# BA (Honours) in  Economics

# Syllabus

**Objective**

After the wide spread introduction of liberalisation and trade regime, it is imperative that a discipline like Economics has to undertake the challenges of the emerging global scenario. Many conventional tools in this discipline  introduced to the students are unequipped or out of date. In this context, it is      either necessary to restructure the existing programmes in Arts & Science colleges or to introduce new course so as to meet new challenges. It seems that an alloy of the new approaches in Economics plus certain courses of business schools is appropriate to enable the students to meet the changing demand in the labour market.   This proposed programme, BA (honors) Business Economics, is designed to have a better coverage at UG level with a professional touch. Its duration is four years which is comparable with any professional course in the country.

**II Structure of the course**

Part I & II can follow the same pattern of the vocational degree programme in the respective universities in Kerala.

Part III

The various courses are spread over eight semesters during four years. The various courses in different semesters are outlined below.

Every student shall prepare a synopsis and literature review in the 5th semester relating to a dissertation work to be done in the last semester. The student must choose a topic limited to her/his optional papers. The HOD shall certify that each student has submitted synopsis and literature review at the time of sending the internal marks. The synopsis should be initially admitted by the internal faculty committee constituted by the HOD.

**General Instructions**

1. Internal Assessment would follow the existing PG system in the University concerned

2. 25% questions on I, III, VI, VIII, XIV, XIX, and XXIII shall have numerically based questions.

3. 50% of question on papers II,IV,VII,XI, XII,XV,XVII,XVIII, XXII, and XXIX shall have problem oriented questions.

4. Regular classes should have duration of 6 hours per working day. Seminars and presentations shall be done in the 6th hour.

5. The field work should address actual issues in industry and business.

6. The contents of every course shall be evaluated and revised by the board of studies after one year of the introduction.

**Semester I**

**ECH1COR01 Micro (Applied) Economics I**

### 1. Introduction

The Basic Micro- Economic Problem of Scarcity and Choice- Market and Price Mechanism -Constructing a Model optimization and Equilibrium -The Demand Curve- The Supply Curve - Market Equilibrium - Comparative Statics
Disturbances to equilibrium- Applications of demand and supply: price rationing, price floors, consumer surplus,

### II. Consumer Theory

Consumer choice- perfect substitutes- substitutes and complements- consumer preferences- cardinal utility- equilibrium- ordinal utility- indifference curves nature types and realistic examples from market- budget constraint – equilibrium- Price effect- income effect and substitution effect- for normal goods, inferior goods and giffen goods- Revealed Preference theory- Consumer Behaviour, Risk and Uncertainty
Assignment : !) Identify four cases of substitutes and complements from daily life. Discuss their relevance in the context of utility theory
2) Pick up cases of normal goods, giffen goods and inferior goods and discuss their relevance in the context of Kerala
3) Apply the case of risk and uncertainty in choosing a programme for study

### III. Production and Costs

**a.** Production: behaviour of profit maximising firms, production process, production functions, law of variable proportions, choice of technology, isoquant and isocost lines, cost minimizing equlibrium condition.

**b.** Costs: costs in the short run, costs in the long run, revenue and profit maximizations, minimizing losses, short run industry supply curve, economies and diseconomies of scale, long run adjustments.

Assignment: 1) Prepare a production function based on inputs relating to a cooked item.
2) Prepare the various cost curves of a firm based on an actual case.

## IV. Markets

Classification of Markets. Various types of Markets.- Perfect competition- features- equilibrium- **Monopoly** Measurement of Monopoly power.
Equilibrium of a Firm under Monopoly. - Price Discrimination under Monopoly, different types. Comparison of monopoly and perfectly competitive market outcomes. Regulation of Monopoly Power. **Imperfect Competition**
Monopolistic Competition, Price and Non-price competition, Equilibrium.
Product Differentiation, Selling Costs and Excess Capacity.**Oligopoly**, Basic market structure, Non-collusive oligopoly Collusive oligopoly, Cartels, Price and Output Determination Game Theory, (Basic Concepts), Dominant Strategy
Assignment: 1) How far the features of perfect competition applicable to agriculture I India.
2) The case of cartel behavior in the context of cement industry in India.
3) The role of Indian Railways as a monopoly firm.

**Recommended Books:**
1.Varian, Hal (1996): Intermediate Microeconomics, W.W. Norton and
Company, New York.
2. Hirschleifer J and A. Glazer (1997): Price Theory and Applications, Prentice
Hall of India, New Delhi.
3. Stigler, G (1996): Theory of Price, Prentice Hall of India, New Delhi.
4. Sen, A.(1999): Micro Economics: Theory and Applications, Oxford University
Press, New Delhi.
6. Kreps, David, M (1990): A Course in Microeconomic Theory, Princeton
University Press.
7. Koutsyannis Microeconomics
8.Andreu Mas Collel, Michael D.Whinston and Jerry R.Green Micro Economic Theory OUP

## ECH1COR01 MACRO ECONOMICS (APPLIED) I

Module I

Introduction-The continuing divide in macroeconomics-Classicals and Keynesians-Technical

(logical time v/s Historical time analyses, static, comparative statics and dynamic analyses,

general equilibrium and disequilibrium approaches, stocks and flows )and Ideological issues ( concerning government intervention v/s free-market policies)

## Assignment 1

Identify and categorize the major schools of thought in macroeconomics both within the classical school and in the Keynesian school

## Assignment 2

Prepare a note on the alternative techniques used in macroeconomic analysis

## Module II

National accounting concepts-Expenditure on the GDP-Other macroeconomic aggregates-Identities in NI accounting-Real and nominal GDP-GDP, economic development and welfare-Green GNP-Gross National Happiness
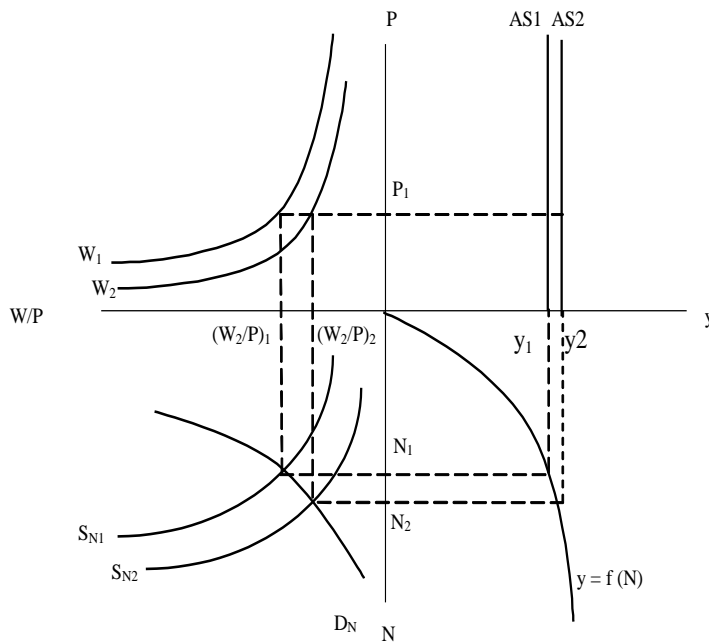
## Assignment

Examine GDP at factor cost (at current and constant prices-by selecting an appropriate base year), growth rates and GDP deflator by using data from latest RBI Repots

## Module III

The AD-AS Neoclassical macro model-The classical dichotomy-Homogeneity postulate-Say's Identity and Equality-The Quantity theory of Money
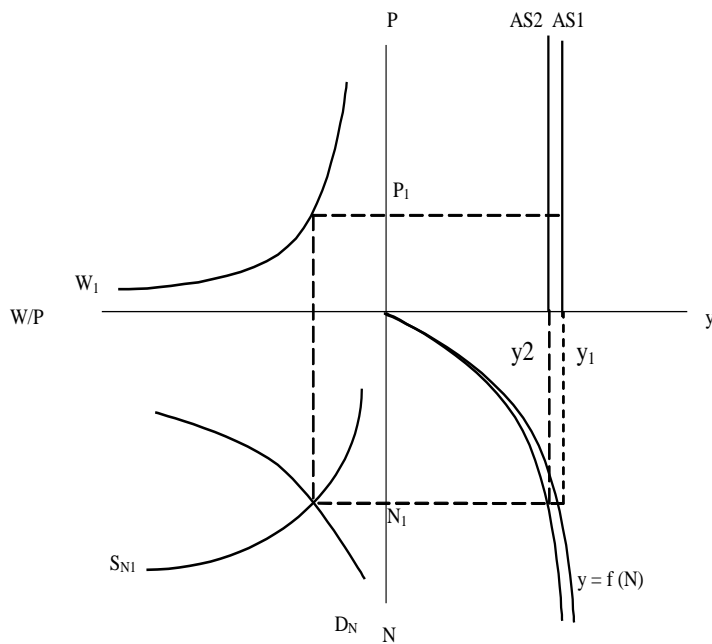
## Assignment 1

*Using a 4-quadrant diagram, show what happens to the neoclassical supply curve when young soldiers return to the labour market after a war?*

## Assignment 2

*Using a 4-quadrant diagram, show what happens to the neoclassical supply curve when there is a drought which reduces agricultural output?*

**Module IV**

The simple Keynesian model-The principle of effective demand and Keynesian economics-Quantity adjustment-The Keynesian cross model of income determination up to four sectors-Consumption function hypotheses- Keynesian demand for money function-relevance of Keynesian economics today

**Assignment** 1

Assume a closed economy 1-sector Keynesian model with the following characteristics: a marginal propensity to consume of 30%, autonomous consumption spending of $15 billion, investment spending of $20 billion and government spending of $35 billion.

*a) What is the equilibrium level of output?*

$C = \$15$ billion $+ 0.3y$

$I = \$20$ billion

$G = \$35$ billion

$E = C + I + G$

$E = y$

$y = \$15$ billion $+ 0.3y + \$20$ billion $+ \$35$ billion

$y - 0.3y = \$70$ billion

$y = \$100$ billion

*b) What happens to the equilibrium level of output if I rises to $55 billion?*

$y = \$15$ billion $+ 0.3y + \$55$ billion $+ \$35$ billion

$0.7y = \$105$ billion

$y = \$150$ billion

(Alternatively, you can multiply the increase in I (i.e. $35 billion) by the multiplier (1/(1 – 0.3) which is 1/0.7) to get $35 billion /0.7 = $50 billion. The new output level is that $100 billion plus the increase ($50 billion) which is $150 billion.)

*c) Outline the economic dynamics behind the increase:*

The increase in investment causes an increase in aggregate demand (E). Assuming the economy was in equilibrium before the exogenous shock, this implies an excess of aggregate demand. Stocks start to fall in response to the greater than expected level of E. This sends a signal to producers to increase output, and they do.

