



S. S. T. College of Arts and Commerce

Syllabus for M. A. (Economics)(Part - II)

Program: Master of Arts

(Choice Based Credit System)

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Appendix A

UNIVERSITY OF MUMBAI



Revised Syllabus for the M.A.

Program: M.A.

Course: Economics

Semester III & IV

(As per Choice Based Credit System with effect
from the Academic Year 2017-2018)

ELECTIVES - SEMESTER III

International Trade: Theory and Policy

Number of Credits : 6

Pattern of Evaluation: Standard

Preamble: This elective course, to be offered in the third semester, requires a good understanding of Microeconomics. The course aims at providing a theoretical exposition of bases, effects and the restrictions on free flow of international trade with the empirical evidence.

Module 1: Classical Trade Theory: (10 Hours)

Absolute and Comparative Advantage of Trade; Real and Opportunity Cost Approaches; Gains from Trade, Reciprocal Demand and Offer Curves; Terms of Trade. Revealed Comparative Advantage

Module 2: Neo-Classical Trade Theory: (14 Hours)

The Heckscher-Ohlin (H-O) Theory; Factor Price Equalization Theorem and Generalization to n Factors and Goods; Leontief Paradox, Rybczynski Theorem; Trade and Growth

Module 3: Modern Trade Theory: (12 Hours)

Concept of Intra-industry Trade, Imperfect Competition and Trade- The Neo-Heckscher-Ohlin Models- Favley Model, Neo-Chamberlinian Models- Krugman Model, Oligopolistic Models- Brander-Krugman Model, Reciprocal Dumping Model- Iceberg Model. Trade in Services

Module 4: Trade Policy: (12 Hours).

Instruments of Trade Policy; Tariffs and Welfare, Optimum Tariff, Tariff and Real Rewards to Factors of Production, The Stolper-Samuelson Theorem, Metzler's Paradox, Theory of Customs Union, Quotas and Export Subsidies. Gains from Trade and Regional Agreements

References:

Essential Readings

1. Feenstra R. C., Advanced International Trade- Theory and Evidence, Princeton University Press, Princeton, 2004 (Modules 2, 3 and 4)
2. Grimwade Nigel, International Trade, (Second Edition), Routledge, London, 2001 (Modules 3 and 4).
3. Grubel H. G. and P. J. Lloyd, Intra-industry Trade, Macmillan, London, 1975 (Module 3)
4. Haberler G., A Survey of International Trade Theory, International Finance Section, Department of Economics, Princeton University, 1961 (Module 1)
5. Krugman P. R. and M.Obstfeld, International Economics-Theory and Policy, Addison-Wesley, Delhi, 2000 (Modules 2 and 3)
6. Salvatore D., International Economics, John Wiley and Sons, Singapore, 2002 (All Modules)
7. Södersten Bo and R. Geoffrey, International Economics, Macmillan, London, 1994 (Modules 2, 3 and 4)

Economics of Agricultural Production and Rural Markets

Number of Credits: 6

Pattern of Evaluation: Standard

Preamble: This course would help to understand the various types of relationships in agriculture: factors and products, problems of instability in production, the functioning of and imperfections in credit markets, labour markets, and land markets.

Module 1: Economics of Agricultural Production, Resource Use and Instability in Agriculture: (12 Hours)

Resource and input use – Important production relationships – Economics of input and product substitution – Imperfections in product and input markets in developing agriculture – Sources of price variability and income instability – Rationale for and types of government intervention for price support and reduction in instability – Alternative concepts of cost of cultivation and determination of minimum support prices in India – Role and optimum size of buffer stocks

Module 2: Rural Credit Markets: (12 Hours)

Characteristics of rural credit markets, credit fragmentation – Organized and unorganized sectors – Theories of informal credit markets: Lender's Risk Hypothesis, Default and collateral, Credit rationing:- Default, Informational asymmetries – Moral hazard – Evolution of credit systems in India – Role and Performance of Commercial Banks, Co-operative Credit Institutions, Regional Rural Banks, NABARD and Micro-credit through SHGs in India, imperfections in rural credit markets in India

Module 3: Labour Markets: (12 Hours)

