SAURASHTRA UNIVERSITY
RAJKOT

PH.D CORE SUBJECTS (ECONOMICS)

By

DEPARTMENT OF ECONOMICS
SAURASHTRA UNIVERSITY
RAJKOT

MA
SEM-1

Core courses
: Micro Economics-1
Macro economics
Public Economics

SEM-2

Micro Economics -2
Advanced Macro Economic Analyses
Public Economics
Semester-3

Core Courses
Theories of International Trade
Planning and Development Policies
Basic Issues of Environmental Economics

Semester-4

Core Courses
Issues in International Trade
Policies for Sectoral Development
Major Environmental issues of India

Semester-I

Sem-1 (Core): Microeconomics-I

Syllabus:
Unit – I

Unit – II
Production function-Isoquants, returns to factor and returns to scale, factor substitution, multiproduct firm, Cobb-Douglas production functions and its properties. Theories of costs, Short-run and Long run Cost Curves. Derivation of cost functions from production functions. Derived demand for factors.

Unit – III

Unit – IV
Alternative Theories of the firm-Baumol’s, Marris’s, Williamson’s, Bain’s, full cost, and Behavioural models.

Suggested Readings
3. Heathfield & Wibe : An Introduction to Cost and Production Functions.
4. Layard & Walters : Microeconomics Theory
Semester-I

Course (Core) No. 2: Macro Economics

Unit-1: Macroeconomics and National Income Accounting


Unit-2: Monetary Theories.


Savings and Investment (S & I) equality: meaning, Classical, Keynesian approach to S&I equality-Transmission mechanism- Integration of money and value theories-Patinkin's real balance effect- Pigou's wealth effect.
Unit-3: **Theory of Investment**


Unit-4 **Demand for Money and Supply of Money**

The concept- The Transaction demand- The Asset demand for money: Keynesian and Classical approaches- Wealth approach- Post-Keynesian theories of demand for money: Friedman's Restatement of Quantity theory, Modigliani's approach- Recent development in the theory.

**Supply of Money** The concept and constituents- Bank money and bank multiplier- Money multiplier Exogenous and endogenous variations- Liquid assets and potential money supply- Interest rates- Financial intermediaries and money supply- Money supply and income expansion RBI approach- Effects of money supply- High powered money- Inside and outside money- Control of money supply- Money market and money market assets / instruments- Recent developments.

**Basic Reading List**

Unit-1: Introduction, Failure of the Market Mechanism and Need for Government Intervention
Role of government in organized society, overview of modern public economics - government in a mixed economy: public and private sector, government as a tool for operationalizing the planning process. Market failure-imperfections, decreasing costs, monopolies, externalities, concepts of free riders, spill-over effect, types of goods and their characteristics, public, private, mixed, merit, common property resources.

Unit-2: Public Choice: Allocation of Resources
Private & public mechanism for allocating resources; Problems for allocating resources, contributions of Musgrave. Efficient provision of private social mixed and merit, Samuelson’s “Same Price” rule, impossibility of decentralized provision of social goods mixed goods, bargaining in small group, allocation in the budget, principle of maximum social advantage, Pigovian corrective taxes, Coasian bargaining - common property resources: demand revealing schemes for public goods, problems of preference revelation and aggregation of preferences, voting systems, Arrow Impossibility Theorem, economic theory of democracy, politico-eco-bureaucracy, problems of preference revelation and aggregation of preference, Dr. A.K.Sen’s contribution in public choice theory.

Unit-3: Rational for Public Policy:
Problem of instability in an economy, role of monetary and fiscal policies in bringing stabilization in the economy, Distribution Policy-Meaning, Does equity belong in economics, allocation or distribution: Which comes first, approaches to distributive justice, limits to redistribution, poverty alleviation-role of fiscal and monetary policies in India in reducing distributional inequalities & regional imbalances.Allocation of
resources - Provisions of public goods, voluntary exchange models, Impossibility of decentralized provision of public goods (contribution of Samuelson and Musgrave).

Unit-4 fiscal policy and theory of public expenditure.
Objectives & instruments of fiscal policy, impact of Fiscal policy (tax, expenditure and debt) on allocation and efficiency, distribution and redistribution, stabilization and growth, interdependence of fiscal & monetary policies, Wagners law of increasing state activities, Wiseman - peacock hypothesis - pure theory of public expenditure - structure and growth of public expenditure.