1. "Thinking Macroeconomics: An Introduction to Keynesian and Neo-Classical Theory and Policy", Nicoli Nattrass and G.Visakh Varma, to be published by Sage Publishers, New Delhi
2. "Macroeconomics", Gregory Mankiw
3. Macro Economics, Gorden

## ECH1COR03– STATISTICAL METHODS IN ECONOMICS I

**OBJECTIVE**

Many issues can be analysed with the help of numerical data. What is the impact of increased deficit financing on inflation. Why does Air India not earn profit in recent years? What are the determinants of unemployment in India? What will be the probable impact of FDI inflow to a country? Similar questions are answered by Data analysis. This is the main purpose of introducing statistics here.

**MODULE I**

Introduction to Statistics, Population and Sample, Collection of Data, Various methods of data collection, Census and Sampling, Methods of Sampling- Simple Random Sampling; Stratified Sampling, Systematic Sampling. Types of data, Classification and Tabulation, Diagrams and Graphs - Bar diagram, Pie diagram, histogram and ogives, Lorenz curve.

**MODULE II**

Measures of Central Tendency – Mean; Median; Mode, Partition values (Concepts only), Measures of dispersion – Range; Standard deviation, Coefficient of variation, Moments, Skewness-Pearson and Moment measures, Kurtosis-Moment measure.

**MODULE III**

Correlation – Scatter diagram, Types of correlation, Coefficient of correlation – Karl Pearson's and Spearman's rank correlation, Regression – regression lines and regression coefficients. Use of Computer for the computation of correlation and regression.

**MODULE IV**

Index Numbers – Definition and uses, Simple Index Numbers; Weighted Index Numbers – Laspeyer's, Paasche's and Fisher's Ideal Index Numbers, Cost of Living Index Numbers-Family Budget Method, Aggregate Expenditure Method. Time series analysis – components of time series, Measurement of trend using graphical, semi-average, moving average, least-square methods.

Note: Review exercises should be based on the recommended books.

Each module should have at least two assignments.

**REFERENCES:**

1. David Freedman, Robert Pisani, Roger Purves And Ani Adhikari: Statistics, (Second Edition) Norton.

2. Astana : Statistics (With The Use Of Spss)

3 Gupta, S P : Statistics Methods, Sultan Chand & Sons

4. Douglas A. Lind, William G. Marchal, Samuel A. Wathen : Statistical Techniques in Business and Economics (15th Edition), McGrawHill.

## ECH1COR04– MATHEMATICS IN ECONOMICS I

Course Objectives

1. To prepare students to use a wide range of mathematical techniques used in economic analysis
2. To impart an initial understanding of economic modeling
3. To develop necessary problem solving and analytical skills essential mathematical skills
4. To read and understand current journals and articles in economics.

Module 1

Elementary aspects of logic-propositions, implications, necessary and sufficient conditions. Mathematical proofs-direct, indirect and proof by contradiction. deductive and inductive reasoning(concepts only). Set theory-set membership-set operations-Venn diagrams.

Mathematical modeling in economics-two dimensional model of consumer choice and multi dimensional model of consumer choice

Module II

Calculus- functions-increasing and decreasing functions-linear functions-slope of a linear function-economic interpretation of the slope- non-linear functions. Differentiable and non-differentiable functions-continuous and discontinuous functions. limits and continuity. Derivatives-rules-product rule-quotient rule-chain rule- differentiation of exponential, logarithmic and implicit functions.

Module III

Second order derivatives-convex, concave, point of inflexion, maxima-minima-partial differentiation-first order-second order –applications -production functions-MRTS-cost functions. Integration-power rule- exponential function-by algebraic substitution-definite integral-area under a curve-consumer and producer surplus-income distribution-integration by parts

Module 1V

Linear algebra-systems of linear equations-vectors- geometric representation- vector operations-scalar product- matrix operations-multiplication-transpose-determinants of order 2 and 3-cofactors-inverse-cramers rule- input-output model -IS-LM model.

References (Basic **{must read}** References) q234

R G D Allen, mathematical analysis for economics

Chiang A C,Fundamental methods of mathematical economics, Mcgraw Hill

Henderson and Quandt, Micro economic theory: a mathematical approach

Simon and Blume, Mathematics for Econiomists:Viva –Norton student edition

Sydsaeter and Hammond, Mathematics for Economic Analysis,Pearson

Hamdy Taha, Operations Research

Dowling,Mathematical Economics,Schaum Series.

Avinash Dixit, (1990), Optimization in Economic Theory, (2nd edition)

Additional readings

Bertrand Russel(2012), Principles of Mathematics, Rutledge (special Indian   edition)

Davis and Hersh(1998),The Mathematical Experience, Mariner Books.

Core V  Language

## SEMESTER II

### ECH2COR05 Micro (Applied) Economics II

**Module  V: Theory of Distribution and Welfare Economics**
Marginal Productivity Theory. Product Exhaustion theorem. (Euler's Theorem)- Piguo's Welfare Theorem - Pareto Optimality - Social Welfare Function, Compensation Criteria. Arrow's Impossibility Theorem. Consumer Surplus- Producer Surplus- Market Efficiency- Deadweight Loss of Taxation.

**Module  VI    economics of Public Sector**
Concept of externalities- Coase theorem- Production Externalities . Command and Control Regulations- Economics of Natural Resources
Assignment : 1) Examples from neighborhood
2) The case of petroleum prices and social intervention
3) T he extent of tradable pollution
VII Quasi-Public Goods
Education as an Investment- Pricing of Educational Service- Financing of Education and Public Policy- Production of Health Services-  Pricing and Financing Health Care- The Role of Patent Regime and Drug Pricing in India.
Assignment : 1) Education Policy at Elementary, Secondary and Higher Education in Kerala.
2) Pricing of Health Services in Kerala.

Module V III    Poverty, Inequality and Discrimination
Economics of Discrimination- Determinants of Equilibrium Wages- Measurement of inequality- The political Philosophy of Redistributing Income- Policies to Reduce Poverty- Asymmetry of Information
Assingnments: 1)  Poverty Alleviation Programmes in India
2) Second Hand car Market for Cars in India

**Recommended Books:**
1.Varian, Hal (1996): Intermediate Microeconomics, W.W. Norton and
Company, New York.

2. Hirschleifer J and A. Glazer (1997): Price Theory and Applications, Prentice Hall of India, New Delhi.
3. Stigler, G (1996): Theory of Price, Prentice Hall of India, New Delhi.
4. Sen, A.(1999): Micro Economics: Theory and Applications, Oxford University Press, New Delhi.

6. Kreps, David, M (1990): A Course in Microeconomic Theory, Princeton University Press.
7. Koutsyannis Microeconomics
8.Andreu Mas Collel, Michael D.Whinston and Jerry R.Green Micro Economic Theory OUP

## ECH2COR06 MACRO (APPLIED) ECONOMICS II

Module I

Investment and interest rates-Bond prices and yields-The multiplier-The accelerator theory-Investment theories-Inflation and interest rates-The structure of interest rates-Inflation-indexed bonds

Assignment 1

*If a bond is issued with a face value of Rs.100,000 and a coupon rate of 15% pays an income of Rs.15,000 a year, what is the yield if the bond only sells for Rs.75,000?*

A bond with a face value of Rs.100,000 and a coupon rate of 15% pays an income of Rs.15,000 a year. If the bond is sold for Rs.75,000 then the yield on the bond rises to Rs.15,000/Rs.75,000 = 20%.

*If a person wishes to make a Rs.1,000 loan and earn a real interest rate of 4%, what nominal interest rate will be charged if prices are expected to rise by 10%?*

*If prices in fact rise by 6% what is the realised real rate?*

Module II

The ISLM model up to three sectors-Fiscal and monetary policy in the iSLM model-Open economy macroeconomics-Exchange rates and Balance of Payments

Assignment  1

*Assume a simple closed-economy Keynesian model without a government sector where: b = 0.2, a = 6 and c = 18. What are the values for* y *and* S*?*

*Write out the equation for the savings function*

$S = -a + (1 - b)y$

*Assume that the investment function has the following form:*

$I = 142 - 1000(i)$

*What rate of interest will bring savings and investment into equilibrium?*

*Write out the equation for the* IS *curve*

Assignment  2

*Using a closed-economy 4-quadrant Keynesian IS-LM model, show the impact on equilibrium output and the interest rate of a simultaneous decrease in autonomous consumption and an increase in the tax rate. Show both effects in the same diagram. Discuss the dynamics underpinning the shift in equilibrium position. Describe what happens in a Keynesian closed-economy IS-LM model when the government pursues a restrictive fiscal policy by decreasing spending.*

*Write a report on Indian economic adjustment in the immediate aftermath of the 2008 Global Financial Crisis.*

Module III

The aggregate supply and demand model and the neoclassical synthesis-Inflation and unemployment-Phillips curve-Long run Phillips curve-The NAIRU-Business cycle theories-Types of business cycles

Assignment  1

Using Indian data found out whether an inflation unemployment trade-off exists in India

Module IV

Monetarism- New classical macroeconomics-Supply side economics-Real business cycle theory-disequilibrium theory of Clower and Leijonhufvud – New Keynesian macroeconomics-Post-Keynesian macroeconomics-DSGE model-Endogeneous growth model

Assignment : I) Prepare a document the relevance of Supply Economics in the context of liberalisation in Imdia

2) Can you apply the arguments of endogenous growth model in the development experience of Kerala?

Books

1. "Thinking Macroeconomics: An Introduction to Keynesian and Neo-Classical Theory and Policy", Nicoli Nattrass and G.Visakh Varma, to be published by Sage Publishers, New Delhi
2. "Macroeconomics", Gregory Mankiw

## ECH2COR07 STATISTICAL METHODS FOR ECONOMICS II

**OBJECTIVE**

Apart from the general objective stated in statistics-I, this course enables students to know the various aspects of probability distributions and tests of significance.

**MODULE I**

Probability Concepts, Approaches to Probability - Classical, Statistical and Axiomatic, Addition theorem, Conditional Probability, Independence of events, Multiplication theorem, Baye's Theorem and its applications.

**MODULE II**

Random Variables -Discrete and Continuous, Probability Distributions, Expected value, Theoretical Distributions: Binominal, Poisson and Normal. Central limit theorem and its applications.

**MODULE III**

Testing of hypothesis -null and alternative hypothesis, Type I and Type II errors, Critical Region, Significance level, P-value, One sample Tests – test concerning population mean and proportion, Two sample Tests – test concerning population means (dependent and independent samples).

## MODULE IV

F-test and Analysis of Variance (one-way ANOVA), Test for significance of correlation coefficient, Chi-Square test for independence. Use of Computer for the computation of ANOVA table.

REFERENCES:

1. Douglas A. Lind, William G. Marchal, Samuel A. Wathen : Statistical Techniques in Business and Economics (15th Edition), McGrawHill.

2. David Freedman, Robert Pisani, Roger Purves And Ani Adhikari: Statistics, (Second Edition) Norton.

3 Gupta, S P : Statistics Methods, Sultan Chand & Sons

## ECH2COR08 MATHEMATICS IN ECONOMICS II

Module I

Linear algebra-linear independence-rank of a matrix-Eigen values-diagonalization

Module II

Functions with two or more variables-geometric representation-Surfaces in 3D space-budget plane –partial derivatives with two variables-applications-productio functions

Module III

Optimization –convex and concave functions-quasi convex and quasi concavity (concepts only) - unconstrained optimization-constrained optimization-Lagrange multiplier method-envelope theorem (idea only)

Module IV

Difference equations- first order and second order equation with constant coefficients and differential equations-first order and second order equations-separable- with constant

coefficients-applications-growth model-multiplier-accelerator interaction. Theory of games-simple and mixed strategy-saddle point-zero sum game-Nash equilibrium

References (Basic **{must read}** References)  q234

R G D Allen, mathematical analysis for economics

Chiang A C,Fundamental methods of mathematical economics, Mcgraw Hill

Henderson and Quandt, Micro economic theory: a mathematical approach

Simon and Blume, Mathematics for Econiomists:Viva –Norton student edition

Sydsaeter and Hammond, Mathematics for Economic Analysis,Pearson

Hamdy Taha, Operations Research

Dowling,Mathematical Economics,Schaum Series.

Avinash Dixit, (1990), Optimization in Economic Theory, (2nd edition)


Additional readings

  Bertrand Russel(2012), Principles of Mathematics, Rutledge (special Indian   edition)

Davis and Hersh(1998),The Mathematical Experience, Mariner Books.


# Semester III

## ECH3COR09: INTRODUCTION TO ECONOMETRICS

### BA ECONOMICS HONOURS

### INTRODUTORY ECONOMETRICS

## MODULE 1

Random variable- discrete and continuous, probability distribution function, cumulative distribution function, multivariate PDF, marginal PDF, conditional PDF, statistical independence, characteristics of probability distribution- expected value, variance, covariance, correlation coefficient, conditional expectation, conditional variance.

Some important theoretical probability distributions- normal distribution, standard normal distribution, t- distribution, chi-square distribution and F- distribution, binomial distribution and poisson distribution.

Sampling distribution of an estimator. Properties of estimators- small sample properties- linearity, unbiasedness, minimum variance, BLUE. Large sample properties- asymptotic unbiasedness, consistency, asymptotic efficiency, asymptotic normality.

Estimation theory- point estimation, interval estimation- construction of confidence intervals.

Hypothesis testing- confidence interval approach, test of significance approach, steps in hypothesis testing. Principles of constructing hypothesis ($H_0$ and $H_1$). Type I and type II errors, level of significance, theoretical v/s practical significance.

## MODULE 2

Meaning, nature and scope of econometrics. Econometrics, economic theory and mathematical economics. Methodology of econometrics. Types of data- cross section, time series and panel. Variables, its measurement.

## MODULE 3

Simple linear regression model, the concept of PRF, significance of stochastic error term, SRF, problem of estimation, the method of ordinary least squares- OLS estimation of two variable model, assumptions underlying the method of least squares, numerical properties of least square estimators, precision of standard errors of least square estimators, concept of degrees of freedom. Statistical properties of least square estimators, Gauss- Markov theorem, coefficient of determination $r^2$.

Normality assumption, confidence interval for least square estimators- hypothesis testing- Z, t and F test procedures. P value- statistical v/s practical significance. Confidence interval v/s test of significance approaches. Prediction individual prediction, mean prediction. Evaluating the results of regression ananlysis. Normality tests- Jarque Bera, Anderson Darling. Monte Carlo methods.

## MODULE 4

Extensions of two variable model- regression through the origin- scaling and unit of measurement- log-log, loglin, linlog, quadratic, cubic and reciprocal models. Regression on standardised variables.

**MODULE 5**

Omitted variable bias and multiple regression analysis- three variable model, OLSestimation of partial regression coefficients. Multiple coefficient of determination $R^2$ and adjusted $R^2$. Game of maximising adjusted $R^2$. estimating a demand function, estimating a production function, estimating a cost function etc.

Hypothesis testing. Testing the significance of the individual regression coefficients- t test. Testing the equality of two regression coefficients  Restricted least squares. Use of non sample information. Testing the structural stability- Chow test.

**References**

- Gujarati, Damodar (2003), Basic Econometrics, 4th edition, McGraw Hill, New York.
- Gujarati, damodar (2011), Econometrics by example, I edition, Palgrave- McMillan.
- Stock, James and Watson, mark(2012) Introduction to econometrics, II edition, Pearson, Addison Wesley
- Brooks, Chris(2012), Introductory econometrics for finance II edition, Cambridge
- Koutsoyiannis A (1977), Theory of Economicts, Palgrave, New York.
- Maddala G S (2002), Introduction to Econometrics, 3rd edition, John Wiley & Sons,New york
- Ramanathan, Ramu(2002), Introductory Econometrics with Applications, Thomson Learning Inc,
- Singapore.
- Intrilligator, M. D (1980)Econometric Methods, Techniques and Applications Prentice Hall ,
- Engle wood Cliffs, N. J
- Klein LR (1974) A Text Book of Econometrics 2nd Ed., Prentice Hall , Engle wood Cliffs, N. J
- Kmenta, Jan(1976), Elements of Econometrics, 2nd ed. Macmillian, New York.
- Mukherijee, Chandan, Howard white and Marcwuyts (1998) Econometrics  and Data  Analysis
- forDeveloping Countries, Rutledge New York.
- Wooldridge, Jeffrey M, Introductory Econometrics, (2002) Thmson, South Western, USA

### ECH3COR10 DEVELOPMENT AND ENVIRONMENTAL ECONOMICS

**Learning objectives**

1. To enable the students to understand the theories and strategies of growth and development
2. To impart knowledge about the issues relating to sustainable development, environmental protection and pollution control measures

**Module I**

Economic growth and development: Meaning and indicators of economic growth and development- GNP- Per capita income- PQLI-HDI-HPI- Sen's capabilities approach- Features of underdevelopment- Factors affecting economic development (capital, labour and technology)- Development Gap- Measuring poverty - Theories of economic growth and development: Classical- Marxian- Schumpeterian- Stage theory- Structuralist- Dependency- and Market friendly approaches (concepts only).

**Module II**

Approaches to economic development: the vicious circle of poverty low level equilibrium trap Critical minimum effort thesis - Big push- Lewis model - Dualistic theories- Balanced versus unbalanced growth strategy - Cost benefit analysis. (33 hrs)

**Module III**

Human resource development - Concept of intellectual capital - Population growth and economic development- Malthusian theory of population- Theory of demographic transition- Issues of good governance. (15 hrs)

**Module IV**

Environment- Economy linkage- environment as a necessity and a luxury - Environment as a public good - Global environmental issues and concerns- Causes for environmental degradation- Market failure for environmental goods – The tragedy of commons – Sustainable development - Property right approach to environmental problems – Valuation of environmental damages- Pollution- Control of pollution: Policy instruments and legislation  -Environmental accounting.

**Readings**

1. Todaro and Smith *Economic Development,* Pearson Education, New Delhi (recent edition)
2. Thirlwall, *Growth and Development with special reference to Developing Countries.* (recent edition) Palgrave Mc Millan, New Delhi.
3. Benjamin Higgins (1968), *Economic Development,* (recent edition) Universal book stall, New Delhi
4. Meir, G.M. (2007), *Leading Issues in Economic Development,* Oxford University press, New Delhi.
5. Kartar Singh and Anil Shishodia (2007), *Environmental Economics: Theory and Application*, Sage Publications, New Delhi.
6. Nick Hanley et al (2007) *Environmental Economics: Theory and Practice,* Palgrave Mcmillan

## ECH3COR11 International Trade (Applied) : Theory & Policy.

Objective

The link between countries is increasing day by day, especially in terms of trade. There are many theoretical and practical explanations for this phenomenon. The students after studying this programme, will get better understanding about why trade, what are the gains from trade and what are the majors policy instruments executed in controlling trade.

## MODULE I

Sovereignty and trade mercantilist and classical views on production, consumption and trade in a single commodity production and consumption in general equilibrium prices, outputs and national product. Trade and general equilibrium determination of International Prices -gains from trade – offer curves and International Equilibrium.

Assignments :

1. Measuring the welfare effects of trade and tariff, the level of tariff.
2. Measurement of National Product if grain and car alone are produced.
3. Gains from trade (assignments based on the references)

## MODULES II

Sources of comparative advantages: production and trade in the Ricardian Model - Wages, Prices, and Comparative Advantage. Trade with many countries and goods factor endowments and goods factors endowments and comparative advantage. The HO Theorem: Production and Trade in HO Model. The Rybczynsky Theorem Factor Prices, Goods prices and trade in HO Model. Stolper – Samuelson Theorem Factors price equalisation Theorem – many countries and goods – Natural resources, skills and human capital.

Assignment

1. Wages, prices and comparative advantage. Apply this concept in the context of software exports from and hardware imports to India.
2. Empirical Test of the Ricardian and HO Models. What is their relevance today.

## MODULE III

Factors Prices and Factors Substitution – Modified Riciardian Model Economic Growth and Ricardian Model – Modified HO Model – Economic Growth and HO Model - Intra industry trade. Trade between Monopolised National Markets – Trade with Monopolistic competition – Innovation and trade – factors movement, capital movement in the modified Ricardian HO models – multinational production and translational taxation

Assignment

1. Measuring income and output effects of a capital movement between Indian and Singapore.
2. Costs and benefits of multinational production. Explain these concepts in the context of India.
3. Problems of Translational Taxation in context of Vodafone in India
4.