Concepts of work, skill and productivity – Methods of measurement of employment and unemployment – Free and unfree labour – Types of employer-employee relationships – Determinants of wage rates – Labour market segmentation – Gender-based discrimination – Biases in data sources – Wage Differentials – Contract Labourers in rural markets

Module 4: Land and Lease Markets: (12 Hours)

Types of farming – Historical evolution – Segmented property rights – Characteristics and functioning – Economic, extra-economic and legal restrictions – Lease market – Formal and informal leases – Economics of share tenancy – Crop-sharing practices in India – Inequity in distribution of holdings – Market interlocking and interlinkages – Analysis of rural classes – Contract Farming

References:**Essential Readings**

1. Heady Earl O., Economics of Agricultural Production and Resource Use, Prentice Hall, New York, 1961 (Module 1)
2. Kahlon A.S. and D.S. Tyagi, Agricultural Price Policy in India, Allied Publishers Pvt. Ltd., New Delhi 1983 (Module 1)
3. BasuKaushik, Agrarian Structure and Economic Underdevelopment, Harwood, Switzerland, 1990 (Modules 2, 3, 4)
4. Dantwala M.L. (Ed), Indian Agricultural Development Since Independence, (Second Edition) Oxford and I.B.H. Pvt. Ltd., 1991 (Module 2)

Economics of Labour Markets

Number of Credits: 6

Pattern of Evaluation: Standard

Preamble: Labour market issues are important for students of Micro, Macro, and Industrial Economics. The course sheds light on a range of new developments and a host of issues studied by generations of labour market experts. It captures the interplay of various factors in the labour market by describing demand/supply aspects, wages, employment, unemployment, the cost of labour, workers' participation and impact of new labour policies in the labour market. The course will be offered in the third semester.

Module 1: Nature of the Labour Market: (10 Hours)

Concept of labour market, Characteristics, Types, Search in labour markets, The theory of Human Capital, Investment in Human Capital, Costs and life-time benefits to education

Module 2: Approaches in Labour Markets: (12 Hours)

The theory of labour demand; time period and types of markets, Industry demand for labour, Determinants of labour demand, The theory of supply, Work-leisure choice in indifference curves, Budget constraints, Utility maximization, Backward-bending labour supply curve and its applications,

Module 3: Wage Issues in Labour Markets: (14 Hours)

Theories of Wages, Wages in different markets, Wage structure and components of wages, Share of wages, Distribution and Inequality of wage income, Male-female wage differentials, Inter-Sectoral wage differentials, Contract labour, Properties of contractual wages, Labour market rigidities and flexibilities, Wage and output relations in India during pre- and post-reform period

Module 4: Labour Markets in India: (12 Hours)

Linkages in labour markets, role of risk, Information and incentives, Dualism and segmentation, Labour market flexibility, Employee turnover, Migrant labour, State and labour markets, Impact of trade unions on productivity and wages, Minimum wages, Social security, Occupational safety and security, Wages and incomes policy in India, Impact of liberalization and globalisation

References:

Essential Readings

1. Bhattacharya BB and S Sakthivel, Economic Reforms and Jobless Growth in India in the 1990s, The Indian Journal of Labour Economics, Volume 48, No.2, 2005, pp. 243-258
1. Bhagoliwal T.N., Economics of Labour and Industrial Relations, SahityaBhawan, Agra, 1985
2. Bloom Gordon F and Northrup Herbert R, Economics of Labour Relations, Richard D Irwin Inc, Homewood, 1973
3. Cahuc Pierre and Andre Zylberberg, Labor Economics, MIT Press, 2004
4. Government of India, Report of Second National Commission on Labour, 2002
5. Harris-White Barbara and SinhaAnushree, Trade Liberation and India's Informal Economy, Oxford University Press, New Delhi, 2007
6. Sapsford David and ZafirisTzannatos, The Economics of the Labour Market, Macmillan, London, 1993
7. Singh Jwitesh Kumar, Labour Economics, Deep and Deep Publishers, Delhi, 1998
8. UchikawaShuji (eds.), Labour Market and Institutions in India 1990s and Beyond, Manohar Publishers, New Delhi, 2003
9. UnniJeemol and Uma Rani, Employment and Income in the Informal Economy: A MicroPerspective, in RenanaJhabvala, Ratna M Sundaram and JeemolUnni (eds) Informal Economy Centre-stage: New Structures of Employment, Sage Publications, New Delhi, 2003. 26

Trade Unions and Industrial Relations in India

Number of Credits: 6

Pattern of Evaluation: Standard

Preamble: This course attempts to provide a basic conceptual understanding of the economics of trade unions and industrial relations in India. The syllabus also includes the empirical relevance of theories with suitable examples from a practical industrial relations viewpoint. Such an attempt will be strengthened to enable familiarity with relevant data along with their limitations.

