



# GULBARGA UNIVERSITY

## Course Outline and Syllabus for Master of Arts (MA) in Economics --under CBCS and CAGP

Semester	Code	Title of the Course	Semester Exam	IA	Total	L	T	P	Credit Values
		<b>Hard Core</b>							
First	HC1.1	Micro Economic Analysis-I	80	20	100	4	2	0	5
	HC1.2	Macro Economic Analysis-I	80	20	100	4	2	0	5
	HC1.3	Economics of Growth and Development	80	20	100	4	2	0	5
		<b>Soft Core (Any Two)</b>							
	SC1.1	Indian Economy and Policy	80	20	100	4	2	0	5
	SC1.2	Managerial Economics	80	20	100	4	2	0	5
	SC1.3	Demography	80	20	100	4	2	0	5
	SC1.4	Economics of Education	80	20	100	4	2	0	5
		<b>Total Credits for First Semester</b>	400	100	500	20	5		25
Second		<b>Hard Core</b>							
	HC2.1	Micro Economic Analysis-II	80	20	100	4	2	0	5
	HC2.2	Macro Economic Analysis-II	80	20	100	4	2	0	5
	HC2.3	Quantitative Techniques	80	20	100	4	2	0	5
		<b>Soft Core (Any one)</b>							
	SC2.1	Industrial Economics	80	20	100	4	2	0	5
	SC2.2	Economics of Health	80	20	100	4	2	0	5
		<b>Open Elective (Any One)</b>							
	OE 2.1	Indian Economy	80	20	100	3	2	0	4
	OE2.2	WTO and India	80	20	100	3	2	0	4
		<b>Total Credits for Second Semester</b>	400	100	500	19	5		24

## H.C: 4.1 Public Economics-II

Teaching Hours: 5

Credit Value: 5

### Objectives:

- To enable the students to understand the significance of the Taxation Public Debt etc.
- To provide the students the comprehensive understanding of Fiscal policy & Fiscal Federalism
- To acquaint the students with various issues related to Fiscal Policy

### Module-I: Taxation

15Hrs

Theory of incidence: Alternative concepts of incidence- Allocative and equity aspects of individual taxes; Benefits and ability to pay approaches; Theory of Optimal Taxation; Excess burden of taxes; Tradeoff between equity and efficiency; Theory of measurement of dead weight losses; The problem of double taxation.

### Module-II Indian Tax system

10Hrs

Indian tax system; Revenue of the Union, states and Local bodies; Major taxes in India; direct and indirect taxes, taxation of agriculture, Expenditure tax, reforms in direct and indirect taxes, VAT & GST. Direct tax code.

### Module-III: Public Debt

10Hrs

Classical views of public debt; Compensatory aspect of debt policy; Burden of public debt; Sources of public debt through created money; public borrowings and price level, crowding out of private investment and activity; Principles of debt management and repayment public debt of India.

### Module-IV: Fiscal policy

20Hrs

Objectives of Fiscal policy, interdependence of fiscal & monetary policies, Budgetary deficits & its implications, fiscal policy for stabilisation-automatic vs. discretionary stabilisation, alternative measures of resource mobilisation and their impact on growth, distribution and prices, balanced budget multiplier, fiscal policy in India, fiscal sector reforms in India FRBM Act.

### Module-V: Fiscal Federalism

25Hrs

Principles of multi-unit finance, fiscal federalism in India, vertical and horizontal imbalance, assignment of functions and sources of revenue constitutional provisions finance commission Vs planning commission, devolution of resources and grants, resource transfer from union to states- criteria for transfer of resources, centre-state financial relations in India, finance commissions in India, problems of states resources and indebtedness transfer of resources from union and states to local bodies.



**Basic Reading list:**

1. Atkinson, A.B. & J.E.Siglitz (1980), lectures on public economics, Tata mcGraw Hill, New York.
2. Auerbach, A.J. & M. Feldstern (Eds), (1985) hand Book of public economics vol.1 North Holland Amsterdam.
3. Buchanan.J.M (1970), the public Fianances Richerd .D.Irwin Homewood.
4. Houghton.J.M. (1970), the public Finance; selected readings penguin, Harmends worth.
5. Jha.R.(1998) Modern public Economics,Routledge,London.
6. Manutt. P. (1996), the economics of public choice, Edward Elgar, U.K.
7. S.K.Singh ;Public Economics Theory and Practice
8. Omprakash; Public Economics
9. Amaresh Bagachi; Public Economics

**Module II: Foreign Exchange Markets****20Hrs**

Structure of the foreign exchange market- Functions of Foreign Exchange Market- Determination of Exchange Rate- Demand for and supply of foreign exchange- Foreign Exchange Risks-Exchange Rate Agreements and Systems-LERMS- Effective exchange Rate Arbitrage-Hedging-Speculation- International Money Markets-IMF and Exchange Rate Policy co-ordination.