Trade Policy: instruments of Trade Policy in partial and general equilibrium – Nominal and effective tariff – tariff and the distribution of the gain from trade – tariffs and the distribution of domestic Income – Tariffs & domestic Distribution – Non – Tariff barriers -Evolution of Trade Policy

Assignment

1. Measuring the welfare effects of a tariff with a variable world price discuss its relevance in India.
2. Measuring the optimum Tariff
3. Evolution of Trade policy in India

**REFERENCES:**

- Peter B Kenen: The international Economy (3rd Edition) 1996, Cambridge University Press.
- BO Sodersten and Geogffrey Reed: International Economics (3rd Edition) 1994, The Macmillan Press Ltd.
- Paul Krngman, International Economics Mourice Obstfeld (Second Edition) Harper Collin Publishes, 1981

**Core XI : International Trade (Applied) : Theory & Policy.**
The link between countries is increasing day by day, especially in terms of trade. There are many

theoretical and practical explanations for this phenomenon. The students after studying this programme, will get better understanding about why trade, what are the gains from trade and what are the majors policy instruments executed in controlling trade.

## MODULE I

Sovereignty and trade mercantilist and classical views on production, consumption and trade in a single commodity production and consumption in general equilibrium prices, outputs and national product. Trade and general equilibrium determination of International Prices -gains from trade – offer curves and International Equilibrium.

## MODULE II

Sources of comparative advantages: production and trade in the Ricardian Model Wages, Prices, and Comparative Advantage. Trade with many countries and goods factor endowments and goods factors endowments and comparative advantage. The HO Theorem: Production and Trade in HO Model. The Rybczynsky Theorem Factor Prices, Goods prices and trade in HO 30

Model. Stolper – Samuelson Theorem Factors price equalisation Theorem – many countries and goods – Natural resources, skills and human capital.

## MODULE III

Factors Prices and Factors Substitution – Modified Riciardian Model Economic Growth and Ricardian Model – Modified HO Model – Economic Growth and HO Model - Intra industry trade. Trade between Monopolised National Markets – Trade with Monopolistic competition – Innovation and trade – factors movement, capital movement in the modified Ricardian HO models – multinational production and translational taxation

## MODULE IV

Trade Policy: instruments of Trade Policy in partial and general equilibrium – Nominal and effective tariff – tariff and the distribution of the gain from trade – tariffs and the distribution of domestic Income – Tariffs & domestic Distribution – Non – Tariff barriers -Evolution of Trade Policy

## REFERENCES:

- Peter B Kenen: The international Economy (3rd Edition) 1996, Cambridge University Press.
- BO Sodersten and Geogffrey Reed: International Economics (3rd Edition) 1994, The Macmillan Press Ltd.
- Paul Krngman, International Economics Mourice Obstfeld (Second Edition) Harper Collin Publishes, 1981
- Salvatore International Economics Eighth Edition Wiley & Sons , 2004

The purpose of this course is to give an understanding of the role of state in fostering the economic activities via budget and fiscal policies. This course enables the students to understand the various issues between Central and State governments.

## Module I- Introduction to Public Economics

Nature and scope of Public Economics- Comparison of public and private finance- Public goods versus private goods- Role of state in economic activities- Market failure and role of government- Principle of maximum social advantage- The role of fiscal policy (18 hrs)

## Module II - Public Revenue

Public Revenue - Tax and non tax revenue – Taxes – Types and cannons – Principles of taxation – Benefit principle and ability to pay theory – Impact and incidence of taxation – Effects of taxation – Concept of taxable capacity – The Laffer curve- Budget and its role. (18 hrs)

**Module III public expenditure and Public Debt**

Meaning- Cannons of public expenditure – Pattern and Growth of public expenditure – Effects – Public debt – Types – Debt redemption – Burden of public debt – Public debt in India. (18 hrs)

**Module IV Fiscal federalism**

Meaning and importance- Vertical and horizontal equity in fiscal federalism – Fiscal federalism in India – Finance commission - Theory of grants- Resource transfer from union to states – Criteria for transfer of resources – State finance commission and Panchayati raj institutions.   (18 hrs)

**Readings**

1. Harvey Rosen, (2008) *Public finance,* Mc Graw Hill, New York
2. Bernard P Harbar,  *Modern Public Finance* (Richard Irwin Inc.)
3. H.L Bhatia, *Public finance* (recent edition) Vikas publishing house, New Delhi
4. B.P. Tyagi, *Public finance*, (recent edition) Jai Prakash nath and co., Meerut
5. Musgrave and Musgrave (1984) *Public finance in theory and practice*, McGraw hill, New Delhi (reprint edition)
6. Joseph Stiglitz, *Economics of public sector,* (recent edition) Norton, New York

## ECH3COR13 : Money and Financial Market

Monetary  and financial institution play a very crucial role in the working of an economy. A student is required to know the theory and working of money and financial markets. This paper is designed to provide the undergraduate students a basic knowledge in the operations of money and financial system in general and in India in particular.

Module 1 Money and Exchange

Money in Economic system-  Function of Money-Evolution of Money-Types of Monetary standards-Efficiency in Exchange-Characteristics of Real – Exchange Economy and Monetary Economy.

Money and Financial system –  Properties of financial assets- selection criteria-Role of financial markets-Functions of financial Intermediaries - Financial intermediation and capital accumulation.

Module 2 Theory of Money

Demand for Money: Quantity theory- Classical, Cambridge and Keynesian Versions-Motives and Determinants of Demand for money-Theory of Liquidity Reference Transaction Demand, Precautionary demand  and speculative demand-Interest elasticity-Portfolio Analysis of demand for money-Friedman's reformulation of the Quantity theory.Money supply analysis: money stock measures-velocity of circulation on money determinants-Money multiplier-Money supply and Balance of payments.

Module 3 Banking system

Commercial banks-functions and operations-credit creation-structure of balance sheet-Bank nationalization in India- Reforms in the Indian Banking system.

Central bank-Role and functions-Monetary control-RBI functions and working-developments in Indian banking.

Cooperative banks-Regional rural banks-Development banks-Merchant banking-Universal banking-Banking and Insurance

Module 4 Money and capital market

Money market-structure and functions-Features of Indian money market-Role of unorganized money markets in India

Capital market-primary and secondary markets-Functions and instruments SEBI and capital markets

Foreign Exchange market-Exchange rate movements-Determinants –Hedging operations-convertibility in current and capital account

Module 5 Monetary policy

Goals and objectives-Instruments of credit control-Transmission process-Monetary policy in closed and open economies

**SEMESTER IV**

**ECH4COR14 ADVANCED ECONOMETRICS**

**MODULE 1**

Dummy variable regression models ANOVA models ANCOVA models, dummy variable trap, dummy variables and seasonal analysis- testing structural stability of regression models. Peicewise linear regression. Interpretation of coefficients in semi-log models.

## MODULE 2

Relaxing the assumptions of CLRM

a. Muticollenearity- meaning, causes, consequences, detection, solution- ridge regression.
b. Non spherical disturbences generalized least squares, Aitlun's generalization of Gauss Markov theorem. Flexible GLS- Matrix approach. Heteroscedasticity- Meaning, Causes, Consequences, detection, remedial measures, White's heteroscedasticity consistent standard errors- weighted least squares.
c. Autocorrelation meaning, causes, consequences- detection- Dublin- Watson d test, remedies. Prais- Winsten transformation. Full flexible GLS Newey West standard errors (HAC standard errors)

## MODULE 3

Model specification and diagnostic testing- types of specification errors- consequences, detection, solution errors of measurement consequences, remedies. Ramsey's RESET

## MODULE 4

Qualitative reponse regression models- LPM, Logit model, Probit model, Tobit model, multinomial logit, probit, ordered logit-probit, modeling count data.

## MODULE 5

Dynamic econometric models, auto regressive and distributed lag models, role of log in economics, the Koyck approach, the Adaptive expectations models, stock adjustment model, estimation of auto regressive models, the method of instrumental variables, Durbin h test. Almon approach to distributed lag models.

**References**

- Gujarati, Damodar (2003), Basic Econometrics, 4th edition, McGraw Hill, New York.
- Gujarati, damodar (2011), Econometrics by example, I edition, Palgrave- McMillan.
- Stock, James and Watson, mark(2012) Introduction to econometrics, II edition, Pearson, Addison Wesley
- Brooks, Chris(2012), Introductory econometrics for finance II edition, Cambridge
- Koutsoyiannis A (1977), Theory of Economicts, Palgrave, New York.
- Maddala G S (2002), Introduction to Econometrics, 3rd edition, John Wiley & Sons,New york

- Ramanathan, Ramu(2002), Introductory Econometrics with Applications, Thomson Learning Inc,
- Singapore.
- Intrilligator, M. D (1980)Econometric Methods, Techniques and Applications Prentice Hall ,
- Engle wood Cliffs, N. J
- Klein LR (1974) A Text Book of Econometrics 2nd Ed., Prentice Hall , Engle wood Cliffs, N. J
- Kmenta, Jan(1976), Elements of Econometrics, 2nd ed. Macmillian, New York.
- Mukherijee, Chandan, Howard white and Marcwuyts (1998) Econometrics and Data Analysis
- forDeveloping Countries, Rutledge New York.
- Wooldridge, Jeffrey M, Introductory Econometrics, (2002) Thmson, South Western, USA

## ECH4COR15 : OPERATION RESEARCH

**Module 1**

Introduction: Meaning and scope of Operations Research, Applications in Business and Economics, limitations of Operations Research.

Linear Programming Problems (LPP): Mathematical Formulation of LPP. Solution to the LPP using Graphical Method, Simplex Method and Big M method (upto 3 variables), Duality in LPP- Concept and Interpretation.

**Module 2**

Transportation Problem: Description and Formulation of Transportation Problem, Initial Basic Feasible Solution by i) North West Corner Rule, ii) Least Cost Method iii) Vogel's Approximation Method.

Assignment problem: Introduction, Balanced and unbalanced assignment problem, Solution using Hungarian method.

**Module 3**

Project Analysis: Basic concepts and Definitions, Gannt Charts, CPM and PERT networks, Critical Path Calculations.

Inventory Models: Costs in Inventory management, Deterministic Inventory Models- EOQ Model with Instantaneous Replenishment and Constant Rate of Demand

**Module 4**

Theory of Games : Basic Concept and Definitions. Two Person Zero Sum Game. Saddle point, Pure and Mixed Strategies. Optimal solution of the game with saddle point. Reducing the size of the game using dominance property. Optimum Solution to a 2x2 game without saddle point. Graphical solution to 2xn and mx2 games.

**Reference Books**

1. Taha, H. A. 2007, *Operations Research*, 8th edn, Pearson

2. Taylor, B. W. III 2013, *Introduction to Management Science*, 11th edn, Prentice Hall

3. Sharma J. K. 2013, *Operations Research:* Theory and Applications, 5th edn, Laxmi Publications-New Delhi

4. Hillier, F. S. and Lieberman, G. J. 2010, *Introduction to Operations Research*, 9th edn, McGraw-Hill

## **ECH4COR16 : Computer Application for Economics Analysis**

Module 1 : Basics of Computers

Computer fundamentals, Organisation and components of computer Hardware-CPU; Memory; Disk drives, Input and Output devices; Keyboard; Mouse and VDU; Computer peripherals like printer, scanner, digitizer etc. Computer software- Operating system, application software and packages.