Module 1: Economics of Trade Unions: (9 Hours)

Meaning, Concept, Evolution and Role of Trade Unions. Approaches to the Origin of Trade Unions. Bargaining Theory of Wages, Impact of unions on productivity and wages, Employment Security and Efficiency, Unorganised sector

Module 2: Industrial Relations: (12 Hours)

Definition and scope of industrial relations, Approaches to Industrial Relations: Macro Approaches- System Approach and Class Conflict Approach, Micro Approaches- Taylorism, Fordism and Post-Fordism, Neo-Fordism, Pluralism, Human Relations School and Organisational Behaviour Approach.

Module 3: Industrial Relations in India: (15 Hours)

Trade Unions and Workers: Industrial Sociology of workers in India, History, growth and structure of trade unions, Independent and white collar unions in India. Trade Unions and Contract Workers. Employer's Organisations: Role of managerial class in industrial relations. Industrial conflict: Forms of conflict, strikes, lockouts, absenteeism, employee turnover, causes and consequences of and trends in industrial disputes.

Module 4: Role of the State in Industrial Relations in India: (12 Hours)

Labour Policy in India: Pre and Post-Reform scenario, Impact of Globalisation- Tripartism, Labour Legislation affecting industrial relations: Statutory and Non-Statutory measures to settle industrial disputes. Workers Participation in Management. Voluntary Retirement Schemes, Social Security Measures, Unemployment Insurance. Occupational Safety and Health Management Systems. India and the ILO.

References:

Essential Readings

1. Amin, Ash (Ed.), Post-Fordism-A Reader, Blackwell, Oxford, 1994 (Module 2)
2. Government of India, Ministry of Human Resource Development, Report of Second National Commission on Labour, 2002 (Module 3, 4)
3. Hicks J.R., The Theory of Wages, Clarendon Press, Oxford, 1932 (Module1)
4. Monappa, Arun, Industrial Relations, Tata McGraw Hill, New Delhi, 2005. (Module 4)
5. Pencavel, John, Labour Markets under Trade Unionism: Employment, Wages and Hours, Basil Blackwell, Cambridge, Massachusetts, 1991 (Module 1)
6. Ramaswamy, E.A. and Uma Ramaswamy, Industry and Labour, Oxford University Press, Bombay 1981 (Module 3)
7. Rees, Albert, The Economics of Trade Unions, University of Chicago Press, Chicago, 1973 (3rd Edition) (Module 1)
8. Roy. J. Adams (eds.), Comparative Industrial Relations, Harper Collins Academic, London, 1991. (Module 2, 4)

Agricultural Development and Policy

Number of Credits: 6

Pattern of Evaluation: Standard

Preamble: This course aims to enhance the students' understanding of agricultural development. Starting from basic questions like what factors lead to agricultural development or why does the share of agriculture in GDP go down once economies start developing, the course tries to enhance the students' awareness on contemporary debates in the literature, and leads them to analysis of current governmental policies and strategies for surviving in the globalizing world. Questions to be asked for the post 1980 period.

Module 1: Theories of Agricultural Development: (12 Hours)

Role of agriculture in a developing economy vis-à-vis a developed economy; Theories of agricultural development (Lewis, Schultz, Mellor, Hayami and Ruttan)

Module 2: Sustainable Agricultural Development and Food Security: (12 Hours)

Impact of green revolution; Models of spread of technology and experiences in input use efficiency; Measurement and strategies for sustainable development; Food security: Concept, measurement, magnitude, and critical evaluation of government policies

Module 3: Competitiveness of Agriculture Products and Marketing: (12 Hours)

Measurement of efficiency of agricultural products in international markets; Efficiency of agricultural markets in India; Form and impact of government intervention in the markets and its effects on efficiency; Commodity markets: operation and likely impacts; Strategies for surviving in a globalizing world