**Module III: International Capital Movements****20Hrs**

Motives for international capital movements-short term and long term capital movements-effects of international capital flows- International money markets and capital markets-Derivatives and Futures. MNC's and FDI- Implications for financial system and Monetary policy- International Finance market Integration.

**Module IV: International Linkages in Open Economy****20Hrs**

Concepts-Fundamental Identities- Equilibrium in Domestic Loanable Fund Market and Foreign Exchange Market- Simultaneous Equilibrium with fixed and floating exchange rates- Monetary and Fiscal expansion in the model- Asset Markets and exchange rate expectations.

**Module V: International Financial Institutions****10Hrs**

Concepts -International Monetary System-International Liquidity and Special Drawing Rights-Exchange Rate Stability-Need for Restructuring IMF- Eurocurrency Markets- GDRs- ADRs -FIIs- World Bank-IFC and IDA-MGIA-Asian Development Bank-The Global Financial crisis.

### Suggested Readings:

1. Daniel Joseph and David Vanttoose International Monetary and Financial Economics, South- Western College Publishing House, Lineinnate
2. Melvin Michael International Money and Finance, Addison Wesley Langman, Massaclu setts.
3. Salvatore Dominick International Economics, Macmillan Publishing Co. New York.
4. Manner H.G International Economics" Vikas Publishing House Pvt.Ltd.New Delhi

### H.C.4.3 Project Work

Teaching hours: 5

Credit value: 5

Project work by student's

Simple projects based on

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|--|-------|
| 1. Secondary data                                  | 10Hrs |
| 2. Field Survey                                    | 10Hrs |
| 3. Case studies                                    | 10Hrs |
| 4. Review of literature and problem Identification | 10Hrs |
| 5. Preparation of Research Design                  | 10Hrs |
| 6. Data collection and Analysis                    | 10Hrs |
| 7. Findings and Conclusions                        | 10Hrs |
| 8. Writting the Report.                            | 10Hrs |



## SC 4.1 KARNATAKA ECONOMY

Teaching Hours: 5

Credit Value: 5

### Objectives

- This paper introduces to Karnataka economy.
- The students will learn the different aspects of State economy
- They will learn about agriculture development, industrial development, state finances and regional imbalances.

### Module - 1: Overview of Karnataka Economy

Karnataka Economy: Features - Growth of GDP-PCI- HDI. Natural Resources: Minerals - Water - Forest - Land - Power Resources etc. Population Dynamics: Growth - Composition - Density - Problems -Rural Urban; Migration – Unemployment - Remedies. Anti-Poverty and Employment Generation Programmes.

### Module - 2: Agriculture

Agriculture: Land Use Pattern in Karnataka-Trend in Area, Production, Regional Pattern and Yield of Major Crops- Horticultural/Plantation Crop, Vegetables and Fruits-Floriculture-Sericulture. Agricultural Marketing-Problems - Agriculture Prices and Price Policy -Procurement Price-- PDS - Live Stock Economy-- Agrarian Crisis Agricultural Policy

### Module - 3: Industry, and Infrastructure

Industrial Development in Karnataka - Major industries – Public and Private Sector- policies and programmes; Irrigation and Power Sector Reforms;-Transport and Communications; Financial Institutions - Co-operatives, Commercial banks –RRBs, KSFC and KSIIDC, IT and ICT in Karnataka, Rural Industrialization; Development of Education –Higher Education-Health Infrastructure- Drinking Water and sanitation- Flagship Programmes- SSA-NRHM-MGNREGA.

### Module - 4: State Finances

Sources of Revenue- Growth of Revenue – VAT, Tax Reforms in Karnataka; Sharing of Central Taxes and Grants-in-Aid; Growth of Expenditure- Causes for Growth of Public Expenditure - Karnataka Debt - Burden -Redemption -Karnataka Budget; Causes for Growth of Non-Development Expenditure - Impact on Karnataka Economy.