Basic reading list:
M.A. (Economics) CBCS Studies
Semester-II

Sem-2 (Core): Microeconomics-II

Syllabus:
Unit – I

Unit – II

Unit – III

Unit – IV
Arrow’s Impossibility theorem, equity-efficiency trade off. Theory of second best. Rawlsian concept of Social justice and its application in social welfare; Amartya Kumar Sen’s contribution in welfare Economics

**Suggested Readings**
5. Layard & Walters: Microeconomics Theory.
R. Boadway
10. Ahuja H L: Advance Economic Theory, S. Chand & Co, Delhi

**M.A. (Economics) CBCS Studies**

**Semester-II**

**Course(Core ) No. 7: Advanced Macro Economic Analyses**

**Unit-1: Consumption Function and investment function:**
Keynes psychological law of consumption - implications of the function: income - consumption relationship - absolute income, relative income, life cycle and permanent income hypotheses.-- Marginal efficiency of investment and level of investment; Marginal efficiency of capital investment - long-run, The accelerator and investment behaviour, impact of inflation.

**Unit-2: Neo-classical and Keynesian Synthesis:**
Neo-classical and Keynesian views on interest and income; The IS-LM model, Derivation of IS and LM curves, and stability; Extension of IS-LM model with government sector; Relative effectiveness of monetary and fiscal policies, Extension of IS-LM models with labour market and flexible prices.

**Unit-3: Theory of Inflation:**
Classical, Keynesian and Monetarist approaches to inflation, Structuralist theory of inflation; Philips curve analysis - Short run and long run Philips curve; Samuelson and Solow - the natural rate of unemployment hypothesis; Tobin's modified Philips curve; Adaptive expectations and rational expectations; Policies to control inflation.
Unit-4: New Macroeconomics: The new classical critique of micro foundations, the new classical approach; Policy implications of new classical approach - empirical evidence.

Approach of Mundell and other economists on open economy Asset Markets, Theory of Rational expectations - Monetary approach of balance of payment.

Basic Reading List:
17. Rudra Dutta & Sunderam KPM. (2002) Indian Economy, S. Chand Delhi,
Unit-1: Taxation:
Indian Tax system - allocative and equity of individual taxes, benefit and ability to pay approaches, direct and indirect taxes - reforms in direct and indirect taxes.

Unit-2: Public Debt:

Unit-3: Fiscal Polity:
Objectives of fiscal policy full employment - anti inflation growth redistribution of income and wealth - interdependence of fiscal and monetary policies - fiscal policy for stabilization.

Unit-4: Fiscal Federalism:
Principles of multi-unit finance federalism in India - Vertical and horizontal imbalance - Assignment of function and sources of revenue, Center and State financial relations in India, Problems of States resources and indebtedness, Latest Reports Commission in India.

Basic Reading List:


M.A. (Economics) CBCS Studies
Semester-III

Course(Core) No.11: Theories of International Trade

Unit-1

Concept of Inter-regional and International Trade - Theory of Comparative Advantage, Heckshzer-Ohlin Theory of trade - Factor Endowment and Factor Price - Leotiff Paradox.

Unit-2

Trade and Labour Skills Theory by Donald Kessing - Research and Development factor and Structure of Commodity Trade (By Gruber, Mehta and Vernon)

Unit-3

Measurement of Gains from Trade - Concepts of Terms of trade - Their uses and Limitation - Factors affecting Terms of Trade.

Unit-4

International Trade as an Engine of Economic Growth - International trade and Economic Developments.

Basic Reading List:
M.A. (Economics) CBCS Studies
Semester-III

Course(Core) No.12: Planning and Development Policies in India

Unit-1: Economic Development and its Determinants:
Approaches of economic development and its measurement - sustainable development role of date, marker and other industrious, indicates of development, IGII Human development Index (IDBI) Gender development Indices.

Unit-2: Planning in India:
Objectives and strategy of Planning - Failures and achievement of plants, Developing grass-root organizations, for development - Panchyats, NGOs and Pressure groups.

Unit-3: Resource Base and Infrastructure:
Energy, Social infrastructure - education and health environment imbalance, issues and policies in financing infrastructure development.

Unit-4: Public Finance:
Fiscal federalism - Center - State finances of relations, Finances of Central Government finances of State Governments, parallel economy problems relating fiscal policy, fiscal sector reforms in India.