Assignment: Prepare a brief report reflecting the contents of this module. Each student can take the case of an organization in preparing the report.

Module 2 Use of computer for Office Automation

Text editors and work processor software packages; Operative familiarization , MS-word, Concept and use of spread sheet ; Operation and use of MS_excel; Basics of Data base; Table; Records and fields; Data entry and query processing; Operative principle of MS access; Document formation and presentation through MS Power point.

Module 3 Data analysis , Statistical Processing Techniques

Basics of statistical functions and analysis- Mean, Median,Mode,Variance,Standard Deviation; Covariance, Skewness. Statistical package handling and command description of SPSS(Statistical Package for Social science).Series ,groups, tables cross tables, diagrams(Line,pie and Bar)- Regression, Correlation analysis (simple,partial and multiple), Time series- Trend, Growth models-Forecasting, Anova Table-Test of significancy- $R^2$, 't', F values.

Module 4 :internet

Internet Addressing-IP address,Domain,URL- Types of connection : Dial-up,ISDN, Leased line-How to get internet access: Internet Service providers-Web pages, Web browsers, saving

information,viewing a Document Offline-searching the web-search engines: Google,Yahoo-Emails-create email account,E-mail address- sending, receiving, Managing mails: Composing, Address book, Attachments, Replying for  messages, Forwarding messages,Email ethics-FTP basics: Downloading a file from a FTP server.

Module 5 Applications to Finance & Business

On line banking, ATM's,Electronic stock exchange ; Electronic trading,Data sharing and decimation ; electronic transaction; Document delivery; Authentication and validation transaction processing.Electronic trading and marketing; On line shopping and malls,B2B,B2C,C2B and G2B models and their applications; Document and transaction security and digital signature integrated transaction on mobile platforms.

## ECH4COR17: International Finance & Trade Regulatory System

MODULE I

Introduction-Analysing macro economic policies-BOP accounts-current account-capital account-Recording Individual transactions-current account and national income – cash flows and foreign exchange market- monetary arrangements and the adjustment process-Adjustment under Flexible Exchange Rules – Adjustment under Pegged Exchange rates – Intervention of the money supply – Adjustment under gold standard

Income and the Current Account

Issues- - Elements in the adjustment process- The rise of foreign sector- Intervention and Sterilization- Income, Imports and the multiplier – multiplier for a closed economy – multiplier for an open economy- Income changes and the current account – A two-country model – measuring interdependence- introducing theory of optimal policy-complications in two country case- national policies and international polemics.

Assignment :

1. Analysis BOP Accounts of India for a period of five years (RBI Website)

Plot and discuss the monthly variations in foreign exchange value of Indian Rupee in terms of dollar, Pound, Euro and Yuen for two years

Module II

Exchange Rate and Current Account

Elasticity Approach- Marshall – Learner – Robinson Condition- Nominal and Real exchange rate- Income effects of changing exchange rate-measuring the impact of exchange rate changes –

the Absorption Approach and Optimal Policy – The Assignment Problem – Optimal Policy with a flexible exchange rate – optimal policy and exchange rate regime – issues- The Fleming-Mundell model- Interest rates and capital flows- capital mobility and exchange rate flexibility-capital mobility and optimal policy under a pegged exchange rate-capital mobility, Exchange rate and domestic policies. Monetary policy under pegged exchange rate – fiscal policy under a pegged exchange rate – monetary policy under a flexible exchange rate- fiscal policy under a flexible exchange rate- assessing the extent of capital mobility.

Expectations, Exchange rates and the capital account

Expectations and rates of return-the open interest differential-uncertainty and attitudes towards risk- errors-, uncertainty of risk-Risk aversion and Portfolio Selection- Expectation of exchange risk behavior- effect of a change in the foreign interest rate-effects of a change in the foreign interest rate –effect of a change in expectations- speculation, stability and profitability- risk neutrality once again-lagged adjustment and exchange rate overshooting-the forward foreign exchange market-transaction in the forward market forward rates and interest rates – determinants of the forward rates.

Assignment : 1) Movement of Exchange Rates in India and Trade Policy

2) Forward market for  Foreign Exchange in India.

MODULE III

Stocks, flows and Monetary Equilibrium

Two views of BOPs – origin and issues – David Hume and Specie-flow of Doctrine – Deriving the basic proposition- Simple Monetary model – supply of money – money market and Bop – stocks, flows and dynamics in the monetary model – A monetary model of Exchange rate behavior -  money stock and exchange rate – Testing the monetary model – Purchasing Power Parity – the law of ne price and PPP – neutrality of money and PPP

Assignments:

1. Monetary model of exchange rate
2. Consumer preferences and purchasing power parity
3. Discuss the variability in exchange rate and remittances to India

MODULE IV

Asset Markets, Exchange rate and Economic Policy -Portfolio Balance sheet – equilibrium in goods market wealth and Exchange rate – equilibrium in asset market – an increase in foreign expenditure – behavior under pegged exchange rate – behavior under a flexible exchange rate – an open market purchase – analysis of devaluation.

Assignment :

1. The impact of devaluation in India in 1966 and 1991.

MODULE V

The Evolution of Monetary System – Bretton Woods System – Monetary relation under Bretton Woods System – Dollar shortage – dollar Gult – System in Crisis – Monetary relation under flexible exchange rate  - oil shock – the year of dollar weakness – the second oil shock – the year of dollar strength – managing the float -WTO Regime

## REFERENCES:

- Peter B Kenen: The international Economy (3rd Edition) 1996, Cambridge University Press.

- BO Sodersten and Geogffrey Reed: International Economics (3rd Edition) 1994, The M acmillan Press Ltd.

- Paul Krngman, International Economics Mourice Obstfeld (Second Edition) Harper Collin Publishes, 1981

## ECH4COR18: Analytical Indian Economy

### Module l

### Planning, Institutional Framework, Constraints and Role of the state

Colonialism and Under Development in India-Indian Economy at Independence-Planning in India-The problem of Development-Five Year Plans-12th Five Year Plan: Objectives, Targets and strategy-Political change and Intensification of controls of License-Permit Raj-The New Economic policy and the Role of the state-Resource mobilization and Fiscal policies-Fiscal correction for Economic growth-Deteriorating situation of state finance-Fiscal and Budgetary developments-Demographic constraints: Integration between population change and Economic development-Highlights of 2011 census-Demographic aspects of development: The Indian experience-On the goals and Mechanics of Replanning

### Module ll

### Agriculture

Developments in Indian Agriculture: some Issues-The problem of productivity-PDS and food security- Reforms in Land system in Post Independent India-Modernizing Indian Agriculture: A review of critical policy issues-Green revolution-Farm Mechanization and Choice of Appropriate Technology-Agricultural finance in India-Agricultural Marketing and price policy-Indian Agriculture and Globalisation -India's Agricultural development policy-A viable Agriculture in the New International Trade regime- WTO on Agriculture in India

### Module lll

### Industry and Infrastructure

Industrial development and policies since Independence-Industrial growth and diversification—Public sector In Industrial development-New Industrial policy-Disinvestment: strategies and Issues-Disinvestment commission-Infrastructure and Economic development-Industrial growth in the 80s: facts and some issues-Paradigm shifts in Industrial policy-Corporate Investment in 1979: A Forecast-Economic structure and Industrial policy-Role of Industries in Indian economy-Financial crisis and IT Industry

## Module lV

### External sector

Foreign Trade and BOP-Foreign Trade policies and India's Development-India's decade of economic transformation: Impact analysis of Unilateral and Global changes in Trade-EXIM policy statement-India's BOP: The emerging Dimensions-Liberalization and changing patterns of Foreign Direct Investments- WTO :Doha round- Global Financial crisis and the Developing world-Foreign capital and MNC-Globalisation and Indian Economy.

## Module V

### Growth ,Employment and National Income

Growth and structural change since 1950:Inequality and equity in the rapid growth process-Indian economy since 1980:Virtuous growth or Polarisation -The Economic performance of the states in the post reform period-Assessment of the Growth Experience: Poverty ,unemployment, Inequality and Inflation-Poverty and development policy-The Employment Unemployment situation: an assessment- conflict between Employment and Inflation-Development, Inflation and Monetary policy-Prices and Food management - Sustainability of Growth-Growth Accounting-National Income : Trends and Structural Transformation.

## Module Vl

### Macro Economic Policies

Debt Accumulation and Build Up to the crisis of 1990-BOP crisis of 1991-Domestic shocks and their economic consequences-External Events and Reforms-Rationale and Content of reforms-Implementation of Reforms:1991 to mid 2010-Outcomes of reforms:1991 to mid 2010 -Economic Reforms a medium term perspective - Growth ,sustainability and India's Economic Reforms-Growth ,Inequality and Reform-Two episode in the reform process-Financial sector Reforms- Economic reforms agenda: micro, meso and Macro economic reforms-Second generation reforms-Growth, poverty and reforms

References :

Uma Kapila : Indian Economy Since independence

# Semester V

## ECH5COR19: Economy, System, State, Society and Physio-economics (Interdisciplinary)

Objective

The comprehension of economic behavior is related to the structure of whole society. This course is intended to enable the students to study development process in the large canvass of sociology. They are also exposed to the link between Economics and Physics This makes the students to go beyond techniques and abstraction. They can obtain a broader view.

MODULE I  Sociology and Economic law

Economic sociology unbound -Sociology and Economics : Economic Theory and its sociological critique Rise of markets and economic development -The Heart of the Economy: Organisation and Corporation

Assignment:1) Document the relationship between Economics and Sociology in the context of India

2 )Prepare a brief report regarding the rise of Indian MNCs  in the light of this module

MODULE II

Economics, Inequality and Mobility - Great Experiment: Markets in the Shadows of Socialism-Brave New World: Critical Examination and Globalisation : the New Millennium.

Assignment : 1)Examine the content of this module in the context of inequality in India.

2)  The role of India in a so called globalised world.

Module III
Meaning of Economic Analysis of Law – Efficiency vs Equity – Importance of Economic Analysis of Law
Competition Act  – Intellectual Property Rights. MRTP Act, FERA, Consumer Protection Act, FEMA,  Competition Commission, Finance Commission, Industrial Policy Resolutions, Excise and Customs Act, Environment Protection Act, FRBM Act, MNREGS, Minimum Wages Act.

