

**UNIVERSITY OF CALICUT
(Abstract)**

M A Economics - Implementation of Calicut University Credit Semester System (CUCSS) – in affiliated colleges – I Semester Syllabus and Scheme – implemented with effect from 2010 Admission – approved - Orders issued.

GENERAL AND ACADEMIC BRANCH – IV 'B' SECTION

No.GAIV/B1/4114/2010

Dated, Calicut University. P.O., 19-08-2010.

- Read: 1. U.O. No. GA1V/J1/1373/08 dated 23-07-2010.
2. Corrected Minutes of the meeting of the Board of Studies in Economics (PG) held on 03/06/2010 received in this office on 04-08-2010(Item No.1)
3. Orders of the Vice-Chancellor in the file of even no. dated 13/08/2010.

ORDER

Vide paper read 1st above, Calicut University Credit Semester System (CUCSS) has been introduced at PG level in affiliated colleges of Calicut University with effect from 2010 admission onwards.

Vide paper read second above, the Board of Studies in Economics (PG) at its meeting held on 03/06/2010 considered the question of implementing Calicut University Credit Semester System (CUCSS) at PG level, and framed and approved the syllabus of 1st Semester M A Economics, to be offered in affiliated colleges with effect from 2010 admission.

The Vice-Chancellor after having considered the matter of urgency, has approved item number 1 of the minutes of the meeting of the Board of Studies in Economics (PG) held on 03-06-2010, for implementation, exercising the powers of Academic Council, subject to ratification by Academic Council.

Sanction has therefore been accorded for implementing the I Semester syllabus of M A Economics course in affiliated colleges, with effect from 2010 admission, subject to ratification by Academic Council.

Orders are issued accordingly.

The syllabus is appended herewith.

**Sd/-
DEPUTY REGISTRAR (G&A-IV)
For REGISTRAR.**

To

The Principals of all colleges
offering M A Economics.

Copy to:

The Controller of Examinations/Ex. Sn/Eg. Sn/
DR.AR PG Sn/PG Tabulation Sn/Library/
GA I F Sn/SF/DF/FC/System Administrator with a request
to upload the syllabus in the University website.

Forwarded/By Order

MA. ECONOMICS (CSS)
Syllabus for First Semester
(With effect from 2010 Admission)

- 1. Core Course I**
Micro Economic Theory and applications- I
4 Credits

- 2. Core Course II**
Macro Economic Theory and Policy-I
4 Credits

- 3. Core Course III**
Quantitative Techniques-I
4 Credits

- 4. Core Course IV**
Indian Economy- Problems and Policies
4 Credits

Core Course-I
MA ECONOMICS (CSS)
I SEMESTER
PAPER-I- MICRO ECONOMIC THEORY AND APPLICATIONS-I
Credit 4

Total Hours: 90
Lecture Hours:70
Seminar Hours:20

Module-I : Demand Analysis-Recent developments in demand Theory-Bandwagon,Snob and Veblen Effects ,Demand characteristic-Kelvin Lancaster-Demand for durable goods-constant elasticity functions

Module-II: Consumer choice under risks-probability and variability in measuring risks. Risk aversion –economics of insurance –cost and risks, risk-pooling and risk spreading.Choices involving risks – St ‘Petersburg Paradox Neumann-morgenstern Hypothesis, Fredman-Savage hypothesis, Markowitz

ModuleIII: Theory of production and costs- Linear homogenous production function - Technical progress and production function Cobb-Douglas, CES, Translog.Multiproduct firms and dynamic changes in costs –Economies of scope – the learning curves

Module IV: Oligopoly-pricing under oligopoly- classic models. Game theory and competitive strategy – co-operative Vs Non co- operative – Repeated games –Sequential Games- Nash equilibrium. Limit pricing models- Bain ,Sylos –Labini,Franco Modigliani. Theory of transaction cost –Coase and Williamson

References:-

- A.Koutsoyiannis, Modern Micro Economics, the Macmillan Press, 1990
- Pindyck Rubinfeld, Micro Economics, Pearson Printice Hall, 2006
- Dominic Salvatore, Micro Economic Theory and Applications, Oxford University Press 2006
- Hal R Varian, Micro Economic Analysis, W.W Norton, New York Michale Derlich, Transaction Cost Economics and Beyond.