Basic Reading List:
M.A. (Economics) CBCS Studies
Semester-III

Course (Core) No.13: Basic Theories of Environmental Economics

Unit-1: Environmental Economics: Meaning, nature and scope:
Meaning of environment economic; various definitions; relationship between mainstream economics and environment economics: nature of environmental economics: its positive and normative aspects: interdisciplinary nature of environmental economics: relationship of environmental economics with other disciplines.

Unit-2: Market Failure Decision making:
Market efficiency and Parato-optimality; Market failure possibilities with reference to environmental resources; the reasons for market failure: externalities and problem of cost-internalization; public goods and common-property type nature of environmental resources. Unclear property right, informational asymmetries and possibilities of missing markets.

Unit-3: Environment and Development:
Relationship between environment and development: Theory of sustainable development and problems of operational sing this theory; indictors and rules of sustainability methods of environmental valuation; integration of national and environmental accounting.

Unit-4: Optimal Use of Environmental Resources:
Application of Capital Theory for the optimal use of environmental resources, theories for the use of non-renewable resource; Theories for the use of renewable resources.

Basic Reading List:
1. Ayres, R.U. and Leslie Ayres, (1998), Accounting of Resources Vol-1, Edward Elgar,
   University Press.
3. Callan, J.S. and Janet M.T. (1996), Environment Economics and Management:
   Theory, policy and Applications, IRWIN.
   publishing Co. Pvt. Ltd, Delhi.
   Macmillan.
   Delhi.
9. Parikh, Jyoti and Kirit Parikh, (1997), Accounting and Vitiation of Environment,
   John Hopkins University, New York.
    Environment, John Hopkins University, Baitimore.
    Delhi.
    Development, Oxford University Press.
    Oxford University Press.
M.A. (Economics) CBCS Studies  
Semester-IV  
Course (Core) No.16: Issues in International Trade  

Unit-1 :
Meaning and concepts of Balance of Trade and Balance of Payments - Equilibrium and Disequilibria in Balance of Payment - The process of adjustment under systems of Gold Standard - Steps to imbalance of payments.

Unit-2 :

Unit-3 :
Trade policies in India (Past and Recent) - Problems relating Foreign Trade in India.

Unit-4 :
Changes in the Volume, Direction and Composition of Trade & their implication - Export promotion - Free Trade Vs. Protection.

Basic Reading List:
Unit-1: The Agricultural Sector:
Institutional structure - land reforms in India, technological change in agriculture - pricing of agriculture inputs and output term of trade between agriculture and industry, Agricultural Finance Policy, Agricultural Marketing and Warehousing, Issues in food securities - Policies for sustainable agricultural.

Unit-2: The Industrial Sector:
Industrial policy, public sector enterprises and their performance, problems of sick units, in India, Privatization and disinvestments debate, growth and pattern of industrialization, small scale sector, productivity in industrial sector, Exit policy - issues in labour market reforms Approaches for employment generation.

Unit-3: External Sector:
Structure and direction of foreign trade, Balance of payments, Issues in export-import policy and FEMA, Exchange rate policy, foreign capital and MNCs in India, The progress of trade reforms in India, Rationale of Internal and External reforms, Globalisation of Indian economy, W.T.O. and its impact on the different sectors in the economy.

Unit-4: Money Banking and Price:
Analysis of Price behaviour in India. Financial sector reforms Interest rate policy, Review of monetary policy of RBI, Money and Capital Markets, working of SEBI in India.
Basic Reading List:


M.A. (Economics) CBCS Studies
Semester-IV
Course (Core) No.18: Major Environmental Issues of India

Unit-1: Environment Issues of Primary Sector:
Changing land-use and cropping pattern and environmental issues; the problem of grazing-land, pasture and live stock. management; The problem of conservation of forests and bio-diversity; supply and quality of ground-water and its management; the conservation and management of marine fish.

Unit-2: Industrial Development and Environmental Issues:
Change in growth and structure of industries in India; growth of pollutant industries, problem of air and water pollution, management of solid and liquid wasters.

Unit-3: International Environment Issues:
The problem of trans boundary pollution: global warming and acid rain: globalization, international trade and environmental issues: The problem of trade of hazardous waste endangered species and medicinal plants, the problem of patenting, trade and environment in WTO system.

Unit-4: Environmental Policy in India:
Growth of environmental policy in India; Important environmental laws, international environment agreements and India's approach: mechanism of implementation of environment laws in India.
Basic Reading List: