

**M.A. (ECONOMICS) PART-II SEMESTER-IV
PGECO 41: MACRO ECONOMIC ANALYSIS-II**

Course Outcomes:

At the end of this course, a student shall be able to

1. Understand the concept related to money and liquidity.
2. Application of theories of value of money and its theory.
3. Development of empirical analysis of money supply and inflation.
4. Analyze the monetary policy.

Total Credits: 4

Total Lectures: 60

1: Money and Liquidity

- 1.1 Definitions of Money, Money stock and liquidity, Measures of Money Supply
- 1.2 Liquidity measures according to Reddy Committee Report.
- 1.3 The debate relating to the definition of money
- 1.4 Liquidity theory, Gurley and Shaw Hypothesis- Alternative money stock measures
- 1.5 The quantity and components of money stock in India and broad trend in them.

2: Demand for Money and Price

- 2.1 Nominal v/s Real Cash Balance
- 2.2 Neo Classical theory, Keynes's Theory, Friedman's Theory.
- 2.3 The Quantity Theory of Money Approach. QTM and Income Equation
- 2.4 Fishers QTM, Cambridge Cash Balance
- 2.5 QTM as the theory of Price level
- 2.6 Baumol-Tobin theory Issues regarding endogenous and exogenous supply of money

3: Money Supply and Inflation

- 3.1 Goals Targets, Indicators and instruments of Monetary Policy
- 3.2 Theory of Money Supply: high Powered Money
- 3.3 Money Multiplier Process, Determinants of Money Multiplier, Factor Affecting High Powered Money
- 3.4 Autonomy of High powered money, Reserve Bank's analysis of Money Supply, Balance sheet of Reserve Bank of India.
- 3.5 Definition sources of Inflation- Demand Pull Inflation- cost push inflation
- 3.6 Income Shares and Inflation-Phillips Curve.

4: Theories of Interest Rates, Monetary Policy and Macro economy

- 4.1 Real and monetary theories of the interest rate Loanable funds theory
- 4.2 Keynesian theory- Wicksellian theory, Fisher's theory, Hicksian theory
- 4.3 Interest rate differentials- Term-structure of interest rates
- 4.4 Role of interest rates in Macro-economy, Credit market imperfections
- 4.5 Monetary transmission mechanism and targeting Inflation Money growth and Interest Rates
- 4.6 Interest rate rules -Taylor rule
- 4.7 Rules versus discretion, Central Bank autonomy
- 4.8 Dynamic inconsistency of monetary policy credibility and reputation

Suggested Reading

1. Mishkin Frederic (2007), the Economics of Money Banking and Financial Markets, 8th edition Addison Wesley Longman Publishers
2. Bain, Keith & Howells, Peter (2009), Monetary Economics: Policy and Its Theoretical Basis, Palgrave.
3. Agarwal Vanita Macroeconomics Theory and policy Person Publication, New Delhi.
4. D'souza Errol (2008) Macroeconomics: Person Publication, New Delhi.
5. Wrightman D:- An Introduction to Monetary Theory and Policy
6. Gupta S. B.:- Monetary Economics Institutions, theory and policy
7. Gupta S. B.:- Monetary Planning for India
8. Harris:- Monetary Theory
9. Laidler, D.E.W. (1977), Demand for Money: Theory and Evidence, DumDon Valley, NewYork.
10. Branson, W.A. (1989), Macroeconomic Theory and Policy, (3rd Edition), Harper and Row, New York.
11. Rakshit, M. (1998), Studies in the Macroeconomics of Developing Countries, Oxford University Press, New Delhi.
12. Gurley, J. and E.S. Shaw (1960), Money in a Theory of Finance, Brookings Institution, Washington.
13. Romer, D. (2006), Advanced Macroeconomics, 3 edn, McGraw-Hill Higher Educational.