Core Course-II
MA ECONOMICS (CSS)
I SEMESTER
PAPER-II- MACRO ECONOMIC THEORY AND POLICY-I
Credit 4

Total Hours: 90
Lecture Hours:70
Seminar Hours:20

Module I: Consumption and Investment

Consumption Function Hypotheses: Absolute income, relative income, life cycle income and permanent income hypotheses-Neo-classical theory of investment-Keynesian and Neo-Keynesian theories of investment-Tobin's 'Q' ratio

References:

1. Robert J Gordon "Macroeconomics", 1990, Harper Collins
2. Richard T. Froyen "Macroeconomics", 2003, Pearson Indian Ed
3. Gregory Mankiw "Principles of Macroeconomics", 2007, Thomson, Indian Ed
4. Rudiger Dornbusch and Stanley Fisher "Macroeconomics", 1994, McGrawhill
5. Rosalind Levacic and Alexander Rebman "Macroeconomics", 1982, McMillan
6. Andrew Abel and Ben Bernanke "Macroeconomics", 2003, Pearson, Indian Ed

Module II: Basic Macro Models

Keynesian-cross analysis (up to four sectors)-ISLM analysis (up to four sectors)-Aggregate demand-Aggregate supply curves framework (with price and income axes)-Neoclassical synthesis-Classical and Keynesian labour market analysis-Open economy macroeconomics (structuralist, demand-constrained, Kaleckian, monetarist, dual gap and north-south models)

References:

1. Rosalind Levacic and Alexander Rebman "Macroeconomics", 1982, McMillan, Chapters 2,3,4,5 and 6
2. Gregory Mankiw "Principles of Macroeconomics", 2007, Thomson, Indian Ed
3. Richard T. Froyen "Macroeconomics", 2003, Pearson Indian Ed
4. Prabhath Patnaik (Ed.) "Macroeconomics", 1997, Oxford University Press India, Chapter 2 "Open Economy Macroeconomic Themes for India", Pp 28-84 by Amitava Krishna Dutt
5. Brian Hillier "The Macroeconomic Debate: Models of Closed and Open Economy", 1991, Blackwell

Module III: Trade Cycles and Growth

Juglar cycles-Kitchin cycles-Kondratieff cycles-Multiplier-accelerator interaction model of Samuelson-Real Business Cycle theory-Political Business Cycle theories-Great Depression-Alternative view points on its cause (Friedman, Christina Romer Etc)-Current Global Recession and Crisis -View points by conservative and Keynesian economists (Eugene Fama, Paul Krugman etc)-Endogenous growth theory

References:

1. For different types of cycles, global recession etc see Wikipedia from the web
2. Brian Snowdown, Howard Vane and Peter Wynarczyk "A Modern Guide to Macroeconomics: An Introduction to Competing Schools of Thought", 2001,

Edward Elgar

3. Brian Snowdown and Howard Vane “Modern Macroeconomics: Its Origins, Development and Current State”, 2005, Edward Elgar

4. For political business cycle theories see Wikipedia from the web or any other Standard text

5. Rosalind Levacic and Alexander Rebman “Macroeconomics”, 1982, McMillan

Module IV: Modern Developments

A. Classical School:

The new classical macroeconomics -An overview of major themes in Monetarism– Rational expectation hypothesis – Lucas’ surprise supply function – The inter-temporal substitution model – Policy ineffectiveness argument – The Lucas critique-Supply-side macroeconomics-The Dynamically Stochastic General Equilibrium model (DSGE)

B. Keynesian School:

Disequilibrium Keynesians: Re-interpretation of Keynes by Clower and Leijonhufvud –The dual decision hypothesis–Rationing model of Malinvaud-Post Keynesians: The historical time concept-Kalecki’s pricing theory –Minsky’s financial instability theory-The New Keynesians: Micro foundations of macroeconomics – Small menu cost model – Implicit wage contract model – Efficiency wage theories – Insider-Outsider model

References:

1. Brian Snowdown, Howard Vane and Peter Wynarczyk “A Modern Guide to Macroeconomics: An Introduction to Competing Schools of Thought”, 2001, Edward Elgar

2. Brian Snowdown and Howard Vane “Modern Macroeconomics: Its Origins, Development and Current State”, 2005, Edward Elgar

3. For DSGE model see Wikipedia from the web

4. Brian Hillier “The Macroeconomic Debate: Models of Closed and Open Economy”, 1991, Blackwell

5. Andrew Abel and Ben Bernanke “Macroeconomics”, 2003, Pearson, Indian Ed

6. For historical time concept, Kalecki’s pricing theory and Minsky’s financial Instability theory see Wikipedia from the web or any other standard text

7. Richard T. Froyen “Macroeconomics”, 2003, Pearson Indian Ed

Core Course-III
MA ECONOMICS (CSS)
I SEMESTER
PAPER-III- QUANTITATIVE TECHNIQUES-I
Credit 4

Total Hours: 90
Lecture Hours:70
Seminar Hours:20

Module I Matrices, & Determinants

Type of matrices – Operations of matrices – Determinants – properties of determinants – Minors and Co factors – Ad joint of a matrix – Inverse of a matrix – Rank of a matrix – solution of a system of linear equations using matrices – Cramer's rule – characteristic equations – characteristic roots – Applications in economics.

