

COURSES OF STUDIES

M.Phil. Examination, 2006-07
M.A. Part - I Examination, 2006-07
M.A. Part - II Examination, 2007-08

ECONOMICS



RAVENSHAW COLLEGE
(AUTONOMOUS)
CUTTACK

ECONOMICS (M.PHIL.)

There shall be four papers carrying 100 marks each in M.Phil. Examination in Economics as follows:

Paper- I Research Methodology

Paper-II Advanced Economic Theory

Paper-III To choose any one of the following

- (a) Monetary Economics
- (b) Sampling Theory and Methods
- (c) Modern Economic Analysis
- (d) Economics of Social Sector

Paper-IV Dissertation

(Students are required to submit the dissertations on or before the date of filling up the forms for final examination.)

Each paper (excepting Paper-IV) shall comprise five units. There shall be two questions from each unit and the students shall have to answer five questions carrying 20 marks each selecting one from each unit. The examination shall be of four hours duration in each paper.

PAPER - I

Research Methodology

Unit - I

Meaning of Social Research: Objectives of research, Motivation in research, Types of research, Research approaches, Significance of research, Social research and scientific method, Research process, Criteria of good research, Qualities of good researcher, Problems encountered by researchers in India; Research Problem: Selecting the problem, Guiding considerations in the choice of a research topic

Unit - II

Research Design: Meaning of research design, Need for research design, Features of a good design, Concepts relating to research design, Different research designs, Basic principles of research design; Hypothesis: Function of hypothesis, Problems in formulating hypothesis, Types of hypothesis, Characteristics of usable hypothesis

Unit - III

Observation: Simple observation, Uncontrolled participant and non-participant, Aids in simple observation, Systematic observation, Controls over the observer and the observed; The use of historical data in social research: Need to study the past, Social research and history, Sources of historical data, Adequacy and limitations of historical data; Social Surveys: Meaning, Objects, Subject

Planning of social survey, Limitations; The Use of Case study: Meaning, advantages and difficulties of the case study

Unit - IV

Interdisciplinary Approach: Meaning, Need, Process, Limitations; Interpretation and report writing: Interpretation-Meaning of interpretation, Need for interpretation, Technique of interpretation, Precautions in interpretation; Report Writing – Significance of reports, Mechanics of writing research report, Precautions for writing research report

Unit - V

Sampling Fundamentals: Sampling in social research, General principles and methods of sampling, Important sampling distributions-normal distribution, standard normal distribution, chi-square distribution, t-distribution; Procedure for testing hypotheses.

Reading List:

1. Scientific ~~Social~~ Surveys and Research: P.V. Young
2. Methods of Social Research : Goode and Hatt
3. Thesis and Assignment Writing: Anderson, Durtson and Poole.
4. ~~Basic Statistics~~: Goon, Gupta and Dasgupta
5. ~~Basic Statistics~~: Nagar and Das

Paper - II

Advanced Economic Theory

Unit - I

Theory of Demand: Modern utility theory, the Neumann-Morgenstern approach, The Friedman Savage hypothesis; Theory of Firm: Critique of the principle of profit maximisation, Baumol's ~~sales~~ maximisation hypothesis, Higgins' views, Hall and Hitch's empirical study and the 'Full-Cost' pricing principle, Behavioural theory of the firm, Limit pricing theory.

Unit - II

Theory of Market: Theory of oligopoly- (1) Noncollusive oligopoly- The duopoly models of Cournot, Stackelberg and Chamberlin, The kinked demand curve model; (2) Collusive oligopoly- The price leadership model; Oligopoly and the theory of game, Oligopoly and economic efficiency.

Unit - III

Models of Growth: Solow and Kaldor's models of growth, Technical progress and aggregate production function (Solow); Capital Theory: Problems of measurement of capital, Switching of techniques, Economic significance of re-switching, Wicksell effect, Surrogate production function.

