

M.A (ECONOMICS) – THIRD SEMESTER

Third Semester			
S. No.	Name of Subject	Credits	Total Marks
1	India and the Early Modern International Economy	6	100
2	Econometrics	5	100
3	Public Economics I	6	100
4	Research Methodology & Quantitative Methods	5	100
Total		22	

Subject Name: INDIA AND THE EARLY MODERN INTERNATIONAL ECONOMY

Unit - 1 – Balance of payments

Balance of payments. Current account and capital account transactions. Disequilibrium in BOP, adjustment mechanisms. Marshall-Lerner elasticity approach, absorption approach, monetary approach, Internal and External Balance. Swan model.

Unit - 2 Exchange rates

Exchange rates. Flexible and fixed exchange rates. Determination of exchange rates. Revaluation and Devaluation, Appreciation and Depreciation, Risks and rewards involved. Spot rates and forward contracts, options and futures. International financial markets. Euro currency markets, International Bond Markets

Unit – 3 Exchange control

Convertibility on current account and capital account, Exchange control: objectives of exchange control. Methods of exchange control, Indian Rupee and its fluctuations in the international currency markets.

Unit – 4

Optimum currency area theories - Factor mobility theory, propensity to inflation theory - the process of development of Euro as an optimum currency area.

Unit – 5

International financial movements. Portfolio and direct investments and their impact on the economy. Multinational and transnational corporations and their role in the international financial movements.

Unit – 6

Rise and fall of Bretton Wood and the emerging International Monetary system, IMF, mechanism of membership quota and borrowing, Conditionality. Evaluating the contribution of IMF, Important International Financial Crisis and the role of IMF (Oil crisis, International debt crisis, South East Asian crisis, Brazil Argentina and Mexico, Russia and Eastern Europe, The sub-prime crisis)

Recommended Readings:

1. James Ingram: International Economics (Ed. 1995)

2. Krugman International Economics (latest edition)
3. Kennen International Economics (latest edition)
4. Maurice Levi: International Finance.

Subject Name: ECONOMETRICS

Unit I: Statistic and parameter, Estimate & Estimator, Basic Concepts of Estimation and Desirable Properties of Estimators, Simple Linear Regression Model (SLRM) and The Multiple Linear Regression Model (MLRM)-Assumptions, OLS Estimation and Properties of OLS Estimators; BLUE-The Gauss-Markov Theorem; Specification Error, Errors of Measurement, Dummy Variables.

Unit II: Heteroscedasticity, Autocorrelation, Multicollinearity- Consequences, Detection and Remedial Measures; GLS and properties of GLS Estimators.

Unit III: Introduction to Time Series: Key concept- Stochastic Processes; Stationarity in time series – trend and difference stationary stochastic processes, UNIT root and stationarity tests – Dickey-Fuller and Augmented Dickey-Fuller tests, transforming nonstationary time series; The phenomenon of spurious regression, spurious regression and cointegration

in time series – elementary concepts

Unit IV: Introduction to Simultaneous Equation Model: Structural and Reduced Forms – Simultaneity Bias – Informal Introduction to Identification

Problem, Indirect Least Squares and Two Stage least Squares

Unit V: Distributed Lag Models-Koyak Reduction, Partial Adjustment and Adaptive Expectations, Alom's Approach.

Recommended Readings:

1. Daugherty 'Introduction to Econometrics', OUP
2. Gujarathi, D., "Basic Econometrics", McGraw Hill.
3. Salvatore, Dominick and Reagle, Darrick, "Statistics and Econometrics", Tata Mc Graw Hill
4. Johnston and Dinardo, "Econometric Methods", McGraw Hill

Subject Name: PUBLIC ECONOMICS-I

1. Introduction: The Role of the Government in a Changing Perspective, Fiscal Functions of the Government, Co-ordination among these Functions, Provision of Private Goods, Public Goods, Social Goods, Merit Goods and Mixed Goods.

2. Principles of Taxation: Principle of Fiscal Neutrality, Excess Burden, Doctrine Principle of Equity, Benefit Principle, Bowen and Lindhal Models, Ability to pay Principle Administrative Efficiency. Application of Taxation Principles in Developing Countries. Meaning, Types and Measurement of Taxable Capacity.

3. Impact and Incidence of Taxes: Meaning of Impact and Incidence, Distinction Between Impact and Incidence, Types of Incidence, Theories of Shifting Incidence, Shifting of Tax Incidence under Different Market Conditions.

4. Public Expenditure: Wagner's Law, Wiseman – Peacock Hypothesis, Pure Theory of Public Expenditure, Social Cost- Benefit Analysis.

5. Public Debt.: Classical, Keynesian and Post – Keynesian Approaches of Public Debt., Classification of Public Debt., Burden of Public Debt., Public Debt Management, Repayment of Public Debt.

Subject Name: RESEARCH METHODOLOGY AND QUANTITATIVE METHODS

Unit I: Introduction: Research-Meaning, Objectives & its application; Types of Research; Process of Research: Steps Involved in Research Process; Characteristics of scientific method; Review of Literature and Uses.

Unit II: Problem Identification & Formulation – Research Question – Investigation Question - Measurement Issues – Hypothesis – Qualities of a good Hypothesis –Null Hypothesis & Alternative Hypothesis. Hypothesis Testing – Logic & Importance.

Unit III: Research Design: Concept and Importance in Research – Features of a good research design –Exploratory Research Design – concept, types and uses, Descriptive Research Designs – concept, types and uses. Experimental Design: Concept of Independent & Dependent variables.

Unit IV: Sampling: Concepts of Statistical Population, Sample, Sampling Frame, Sampling Error, Sample Size, Non Response. Characteristics of a good sample. Probability Sample – Simple Random Sample, Systematic Sample, Stratified Random Sample & Multi-stage sampling. Determining size of the sample–Practical considerations in sampling and sample size.

Unit V: Computer Applications: Spreadsheet tool: Introduction to spread-sheet applications, features & functions, using formulae & functions, data storing, features for statistical data analysis, generating charts/graphs & other features. [*Tools: Microsoft Excel, Open office and similar or other advanced tools*] Presentation tool: Introduction to presentation tool, features & functions, creating presentations, customising presentation. [*Tools used: Microsoft Powerpoint, Open Office or any other tool*] Web Search: introduction to internet, Use of Internet & www, using search engines using advanced search tools. Thesis writing & Scientific editing tools.

References:

1. Montgomery, Douglas C. (2007) 5/e, Design and Analysis of Experiments (Wiley India)
2. Montgomery, Douglas C. & Runger, George C. (2007) 3/e, Applied Statistics & probability for Engineers (Wiley India)
3. Kothari C.K. (2004) 2/e, Research Methodology – Methods and Techniques (New Age International, New Delhi)
4. Krishnswamy, K.N., Shivkumar, Appa Iyer and Mathiranjana M. (2006) Management Research Methodology; Integration of Principles, Methods and Techniques (Pearson Education, New Delhi)
5. The Complete reference Office Xp- Stephan L. Nelson, Gujulia Kelly (TMH)
6. Basic Computer Science and Communication Engineering – R. Rajaram (SCITECH)