Mahatma Gandhi University
MEGHALAYA
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SYLLABUS MANUAL

TRADITIONAL PROGRAMME
# PROGRAMME CODE--- 710

## Master of Arts in Economics (MAEC)

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Detailed Syllabus

YEAR I

MAEC11 --- Statistical Methods

Unit-I
Measures of central tendency: A.M, G.M., median, quartiles, deciles, percentiles and Mode.
Measures of dispersion: Range, interquartile range, quartile deviation, mean deviation, Standard deviation.
Index numbers: Problems and methods of construction of various types of indices, Laspeyres, Passche’s and Fishers ideal index number; chain-base indices base shifting, Splicing and deflating the index numbers. Cost of living index numbers and consumer price Index numbers.
Time series analysis: Components of time series and their decomposition. Methods of Measuring trend, cyclical, seasonal and irregular variations.

Unit-II
Random experiment, random variable sample space, exhaustive events, independent Events, mutually exclusive events, equally likely events, simple and compound events, Classical, relative frequency and axiomatic approaches to probability, basic results on Probability, conditional probability, Baye’s theorem, economic applications of probability and Baye’s theorem.
Concept and use of mathematical expectation (mean and variance), concept of density function, probability distributions; binomial, Poisson and normal distributions, marginal and conditional distributions, properties and inter-relationships, fitting of distribution.

Unit-III
Correlation and regression: Simple correlation, Pearson, Spearman’s correlation coefficients, multiple and partial correlation analysis, specification of a simple linear regression model, least square estimation of linear regression co-efficients, interpretation of correlation and regression co-efficients.
Sample and Census; methods and types of sampling, sampling error, small and large sample. Concept of an estimator and its sampling distribution; properties of a good estimator, concepts of point and interval estimation, OLS and ML estimators of regression parameters.
Elements of statistical Inference: Parameters and estimates; concepts of sampling distribution of a statistic, standard error, concept of hypothesis testing and tests of significance (z, t, chisquare and F test), Type I and Type II errors, level of significance and power of a test. Neyman Pearson lemma.
MAEC12 --- Business Mathematics

Unit 1: Variables and functions, vectors, matrices, determination of linear functions and application in business

Unit 2: Calculus and its application in business, differentiation, integration, functions and equations.

Unit 3: Classical optimization techniques, single and multivariable, constrained functions.

Unit 4: Quantitative techniques and its application in business, set theory, permutations and combinations.

Unit 5: Progressions and algebraic functions, Binomial theorem, mathematics of finance, simple and compound interest.

MAEC13 --- Economic Analysis & Policy

Section: A- Analysis & policy


Unit 2: Function, Theories of Consumption, Dynamics of Investment, Acceleration Principle, Multiplier Model.

Unit 3: Functions of Money, Demand & Supply, Instruments of Monetary Control and Interest Rates.

Unit 4: Macroeconomic Equilibrium, Monetary Policy, Fiscal Policy, Policy Mix, Theories of Inflation.

Section: B-Growth & Development


Unit 7: Sectoral aspects of development: Importance of agricultural and industry in economic development; Trade and development; trade as an engine of growth, two-gap analysis, Prebischch, Singer and Murd views, gains from trade and LDCs. Choice of techniques and appropriate technology; Investment criteria; Cost-benefit analysis. Objects and role of monetary and fiscal policies in economic development; Indicators and measurement of poverty; Techniques of
planning; Plan models in India; Planning in a market oriented economy. Endogenous growth: Role of education, Research and knowledge-explanation of cross country differentials in economic development and growth.

MAEC14 --- Macroeconomics
Unit 1: National Income and Social Account: National Income and Social Account Meaning, definition and importance of Macro Economics; Fallacy of composition; Concept, components and methods of accounting; Measurements of national income; National income identities with government and international trade; Incorporation of environmental concerns in national account-green accounting.
Unit 2: Theories of Employment and Output: Classical model of employment and income; Say’s law; Keynes objection to the classical theory; Keynesian theory of output and employment – Aggregate demand and aggregate supply functions, the principle of effective demand, Consumption function – Average and marginal propensity to consume; Applicability of the Keynesian theory to the developing world; Factors influencing consumption spending.
Unit 4: Trade Cycle: Meaning and definition; Phases of trade Cycle; Hawtrey’s onetany theory Hayek’s over investment theory; Keynes view of trade cycle; The concept of accelerator; Samuelson and Hicks multiplier-accelerator interaction model, Control of trade cycles.
Unit 5: Economic Growth: Fundamental concept of economic growth; Growth models-Harrod and Domar; Instability of equilibrium, Neo-classical growth models- Solow; Economic growth and technical progress.

MAEC15 --- Money, Banking & Public Finanace
UNIT - I
Basic Concepts
Concept and functions of money; Gresham’s law; Role of money in capitalist, socialist and mixed economy; Monetary standards- Metallic and paper systems of note issue.
Value of Money and Inflation
Concept and limitations of index numbers; Quantity theory of money (Transaction, cash balance and Keynesian); Inflation, deflation and reflation – definition, types, causes and effects of inflation on different sectors of the economy, Demand pull and cost push inflation, Measures to control inflation, Trade off between inflation and unemployment, Philips curve.
UNIT – II
Commercial Banking
Functions of commercial banks; Credit creation; Concept of non banking finance companies (NBFCs); Liabilities and assets of banks; Evolution of commercial banking in India after Independence; A critical appraisal of the progress of commercial banking after nationalization; recent reform in banking sector in India. Determinants of Money Supply – High powered Money and Money multiplier.
UNIT – III
Central Banking Functions of central bank with special reference to India; Methods of Credit control (Quantitative and Qualitative)- bank rate policy, open market operations, variable reserve ratio and selective methods; Role and functions of the Reserve Bank; Objectives and limitations of monetary policy: A perspective of India.
UNIT – IV
Public Finance and Expenditure
Meaning and scope of public finance, Distinction between private and public finance, Public goods vs private goods; The principle of maximum social advantage; market failure; Role of the Government.
Concept and principle of public expenditure; Canons and effect of public expenditure; Trends in public expenditure and causes of growth public expenditure in India.