Module II: Applications of differential calculus – indifference curve – rate of commodity substitution – Slutsky equation – production functions least cost combinations – constrained optimization – Market equilibrium models. Definition – Basic rules – standard results – methods of integration – Integration by parts – simple applications, concept of differential and difference equations, application in Economics.

Module III: Probability theory

Concept – Permutations Combinations Definition classical, empirical – axiomatic approaches – Addition and multiplication laws conditional probability – Bayesian probability - Bay's theorem random variable – probability functions – Mathematical expectation – moments .

Books

1. Taro Yamane: Statistics – An Introduction
2. Hoel PG Introduction to mathematical Statistics
3. Simpson & Kafka Basic Statistics
4. RGD Allen Mathematical Analysis for economics

Core Course-IV
MA ECONOMICS (CSS)
I SEMESTER
PAPER-IV- INDIAN ECONOMY- PROBLEMS AND POLICIES
Credit 4

Total Hours: 90
Lecture Hours:70
Seminar Hours:20

Module I: Growth and Structural change of Indian Economy

Growth and Sector-wise contribution to GDP - Distribution of national income among four factors of production – Regional disparity.

Module II: Economic Planning in India

Objectives of planning – achievements of planning – agricultural development under plans – farm size and productivity – industrial development under plans – foreign trade under plans – infrastructure under plans – Population policy and demographic pattern.

Module III Policy debates since independence

Debates on planning – debates on industrialization – debates on agricultural development – debates on poverty and its measurement – debates on foreign trade regime and role of Foreign Capital.

Module IV: Economic Reforms since 1991

Background of reforms – industrial policy reforms – trade policy reforms - fiscal policy reforms – financial sector reforms – foreign investment and technology – the social sectors, poverty and reform.

Module V: Kerala Economy I

Structural change of Kerala Economy since the formation of the state – Kerala model of Development – Agricultural performance – WTO and Agricultural – Industrial Backwardness – Development of Infrastructure - Power, Road, Water and Air Transport, Tourism, Banking Health and Education

Module VI: Kerala Economy II

Migration – migration and Foreign remittance – Economic Impact of Gulf emigration on Kerala Economy. State Finance – Fiscal deficit and public debt – white paper on Fiscal crisis – Fiscal reforms. Decentralization – Achievements of Decentralization – Economic reforms and Kerala economy. Urbanisation – Trend, Pattern, causes and consequences. Poverty Unemployment – and Development Policy.

References:

1. Vijay Joshi and I. M.D Little, India: Macro Economics and Political Economy – 1964-1991, Oxford University Press, New Delhi 1994.
2. Uma Kapida (ed), Indian Economy Since Independence, Academic Foundation, New Delhi 2004.
3. Vijay Johi and I. M.D Little, India's Economic Reforms, 1991 – 2001, Oxford University Press, New Delhi, 1996
4. VM Dandekar and Nilakantha Rath, Poverty in India, Indian School of Political Economy, Pune, 1971.
5. Sanjeev Kumar, Foreign Direct Investment in India, BR Publishing Company Delhi, 1996.
6. Bala subramanyan, Selected Issues in Development Economics, Oxford University Press, London, 1993.
7. Jagdish Bhagwati, India in Transition, Oxford University Press, Delhi, 1994.
8. Amitaiva Krishna Dutt, Open-economy Macro-economic themes India, in Prabhat Patnaik (ed) Macro Economics, Oxford University Press, New Delhi 1995.
9. HW Singer, Neelambar Hatti and Rameshwar Tandon (eds), Trade Liberalisation in the 1990, Indus Publishing Company, New Delhi, 1990.
10. Jagdish Bhagwati and TN Srinivasn, Foreign Trade Regimes and Economic Development: India, NBER, New York, 1986.
11. Isher Judge Ahluwalia and IMD Little (ed) India's Economic Reforms and Development Essays for Manmohan Singh, Oxford University Press, Delhi, 1998.
12. KR Gupta (Ed), Liberalization and Globalization of Indian Economy, Atlantic Publishers, New Delhi 1995
13. Deepak Lal, India in the World Economy, Oxford University Press, 1999
14. RBI Bulletin (Annuals)
15. Economic Survey (Ministry of Finance)
16. BA Prakash (Ed.) Kerala's Economic Development: Issues and Problems, Sage publishers, New Delhi, 1999.
17. ET Mathew Employment and Unemployment in Kerala, Sage publishers, New Delhi, 1997
18. Dr. S Murthy, Structural Reforms of Indian Economy Atlantic Publishers, 1995.
19. CT Kurien, Poverty, Planning and Social Transformation in India, Allied Publishers, Delhi, 1978
20. CDS – UN (1975) Poverty Unemployment and Development Policy: A Case Study of selected issues with reference to Kerala, Centre for Development Studies, Trivandrum.
21. George, Limits to Kerala Model of Development ,CDS.
22. V.K. Ramachandran ,Indian Economy Selected Regional Perspectives
23. MA Oomen ,Kerala Economy, Institute of social sciences, concept publishing company 1999