Module IV

Utility Physiology – history of human thermostat – hypothalamic chemistry – the Hypothalamus and Behavior – From Homeostasis to Economic Behavior – "Man Is a Tropical Animal" – adaptation – automatic limits: the frontier of physioeconomic behavior - strongly seasonal climates and Homeostasis.

Reference

Hass, Jeffrey Kenneth (2007) Economic Sociology: A Introduction, Routledge

## ECH5COR20: INTRODUCTION TO RESEARCH METHODOLOGY AND FIELD WORK

**OBJECTIVE**

Research is the best method of generation of knowledge and its application. This has to be done in a systematic manner. This course is designed to equip the students how to prepare for a basic designing for research in social science. The student will be able to formulate a problem and hypothesis which are fundamental to research. The techniques of sampling and data collection are also part of this course.

**MODULE I**

Research: meaning Characteristics and Types of research; Steps in Research; Observation of Phenomenon; Formulating Research problem; Review of literature; formulation of Hypothesis or Research Questions; Design of study; selection of Tools and Data collection; Importance of sampling; procedure for data collection and use of instruments; analysis of Data; Presentation of results; interpretation of data and statement of conclusion; reporting research.

**ASSIGNMENTS:** All the candidates shall choose 5 to 10 special articles from the listed journals below and conduct a review of literature. They shall formulate hypothesis on the basis of review of literature. This should be documented for external inspection.

**MODULE II**

Sampling – Types of Sampling– Criteria and Essentials of sampling. Methods of research – survey; case study; experimental; historical; field study; evolutionary; statistical; action; casual – comparative.

**ASSIGNMENT**: Every student shall prepare an assignment by linking an appropriate type of sampling and a method of research.

**MODULE III**

Tools & Techniques in Descriptive research: Questionnaire and schedules, check list & Scales; Interview; Tests, Reliability and validity; observation, research ethics.

**ASSIGNMENT**: Preparation of a questionnaire that suits to the assignment in the first module.

**MODULE IV**

Research Designs: Population; Identifying dependent, extraneous and independent variables; methods of measuring criteria; controlled variables; significance; Time frame of study & Confidence limits - Social Survey Techniques.

**ASSIGNMENT**: Prepare a research design for the proposed study in the first module. Conduct a field study based on the research design
**REFERENCE:**

## ECH5COR21: THEORY OF GAMES & GENERAL EQUILIBRIUM

Objective

Interdependence is the order of the day. It is necessary both at national and global levels. General equilibrium theory will enable the students to understand interdependence at all levels. The market mechanism has many imperfections including uncertainty. Understanding of game theory is very essential to act the backdrop of risk and uncertainty. This course is designed to empower students to take decisions in the context of global interdependence and imperfections.

MODULE I

Introduction to General Equilibrium – interdependence in the economy – Walrasian system – Existence, uniqueness and stability of an equilibrium – graphical representation of general equilibrium – properties of general equilibrium – general equilibrium and allocation of resources – prices of commodities and factors – factor ownership and income distribution –gains from international trade – taxes in general equilibrium – other sources of inefficiency.

Assignments: Gains from trade and sources of inefficiency.

MODULE II

General Equilibrium – extension of general equilibrium model: any number of household commodities and factor of production (Matrix Approach) - Arrow –Debrew Model – stability of general equilibrium – money and general equilibrium – Patinikin's System – Keynesian counter revolution -

MODULE III

Welfare Economics – criteria of social welfare – growth of GNP as a welfare criterion – Benthaman's criterion – A Cardinalist Criterion – The Pareto Optimality Criterion – Kaldor Hicks Compensation Criterion – Bergson Criterion Social welfare function – Maximization of social welfare – derivation of the grand utility possibility frontier – determination of the welfare maximizing state – determination of the welfare maximizing output mix, commodity distribution and resource allocation – welfare maximization and perfect competition – Critique and Extension – Extension to many factors, products and consumers; corner solution; existence of commodity indifference curve; elastic supply of factors; joint and intermediate products; decreasing returns to scale; externalities in production and consumption; kinked isoquants; convex isoquants; Increasing returns to scale; indivisibilities in the production process.

MODULE IV

Decision theory – dominance; beliefs; never weak best response's strategies – Strategic Form Games – dominance, Nash Equilibrium; mixed strategies.

MODULE V

Extensive Form games; corresponding strategic form; welfare economics; behavioral strategies; backwards induction; sub game; perfect equilibrium - - game of incomplete information; normal form representation of static games of incomplete information; Bayerian Nash Equilibrium – perfect Bayesian equilibrium.

MODULE VI

Repeated Game Falk theorem – Mechanism Design; Design of the optimal auction; the revenue equivalence theorem

Reference

Martin J Oborne : An Introduction to Game Theory, OUP.

Mas. Colell A, Whiston M D and J R Green (1995): Micro Economic Theory, OUP

A. Koutsoyiannis : Microeconomics ; international edition Oritario

Robert H Frank : Microeconomics and Behavior,McGraw Inc. New york.

R W Clower, 'The Keynesian Counter Revolution: A theoretical appriasal' in the Theory of Interest, ed. F H R Hahn and F P R Breching (Macmillian, 1965)


## ECH5COR22: Structure & Operations of Capital Market

Objective

Financial resources are an important ingredient for the development of the country.  The students in Business Economics need to understand the structure, dynamism and development of the financial system of a country.  This course is designed to train students in this direction.

 Module I

Nature and Role of Financial Systems:  Functions of a Financial System -Stages  and  the Structure of Financial System- Its Linkage with Saving And Investment –Financial Institutional Development  since1947.

Financial Sector Reform in India- New Issue and Stock Market reforms-Government Securities Market Reforms-Banking Sector Reforms-External Sector Reforms -Flow of Funds.

Regulatory Authorities-The Reserve Bank of India: its Functions and Promotional Role – Structure , Objectives and Functions of  the Securities Exchange Board of India.

*Assignment*:  Make a comparative analysis of the roles and functions of RBI and  SEBI. Each student can focus on a few issues  their roles.

Module II

Financial Markets : New Issue Markets- Role of the New Issue Market- Method of Floating New Issues -Offer to Public Procedure- Intermediaries to the Issue- Trends in the New Issue Market- The Relationship of the New Issue Market and Stock Exchange.

The Secondary Market- Important Stock Market in India : National Stock Exchange (NSE); Bombay Stock Exchange (BSE) Mumbai; Over the Counter Stock Exchange (OTCEI); Inter – connected Stock Exchange (ISE)- Mechanics of Security Trading in Stock Exchanges- Development in the Stock Market- Options and Derivatives -Circuit Breakers-Settlement and Clearing - Financial Markets for short Term Funds.

Assignment : *Students shall be sent to one week training programme to Cochin Stock Exchange for one week intensive training programme*

**Module III**

Dimensions for International Financial Market : Foreign Exchange Market: Nature, Participants and Trends in Exchange Market ; Types of Transactions; Trading Mechanism ; Foreign Exchange Risks;  Developments in the Foreign Exchange Market

Foreign capital Flows :  Factors Affecting  International capital Flows; Types of Foreign Capital; Types of International Financial Instruments; Global Banking ; Multilateral Financial Intermediaries; Developments of Foreign capital into India

*Assignment* : Students  can prepare a data analysis of any topic contained in this module.

Module IV

Financial  Institutions : Commercial Banks -  Co-operative Banks - Non-banking Financial Intermediaries :  Non-bank Financial Companies- Small Savings, provident Funds & Pension Funds - Insurance Companies - Unit Trust of India and Mutual Funds - Development Banks- Financial Services – Pre and post- liberalisation Development of All These Institutions

*Assignment* : one week institutional training in one of the institutions mentioned in this module. The students can either take an actual problem of the institution or the general working of the selected institution.

References:

Preeti Singh :  Dynamics of Indian Financial System Markets, Institutions & Services ,  Ane Books Pvt Ltd.

## ECH5COR23: OPTION 1 FROM GROUP A

**SEMESTER VI**

## ECH6COR24: RESEARCH METHODOLOGY- INTERMEDIATE

## OBJECTIVE

The science of research methodology is rooted to logical reasoning and statistical procedure. A student should be able to develop better analytical skill if the incumbent is familiar with these two aspects of research. This course is designed to mould students in this direction.

## MODULE I

Philosophical Roots of Social Research Issues in the Theory of Epistemology Empiricism Scepticism Agnosticism Cartesian Philosophy Rationalism Forms and types of knowledge Positivism Holistic Approach Deductive and Inductive Methods.

## ASSIGNMENT

1. Examine the nature and predictability of laws in Economics.
2. Trace a two or three theories in Economics that follow deductive and inductive methods of conclusion.

## MODULE III

The use of probability when it is applied role of expectations purpose of various distributions need for testing and hypothesis practical application of various tests 't', F etc. How to overcome issues of multi-collinearity and auto-correlation. The role of forecasting in Economics Relevance of Factor Analysis use of Dummy and proxy variables. Quantitative techniques in Quality Research.

## ASSIGNMENTS :

1. Sketch a few cases where the theory of probability is applied in Human Behaviours in Economics?
2. How will you interpret the parameters present in various distributors?
3. Discuss the purposes of various tests of significance.
4. How can you tadale the issues of multicdlinearity and autocorrelation

## MODULE II

Presentation of Data Comparative uses and Applications of measures of central tendency why dispassion comparative relevance of measures of Dispersion in Interpreting Data shy correlation and Regression.

## ASSIGNMENTS :

1. How will you account for risk and consistency in economic/business decisions.
2. What are the economic relevance of using various measures of Central Tendency
3. Use an actual data set to justify the role of using measures of dispersion.
4. How will you determine cause and effect relationship in Economics?
5. The relevance of scaling technique.
6. How will you establish the degree of association?

## MODULE IV

Report writing structure of a report – features of a report – Bibliography and Appendix – Paper – Article – Workshop – Seminar – Conference and Symposium – Interpretive Analysis – Discourse Analysis – Grounded Theory – Content Analysis.

## ASSIGNMENTS:

1. Conduct a make workshop / Conference.
2. General Procedure in preparing a bibliography with examples
3. Review the structure of an actual thesis from any library.
4. Observe the nature of analysis in the thesis considered in assignment 3.

## REFERENCES:

Feeber R and Verdoom P.J. Research Methods in Economics and Business

Kurian C.T. (ed.) A Guide to Research in Economics

Wilkson, T.S. and Bhamdarkar, DL Methodology and Techniques of Social Research

**ECH6COR25: Fundamental of Environment Economics & Management**.

 **OBJECTIVE**

Development and environment are inter related. The students are expected to train to know the inter relationship between the two. They would be able to understand the magnitude of negative impacts of growth and the ways to mitigate it.