### Module -5 Economy of Hyderabad Karnataka Region

Regional Imbalance: Extent of Disparities, causes and consequences; Identification of backward areas- Measures to reduce imbalances-High Power Committee Recommendations on Regional Imbalance.-Status of HK Region- economy of HK Region-population trends-education and health-Human Development-Irrigation and power-Development problems and prospects-Article 371 J and its implementation

### Books for Reference

1. MVS Gowda, and D.T. Nanje Gowda (Eds) (1999), Economic Development of Karnataka- Leading Issues, (Papers presented at 81<sup>st</sup> Annual Conference of the IEA, held in Bangalore) Contact: Department of Economics, Bangalore University, Bangalore
2. Nanjundappa, D.M. and Raj Kishore Sinha (India, Planning Commission) (1982), Backward area development: problems & prospects, Sterling Publication, New Delhi
3. HPCRRI Committee(2002) Redressal of Regional Imbalances in Karnataka-Govt. of Karnataka Bangalore.
4. Madaiah M and Ramapriya (1988) Karnataka Economy, Himalaya Publishing House, Girgaon, Mumbai
5. Puttaswamaiah. K. (1980), Economic Development of Karnataka: a treatise in continuity and change, Volume, 1&2,Oxford & IBH, New Delhi

### Further Readings

1. Planning Commission, GOI ((2007), Karnataka Development Report, Academic Foundation, 477 2- 73/23, Bhart Ram Road, Darya Ganj, New Delhi
2. Government of Karnataka, Economic Survey, Latest and Old Issues
3. Government of Karnataka, Human Development in Karnataka



## **Paper SC 4.2: Rural Development- Theory and Practice**

Teaching hours per week: 5

Credit Value:5

### **Objectives:**

- To understand the basics of rural development, including characteristics, problems, and programmes of rural development
- To study the trends and patterns of economic diversification in rural areas;
- To study the role of infrastructural facilities in rural development and
- Active participation in main process in rural areas

### **Module I: Introduction to Rural Development**

15Hrs

Need for Rural Development; Concept, Objectives and Indicators of Rural Development; Characteristics of Rural Economy-Rural-Urban Linkages and Disparity

### **Module II: Theories and Models of Rural Development**

15Hrs

Unbalanced Growth Theory; Dualistic Models of Development-Lewes Model and Fei and Ranis Model; Approaches to Rural Development in India. Gandhian-approach-community Development approach-Area development-Co-operative movement and Rural Development - IRDP and PURA.

### **Module III: Poverty and Unemployment in Rural India**

15Hrs

Rural Poverty- Concept, Measurement, Extent, Regional Pattern and Causes of Poverty; Rural Unemployment- Concept, Measurement and Types of Unemployment; Extent, Regional Pattern and Causes of Unemployment; Review of Poverty Alleviation and Employment Generation Programmes in India – Flagship programmes – SGSY, MGNREGA, PMRY, NRHM, Poverty, Unemployment and Social Exclusion (UNDP's Approach).

### **Module IV: Diversification of Rural Economy**

20Hrs

Growth of Agriculture- Technological Change- Sustainable Agriculture- Organic Farming; Diversification of Agriculture- Agri Business- Dairy Farming, Development of Horticulture- Co-operative marketing- AMUL, HOPCOMES and KMF Models- Agro-Export Zones, Fishery and Farm Forestry; Rural Non-farm Employment in India- Importance, Growth- Rural Industrialisation-Importance- Progress and Problems of small-Scale and Cottage Industries and Remedial Measures -Agro Industries Corporation- SEZs and its implications

## Module V: Rural Development in Practice

15Hrs

Rural Infrastructure- Meaning and Importance- Physical Infrastructure- Rural Energy; Rural Electrification; Irrigation and Flood Control; Rural Transport and Communication, Rural Banking and Insurance, Storage and Warehousing; District Rural Development Administration- Role of NGOs in Rural development -empowerment of Grampanchayaths- Programmes and policies

### Reading list:

1. Biradar, R.R. (2008): Rural Non-Agricultural Employment in India: An Analysis of its Determinants and Impact on poverty and Inequality, Concept Publishing Company, New Delhi.
2. Chadha, G.K and A.N. Sharma (Eds) (1997): Growth, Employment and Poverty: Change and Continuity In Rural India, D K Publishers, New Delhi.
3. Chambers, R. (1983): Rural Development: Putting the Last First, Longman, Harlow.
4. Dandekar, V.M and N. Rath (1971): Poverty in India, GIPE, Pune.
5. Mishra and Puri (recent edition) Indian Economy Himalaya Publishing House, New Delhi.



## SC 4.3 Financial Institutions and Markets

Teaching Hours: 5

Credit Value: 5

### Objectives

- The student of economics should be well conversant with the theory and practice of different financial institutions and markets
- To understand and analyse the interconnection between the monetary forces and real forces, their developmental role and limitations in shaping and influencing the monetary and related policies both at the national and international levels.

### Module-1: Financial Systems

Money and Finance- Money and Near Money – the Structure of the Financial – System- Functions of the Financial Sector- Equilibrium in Financial Market- Financial System and Economic Development –Risk and Financial Assets- Types of Risks- Returns on Assets- Risk – Return Trade off - Valuation of Securities

### Module-2: Financial Intermediaries

Commercial Banking – Functions - Credit Creation and its Control- Non Performing Assets - Priority Sector Advances - Evaluation of services provided by commercial banks. -Regional Rural Banks- Functions- Evaluation- Development Banks – NBFIs and their Role and Functions- Insurance and Mutual Funds- Credit Rating Agencies in India.