Unit - IV

Social Benefit-Cost Analysis: Project objectives, Accounting prices, Benefit estimation and evaluation, Estimation of project costs, Selection of discounting rate;

Developmental planning: Models of developmental planning - Harrod-Domar model, Mahalanobis model, Input-output analysis in developmental planning, Planning and incremental capital-output ratio.

Unit - V

Welfare Economics : The Pareto criteria, The theory of the second-best, Social welfare function, Arrow's impossibility theorem; Social Choice Theory: Welfare economics and the theory of social choice, The majority voting criterion, Social ranking and social welfare function, Equity-efficiency trade-off.

Reading List:

1. Readings in Price Theory : AEA
2. Business Behaviour, Value and Growth: W. Baumol
3. Growth Economics: A.K.Sen (Ed)
4. Capital and Growth: G.C. Harcourt and N.F. Laing (Ed)
5. Essays on Economic Stability and Growth: N. Kaidor
6. Cost-Benefit Analysis : E.J. Mishan
7. Welfare Economics and the Social Choice Theory : A. Feldman.
8. Growth Theory - An Exposition: R. M. Solow.
9. Development Planning - Models and Methods: M.P. Todaro
10. Growth and Distribution : H.B. Chenery (Ed)

PAPER - III

(a) Monetary Economics

Unit - I

Definition of Money Supply: Conventional approach, Chicago approach, Gurley-Shaw approach, Theory of money supply-Cash reserves and liquidity ratios of commercial banks, Theories of commercial banking-Real Bills Doctrine, Shiftability Theory, Anticipated Income Theory, New horizons of commercial banking

Unit - II

Theories of Money Transmission Mechanism : Quantity theory approach, Keynesian liquidity preference approach, Baumol and Tobin's portfolio balance approach, Milton Friedman's monetarist approach, Brunner and Meltzer wealth adjustment approach

Unit - III

Liquidity Theory of Money : Radcliff report; Gurley Shaw thesis-role of non banking financial intermediaries; Central Bank and the control of nonbanking financial intermediaries.

Unit-IV

Monetary Policy : Developed money market and monetary policy; Undeveloped money market and monetary policy with special reference to India; Integration of monetary and fiscal policies; Problems of debt management and current issues in monetary policy.

Unit-V

International Monetary Management: The IMF and measures for its reforms; India and the new international monetary order.

READING LIST:

1. Money in a Theory of Finance: Gurley and Shaw
2. Radcliff Committee Report
3. International Monetary Policy: Scammel
4. Essays in Monetary Economics: H.G Johnson
5. Monetary Economics: Gibson and Kauffman (Ed)
6. Money, Debt and Economic Activity: A.G. Hart
7. The Monetary Studies of the NBER: M. Friedman
8. The Role of Monetary Policy : M. Friedman
9. Report of the committee to Review the working of the Monetary System : RBI.
10. A Treatise on Banking and International Monetary Management: S. Ganguly.

(b) Sampling Theory and Methods

Unit - I

Definition of ~~Population~~ and Sample: Sampling process; Preparation of ~~schedules~~ and questionnaires; Collection of primary data; Random vs. purposive sampling; Methods of

drawing a simple random sample; The requirements of a good sampling; Bias in selection and estimation; Avoidance and reduction of bias; Sampling and non-sampling errors.

Unit-II

Structure of various types of frame i.e., Simple random sampling with and without replacement; Stratification with uniform sampling fraction and variable sampling fraction; Cluster sampling; Systematic sampling; Multistage sampling; Balanced sampling

Unit - III

Estimation of population mean and total standard error of estimates with special reference to simple and stratified sampling; Use of supplementary information in sample surveys; Ratio and regression methods of estimation

Unit - IV

Response errors in surveys; Errors due to nonresponse; Sources of non-response errors; Remedies of non response errors; The analysis of variance