UNIVERSITY OF CALICUT

(Abstract)

M.A Economics – II Semester Syllabus – CUCSS – in affiliated colleges–
implemented with effect from 2010 admission – approved – orders issued.

GENERAL & ACADEMIC BRANCH IV 'B' Section

No.GAIV/B1/4114/2010

Dated, Calicut University,.P.O., 22.12.2010

Read: 1) U.O. No. GA IV/J1/1373/08 dated 23.07.2010.

2) U.O. of even No. dated 19.08.2010.

3) Item No. I of the Minutes of the meeting of the Board of Studies in
Economics (PG) held on 14.12.2010.

4) Orders of Vice Chancellor in the file of even No. dated 21.12.2010.

ORDER

Vide paper read 1st above, CUCSS has been introduced at PG level in
affiliated colleges of Calicut University with effect from 2010 admission
onwards.

Vide paper read 2nd above, 1st Semester Syllabus of M.A Economics
under CUCSS in affiliated colleges was implemented with effect from 2010
admission.

Vide paper read 3rd, the Board of Studies in Economics (PG) at its
meeting held on 14.12.2010 finalised and approved the syllabus of IInd
semester M.A Economics under CUCSS in affiliated colleges, with effect from
2010 admission.

The Vice Chancellor after having considered the matter, and in view of
urgency, exercising the powers of Academic Council has approved the
minutes of the meeting of the Board of Studies in Economics (PG) held on
14.12.2010, for implementation.

Sanction has therefore been accorded for implementing the IInd
Semester Syllabus of M.A Economics under CUCSS in affiliated colleges with
effect from 2010 admission, subject to ratification by Academic Council.

Orders are issued accordingly.

The syllabus is appended herewith.

Sd/-

DEPUTY REGISTRAR (G&AIV)

For **REGISTRAR**

To

The Principals of all colleges
offering M.A Economics.

Copy to : CE/En/EG/DR – AR PG Section/PG Tabulation Section/
Library/GA I 'F' Section/System Administrator with a request
to upload the syllabus in the University website.

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SECTION OFFICER

CORE COURSE V
M.A.ECONOMICS (CSS)
II SEMESTER
MICRO ECONOMIC THEORY AND APPLICATIONS - II
Credit 4

Total Hours: 90

Lecture Hours: 70

Seminar Hours: 20

Module-I: Input Output Analysis: Technical coefficients – Hawkin-Simon condition – Leontief’s open system-closed system

Reference: (1),(2),(3)and(4)

Module II: General Equilibrium and Welfare Economics: Social welfare function- Pareto optimality-Kaldor-Hicks compensation criterion-Scitovsky criterion - Theory of second best-Arrow’s impossibility theory-Rawls theory of justice-Externalities- Production and consumption

Externalities and (a) efficiency (b) property rights-the tragedy of commons.

Reference: (7),(10),(11),(12)and (13).

Module III-Economics of information: Search cost-searching for the lowest price-search and advertising.

Adverse selection-market for lemons-welfare implications of adverse selection-market signaling-moral hazard and insurance markets-“principal-agent problem”-the efficiency wage theory.

Reference:(6),(8),(11) and (13).

Module IV: Distribution:- Euler’s theorem and adding up problem-macro theories of distribution-Ricardo-Marx-Kalecki-Kaldor

Reference: (5),(9) and (10)

Module V: Asset markets:- Equilibrium with certainty-equilibrium with uncertainty-the capital asset pricing model-The Arbitrage pricing theory.

Reference: (14)

References:

(1)Allen R.G.D.,”Mathematical Economics” 2nd Edition (ELBS &Macmillan)

(2)Archibald G.C.and Lipsey ,Richard G.,”An introduction to a mathematical treatment of economics 3rd edition(ELBS&Weidenfeld and Nicolson.)