Module 4: History and Policies for Agricultural Development in India: (12 Hours)

Trends in production since 1950; National Food Policy; Agriculture Policy; Area, productivity, employment and wage rate analysis; Trends in India's agricultural exports and imports and implications

References:

Essential Readings

1. BasuKaushik, Analytical Development Economics, Oxford University Press, 1998 (Module1).
2. Bhalla G S., Globalization and Indian Agriculture, Volume 19 of the State of the Indian Farmer Series. Academic Foundation, 2004 (Module 3)
3. Dreze Jean and AmartyaSen, Hunger and Public Action, Oxford University Press, 1989 (Module 2)
4. Lewis Arthur, Economic Development with Unlimited supply of labour, Manchester School of Economics and Social Studies 22: 139-91, 1954 (Module 1)
5. Mellor J and Mudahar M, in Agriculture in Economic Development: Theories, findings and Challenges in Asian context in A Survey of Agricultural Economics Literature, Edited by Lee Martin. University of Minnesota Press, 1992 (Module 1)
6. Norton George and Jeffery Alwang, Introduction to Economics of Agricultural Development, McGraw Hills, New York, 1993 (Module 1)
7. Sawant S D (2002), Indian Agriculture: Past developments and policies for the future, Dantwala Monograph Series, No. 4, 2002 (Module 4)

ABILITY ENHANCEMENT SKILLS Semester IV

Demography: Theory and Basic Analysis

Number of Credits: 6

Pattern of Evaluation: Standard

Preamble: The course is designed to provide an understanding of demographic processes including an in-depth knowledge of linkages between population and economic development. It introduces major developments in demographic concepts by highlighting the sources of demographic data, fertility, mortality, and migration and population projection.

Module 1: Population Science, Demography and Economic Development: (10 Hours)

Population and Economic Development, Population and Environment, Implications of Population growth on Regional Imbalances, Population Science and Demography, Sources of Demographic Data, Malthusian Theory of Population, Theory of Demographic Transition, Age and Sex Composition of Population, Age pyramids, Ageing Population.

Module 2: Nuptiality and Fertility: (14 Hours)

Basic concepts of Nuptiality, Analysis of Marital Status Data, Single Mean Age at Marriage: Synthetic Cohort and Decadal Synthetic Cohort Method, Concepts and measurements of Cohort and period fertility, Rele's Method and Reverse survival method in fertility analysis, Bongaart's Proximate Determinants of Fertility, Socio-Economic Determinants of Proximate Variables, Indirect Estimation of Fertility Rates, Davis's Intermediate Variables framework of Fertility, Age Patterns of Fertility.

Module 3: Mortality: (12 Hours)

Basic concepts and analysis of Morbidity, Concepts and Measurements of Mortality, Infant and Child mortality rates, Standardisation of Mortality Rates, Life tables: Concepts, Types, Uses, Methods of construction; Differentials and Determinants of Mortality.

Module 4: Migration and Population Projections: (12 Hours)

Concepts, Patterns and Measures of Migration, Migration Theories and Models (Ravenstein's, Lee's, Wolpert's and Todaro's model), Internal and International Migration, Spatial Distribution and Urbanisation, Importance of Population Projection, Methods of Population projection: Mathematical and components methods.