**MODULE I**

The basics of Environmental Economics – Roots of Environmental Degradation – welfare effects – Efficiency and Equity market and Government  Failures compensating and Equivalent variation and surplus Issues of time.

Assignment : Identify the nature of Environmental Degradation and types of Externalities in your local area.

**MODULE II**

Optional Environmental Protection Environmental valuation. Monetary and alternatives valuing life and health. Resolving WTP and WTA Discrepancies. Hedowcpence methods.

Assignment: Apply valuation Techniques (preliminary approach) in the environmental issues in your native places.

**MODULE III**

Environmental problems and policy solutions – social choice – property rights co Asian markets – command – and – control versus  market – based instruments. Efficient and emission

taxes versus tradable permits subsidisers second – best world regulation with unknown costs. Audits, Enforcement, and moral Hazard – Risk and Uncertainly.

Assignment: Tools in practice in your local body as state.

## MODULE IV

International and interregional competition –Economy – wide effects of Environmental regulations – trade and Environment – strategic Behaviour in trade and environment policy – evolution of trade and environment policy.

Assignment:

1. Some cases of trade and environment,
2. Empirical studies on Trade and Environment  (Assignment must be based on reference given)

## REFERENCES

- Charles D Kolstad: Environmental Economics, OUP, 2000, New York
- Anil Shishodia Pearson: Environmental Economics: Theory and Application

## ECH6COR26:  HEALTH ECONOMICS

**objective**
Health is an important issue in developing country like India. It is a major determinant of labour productivity, which is crucial to industry and business. This course is helpful to understand the theoretical and practical aspects of Health Economics in the context of India.

**Module I**

Definition and scope- Health, good health and quality of life- Determinants of good health- Measurement of health status- Mortality, morbidity and "HALY family" of summary measures-QUALY.

Assignment : Prepare brief report on the status of mortality and morbidity in your locality

  Module II

Demand for health and demand for medical care. Supplier induced demand. Production of health care- providers- physicians, hospitals and pharmaceuticals. Role of technological change in health care Sustainability, equity-efficiency trade off

Assignment : The nature of health care system in a  selected area.

## Module III

Health Cost concepts – opportunity cost. Fixed and variable costs- Incremental and Marginal cost. Direct and indirect medical costs time costs and travel cost.

Economics of health insurance- Information asymmetry – adverse selection. Risk aversion. Moral hazard. Health insurance- challenges. Insurance concepts. Co-payments. Co-insurance rates, deductibles, group insurance.
Assignment : Prepare the extent of  cost items in your family during the last one year.


## Module IV

Economic evaluation, cost benefit analysis. Cost effectiveness analysis. Cost Utility analysis. Methodologies, issues.

Manpower planning in health sector-The health work force. Medical education .Physician supply .Physician incentives. Manpower planning –models. Health Scenario in India- Indian Medicine: WTO, the pharmaceutical industry and its implications.

Assignment : 1) prepare a cost- benefit analysis of  medical treatment of a few selected patients
2) Document the status of  Pharmaceutical industry in India / Kerala.

Recommended Reading
1 Charles Phelps - Health economics
2 Clewer,Ann and David Perkins 1998 - Economics for health care management
3 Economic Survey, Government of India
**ECH6COR27- OPTIONAL II**
**ECH6COR28- OPTIONAL III**

PROJECT AND VIVA- VOCE EXAMINATION

## Group A:  Corporate sector & capital market

A-1 : Principles of Management & Organisation Behaviour

A-2 : Fundamentals of corporate finance

A-3 : Fundamentals of Accounting

A-4 :Investment & Port folio analysis

**Group B: Trade Management & Procedure**

B-1:  Foreign Trade Policy and Law

B-2: Foreign Trade Management: Documentation, Marketing, Finance, Shipping and   Packaging

B-3: Investment & Port folio analysis

B-4: Management of Specific Products

# GROUP A:  CORPORATE SECTOR & CAPITAL MARKET

## A-1 : PRINCIPLES OF MANAGEMENT & ORGANISATION BEHAVIOUR

### MODULE I

Introduction : Evolution of management thought – management skills, roles and modern challenges – social responsibility and management ethics. -Difference in Managerial Life and Work in the Organisation.

**Assignment** : Case studies in the refered books.

### MODULE II

Planning : Elements, strategic planning, managerial decision making – organising – job design – organisational structure and design – Formal and informal organisation.

**Assignment** : Map the structure of an organisation in your local area.

### MODULE III

Managing Human Resources

Leading – Leadership – Motivation Inter Personal & Organisation Communications – work groups and teams – controlling: elements of controlling; production, operation and financial controls.

**Assignment** :

1.  Qualities of a leader and an actual leadership in your local area.
2.  The process of control in an industrial organisation

## MODULE IV

Managing change & Innovation - Organisational Change and learning- Manager as a decision maker - systematic management as programmed decision making - management science – models and simulation- Case studies, management in Non industrial Organisation – Management in other countries - case studies.

**Assignment** : Innovative management in a non-industrial organisation.

## REFERENCES :

Joseph A Litterer : An Introduction to Management, Wiley/Hamilton.

Thomas N Duening & John M Ivamcevich: Management : Principles and Guidelines, Biztantra, 2003.

John B Miner : The Management Process, Macmillan, 1973, New York.

## A-3: PRINCIPLES OF ACCOUNTING

## MODULE I

Elements of financial reporting - the income statement ;revenues and expenses- ratio analysis- Fund flow analysis – analysis of financial transaction- bank reconciliation statement- trial balance and errors.

**Assignment**: Study report on a bank balance sheet.

## MODULE II

Balance sheet: Current assets and current liabilities; long term investments; property, plant and equipment; deferred income taxes, long term debt; ratio analysis.

Assignments: Compare the structures of balance sheet and balance of payments.

## MODULE III

Standard costs and variance analysis – cost price volume relationships- activity based costing (service industry)- cost of capital and capital structure -planning : cost of debt of Tata tea – capital structure planning- capital budgeting- working capital planning and financing – budgetary control.

**Assignment** :

1. BEP and production theory

2. Investment criteria and social cost -benefit analysis.
3. Zero based budgeting in industry and public finance.
## MODULE IV

Indian Accounting Standards – Analysis of Profit and Loss Account of Asian Paints (India). Cash- Flow Analysis of Reliance Industries ( 2002-03). Economic Value Added: the case of Reliance – Farm Accounting in India.

**Assignment**: Study Report of any Cooperate Body in terms of Profit and Loss Accountant or Economic Value Added

## REFERENCES:

Klearence B. Nickerson:

Accounting Hand Book for Non-Accountants, second edition, CBI Publishing Co. 1979, Boston.

Ghosh, T.P.G : Accounting and Finance for Managers, Tax Mann's allied services, 2004, New Delhi.

Pramanik, Alok Kumar :

Accounting and Management, Deep & Deep Publications, New Delhi.

### A-4 : Investment & Portfolio analysis

Objective

The contents of this course are expected to bring students to the real world. Capital market has become the most dynamic system after the emergence of neo-liberal system. This course enables the students to understand the structure, instruments, operations and mechanisms of capital market both from theoretical and practical point of view. This suggests the study of case studies and practical training.   One module is exclusively recommended for bond market.

Module I

Exchange traded markets and  Types of Traders-    Mechanics of futures markets-    Hedging strategies using futures-    Interest rates: Types and Term Structure-    Determination of forward and futures prices -    Interest rate futures-    Swaps

Assignment: Trend in forward and future prices of selected  items.

Module II

Mechanics of option markets-   Properties of stock options-    Trading strategies-    Binomial trees -  The Markov property-   The Black –Scholes-Merton model-    Options on stock indices, currencies, and futures -   The Greek letters & Stock Market Volatility -  Volatility smiles

Assignment :  Options market in Practice

Module III

Basic numerical procedures- Binomial trees-Using the binomial tree for options on indices, currencies and futures contracts-Binomial model for a dividend paying stock-Alternative procedure for constructing trees-Time dependent parameters-Monte Carlo simulation-Variance reduction procedure-Finite difference methods - Value at risk- Estimating volatilities and correlations

Assignment : Make a survey of various techniques mentioned in this module

Module IV

Credit risk - Credit derivatives - Exotic options- Weather ,Energy and insurance derivatives - More on models and numerical procedures- Martingales and measures - Interest rates derivatives :the standard market models - Convexity ,timing and quanto adjustments - Interest rate derivatives: models of the short rate- Interest rate derivatives :HJM and LMM -

Swaps revisited & Real options - Derivatives mishaps and what we can learn from them

Lessons for all users of derivatives-Lessons for financial institutions –Lessons for non financial corporations

Assignment : presentations based on case studies

Module V

Bonds: the better investment -Adopting the all-Bond portfolio: a case study -The evolution of a bond : from verbal IOU to Electronic entry - -The life of a bond - US Bond System- Options for purchasing bonds –How to buy individual bonds : a tool kit -Choosing a bond fund - Bond investment strategies - Financial planning with bonds : case studies

Assignment:  make a comparison of bond markets  in India and USA.

John C Hull  Options,futures and otherderivatives, Pearsons  prentice hall Sixth edition

Hildy Richelson : Bonds: the unbeaten path to secure investment growth

Stan Richelson

## Group B: Trade Management & Procedure

B-1 : **FOREIGN TRADE POLICY AND LAW**

### Module I
1) Preamble-  Legal Framework- Special Focus Initiative-  Board of Trade-  General Provisions Regarding-  Export & Import-  Promotional Measures-  Duty Exemption /Remission Schemes.

Assignment : Summarise the promotional measures for two export / import items.

## Module II

Export promotion Capital Goods Scheme-  Export oriented Units (EOUs)- Electronics Hardware TechnologyParks (EHTPs) - Software Technology Parks (STPs) - Bio-technology Parks (BTPs) -  Special Economic Zones (SEZs) -  Free Trade & Ware Housing Zones - Deemed Exports - Central Excise Act, 1944- Central Excise Rules, 2002-  Service Tax.

## Module III

State control over import and export of goods –from rigidity to liberalization - Impact of regulation on economy- The Basic Needs of Export and Import Trade- Goods, Services,Transportation –
International Regime:
 WTO agreement- WTO and tariff restrictions- WTO and non-tariff restrictions-
  Investment and transfer of technology- Quota restriction and anti-dumping - - permissible regulations- Quarantine regulation- Dumping of discarded technology and goods in International market - Reduction of subsidies and counter measures.

Module IV
General Law on Control of Imports and Exports:
 General scheme- Legislative control-  Power of control : Central Government and RBI: Foreign Trade Development and Regulation Act 199, Restrictions under customs law,Prohibition and penalties- Export-Import formulation : guiding features, Control under FEMA, Foreign exchange and currency,Import of goods- Export promotion councils- Export oriented units and export possessing zones-  Control of Exports **:** Quality control, Regulation on goods.