**M.A. (ECONOMICS) PART-II SEMESTER-IV
PGECO 42: INTERNATIONAL ECONOMICS-II**

Course Outcomes:

At the end of this course, a student shall be able to

1. Analyze the concepts of balance of trade and balance of payment.
2. Development of thinking related to foreign exchange.
3. Understand the importance and consequences of capital flow.
4. Understand the international banking and euro currency market and international economic groups.

Total Credits: 4

Total Lectures: 60

1. Balance of Payments

- 1.1 Balance of Trade and Balance of Payments- Meaning, Structure and Components
- 1.2 Balance of Payments Disequilibrium- Causes of Disequilibrium;
- 1.3 Correction of Disequilibrium-Automatic Correction, Deliberate Correction,
- 1.4 Foreign Trade Multiplier- Meaning and Working- Implications of Foreign Trade Multiplier- Limitations of Foreign Trade Multiplier.
- 1.5 Policies for Internal and External Balance-Fiscal and Monetary Policy under Fixed and Floating Exchange Rates
- 1.6 Devaluation of Indian Rupee- Devaluation of 1966 and 1991.

2. Foreign Exchange

- 2.1 Functions of Foreign Exchange Market- Transfer of Purchasing Power, Provision of Credit, Provision of Hedging Facilities
- 2.2 Transactions in the Foreign Exchange Market- Spot and Forward and Exchanges, Futures, Swap Operation, Arbitrage
- 2.3 Determination of Rate of Exchange- Purchasing Power Parity Theory, Balance of Payments Theory, Monetary Models.
- 2.4 Exchange Control-Scope of Exchange Control, Objectives and Methods of Exchange Control.
- 2.5 Exchange Rate Systems- Fixed and Flexible Exchange Rates-Case for and against Fixed and Flexible Exchange Rates
- 2.6 Current and Capital Account Convertibility –Meaning, Benefits, Prerequisites and Problems
- 2.7 Currency Exchange Risk and their Management
- 2.8 Foreign Exchange Management Act- Objectives and Features.

3. International Capital Flows

- 3.1 Classification of International Capital Flows-Direct and Portfolio Investment, Government, Institutional and Private Capital, Short term and Long term Capital, Home and Foreign Capital, Foreign Aid
- 3.2 Importance and Role of Foreign Capital-Trade and Investment, Theories of International Investment.
- 3.3 Factors Affecting International Capital Movements

3.4 Growth and Dispersion of FDI

4 International Banking and Eurocurrency Market

4.1 International Banking-Factors Leading to Growth of International Banks, Types of International Banking Offices, Offshore Financial Centres, Non-Banking Financial Companies

4.2 Eurocurrency Market- Meaning and Scope, Feature, Origin and Growth, the Participants, Supply and Demand

5. International Economic Organizations

5.1 International Monetary Fund

5.2 World Bank

5.3 International Development Association

5.4 International Finance Corporation

5.5 Asian Development Bank

Suggested Readings:

1. Heller, Robert H, NJ: International Monetary Economics Prentice Hall, Englewood Cliffs
2. Kindleberger, Charls P., D.B. International Economics, Taraporewala and Sons, Mumbai
3. Rugel, Thomas A. International Economics, McGraw Hill, New Delhi.
4. Ellsworth P.T. and Clark J. Leith, The International Economy New York Macmillan Publishing Co.
5. RBI, Report ON Currency and Finance (annul).
6. Gowda, Venkatagiri K., Eurodollar Flows and International Monetary Stability, Geetha Book House, Mysore.
7. Verghese, S.K., Foreign Exchange and Financing of Foreign Trade, Vikas Publishing House, New Delhi.
8. Heller, Robert, H., International Monetary Economics Prentice Hall, Cliffs.
9. Salvatore, Dominick, International Economics Macmillan, New York Publishing Co. New York

M.A. (ECONOMICS) PART-II SEMESTER-IV
PGECO 43: RESEARCH METHODOLOGY–II (Research Project)

Course Outcomes:

At the end of this course, a student shall be able to

1. Prepare project proposal
2. Collect data and analyze the data
3. Use computer applications like SPSS
4. Prepare the project

Total Credits: 4

Total Lectures: 60

Course Content:

I) A student is required to prepare the synopsis along with the following lines in at least 4 pages:

Introduction to the title and topic allotted; Hypothesis; Objectives of the Research; Proposed Structure: Chapter Scheme; Working Bibliography. This will be treated as Internal Evaluation and will be evaluated for 20 Marks.

