DEPARTMENT OF ECONOMICS

KURUKSHETRA UNIVERSITY KURUKSHETRA

(‘A+’ Grade NAAC Accredited)

**M.PHIL. ECONOMICS**

Scheme & Syllabus of Examination w.e.f. 2018-19 (under CBS)

(Passed in PGBOS meeting held on 13.04.2018)

**Scheme of Examination for M.Phil. Economics(Credit Based System)**

1. The M.Phil Economics Course is an Annual Course spread over 1 year.
2. Every Student of M.Phil. Economics Course has to pass **12 Credits (08 Core Courses Credits + 4 Elective Course Credits**
3. Every Student of M.Phil Economics has to prepare and submit a Dissertation under the Supervision of an eligible Teacher. After submission of Dissertation Every Candidate shall appear in Viva-Voce Examination on the Dissertation. Grade will be given to the candidate by the examiner.

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| **PAPER CODE** | **NOMENCLATURE** | | **EXTERNAL** | **INTERNAL** | **CREDITS** | | | | **Time** |
| **CORE PAPERS** | | | | | **L** | | **T** | **P** |  |
| M.Phil – 101 | Research Methodology in Economics | | 80 | 20 | 4 | | ½ Hrs./G | - | 3 Hours |
| M.Phil – 102 | Seminars (Two) | |  | 100 | - | | ½ Hrs./G | 4 | -- |
| M.Phil - 103 | Dissertation | | ------ | | ------ | | | | -- |
| **ELECTIVE PAPERS** | | | | | | | | |  |
| M.Phil – 104 | Choose any one of the followings | | | | | | | |  |
| Option (i) | Recent Developments in Economic Theory-I | 80 | 20 | 4 | ½ Hrs./G | | - | 3 Hours |
| Option (ii) | Recent Developments in Economic Theory-II | 80 | 20 | 4 | ½ Hrs./G | | - | 3 Hours |
| Option(iii) | Current Issues in India and the Global Economy | 80 | 20 | 4 | ½ Hrs./G | | - | 3 Hours |
| Total |  | | 300 | | 12 | | | |  |

Total Marks: 300

* **The Student shall present two seminars before DRAC once in six months to make a presentation of progress of his/her Dissertation work. Prior to the submission of the Dissertation again he/she has to present a pre-submission Seminar. The student shall also present at least one Research Paper in a conference/seminar/workshop.**
* **At least 75% attendance in each paper is must to appear in major test (end term examination)**
* **Internal Assessment (Minor Test)**

1. **Two Class Tests : 50% Marks**
2. **Assignment : 25% Marks**
3. **Attendance : 25% Marks**

* **In paper 102, there will be two seminars out of which one will be on the topic approved for the Dissertation.**
* **The minimum percentage of marks/grade required to pass:**

1. **50% marks in each major test.**
2. **50% marks in each seminar**
3. **55% marks in aggregate of minor and major tests for each theory paper.**
4. **Grade B+ in Dissertation**

**Paper: M.Phil-101**

**Research Methodology in Economics**

**Total Credits: 4** Time: 3hours

Max. Marks: 100

External: 80

Internal: 20

**Note:** Two questions will be set from each unit. Candidates are required to attempt four questions selecting one from each unit.

**Course Objective:** The course introduces the nature and basic theoretical system of economics with an aim that students shall be able to extend the frontiers of knowledge, test old theories and solve basic and applied problems. This course covers the basic steps and process of conducting applied economic research. This includes the selection of topic, literature review and survey, selection of research method and approach, formulation of hypothesis, testing of hypothesis using statistical analysis, and summarizing results.

**UNIT-I**

**Evolution of Scientific Knowledge:** Propositions, Syllogism, Hypothesis, Scientific Method; Science as a Theoretical System; Criteria for choice of a Theory; Nature of Social Sciences vis-à-vis other Sciences; Role of values in Scientific Enquiry; Deductive and Inductive Analysis, Mill’s Method of Experimental Enquiry, Fallacies; Theoretical system of Economics and its Methodology. Evolution of Economics in terms of Paradigm Shift and MSRP.

