

**M.A (ECONOMICS) – FIRST SEMESTER**

First Semester			
S. No.	Name of Subject	Credits	Total Marks
1	Microeconomic Theory	6	100
2	Introductory Mathematical Economics	5	100
3	Macroeconomic Theory	6	100
4	International Trade	5	100
<b>Total</b>		<b>22</b>	

**Subject Name: MICROECONOMIC THEORY**

1. Consumer behaviour, law of demand, elasticity of demand, basic ideas of demand estimation and forecasting, utility, indifference curves, budget constraints, consumer equilibrium
2. Objective of the firm: Production functions, cost curves, economies of scale and scope, law of variable proportions, capacity utilization, estimation of production and cost functions, break- even analysis
3. Pricing and output decisions under different forms of market structure: Different models of collusive and non-collusive oligopoly, bilateral monopoly, degree of monopoly and concentration
4. Price discrimination, mark up pricing, marginal cost pricing, factor pricing, peak-load pricing, transfer pricing
5. Basic ideas of welfare economics, market failure, externalities, public goods, behaviour under certainty and uncertainty, economics of information

**Suggested Readings:**

- Krugman, Paul and Robin Wells, (2008): Microeconomics,USA, Worth Publishers
- Pindyck and Rubinfeld (2002): Microeconomics, India, Prentice Hall,
- Jones, Trefor (2004): Business Economics and Managerial Decision Making, USA John Wiley and Sons
- Mansfield, Edwin (1997): Applied Microeconomics,USA, W.W. Norton and Co
- Damodaran, Suma,( 2006: Managerial Economics, U.K.Oxford University Press
- Varian, Hal (1992): Microeconomic Analysis,USA, W.W. Norton and Co.

**Subject Name: INTRODUCTORY MATHEMATICAL ECONOMICS**

- UNIT 1:** (i) Preliminaries: Logical Implications, Sets, Relations, Functions etc. (ii) Optimization: Existence of Optima; Unconstrained Optimization; Optimization with (a) Equality Constraints (b) Inequality Constraints; Envelope Theorem; Convexity and Optimization; and possibly, Parametric Continuity.

**UNIT 2:** Basic concepts of Linear Algebra, (linear spaces, linear combinations, subspaces, basis, dimension, linear transformation, Fundamental theorem of linear algebra). Systems of linear equations. Spectral Theory. Inner Product Spaces (mainly Orthogonal Projections). Quadratic Forms.

**UNIT 3:** Differential Equations. Ordinary first order differential equations, systems of differential equations (in particular, systems of 2 differential equations), Stability.

**Suggested Readings:**

1. Rangarajan Sundaram. 1996. A First Course in Optimization Theory. Cambridge University Press. (RS).
2. Carl Simon and L. Blume. 1994. Mathematics for Economists. Norton and Co
3. Treil, Sergei . 2010. Linear Algebra Done Wrong. (LADW) [ebook available at <http://www.math.brown.edu/~treil/papers/LADW/book.pdf>]
4. Strang, Gilbert. 2003. Linear Algebra And It's Applications, (3rd Ed). (GS)
5. Simmons, George F. Differential Equations. (2nd edition)
6. D. Leonard and N. van Long (1992). Optimal Control Theory and Static Optimization in Economics. CUP.
7. D. Acemoglu (2009). Introduction to Modern Economic Growth. (Appendix B).

**Subject Name: MACROECONOMIC THEORY**

**1 Classical Macroeconomics**

Classical Dichotomy, Quantity Theory of Money, Great deflation, Origins of modern macroeconomics

**2 Keynesian Macroeconomics**

Say's law, Loanable funds vs. liquidity preferences, Effective demand, Role of Investment, Keynes-Kahn Multiplier, Output determination, Paradox of thrift, Role for stabilization policy

**3 Neoclassical Synthesis**

IS-LM model, Aggregate supply and aggregate demand, Phillips curve, Adaptive expectations, Stagflation, Lucas critique

**4 Money, Inflation and Monetary Policy**

Functions of Money, Determination of price level and Interest rates, Monetarist view (Friedman), Monetary Policy, Instruments and Targets, Stable Monetary Rules, Inflation dynamics, Endogenous Money

**5 Business Cycles**

Measurement, Endogenous theories (Hicks, Goodwin, Kaldor), Exogenous theories - Real Business Cycle theories, Financial cycles (Minsky).

**Suggested Readings**

1. Romer, David (2006), Advanced Macroeconomics, McGraw-Hill/Irwin, NY, 3rd edition.
2. Keynes, John Maynard (1936), The General Theory of Employment, Interest and Money, Macmillan and Co., Limited, London.
3. Taylor, Lance (2004) Reconstructing Macroeconomics - Structuralist Proposals and Critiques of the Mainstream, Harvard University Press, Cambridge, Massachusetts.
4. Heijdra, B.J. and F. van der Ploeg (2002), Foundations of Modern Macroeconomics, Oxford University Press, UK.
6. Phelps, E. (1990), Seven Schools of Macroeconomic Thought, Oxford University Press, Oxford

**Subject Name: INTERNATIONAL TRADE**

1. Determinants of trade, classical, neo -classical trade theories, factor reversals and factor prices, Leontief paradox, empirical tests of classical and neo-classical trade theories' approaches.
2. Gains from trade, terms of trade, distribution of gains from trade
3. Modern trade theories, empirical test of the modern trade theories.
4. Trade policies: Types, impact and economic development.
5. Protectionism in industrialized countries and macroeconomic structural adjustment, voluntary exports restraint and counter trade.
6. The Prebisch- Singer theory and north- south trade, bargaining power of LDC, stabilization of commodity prices, trade preferences for manufactured exports for LDC
7. Trade in services, environment and trade.

**Suggested Readings:**

1. Appleyard, Dennis R.and J,Alfred Field,(1998):International economics ,London, Mc Graw Hill.
2. Bhaduri, Amit: and Deepak Nayyar, (1996): Intelligent person's guide to liberalisation , India, Penguin Books
3. Bhagwati, J.,(1987): International economics, selected readings, USA, M. I.T. Press.
4. Bhagwati,J. & Srinivasan,T.N.(1972): Lectures on international trade, Cambridge Mass.,M I T Press.
5. Bhagwati,J.(1972) : Pure theory of international trade, India, Penguin books
6. Corden,W.M. (1974): Trade Policy and Economic Welfare. Oxford,Clarendon Press
7. Krugman, P.R Maurice Obstfield,(1992): International economics, theory and practice, New Delhi, Prentice Hall .
8. Lindert, P.H. & Kindleberger, C.P (1982): International economics, USA, Richard D Irwin,, Inc. Iliion's
9. Meier,G.M, ( 1968): The international economics of development: theory and practice, New York, Harper & Row
10. Soderston, B.O, (1994): International economics, London McMillan
11. Stiglitz, Joseph E & Charlton Andrew: (2005): Fair trade for all: How trade can promote development, New York, University Press
12. Economic and political weekly, various issues Mumbai, Sameeksha Trust
13. Economic survey: various issues, Ministry of Finance, New Delhi, Government of India
14. World development report, various issues, Washington D.C., World Bank
15. World investment report, various issues, Geneva, UNCTAD