II) Research Project Writing:

A student is required to be familiar with methodology and technique of research report writing. S/he has to submit an exhaustive research report on the given topic, to be submitted by the end of February each year. The research report will be treated as a part of University Examination & will carry 60 Marks.

III) Viva-Voce/presentation:

The viva-voce/presentation will be organised in the month of March every year and will be a part of university examination. The student has to present his/her research in front of the examiners including the other students. This will carry 20 marks.

Reference Books:

1. Wilkinson and Bhandarkar - Methodology and Techniques of Social research -Pauline, Young - Scientific Social Surveys and Research
2. Goode and Hatt - Methods in Social Surveys and Research
3. Krishnaswamy K.N. and Appa Iyer Sivakumar (2009): Management Research Methodology, Pearson Education Publication, N.Delhi.
4. Sharma Prasad and Satyanarayana (ed) Research Methods in Social Sciences
5. Moser and Kalton - Survey Methods in Social Investigations
6. Sadhu and Singh - Research Methodology in Social Sciences
7. Kurein C. T. A guide to research in Economics.
8. Devendra Thakur - Research Methodology in Social Sciences
9. Basotia G.R. Sharma K.K.- Research Methodology.

M.A. (ECONOMICS) PART-II SEMESTER-IV
PGECO 44: ECONOMICS OF GROWTH AND DEVELOPMENT-II

Course Outcomes:

At the end of this course, a student shall be able to

1. Understand the role of agriculture and industry in development.
2. Analyze the monetary and fiscal policy environment for growth and development.
3. Develop the thinking related to trade as an engine of growth.
4. Analyze the role of Government in developing process.

Total Credits: 4

Total Lectures: 60

1 The role of agriculture and Industry in development

- 1.1. Role of Agriculture in development ‘Market surplus’ Size of holding Price policy
- 1.2. Disguised unemployment
- 1.3. Role of industry – Major reasons for industrialization in LDCs
- 1.4. The Role of Infrastructure – social and physical infrastructure – education and health infrastructure

2 Policy Environment for growth and development

- 2.1 The infant industry argument – The employment argument Policy Environment
- 2.2 Export promotion Vs import substitution
- 2.3. Monetary Policy – trade policy
- 2.3 Fiscal Policy – Inflation, savings and growth
- 2.4 Non –inflationary finance of investment – Inflation and credit – Inflation and growth

3 Trade and development

- 3.1 Trade as an engine of growth - foreign borrowing – Savings –Investment gap – The foreign exchange gap
- 3.2 foreign borrowing and debt – servicing problem
- 3.3 types and measurement of international capital flows
- 3.4 The role of IMF, World Bank, FII and FDI

4 The role of the government

- 4.1 The role of the government and markets in the developmental process
- 4.2 Development of distributive institutions
- 4.3 Poverty alleviation measures
- 4.4 Public distribution systems – public policies like NREGA in India
- 4.5 Microfinance – issues related to microfinance. Self Help Groups and savings and Gender

Suggested reading:

1. Behrman, S. and T.N. Srinivasan (1995), Handbook of Development Economics, Vol. 3, Elsevier, Amsterdam.
2. Thirwal, A.P. (1999), (6th Edition), Growth and Development, Macmillan, U.K.