***Readings***

1. *Cohen , M.E. and Negel, E. ‘Introduction to Logic and Scientific Methods’*
2. *Kuhn, T.S. ‘The Structure of Social Sciences’*
3. *Alen Ryan ‘ The Philosophy of Social Sciences’*
4. *R. Runder ‘ The Philosophy of Social Sciences’*
5. *Mishra Vikas ‘ The Study of Product Behaviour’*

**UNIT II**

**Research Design:** Nature, types and levels of Research; Research Design and Research Process; Model building: Formulation and Its Empirical Verification; Formulation of Research Proposal; Types of Sampling and Sampling Procedures; Basic Experimental Designs.

**Measurement and Scaling Techniques:** nominal, ordinal, interval and ratio data; Likert’s scale, Semantic differential scale, Thrustone scale.

Basic Hypothesis Testing Procedure; Major Parametric and Non Parametric Tests;

***Readings***

1. *Goode and Hatt ‘ Methods of Social research’*
2. *Speigal, M. R. ‘Theory and Prodblems of Statistics’*
3. *Croxton, F. E., D. Cowden and S. Kliein, Applied General Statistics’*
4. *Gupta S.C. and V.K. Kapoor, ‘Fundamentals of Applied Statistics’*
5. *Gupta S. C. ‘Fundamentals of statistics’*

**UNIT-III**

Linear Regression Model upto two explanatory variables, OLS Estimates and Their Properties. R2 and adjusted R2, Test, Consequences and remedial steps of problem of Heteroscedasticity, Multicollinearity and Autocorrelation, Factor analysis, Discriminant analysis, Cluster analysis, Conjoint Analysis.

***Readings***

1. *Johnson J. ‘Econometric Methods’*
2. *Kmenta J. ‘Elements of Econometrics’*
3. *Koutsoyiannis, A. ‘Theory of Econometrics’*
4. *Maddala G.S.(Ed) ‘Econometric Methods and application’*
5. *Paneerselvam- Research Methodology*
6. *Nargundkar - Marketing Research*

**UNIT- IV**

Time as a variable, Dummy Variable Technique Use of dummy variables, regression with dummy dependent variables; The LPM , Logit and Probit Models. Time Series; Stationarity, Unit Roots, Co-Integration, Dicky Fuller Test, Engel Granger Test, Forecasting with ARIMA and VAR Models-Box Jenkins Methodology, Vector Auto Regression (VAR). Introduction to Panel Data Methods: Pooled OLS, Random effects and fixed effects models

***Readings***

1. *Gujarati, D.N. ‘Basic Econometrics’ (2nd Edition)*
2. *Intrilligator, M.D. ‘Econometric Methods, Techniques and Applications’*
3. *Pindyck R.S. and D.L. Rubinfield ‘Econometric Models and Economic Forecasts’*
4. *Worldridge - Introductory Econometrics.*

**Paper: M.Phil-104 Option (i)**

**Recent Developments in Economic Theory-I**

**Total Credits: 4** Time: 3hours

Max. Marks: 100

External: 80

Internal: 20

**Note:** Two questions will be set from each unit. Candidates are required to attempt four questions selecting one from each unit.

**Course Objective:** The students going through this Post PG Course are expected to understand the recent developments in micro; macro and applied economic theory at higher abstraction level with more philosophical underpinnings so that they can be prepared to take up the economic research seriously.

**UNIT- I**

**Applied Micro Economics**

Individual Choice under Uncertainty; Production under Uncertainty; Insurance; Risk Spreading and Pooling; Agency; Contract Theory and the Firm; Portfolio Theory; Asset Pricing Theories.

*Readings:*

1. *Micro Economics- Hugh Gravelle and Ray Rees.*
2. *Economics of Insurance- Borch, Sandmo and Aase*
3. *Agency Theory, Information and Incentives- G.Bambreg. K. Spremann*
4. *The Theory of Incentives 1: The Principal-Agent Model- J.J. Laffont & David Martimort*
5. *Optimisation of Production under Uncertanity- S. Rasmussen*
6. *Investments- Bodie, Kane, Marcus, Mohantu.*

**UNIT – II**

**Applied Macro Economics**

Evolution of Monetary Theory; Demand; Velocity and Supply of Money; Money; output and Prices- Causality; Issues and Evidence; Monetary Modeling in India- a Survey; Optimum Quantity of Money; Relevance of Fiscal Policy.