(3)Awh,RobertY., “Microeconomics”Theory and applications (John Wiley and Sons Inc.)

- (4) Baumol, William.J., “Economic Theory and Operations Analysis” 4th edition(PHI.)
- (5) da Costa,G.C. , “ Value and Distribution”. (Himalaya publishing house.)
- (6). Gravelle, Hugh and Rees, Ray ., “Microeconomics”2nd edition (Pearson Education.)
- (7) Henderson, James M. and Quandt ,Richard E., “Micro economic theory “ A mathematical approach. (McGraw Hill International Book Company)
- (8) Ine’sMacho-Stadler and J.David Pe’rez-Castrillo .,“An introduction to the economics of information” 2nd Edition (OUP)
- (9) Joshi,J.M., “Theory of value,distribution and welfare economics” (Vikas publishing house pvt ltd)
- (10). Koutsoyiannis.A., “Modern Microeconomics”2nd edition (TheMacmillian Press)
- (11)Pindyck,Robert.s.,Rubinfeld,Daniel ,L .and Metha , Prem L.,”Microeconomics”,6th edition (OUP)
- (12) Russel, R.Robert and Wilkinson, Maurice., “Microeconomics”A synthesis of modern and neo classical theory (John Wiley&sons)
- (13)Salvatore,Dominick ., “Principles of Microeconomics” 4th edition(OUP)
- (14)Varian,Hal R ., “Microeconomic Analysis” 3rd edition (Viva Books Private Ltd)

CORE COURSE VI
M.A.ECONOMICS (CSS)
II SEMESTER
MACRO ECONOMIC THEORY AND POLICY - II
Credit 4

Total Hours: 90
Lecture Hours: 70
Seminar Hours: 20

Module I: Micro foundations of monetary theory:

Classical dichotomy -Say’s identity-Say’s equality-Inconsistency between Say’s law and the quantity theory of money - Walrasian system -Arrow-Debreu Model-Samuelson’s overlapping generations model -Clower’s cash-in-advance model -Money illusion-Keynes effect and Pigou effect-Patinkin’s real balance effect.

Module II: Demand for and supply of money:

Baumol, Tobin and Friedmans’ demand for money theories- Behavioural, money multiplier and endogenous money supply models- Fisher effect.

Module III: Inflation and unemployment:

Phillips curve-Natural rate of unemployment-expectation augmented Phillips curve-Non-accelerating inflation rate of unemployment (NAIRU)-Search theory-DMP(Diamond, Mortenson, Pissarides) model

Module IV: Macroeconomic policy:

Targetting monetary aggregates-Targetting interest rates-Inflation targetting-Budget deficits and money creation-The Barro-Ricardo equivalence theorem (The Ricardian equivalence)- Hyper inflation-Costs of inflation- The issue of Central bank autonomy-Rules vs discretion- The Taylor Rule-Time inconsistency of policy.

References:

1. Joseph Aschheim and Ching Yao Hsieh, "Macroeconomics;Income and Monetary Theory", 1969, Charles E.Merrill Pub.Co
2. Merin K.Lewin and Paul D Mizen "Monetary Economics", 2000, Oxford Uty Press
3. Gregory Mankiw "Macroeconomics", 2006, Worth Publishers
4. Gregory Mankiw "Principles of Macroeconomics", 2007, Thomson, Indian Ed
5. Mark Blaug, "Economic Theory in Retrospect", 1992, Cambridge Uty Press
6. Rosalind Levacic and Alexander Rebman "Macroeconomics", 1982, McMillan
7. Robert Clower, (Ed) "Monetary Theory", 1967, Penguin Books
8. N.N.Shrivastava "New Dimensions in Monetary Theory", 1986, Print House (India)
9. Jagadeesh Handa, "Monetary Economics", 2000, Routledge
10. Bernhard Felderer and Stefan Homburg, "Macroeconomics and New Macroeconomics", 1992, Springer Verlag
11. David Romer "Advanced Macroeconomics", 1996, McGrawhill
12. Rudiger Dornbusch and Stanley Fischer "Macroeconomics", 1994, McGrawhill
13. Andrew Abel and Ben Bernanke "Macroeconomics", 2003, Pearson,Indian Ed
14. Richard T.Froyen "Macroeconomics", 2003, Pearson Indian Ed
15. Robert J Gordon "Macroeconomics", 1990, Harper Collins
16. EricPentecost "Macroeconomics an Open Economy Approach", 2002, Paperback, McMillan