Unit - V

Practical Problems in Sample Surveys: Problems in the planning of a survey- definition of the population, Methods of collection of information, Non-response, Choice of sampling frame, Size of sample, Pilot Survey; Problems in the execution and analysis of a survey; Problems in the preparation of reports

READING LIST:

1. Sampling Methods for Census and Surveys: F.Yates.
2. Sampling Technique: Cochrane
3. Some Theory on Sampling: Deming
4. Theory of Sampling: M. N. Murty
5. An Introduction to Theory of Statistics: Yule and Kendall

(c) Modern Economic Analysis

Unit - I

Ragner Frisch: Propagation problems and impulse problems in dynamic economics, From utopian theory to practical applications, Exploration in methodology for planning

Paul A. Samuelson: Consumer behaviour, Theory of capital and growth, Comparative statics and dynamics, International trade, Welfare economics, Public policy

Unit - II

Harry M. Markowitz : Portfolio selection, Investment for the long run, Portfolio theory

Robert A. Mundell: Monetary theory, Public debt, Monetary and fiscal policies for internal and external stability, Monetary dynamics for international adjustment

Unit - III

Arthur Lewis: Economic development with unlimited labour supply, Overhead costs, Economic growth in under developed countries, Slowing down of the speed of growth

Robert M. Solow: Economic growth, Capital theory,
Technical change

Unit - IV

Fredriech Hayek: Trade cycle, Theory of capital, Road to serfdom, Philosophy, Politics and economics

Gunnar Myrdal: Development and underdevelopment, Poverty of nations, Equality issues in world development

Unit - V

Ronald H.Coase: Nature of a firm, Marginalist controversy, Problem of social cost, Firm, market and the law

Amartya K Sen: Choice of techniques, Collective choice and social welfare, Poverty and famines, Standard of living measurements, Ethics and economics

READING LIST:

- 1 Propagation Problems and Impulse Problems in Dynamic Economics: R.Frisch: Longman: 1933,
2. Planning in India- Selected Exploration in Methodology: R.Frisch: Indian Statistical Institute, Calcutta: 1960
3. From Utopian Theory to Practical Application- the Case of Econometrics: R. Frisch: Nobel Memorial Lecture: 1970
4. Foundations of Economic Analysis: P.A Samuelson
5. Collected Scientific Papers of P.A Samuelson, Vol. I & II: Stiglitz(Ed)
6. The Portfolio Selection: H.M.Markowitz: The Journal of Finance, Vol 7: 1952
7. Portfolio Selection- Efficient Diversification of Investments: H. M. Markowitz: Basil Blackwell: 1991

8. Investment for the Long Run- New Evidence for an Old Rule: H. M. Markowitz: Journal of Finance, Vol.31, 1976.
9. Foundations of Portfolio Theory: H. M. Markowitz: Nobel Memorial Lecture: 1990
10. The Public Debt, Corporate Income Taxes and the Rate of Interest: R.A.Mundell: Journal of political Economy, Vol. 68 : 1960
11. Monetary Theory. R.A. Mundell: W W. Norton: 1971
12. The Appropriate Use of Monetary and Fiscal Policy for Internal and External Stability: R. A. Mundell: IMF Staff Papers, Vol 9: 1962
13. The Monetary Dynamics of International Adjustments under Fixed and Floating Exchange Rates: R. A. Mundell: Quarterly Journal of Economics, Vol.74: 1960
14. Economic Development with Unlimited Supplies of Labour: W. A. Lewis: Manchester School, Vol.22: 1954
15. Overhead Costs- Some Essays in Economic Analysis: W. A. Lewis: George Allen and Unwin: 1949
16. The Theory of Economic Growth: W.A. Lewis: Macmillan: 1955
17. The Slowing Down of the Engine of Growth: W.A. Lewis: Nobel Memorial Lecture: 1979
18. The Production Function and the Theory of Capital: R.M. Solow : Review of Economic Studies, Vol-23: 1955-56
19. A Contribution to the Theory of Economic Growth: R. M. Solow-. Quarterly Journal of Economics, Vol 70: 1956
20. Technical change and the Aggregate Production Function: R.M. Solow : Review of Economics and Statistics, Vol. 39: 1957.