*Readings:*

1. *Handbook of Monetary Economics- Vol.2- B.M. Friedman, F.H. Hahn*
2. *Monetary Policy Rule in Theory and Practice- Nicolas Barbasoux*
3. *Monetary Economics for India- Narender Jadhav*
4. *Money, Credit and the Economy- Richard Coghlan*

**UNIT – III**

**Advanced Public and Welfare Economics**

Preference Revelation Mechanisms of Public Goods; Democracy and Welfare Economics; Theory of Taxation- Efficiency; Equity and optimality; Sustainability of Public Debt; Budget Deficit-Sustainability; Solvency and optimality; Equity and efficiency aspect of Inter Agency Transfer in a Multi-Government Framework.

*Readings:*

1. *Readings in Public Finance- Amaresh Bagchi*
2. *Inter-Governmental Fiscal Transfers- Robin Boadway and Anwar Shah*
3. *Public Choice II- D. Muller*
4. *Democracy and Welfare Economics- Hans Van Den Doel*
5. *The Theory of Taxation and Public Economics- Louis Kaplow*
6. *Modern Public Finance- Raghbender Jha*

**UNIT – IV**

**Behavioral Economics and Economics of Auctions**

Behavioral Economics-Nature and Methodology; Values; Preferences and Choices; Beliefs; Heuristics and Biases; Mental Accounting

Auction Theory- Single Object Auctions; Multiple Object Auctions; Double Auctions; Combinatorial Auctions

***Readings***

1. *Behavioural Foundations of Econ omics – J.L. Baxter*
2. *The Behavioural Economics Guide 2016- Alain Samson*
3. *An Introduction to Behavioural Economics- Nick Wilkinson and Matthias Klaes*
4. *Routledge Handbook of Behavioural Economics- Roger Frantz et.al.*
5. *Misbehaving-the Making of Behavioural Economics- Richard H. Thaler*
6. *Understanding Auctions: Asuncion Mochon and Yago Saez.*
7. *Auction Theory- Vijay Krishna.*
8. *Auctions- Theory and Practice- Paul Klemperer.*
9. *An Introduction to Auction Theory- Flavio M. Menezes and Paulo K Monteiro.*

**Paper: M.Phil-104 Option: (ii)**

**Recent Developments in Economic Theory-II**

**Total Credits: 4** Time: 3hours

Max. Marks: 100

External: 80

Internal: 20

**Note:** Two questions will be set from each unit. Candidates are required to attempt four questions selecting one from each unit.

**Course Objective:** A lot of new economic literature has emerged in the international trade theory according the changed world economic order. The topics selected in this course will open new areas of research for the aspiring students. Important debates of the contemporary international economic scene related with recent theories, economic integration, WTO, trade, development & environment have been selected in this paper.

**UNIT – I**

Post H.O. trade Theories: Economies of Scale, Linder’s Spillover Theory of Trade, Monopolistic Competition, Product Differentiation, Technological Gap, Product Cycle Theory, Specific Factors Model, Posner and Vermon’s Theory

Theories of FDI and FII, Foreign Capital and Welfare-Trade, Growth, Development, Inequelity and Poverty Relationship

***Readings***

1. *Carbough, R.J. (1999), International Economics, International Thompson Publishing, New York*
2. *Chacholiades, M. (1990), International Trade: Theory and Policy, McGraw Hill, Kogakusha, Japan.*
3. *Dana, M.S. (2000), International Economics: Study, Guide and Work Book, (5th Edition), Routledge Publishers, London.*
4. *Dunn R.M. Jr and Mutti J.H.  (2004), International Economics, Routledge, London.*
5. *King, P.G. (1995), International Economics and International Economic Policy: A Reader, McGraw Hill International, Singapore.*
6. *Krugman, P.R. and M. Obstfeld (2013), International Economics: Theory and Policy, Glenview, Foresman.*
7. *Sodersten, Bo. And Reed G. (1994), International Economics, The Macmillan Press Ltd. London.*

UNIT – II

International Business Cycles; Dynamics of Exchange rate with Interest rates and money; International Debt and Issues in International Taxation; International Migration; Financial Globalisation and Impossible Trinity; Global Liquidity