CORE COURSE VII
M.A.ECONOMICS (CSS)
II SEMESTER
QUANTITATIVE TECHNIQUES - II
Credit 4

Total Hours: 90
Lecture Hours: 70
Seminar Hours: 20

Module 1: Probability distributions – Discrete distribution – Distribution function – Properties of Distribution functions – Mathematical expectation – Binomial distribution – Mean of Binomial distribution – variance of Binomial distribution – Skewness and Kurtosis of Binomial distribution – Fitting of Binomial distribution – Poisson distribution – Mean of Poisson distribution – variance of Poisson distribution – Fitting of Poisson distribution

Module 2: Concept of continuous distribution Normal distribution – Properties of Normal distribution –Importance of Normal distribution – Area under Normal distribution – problems in normal distribution using normal distribution tables – Log Normal distribution (concept and applications only)

Module 3: Concept of population – sample - Theory of Sampling distributions –Standard Error – Sampling distribution of Sample mean – Chi square distribution – Student t distribution – F distribution – Central Limit theorem

Module 4: Estimation theory – Point estimation – Properties of point estimation – Interval estimation – Confidence intervals – Test of Hypothesis – Null and alternative hypothesis – Type I and Type II errors – Critical region – Level of significance – Power of a test – Critical value – Neymann Pearson Lemma –

Module 5: Testing Mean of a population – Testing equality of means of two populations – Test of proportion of success of a population – Testing of equality of two population proportions – t test for the population mean – t test for the equality of two population means – paired t test – ANOVA

Books

1. Taro Yamane Statistics, an introduction
2. Hoel PG Introduction to Mathematical Statistics
3. YP Agarwal Basic Statistics, Statistics for Behavior Sciences
4. K X Joseph Quantitative Techniques
5. S P Gupta Statistics

CORE COURSE VIII
M.A.ECONOMICS (CSS)
II SEMESTER
INTERNATIONAL TRADE – THEORY AND POLICY
Credit 4

Total Hours: 90
Lecture Hours: 70
Seminar Hours: 20

Module - 1: International Trade and Economic Development

Importance of trade to Development – Trade as an engine of growth – Import substitution versus export orientation - Export instability and economic development – Terms of trade and Economic Development.

Reference

- 1 **Dominick Salvatore**, *International economics* seventh edition, (John Wiley and sons) Chapter XI
2. **Joseph E Stiglitz and Andrew Charlton**, *Fair Trade for All: How Trade can Promote Development*, (Oxford University Press), 2005 Chapters II
3. **Robert J Carbaugh**, *International Economics IXth* Edition, (Thomson South-western), 2004 Chapters I

Module - 2 Development in Trade Theories

Demand and Supply in trade - Offer Curves and Terms of trade. Factor Endowment and factor intensity - Heckscher Ohlin Theory – Leontief Paradox – Factor Price Equalization Theory – Stolper Samuelson theorem; Metzler Paradox; Economies of Scale and trade (Need not go into different models). Imperfect competition and trade: Product differentiation and trade; Technological gap product cycle theories – Transportation cost trade; environmental standards and trade;

Reference

Dominick Salvatore, *International Economics* Seventh Edition, (John Wiley and Sons) Chapters IV, V and VI.

Module - 3 Economic Growth and International trade

(Need not explain the causes of growth especially different types of technical progress) Protrade, anti trade and neutral trade growth. Rybczynski Theorem – Immiserising Growth – Dutch disease – Prebisch - Singer Thesis

Reference

1. Dominick Salvatore, *International Economics* Seventh Edition, (John Wiley and Sons) Chapters VI and XI

2. Jagdish Bhagwati and Arvind Panagariya and T N Srinivasan, *Lectures on International Trade* 2nd edition, (Oxford University Press), 2003

Module - 4 Trade policy and Economic integration

Non tariff barriers and New protectionism (Avoid quotas as it is taught at degree levels): Dumping and Anti dumping duties; Exchange control; Trade monopolies; Export subsidies; Counter veiling tariff; Voluntary Export Restraints; Technical (including health and safety) standards, Administrative and other regulations; Economic Integration - Theories of customs union; Regional Trade Agreements, Regionalism and New Trade theory Strategic trade and Industrial policies.

Reference

1. Dominick Salvatore, - *International Economics* Seventh Edition, (John Wiley and Sons) Chapters IX and X

2. Charles Van Marrewijk and Ottens, *International Economics Theory, Application and Policy*, (Oxford University Press), 2007 Chapters XIII

3. Giancarlo Gandolfo -, *International Trade*, (**Spinger International Edition**), **2006**. Chapters X

UNIVERSITY OF CALICUT

(Abstract)

M.A Economics under (CUCSS)– in affiliated colleges -IIIrd and IVth semester syllabus –approved – implemented with effect from 2010 admission - orders issued.