### Module -3 Central banking

Central Bank –Reserve Bank of India- Functions -Credit Control Measures - Financial Sector Reforms in India- Recent Issues.

### Module-3: Financial Markets

Role and Structure of Money Market- Call Money Market- Treasury Bill Market- Commercial Bill Market Including Commercial Paper and Certificate of Deposits- Discount Market- Govt. Securities Market- Market for Derivatives-Primary and Secondary Market for Securities, Forwards- Futures Options and Swaps - Structure of Capital Market - Stock Exchange Markets - Trading Regulations - SEBI – National Stock Exchange

### Module-4: International Financial Markets

Foreign Exchange Rates - International Financial Flows- International Monetary Fund- International Liquidity- Leading Operation of World Bank and its Affiliates- Working of International Development Agency and International Finance Corporation- Growth of Regional Financial Institutions- Asian Development Bank and India- Euro-Dollar and Euro Currency Markets.



### Books for Reference

1. Bholey L.M. (1999), Financial Institutions and Markets, Tata McGraw Hill Co Ltd, New Delhi
2. Bholey L.M.(2000), Indian Financial Systems, Chugh Publications, Allahabad
3. Edminister R.O (1986), Financial Institutions, Markets and Management, McGraw Hill Co Ltd, New York
4. Goldsmith R.W. (1969), Financial Structure and Development, Yaley London
5. Johnson H.J.(1993), Financial Institutions and Markets, McGraw Hill Co Ltd, New York

## Optional Paper SC 4.4: Economics of Infrastructure

Teaching hours per week-5

Credit Value: 5

### Objectives:

- To Enable the students to understand the significance of infrastructure development in the growth process
- To Make the students to understand the policy of government and its various approaches to development, delivery of services and pricing.
- To appraise the challenges and issues in infrastructure development in developing economies.

### Module I: Introduction

10Hrs

Concepts and characteristics- Classification-Infrastructure and Economic Development-Theoretical approaches- Indicators of infrastructure Development-Investment, Spread, Availability and Utilization- Public Sector in Infrastructure Development- Role, Issues and Problems.

### Modul II: Resources and Pricing

15Hrs

Resources-Types, Source, Public and Private, Resource use efficiency-Methods and techniques of pricing-Two-part tariff, peak load pricing, price discrimination and subsidisation; Cost vs Benefit as the basis; Cost based Approaches.

### Modul III: Irrigation and Energy

20Hrs

Investment in Irrigation-Measurement of Benefits-Social Rate of Return on Investment-Pricing Methods- Environmental and Social Concerns-Energy-Economy Linkages-Energy Demand and Supply Analysis-Energy Pricing-Energy Crisis and Security-Private Participation: Opportunities and challenges-Need for Integrated Energy Policy.

### Modul IV: Transport and Communication

20Hrs

Structure of Transport costs-Cost Functions-Demand for Transport: Determinants Models of Passenger and Frieght Demand-Rural and Urban Transport Planning Development of Communication Sector-Standard of Services-Private Sector Participation- Pricing Methods-Issues in Governance and Regulation.

### Modul V: Social Infrastructure

15Hrs

Investment in Education- Analysis of Production and Cost Functions -Measurement of Benefits-Educational Planning and Development; Housing, Water Supply and Sanitation-Flagship Programmes -Public Sector and Community Collaboration-Privatisation feasibility-Involving Users-Environmental and Social Concerns.

### Suggested Readings:

1. World Development Report 1994, "Infrastructure for Development, Oxford University Press, New York.
2. Parikh K.S. (Ed) India Development Reports, Oxford University Press, New Delhi.
3. Indian Council of Social Sciences Research (ICSSR) 1976, Economics of Infrastructure, Vol.IV, New Delhi.
4. Paul Stevens (Ed) (2000) The Economics of Energy Vol I & II.
5. Sankar U (1992) Pricing in Public Sector: theory and Applications, Indian Economic Association Trust for Research and Development, New Delhi.
6. Blang on (Ed) (1971) Economics of Education, Penguin Books, England.
7. Zweifel Peter & Freidrick Breyer (1997) Health Economics, Oxford University Press, NewYork.
8. Nosten H.S (1971) Modern Transport Economics, C.E. Merrill, London.
9. Kessides Christiue, "The Contributions of Infrastructure to Economic Development: A Review of Experience and policy Implications, World Bank Discussion Paper 213, 1993.
10. India Infrastructure Reports.