***Readings:***

1. *Intermediate Public Economics- Hindricks and Myles.*
2. *Belke A. and Polleit T.(2009) Monetary Economics in Globalised Financial Markets, Springer*
3. *Carbough, R.J. (1999), International Economics, International Thompson Publishing, New York*
4. *hacholiades, M. (1990), International Trade: Theory and Policy, McGraw Hill, Kogakusha, Japan.*
5. *Dana, M.S. (2000), International Economics: Study, Guide and Work Book, (5th Edition), Routledge Publishers, London.*
6. *Dunn R.M. Jr and Mutti J.H.  (2004), International Economics, Routledge, London.*
7. *King, P.G. (1995), International Economics and International Economic Policy: A Reader, McGraw Hill International, Singapore.*
8. *Jadhav N.(2006), Monetary Policy, Financial Stability and Central Banking in India, MacMillan*
9. *Krugman, P.R. and M. Obstfeld (2013), International Economics: Theory and Policy, Glenview, Foresman.*
10. *Salvatore D.(2006). Introduction to International Economics, Wiley*
11. *Sodersten, Bo. And Reed G. (1994), International Economics, The Macmillan Press Ltd. London.*

**UNIT – III**

The Facts of Economic Growth; Factor Accumulation: Physical Capital (Solow Model and its empirical applications), Human Capital (Alternative Theories of Endogenous Growth), Natural Resources ; Productivity : The Role of Technology and Efficiency ; Growth in the Open Economy.

***Readings:***

1. *Introduction to Economic Growth: Jones and D. Vollarth.*
2. *Economic Growth: David weil*
3. *Economic Growth: Barro, Robert J & Sala-i-Martin.*
4. *Introduction to Modern Economic Growth: Daron Acemoglu*
5. *Globalization, Institutions and Economic Growth: Dani Rodrik*
6. *The Mystery of Economic Growth: E. Helpman Belknap*
7. *Handbook of Economic Growth: P.Aghion & S.N. Duelanf (Eds.)*
8. *How Universities Promote Economic Growth: Shahid Yusf Kaoru*
9. *Understanding Economic Growth: OECD*
10. *Understanding Economic Growth: Modern Theory & Experience: Jati Sangupta*
11. *Is Economic Growth Sustainable: IEA*
12. *The Economies of Growth : Aghion and Howitt*

**UNIT – IV**

The Challenge of Economie Development; Development Perspectives ; Fundamentals of Development: Governance, Property Rights, Access to Finance, Health and Education, Culture ; Beyond GDP : New Measures of Progress and Prosperity.

***Readings:***

1. *Handbook of Development Economics (vol.5) : Kennelth J Arrow & M.D. Intriligator (Eds.)*
2. *Economic Growth: David Weil (part IV)*
3. *Development Perspectives: Paul Romer*
4. *The Process of Economic Development: J.M. Cypher & J.L. Dietz*
5. *Economic Development: Biography of a Subject: G M Meier*
6. *The End of Poverty: Jeffery D. Sachs*
7. *The Elusive Quest for Growth: William Easterly*
8. *Development as Freedom: A K Sen*
9. *Poor Economics : A.V. Banerjee & Esther Duflo*
10. *Prosperity without Growth: Tim Jackson*
11. *Leading Issues in Economic Development: Meier & Rauch (Eds.)*

**Paper: M.Phil-104 Option (iii)**

**Current Issues in India and the Global Economy**

**Total Credits: 4**

Time: 3hours

Max. Marks: 100

External: 80

Internal: 20

**Note:** Two questions will be set from each unit. Candidates are required to attempt four questions selecting one from each unit.

**Course Objective:** The present paper targets the analysis of all Indian economic policies which is the need of the hour. The students should try to understand the policy suggested by theory according to real conditions, practiced policy, gap their of, problems in implementation and interface of the policies with other domains/disciplines. The paper provides a number of options to M.Phil students to choose future policy research area.

**UNIT-I**

Indian Economy Toady: Overview and Comparative Perspective, Growth and Inflation Outlook, The need for Faster Growth, Priorities for Reviving Growth, NITI Aayog - The Vision, Strategy and Action Agenda.

Long-term challenges and policy measures in Indian Economy including the Global context, Indian Perspectives of Sustainable Development Goals 2030.