GENERAL AND ACADEMIC BRANCH-IV B SECTION

No: GAIV/B1/4114/2010

Calicut University. P.O., Dated: 12

.08.2011

- Read: 1. U.O No.GA IV/J1/1373/08 dated 23-07-2010.
2. U.O's of even no. dated 19.08.2010, and 22.12.2010
3. Minutes of the meeting of the Board of Studies in Economics (P.G) held on 18.06.2011 (itemNo.1)
4.Orders of the Vice Chancellor in the file of even no.dated 08.08.2011.

ORDER

Vide paper read 1st above, Calicut University Credit Semester System has been introduced at PG level in affiliated colleges of Calicut University with effect from 2010 admission onwards.

Vide paper read 2nd above, the Ist and IInd semester syllabi of M.A Economics (CUCSS) in affiliated colleges with effect from 2010 admission have been implemented subject to ratification by the Academic Council.

Vide paper read 3rd the Board of Studies in Economics (P.G), at its meeting held on 18.06.2011, discussed ,finalized and approved the IIIrd and IVth semester syllabus of M.A Economics, to be offered in affiliated colleges with effect from 2010 admission.

Vide paper read 4th, the Vice Chancellor after having considered the matter and in view of urgency, had approved Item No. 1 of the minutes of the meeting of the Board of Studies in Economics(P.G) held on 18.06.2011, exercising the powers of Academic Council subject to ratification by Academic Council.

Sanction has therefore been accorded to implement the IIIrd and IVth semester syllabi of M.A Economics,(CUCSS) offered in affiliated colleges with effect from 2010 admission.

Orders are issued accordingly.

The Syllabus is uploaded in the university website.

Sd/-

**DEPUTY REGISTRAR (G&A-IV)
For REGISTRAR**

To,

The Principals of all colleges offering M.A Economics.

Copy to:- PA to CE/Ex/EG/DR-AR PG Sn./PG Tabulation Sn/Library/System Administrator with a request to upload the order /GA I 'F' Sn/SF/DF/FC.

Forwarded/By Order

SECTION OFFICER.

CORE COURSE IX
M.A.ECONOMICS (CUCSS)
III SEMESTER
INTERNATIONAL FINANCIAL SYSTEM
Credit 4

Total Hours: 90
Lecture Hours: 70
Seminar Hours: 20

Module I

International Monetary System, Past and present monetary arrangements – The gold standard – Brettonwoods conference and afterwards – Present international monetary system. Optimum currency areas - European monetary union – Euro – Euro Currency Market – Euro bond Market.

Module II

Foreign exchange market – Functions – Participants, Rate of exchange – types of exchange rates - Fixed- Flexible spot & forward market. Currency Futures and options. Swap market. Foreign exchange risk – Hedging, Arbitrage, Interest arbitrage, Speculation – Stabilizing and de-stabilizing. Currency convertibility – current and capital account.

Module III

Exchange rate determination – Purchasing power parity theory – Monetary and asset market (portfolio Balance) model. Exchange rate overshooting

Module IV

Balance of payments – components – Equilibrium and disequilibrium in BOP Adjustment mechanisms-automatic price and income adjustments. Elasticity and absorption approach. – J curve effect – Currency passes through. Stability of foreign exchange markets – Synthesis under fixed and flexible exchange rates. Policy adjustments – Expenditure changing and switching policies. Internal and external balance under alternative exchange rate regimes – Assignment problem – swan diagram – Mundel – Fleming Model. The policy mix under fixed and flexible exchange rates

CORE COURSE X
M.A.ECONOMICS (CUCSS)
III SEMESTER

BASIC ECONOMETRICS (2010 Admission)

Credit 4

Total Hours: 90

Lecture Hours: 70

Seminar Hours: 20

Module I

Methodology of econometrics – model specification stage – Model estimation stage – Model evaluation stage – Properties of an econometrics model.

Module II

Simple linear regression model – Estimation by using OLS method – assumptions of OLS - Mean and variance of estimates. Statistical tests - r^2 – standard error – t-test - BLUE – Gauss Markov Theorem (Including problems of Simple linear regression model).

Module III

Extension of the two variable linear regression models – Log linear model and estimation of elasticity – Log Lin model and measurement of growth rate – Lin Log model. Multiple regression models – Three variable model – Estimation of Parameters of Three Variable model by using OLS (Including problems) – R^2 and adjusted R^2 .