References: Essential Readings

1. Bhatt M. (2002): On the Trial of Missing Indian Females, Economic and Political Weekly, 37(51) (52):5105-518, 5244-5263.
2. Bhende AA and T. Kantikar, Principles of Population Studies, Himalaya Publishers, Mumbai, 2000
3. Bogue DJ, EE Arriagas, Douglas L. Anderson, Reading in Population Studies and Methodology, Published for United Nations Population Fund by Social Development Center, Chicago, Illinois, 1993
4. Coale, A.J., 1971, Age Patterns of Marriage, Population Studies, 25(2), pp. 193 – 214
5. Henry, S. Shryock, The Methods and Materials of Demography, Vol. 1 and 2, U.S. Department of Commerce, Bureau of Census, Washington D.C. 1971, pp. 283-298 and 549 – 578
6. International Institute for Population Sciences (IIPS), National Family Health Survey, (NFHS) 1, 2, 3, Mumbai, 1992-93; 1998-99; 2006-07
7. International Institute for Population Sciences (IIPS), Reproductive and Child Health Survey, Mumbai, 2002-04
8. Lutz, Wolfgang, Distributional Aspects of Human Fertility: A Global Comparative Study, Academic Press, 1989, New York
9. Mishra BD, An Introduction to Demography, South Asian Publishers Pvt. Ltd, New Delhi, 1981
10. Mitra RG, Understanding patterns of Migration from Census 2001 Data, Population, 2002
11. Stabilisation and Development, Council of Cultural Growth and Cultural Relations, Cuttack
12. Preston Samuel, Patrick Heuveline & Michel Guillot, Demography: Measuring and Modelling Population Processes, Blackwell, Cornwall, 2001
13. Sydney HC, Population Theories and Economic Interpretation, Routledge, London, 1968.

INTERDISCIPLINARY/CROSS STUDIES Semester IV

International Finance

Number of Credits: 6

Pattern of Evaluation: Standard

Preamble: This elective course, to be offered in the fourth semester, requires a good understanding of Macroeconomics. This course aims at providing a theoretical exposition of different aspects of international finance and financial institutions in the context of globalization. A good understanding of International Trade and Trade Policies is desirable.

Module 1: Foreign Exchange Rates and Markets: (12 Hours)

Foreign Exchange Rates: Fixed, Flexible, Nominal, Real and Effective Exchange Rates, Purchasing Power Parity and Interest Parity. Foreign Exchange Markets: Spot, Forward, Futures and Options Currency Markets. Foreign Exchange Risk and Exposure: Exposure, Risk and Parity Relationship, Accounting Exposure versus Real Exposure, Operating Exposure, Hedging Risk and Exposure.

Module 2: Balance of Payments: (12 Hours)

Balance of Payments: Current Account Balance and Capital Account Balance, Official Reserve Transactions, Relationship between Balance of Payments and National Income Accounts. Approaches to Balance of Payments Adjustments: Elasticity, Absorption, Monetary and Portfolio-balance Approaches

Module 3: International Investment and Financing: (12 Hours)

Cash Management: Investment and Borrowing Criterion with Transaction Costs- International Dimensions of Cash Management. Portfolio Investment: International Capital Asset Pricing- Settlement of International Portfolio Investments. Capital Budgeting for Foreign Investments: Project Selection, Cash Flows, Discount Rates, Growth and Concerns about Multinationals. International Financing: Equity Financing, Bond financing, Bank financing

Module 4: International Financial Institutions: (12 Hours)

Gold Standard and Gold Exchange Standard: International Monetary Fund- International Reserves- Special Drawing Rights. Theory of Optimum Currency Areas: International Policy Co-ordination, Currency Board, International Financial and Currency Crisis. International Debt: Measures of Indebtedness-International Debt Crisis 30

References:

Essential Readings

1. Kenen Peter B, The International Economy, Cambridge University Press, New York, 2000 Chapters: 12, 13, 14, 15, 16, 17, 18 and 19 (Modules 2 and 4)
2. Krugman P. R. and Obstfeld M., International Economics-Theory and Policy, Addison-Wesley, Delhi, 2000 Chapters: 12, 15, 16, 20 and 22 (Modules 2 and 4)
3. Levi Maurice D., International Finance, Routledge, New York, 2005 Chapters: 2, 3, 4, And 9 to 18 (Modules 1, 2 and 3)
4. Pilbeam Keith, International Finance, Palgrave, New York, 1998 Chapters: 14 and 15. (Module 4).
5. Salvatore Dominick, International Economics, John Wiley and Sons, Singapore, 2002 Chapter: 14, (Module 1)
6. Sodersten Bo and Reed Geoffrey, International Economics, Macmillan, London, 1994 Chapters: 23, 25, 30 and 31) (Modules 2 and 4)
7. Ugur Mehmet, (edited), An Open Economy Macroeconomics Reader, Routledge, London, 2002 Chapters: 16, 17, 19, 20, 21 and 22 (Modules 2 and 4)

Project Based Course VIII

The Project Based Course will be conducted as per the Guidelines and Regulations of the University of Mumbai