***Readings***

1. Kapila Uma, Indian Economy, Academic Foundation New Delhi Latest Edition.
2. Latest Government of India, Economic Survey, (Annual), Ministry of Finance, New Delhi.
3. Mishra S.K.and Puri V.K, Indian Economy Himalya Publication House Latest Edition.
4. Dutt and Sundaram, Indian Economy, S. Chand and Company, Latest Edition.
5. UN: Sustainable Development Goals 2030.
6. \_\_\_\_\_\_\_\_, Appraisal Document of Twelfth Five year Plan 2012-17, NITI Aayog, 2017.
7. \_\_\_\_\_\_\_\_,Three Year Action Agenda (2017-18 to 2019-20), NITI Aayog, August 1, 2017.

**UNIT-II**

Growth and Structural Change: Human Development, Performance on Inclusiveness, Sectoral Growth Trends- Cross-Country Evidence, Inter-Regional Disparities in Growth and Development, the Way Ahead.

Infrastructure Development in India: A Macro Perspective, Strategies for Infrastructure Development, FDI into Major Infrastructure, Differences in Infrastructure Building Between India and China, Challenges and Outlook.

***Readings***

1. Kapila Uma, Indian Economy, Academic Foundation New Delhi Latest Edition.
2. Latest annual as well as other reports and surveys from Ministry of Finance, Ministry of Industry, Ministry of Agriculture, the RBI, IMF,WB,UN and the WTO.
3. Latest Government of India, Economic Survey, (Annual), Ministry of Finance, New Delhi.
4. Mishra S.K.and Puri V.K, Indian Economy Himalya Publication House Latest Edition.
5. Datt and Sundram Indian Economy, S Chand and Company Latest Edition.
6. \_\_\_\_\_\_\_\_, Appraisal Document of Twelfth Five year Plan 2012-17, NITI Aayog, 2017.
7. \_\_\_\_\_\_\_\_, Indian: Three year Action Agenda (2017-18 to 2019-20), NITI Aayog, August 1, 2017.

**UNIT-III**

Indian Agriculture: Issues, Policies and Agenda for Reforms, Secondary Agriculture - A Driver for Growth of Primary Agriculture, Emerging Imbalances in Indian Agriculture, National Mission for Sustainable Agriculture, Challenges and Outlook.

Industrial Development and Policies - Profile for Industrial Growth, Shift in favour of Registered Manufacturing, Stagnant share of the Manufacturing Sector in Indian economy.

***Readings***

1. Kapila Uma, Indian Economy, Academic Foundation New Delhi Latest Edition.
2. Latest Government of India, Economic Survey, (Annual), Ministry of Finance, New Delhi.
3. Mishra S.K.and Puri V.K, Indian Economy Himalya Publication House Latest Edition.
4. Datt and Sundram Indian Economy, S Chand and Company Latest Edition
5. ­­­­­­\_\_\_\_\_\_\_\_, National Mission for Sustainable Agriculture (Strategies for Meeting the Challenges of Climate Change), Department of Agriculture and cooperation, Ministry of Agriculture, New Delhi, August, 2010.
6. \_\_\_\_\_\_\_\_, Appraisal Document of Twelfth Five year Plan 2012-17, NITI Aayog, 2017.
7. \_\_\_\_\_\_\_\_, Indian: Three year Action Agenda (2017-18 to 2019-20), NITI Aayog, August 1, 2017.

**UNIT-IV**

Impact of the Global Economic Crisis on the Indian Economy: Changing perceptions, Bretton- woods Institutions and the Indian Economy, Current scenario of the WTO vis-à-vis the Indian economy, India and the BRICS countries, External Borrowings and the BOP problem in India - Challenges and Outlook.

***Readings***

1. Kapila Uma, Indian Economy, Academic Foundation New Delhi Latest Edition.

1. Latest annual as well as other reports and surveys from Ministry of Finance, Ministry of Industry, Ministry of Agriculture, the RBI, IMF,WB,UN and the WTO.
2. Latest Government of India, Economic Survey, (Annual), Ministry of Finance, New Delhi.
3. Mishra S.K.and Puri V.K, Indian Economy, Himalya Publication House Latest Edition.