21. Capital Theory and the Rate of Return: R.M. Solow: North Holland: 1963
22. Growth Theory and After: R.M. Solow : Nobel Memorial Lecture: 1987
23. Monetary Theory and the Trade Cycle: F Hayek: Duckworth: 1933
24. The Pure Theory of Capital: F. Hayek: Duckworth: 1941
25. The Road to Serfdom: F Hayek: University of Chicago Press: 1944
26. Studies in Philosophy, Politics and Economics: F Hayek: University of Chicago Press : 1967
27. Economic Theory of the Underdeveloped Regions: G. Myrdal: Duckworth: 1957
28. Asian Drama- An Enquiry into the Poverty of Nations: G. Myrdal: Moden Library: 1968
29. The Equality Issue in World Development: G. Myrdal: Nobel Memorial Lecture: 1975
30. The Nature of the Firm: R.Coase: *Economica*, Vol.4:1937
31. The Marginalist Controversy: R Coase: *Economica*, Vol. 13:1946
32. The Problem of Social Cost: R Coase: *Journal of Law and Economics*, Vol-2:1959
33. The Firm, the Market and the Law: R. Coase: Chicago University Press: 1988
34. Choice of Techniques: A. K. Sen: Basil Blackwell: 1962
35. Collective Choice and Social Welfare : A. K. Sen: North Holland : 1971
36. Poverty and Famines- An Essay on Entitlement and Deprivation: A.K. Sen: Oxford University Press: 1981
37. On Ethics and Economics: A. K. Sen: Oxford, 1987

(d) Economics of Social Sector

Unit - I

Social Infrastructure: Organisation and financing of supply of social services- Private vs. public sector financing, Recent debate about the fixation of prices of social services; Development of social services in the successive Indian Plans

Unit - II

Welfare Economics, Social Sectors and Environment: Pareto optimality and competitive equilibrium; Fundamental theorems of welfare economics; Externalities and market inefficiency- externalities as missing markets, property rights and externalities, non-convexities and externalities; Pareto optimal provision of public goods- Lindahl's equilibrium, preference revelation problem and impure and mixed public goods, common property resources

Unit - III

Economics of Education: Education as an instrument for economic growth; Human capital vs. physical capital; Components of human capital; Private demand and social demand for education; Determinants of demand for education; Cost of education- expenditure on Education, private costs and social costs and wastage and stagnation; Benefits of education- Direct and indirect benefits, Private and social benefits; Educational planning and economic growth; Cost benefit analysis; Educational financing- resource mobilization and utilization, pricing and subsidies, effects of educational financing on income distribution; Education and labour market

Unit - IV

Health Economics: Health dimensions of development; Determinants of health- poverty, malnutrition and environmental issues; Economic dimensions of health care- Demand and supply of healthcare; Financing of health care and resource constraints; The concept of human life value; Theory and empirical studies of production of health care; Inequalities in health- class and gender perspectives; Institutional issues in health care delivery

Unit - V

Social Sectors in India: Performance of social sectors in India- Labour and employment, Education, Population, Family welfare, Health, Water supply and sanitation, Development of women and children, Social welfare

READING LIST :

1. Equality, Quality and Quantity: J. P. Naik: Allied Publishers:1975.
2. The Theory of Externalities and Public Goods: R. Crones and T. Sandler: Cambridge University Press: 1989
3. Economics of Education: J. Vaizey: Faber and Faber: 1962
4. Cost-Benefit Analysis in Educational Planning : M. Woodhall: UNESCO: 1992
5. Private Health Care in India- Social Characteristics and Trends: R. V Baru: 1998
6. Economic Survey of the Government of India: Recent most Issue