaint students with nature and scope of Industrial Economics.
2. To understand the Industrial Policy of India and its role in Nation Development.
3. To study the market concentrations and industrial combinations.
4. To know the sources of industrial finance in India.

Module I: Framework of Industrial Economics

10 Hrs

Nature and scope of industrial economics; Industrialization and economic development - Hoffman's hypothesis, Kuznets hypothesis; Technological change and industrial growth; Concept of Firm, Ownership and Objectives of the Firm; Size of the Firm - optimum firm.

Module II: Industrial Location

10 Hrs

Factors Affecting Location; Weber, Sargent Florence, Growth pole and Central Place Theories; Myrdal's cumulative causation and backwash effects; Hirschman's Polarization and Trickle down effects; Industrial Concentration and Dispersal.

Module III: Investment and Pricing Policy

10 Hrs

Investment Decision and Appraisal – Net Present Value, Internal Rate of Return, Pay back period; Break-even analysis; Pricing Methods in Practice – Cost oriented and computation oriented pricing policies; Theories and Empirical Evidence on Mergers and Acquisitions.

Module IV: Indian Industrial Growth and Pattern

15 Hrs

Classification of Industries; Public vs Private Sector; Industrial Policy 1991- Recent Industrial Policy Initiatives; Recent Trends in industrial growth; Multinational Corporations and Transfer of Technology; Regional Industrial Growth in India; Issues in Industrial Pollution; Industrial Sickness; Industrial Concentration and Remedial Measures; Competition Commission.

Module V: Industrial Finance**15 Hrs**

Role and Types of Institutional Finance; IDBI, IFCI, ICICI, SFCs, SIDBI, and Commercial Banks- Profit and Loss Account- Assessment of Financial Soundness and Ratio Analysis.

Suggested Readings:

1. Ahluwalia, I.J. (1985) : *Industrial Growth in India*, Oxford University Press, New Delhi.
2. Barthwal, R.R. (1985) : *Industrial Economics*, Wiley Eastern Ltd., New Delhi.
3. Cherunilam, F. (1994) : *Industrial Economics: Indian Perspective (3rd Edition)*, Himalaya Publishing House, Mumbai.
4. Dasai, B. (1999) : *Industrial Economy in India (3rd Edition)*, Himalaya Publishing House, Mumbai.
5. Divine, P.J. and R.M.Jones : *An Introduction to Industrial Economics*, George Allen et.al. (1976) and Unwin Ltd., London.
6. Government of India : *Economic Survey (Annual)*.
7. Hay,D.and D.J.Morris(1979) : *Industrial Economics: Theory and Evidence*, Oxford University Press, New Delhi.
8. Kuchhal, S.C. (1980) : *Industrial Economy of India (5th Edition)*, Chaitanya Publishing House, Allahabad.
9. Reserve Bank of India : *Report on Currency and Finance (Annual)*.
10. Singh, A. and A.N. Sadhu (1988) : *Industrial Economics*, Himalaya Publishing House, Bombay.
11. Varshney R.L. and Maheshwari K.L. : *Managerial Economics*, Sultan Chand and Sons, New Delhi