3. Brown, M. (1966), *On the Theory and Measurement of Technical Change*, Cambridge University Press, Cambridge, Mass.
4. Chenery, H. and T.N. Srinivasan (Eds.) (1989), *Handbook of Development Economics*, Vols.1 & 2, Elsevier, Amsterdam.
5. Dasgupta, P. (1993), *An Enquiry into Well-being and Destitution*, Clarendon Press, Oxford.
6. Gillis, M., D.H. Perkins, M. Romer and D.R. Snodgrass (1992), *Economics of Development*, (3rd Edition), W.W. Norton, New York.
7. Kindleberger, C.P. (1977), *Economic Development*, (3rd Edition), McGraw Hill, New York.
8. Meier, G.M. (1995), *Leading Issues in Economic Development*, (6th Edition), Oxford University Press, New Delhi.
9. Todaro, M.P. (1996), (6th Edition), *Economic Development*, Longman, London.
10. Meier G.M. *leading Issues in Development Economics*

**M.A. (ECONOMICS) PART-II SEMESTER-IV
PGECO 45: RURAL DEVELOPMENT-II**

Course Outcomes:

At the end of this course, a student shall be able to

1. Understand the holistic approach of rural development.
2. Analyze the dynamics of changes in the rural economy.
3. Understand the different aspects of rural development like rural infrastructure, finance etc.
4. Analyze the problems of rural development.
5. Analyze the schemes launched for rural development.

Total Credits: 4

Total Lectures: 60

1. Rural Development

- 1.1 Concept, Scope, Objectives and Importance of Rural Development.
- 1.2 Various approaches to Rural Development. Gandhian Approach. PURA.
- 1.3 Structure of Rural Economy of India
- 1.4 Rural Administrative machinery. 73rd Constitutional Amendment

2. Aspects of Rural Development

- 2.1 Rural Infrastructure – Roads, Railway development, Irrigation, electricity, housing, sanitation facilities, communication links, Education, health and family welfare, HDI in rural India
- 2.2 Agricultural development in India] .
Land use pattern. Land Reforms. Changes in cropping pattern. Farm laborers. Farm sector vs. non-farm sector
- 2.3 Rural Indebtedness – magnitude, causes and remedial measures.
- 2.4 Role of non-institutional sources of credit Cooperatives
- 2.5. Role of Commercial banks. RRBs. NABARD. SHGs.
- 2.6 Microfinance institutions in India. Kisan Credit Cards
- 2.7 Rural Industrialization and agro-based industries. Cottage industries. Growth, problems and solutions.
- 2.8 Development of Rural entrepreneurship

3. Problems of Rural Development

- 3.1 Rural unemployment. Magnitude of the problem, causes, remedies, Status of women & gender bias, Women empowerment.
- 3.2 Causes of migration of rural population. Solution.
- 3.3 Rural poverty. Various measurements, causes & remedies.
- 3.4 Problem of Inequality in rural India. Magnitude, causes & remedial measures

4. Objectives and critical assessment of rural development programs as a part of inclusive and sustainable growth

(Financial Provisions through five year plans, progress, achievements, critical evaluation of following programme)

- 4.1. IRDP
- 4.2 MGNREGS

4.3 SFDA

4.4 Food for Work Program

4.5 TRYSEM , TSP

4.6 Swarn Jayanti Gram Swarajgar Yojana.,

4.7 Food & nutrition security

4.8 National Rural Livelihood Mission (NRLM)

Recommended reading:

- Datt & Sundharam, Indian Economy S Chand & Co., New Delhi, 68th New Delhi, 2013
- India Rural Development Report 2012-13, Orient Blackswan Pvt. Ltd, New Delhi, 2013.
- Rural Development in India – Past, Present & Future, by Vasant Desai, Himalaya Publishing House, Mumbai, 2nd edition, 2013
- Satya Sundaram Rural Development, Himalaya Publishing House, Mumbai, 4th edition 2013.
- Twelfth Five Year Plan ---2012-17, vols.-1-3, Ministry of Finance, Government of India, OUP, New Delhi, 2013.
- Annual Reports : Ministry of Rural Development, Govt. of India
- Periodicals : Yojana (Marathi) Yojana (English) Kurukshetra (English) – All published by Publications Division, Ministry of I & B, Government of India, New Delhi.
- Economic & Political Weekly, Mumbai.