Module IV

Econometric problems – Multicollinearity – Reasons – Consequences – Methods of Detection – Important Remedial measures. Heteroscedasticity – Reasons – Consequences – Methods of Detection (Rank Correlation test, Goldfeld and Quandt

test, Glejse test) – Important Remedial measures. Autocorrelation – Reasons – Consequences - Methods of detection (Run test, Durbin-Watson d statistic) – Important remedial measures.

Module V

Dummy variable regression models – Nature of dummy variables – Models with one qualitative variable – Regression on one quantitative variable and one qualitative variable – Dummy variable trap – Regression on one quantitative and two qualitative variables.

Module VI Auto regressive and distributed lag models – Role of lag in economics – Reasons – Estimation of distributed lag model – Koyck model.

References:

1. Damodhar.N.Gujarati, Basic Econometrics, Tata McGraw Hill, 2005
2. A Koutsoyamis, Theory of Econometrics, Palgrave 2004.
3. Dilip.M.Nachane, Econometrics: Theoretical Foundations and empirical Perspective, Oxford University Press; 2006
4. Greene.W.H, Econometrics Analysis, Prentice Hall, 1997
5. Johnston.J, Econometric Methods, McGraw Hill, 1991.
6. Christopher Dhorthy – Introduction to Econometrics.
7. Maddala : Fundamentals of Econometrics.

CORE COURSE XI
M.A.ECONOMICS (CUCSS)
III SEMESTER
ECONOMIC GROWTH AND DEVELOPMENT (2010 Admission)
Credit 4

Total Hours: 90

Lecture Hours: 70

Seminar Hours: 20

Module I: Concept and Measurement of Economics Growth and Development

The meaning of Development and Challenges of Development Economics – The perpetuation of under development – Inequality in Income distribution, Kuznets Inverted U hypothesis, Lorenz Curve and Ginni-coefficient – The Development Gap – Per capita Income as an Index of Development .

Module II: Pre Keynesian Theories of Economic Growth

Grand Theories: Adam Smith and the accumulation of capital. David Ricardo, Thomas Malthus and Classical Pessimism, Marxian theory of capitalist development - Schumpeterian theory of economic development. Comparison of Pre Keynesian theories of Economic Growth – Ricardo and Marx – Schumpeter and Marx – Schumpeter and Ricardo – Marx and Schumpeter.

Module III

Post Keynesian Models of Economic Growth – Harrod-Domar Growth Model – Knife-Edge Equilibrium – Neo Classical Model of Economic Growth – Solow – Kaldor. Extensions of Simple Growth Model – Vintage Model – Solow Phelps Model. Dependency School Arguments against the Neoliberal prepositions. Institutions and Economic Growth.

Module IV: Partial Theories of Economic Growth and Development

Critical Minimum Effort Thesis - Balanced vs Unbalanced Growth, Surplus Labour and Lewis's Theory, Fei-Ranis. Market mechanism vs planning. Concept of Dualism – Technological, Social, Geographical and Financial. The process of Cumulative Causation – Myrdal – Backwash and Spread Effect.

CORE COURSE XII
M.A.ECONOMICS (CUCSS)
III SEMESTER
FISCAL ECONOMICS (2010 Admission)
Credit 4

Total Hours: 90
Lecture Hours: 70
Seminar Hours: 20

Module I: - The Case for Public Sector – The Role of Government in the National Economy – Market Failure and rationale for government intervention (Public goods, externalities, increasing returns to scale, Distribution, risk and uncertainty) – Fiscal functions.

Module II:- Provisions of public goods – Optimal Provision of public Goods - (Samuelson solution and the Lyndhal Johanson solution) – Externalities and corrective devices – Natural monopolies and the problems of marginal cost pricing – The theory of second best.

Module III: Public Revenue – Theory of Tax – Partial and General Equilibrium Analysis – Measuring and Incidence – Musgrave’s approach – Allocative and Equity Aspects of Personal Income Tax, Excise Duty, Sales Tax. Chelliah Committee Report.

Module IV: Fiscal Policy – Neutral, Compensatory finance – Functional Finance – Balanced budget multiplier – Public Budget – Budgetary deficit and its measure – PPBS – Zero based budgeting – Budgets of Union Government in India. Fiscal and Monetary Policies – A comparative analysis

Module V:- Fiscal federalism – Problems of Center-State financial relation in India – Vertical and Horizontal imbalance in inter governmental transfers in India – Trends in Revenue and Expenditure of Government of India.