Module V

 Exim policy : Changing Dimensions: Investment policy : NRIs. FIIs,  Joint venture,  Promotion of foreign trade, - Law Relating to Customs **:** Prohibition on importation and exportation of goods, Control of smuggling activities in export-import trade,  Levy, of and exemption from, customs duties, Clearance of imported goods and export goods, Conveyance and warehousing of goods.

Module VI
  Regulation of investment**:** Conservation of foreign exchange-  Foreign exchange management, Currency transfer, Investment in foreign countries,Borrowing and Lending of money and foreign currency, Securities abroad – issue of
 Immovable property – purchase abroad, Establishment of business outside, Issue of derivatives and foreign securities – GDR (global depositories receipts), ADR (American depository receipts) and Uro, Investment in Indian banks, Repatriation and surrender of foreign securities.
 Technology transfer **: C**ollaboration Agreement for Technology Transfer, restrictive terms in technology transfer agreements- Automatic approval scheme.

B-2 **Foreign Trade Management:Documentation,Marketing,Finance,Shipping and Packaging**

Module 1 Export Documentation and Government policy

Introduction-Export-Import policy-Customs act-allied acts related to Foreign Trade-Formalities for commencing-Customs formalities-Export Documentation-Project Exports—export of services-export of Excisable goods

Module ll

Import Documentation-Clearance of Import goods-Cent percent-Export oriented units-Export processing zones-Special Economic Zones-Duty Drawback procedure-Export/Import by post customs House agents-Import of Different products-Import/export incentives-Import  Licenses

Module lll Marketing

Introduction-Marketing terms-Global marketing Environment-Entry to Foreign market-Strategies-Support Institutes to facilitate Exports-Market Research and its Design-Destination of Exports-IMF-World Bank-WTO-Export correspondence and pricing-E-trade-Channels of distribution-Export of projects and services.

Module lV Export Finance

Basic concept of Foreign Exchange-Methods of International payment settlement-International commercial terms-Letter of credit-Exchange control regulation for imports and exports-Export Financing-Pre-shipment Finance-EXIM Bank of India-ECGC-Demand guarantees and standby letter of Credit –Forfeiting and  factoring –case studies

Module  V

Shipping and Packaging: shipping and Marine Insurance Terminology-General information on shipping-Types of containers and ships-Containerization-Marine Insurance –Air Transportation-Bill of Exchange,Air way Bill/Sea Way Bill-Maritime Fraud-Packaging Introduction-Mechanical tests-stretch wrapping-cushioning materials-shrunk packaging-packaging cost-Lab testing-International care labeling code


**B 3:    Investment And  Portfolio Analysis**

**Obj**ective

MODULE I

Portfolio Investment by Foreign Investors : Procedures and  requirements-Market regulations : SEBI, RBI and Ministry of Finance; legal framework, participants and  Stock Exchanges – History, Trading Mechanism, Listing on BSE & NSE, BSE  & NSE Indices and Debt Segment.

## MODULE II

Trading Rules & Practices – Disclosure- Clearing & Settlement – BSE & NSE Listed Stocks- Negotiated Trades- Reports – Delivery- Buy-in - Precautionary Measures- The National Securities depository Ltd.- BSE Depository- Investment in New Issue- Underwriting and Minimum Subscription Requirement - Initial Public Offering- Public Issues by Listed Companies

## MODULE III

Debt Market - Characteristics of the Indian Debt market- Types of Debt Instruments- Central Government Securities - Treasury Bills -State Government Securities-  Government-guarantee Bonds - Public Sector Undertaking Bonds - Corporate Debentures - Commercial paper (CP)-  -ertificate of Deposits (CD) - Credit rating

## MODULE IV

Taxation -Tax consultant -Income Taxes -Tax Treaties - Avoidance of Double Taxation - India- Mauritius Treaty -Treaty Benefits -NatWest bank case -AIG case -Foreign and Colonial case - Outlook for the Tax Treaty-Computation of capital gains-Stamp Duty-Service Tax-Custodial Services-Safe Custody of Shares-Safekeeping Methods-Inspection of Records-Protection of Clients' Assets-Corporate Actions-Sources of corporate Action Information-Date for Determining Corporate Entitlements-Notification to Foreign –investors-Proxy Service to Foreign Investors- custodial charge-Dividend & sales proceeds-Dividend Payment-Repatriation-Sales proceeds-Dividends-Foreign Exchange Control-Information about India-Internet sites Related to India-Regulators-Media-Rating agencies-Link.

The Indian Securities Market: A Guide for Foreign and Domestic Investors  - Yadashi Endo

Publishers : Vision Books.

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<center>B-4 : <b>Management of Specific products</b></center>

## Module l

Agriculture Exports-Forms of Agriculture-Product catalog-Export statistics of agricultural products-Pricing of Agricultural products-EU regulation of Imports-Quality standards-Role of Export promotion councils and development programmes-Technology advancement on agricultural products-Inland and Overseas Trade Fairs-Import policy-Business opportunities

## Module ll Floriculture Exports

Introduction to Floriculture - Kinds of Floriculture - Product Catalogue - Marketing of

Floriculture Products - Export Statistics - Plant Quarantine and other control procedures - EU regulation - Export Promotion Council - Quality Standards - Recent advancements -
(a) Buyer Seller meets
(b) Import policy abstracts.


## Module lll Gem and Jewellery Exports

Introduction - Scope of study - Statistics of Gem & Jewellery export - Markets - Global Competition - Export Promotion schemes - product development - Technical aspects of gold jewellery - Role of export Promotion Council.

**Appendix to group B:**
1. Export-Import : Subject Introduction.
2. Foreign Trade Policy & Handbook of Procedures 2004-09.
3. Standard Input-Output Norms (SSION)
and ITC (HS) Classification of Goods.
4. Export Incentives : Duty Exemption & Duty Remission Schemes.
Advance License/DFRC/DEPB/DFIA/Duty.
5. Formation of Export Firm/Company : Important Tips.
6. Importer-Exporter code Number. Take it yourself.
7. Export Documentation : General.
1. Commercial Documents
2. Regulatory Documents.
8. Export Documentation : Preparing Proforma Invoice/Commercial Invoice/Packing List/Shipping Instructions to CHA/Bill Collecting instructions to bank.
9. International Commercial Terms :
INCOTERMS 2000. Rights & Obligations of Seller/Buyer in international trade.
EXW/FCA/FAS/FOB/CFR/DIF/DPT/CIP/DAF/DES/DEQ/DDU/DDP.
10. packing and Labelling of Export Goods. Shipping Marks and Numbers.
11. A. Pre-shipment Inspection of export goods by Inspection Agencies.
B. Factory Stuffing & Removal of excisable goods for export from the factory premises under Bond without payment of duty : B-1 Bond, ARE-1, CT-1,UT-1: Procedure.
12. Customs House Agents (CHA) & Shipping Agents. Movement of export goods at PORT/ICD/CFS. Filling of Shipping Bill, Examination of goods by Customs and cargo loading on board the vessel.
13. FCL (Full Container Load/LCL (Less than Container Load) Cargo & Sea / Air Freight. Calculation of Cargo Weight & Volume and space available for stuffing in the container.
14. Export Pricing and Costing : Preparing Proforma Invoice.
15. Import of goods : Procedure : Filing of Bill of Entry, Appraisal &

Examination of imported goods by customs. Customs Tariff. Landing
Cost of Imported Goods.

16. Customs valuation of imported goods.

17. Export Finance : Pre-shipment & Post-shipment bank finance against
confirmed orders / letters of credit.

18. Modes of Export Payment : drawing of Export bills on D.P.
(Documents against Acceptance) Terms. Bill Collecting Bank's role.
Bill of Exchange & Parties thereto. NOTING 7 PROTEST.

19. Letters of credit. Parties to letter of credit. Their rights &
responsibilities.

20. Letters of credit : Irrevocable /Revocable/Confirmed/Back to
Back/Revolving/Transferable/Deferred Payment/Stand by types of
letters of credit. Case Study of Sample Letter of Credit.

21. Uniform Customs & Practice for Documentary Credits 500.

22. Study of Case Law in respect of letters of credit.

23. Export of goods. Exemption from Sales Tax/VAT/CST, Income Tax,
Central Excise and CENVAT Credit.

24. DEPB/DFRC/Drawback/Rebate of excise claims on post export basis.
Bank Certificate of Export & Realisation (BRC – APP-22A).

25. Export-Import Correspondence. Indian Missions abroad also working
as Trade Facilitators for Indian exports. Foreign Embassies in India
an additional source of information for your exports to their countries.
Where to export and how to export ? How to find overseas buyers &
overseas suppliers ? How to communicate and negotiate with overseas
buyers ?

26. A. Export-Import by Post/Couries. Export of samples : Customs
Declaration.

B. Use of INTERNET and WEB in global trade as effective cost
cutting modes of communication.

C. Role of Export Promotion Councils/commodity Boards / Export
Development Authority / Export Promotion Orgs. In export.
MDA (Market Development Assistance for individual
exporters)

27. A. Export of goods : Commercial & Political Risks. ECGC and its
Credit Risks Insurance Policies. Live interaction with ECGC
Branch Manager.

B. EXIM Bank of India and its role as a facilitator for boosting
export of Indian origin goods in specified countries.

28. Export & Import of goods : Marine Risks & Marine Insurance
Policies. Institute Cargo Clauses. Shipping Survey/Insurance
Survey/Customs Survey at the port of discharge. Types of losses &
Claims under marine Insurance Policies.

29. RBI Rules governing exports of goods & services. Export Realisation
Period & Extension, Agency Commission, Trade Discount, Reduction
in Invoice Value, Resale to alternate buyer in foreign country,
Reimport of exported goods, overdue export bills and write off of

unrealised export bills.

Abandonment of cargo at the port of destination. How Port Authority/Custodian deals with uncleared cargo ? Appropriation of sale proceeds throgh auction by the custodian-procedure. GR/SDF/PP forms : Exporter's liabilities under Foreign Exchange Management Act, 1999.

30. Baggage Rules, 1998. Customs Green Channel and Red Channel at Air Port. Import and Export of Foreign Currency & Indian Currency. EEFC Account. Foprex facilities for resident Indian.

31. Service Tax.

32. Central Excise.

33. Government of India, Handbook of Import Export Procedures,

(Refer to the latest edition).

34. Foreign Trade Development and Regulation Act 1992 and Rules.

35. Foreign Exchange Management Act 1999.