UNIT - V
Taxation, public Debt and Budgeting
Source of public revenue — (a) Taxes (b) Administrative revenue (c) Commercial revenue (d) Gifts and grants (e) Deficit finance; Basic concept of taxation; Canons of taxation- (Adam Smith and Modern); Classification of taxes; Division of tax burden – The benefit and ability to pay approaches; Impact and incidence and shifting of taxes; Taxable capacity; Effects of taxation; Characteristics of a good tax system; major trends in tax revenue of the central and Government of Rajasthan.
Sources of public borrowing; effects of public debt; methods of debt redemption Growth of India’s public debt; The public budget kinds of budget; economic and functional classification of the budget, Preparation and passing of budget in India. Various concepts of budget deficits.
Recent budget of Centre and Government of Rajasthan.

Recommended Books :

YEAR II
UNIT-I
Indian Economy in Pre-British and pre-Independence Era
Indian economy in the pre-British period, structure and organization of villages, towns, industries and handicrafts.

Pre-Independence Era
Land system and its changes, commercialization of agriculture, drain theory, laissez faire theory and critique. Manufacture and transport: jute, cotton, railways, money and credit.

UNIT-II
Structure of Indian Economy
Basic features: nature resources-land, water and forest resources, broad demographic features- population size and growth rates, sex composition, rural urban migration, occupational distribution, problem of over population, population policy, infrastructure development, national income.

UNIT-III
Indian Agriculture and Industry
Importance of agriculture in Indian economy; source of growth in agriculture; institutional reforms in Indian agriculture with special reference to land reforms and credit supply; agricultural cost and product pricing; agriculture marketing agriculture and WTO.

Industry
Structure and growth of Indian industry; industrial policies of 1956 and 1991; industrial licensing policy MRTP Act, FEAR and FEMA; Growth and problems of small scale industries; role of public sector enterprises in India’s industrialization-recent policy towards public sector; disinvestment policy in India.

UNIT-IV
Planning in India
From central planning to indicative planning; relation between planning and markets for growth and decentralized planning; current five year plan, allocation and targets; new economic reforms liberalization, privatization and globalization, rationale behind economic; progress of privatization and globalization

UNIT-V
External Sector
Foreign trade with special reference to India; trends in exports; balance of payments crisis and the new economic reforms- export promotion measures and the new3 trade policies. Foreign capital-FDI, aid, multinational corporation (MNCs) and their impact on Indian Economy. The relevance of SWADESHI.

MAEC22—International Trade Theory and Practice
UNIT-I
Growing importance of trade in world economy; trade as an agent of globalization; alternative bases and explanations of trade; gains from trade; term of trade- alternative concepts; trade equilibrium and determination of terms of trade. Significance of conceptual understanding of trade theory for IB manager

UNIT-II
Free Trade Versus Protection; Tariff Classification; Economic Effects Of Tariff; Tariff Retaliation; Export Subsidies, Countervailing Duties And Dumping; Effects Of A Quota; International Economic Integration-Forms And Levels; Trade Creating And Trade diverting effects of a custom union; repercussions of regional economic groupings on the strategy of international marketers.

UNIT-III
Components of international trade policy; export promotion strategies; import substitution; rationale and working of free trade zones; assessing export potential for specific products in specific markets; logic of state trading and canalised trade; trade fairs and exhibition; commercial intelligence.

UNIT-IV
Major quantitative and qualitative; trends in India’s foreign trade since 1991; major schemes and incentives for exporters; import control regime; impact of WTO provisions on trade policy; overall assessment of India’s trade policy

MAEC23—Agribusiness Management
UNIT-I
**Agri-business:** meaning, nature, importance for rural sector, process, practices in India.

UNIT-II
**Structure forms of Agri-business:** Agro base industries services, Agri-intention services, storage warehouses technology industries.

UNIT-III
Association and role of corporate sector, export of Agri product.

UNIT-IV
**Farm Business Management:** features, problems farm accounting, farm-budgeting, agricultural cash, prices.

UNIT-V
**Agricultural Finance:** rural credit, agricultural credit, importance, role of various institutions, example, RBI, NABARD, RRB, Land development banks, etc.

UNIT-VI
**Marketing of agro produce:** marketing function, agricultural marketing concept, importance, meaning, marketing agencies, role of NAFED, coop. marketing, agencies procurement of inputs & services, trade of outputs, buying & selling activity.

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**MAEC24---Managerial Economics**

UNIT-I
Nature of managerial economics; significance in managerial decision making, role and responsibility of managerial economist; objectives of a firm; basic concepts-short and long run, firm and industry, classification of goods and markets, opportunity cost, risk and uncertainty and profit; nature of marginal analysis.

UNIT-II
Nature and types of demand; law of demand; demand elasticity; elasticity of substitution; consumer’s equilibrium-utility and indifference curve approaches; techniques of demand estimation.

UNIT-III
Short-run and long-run production functions; optimal input combination; short-run and long-run cost curves and their interrelationship; engineering cost curves; economies of scale; equilibrium of firm and industry under perfect competition, monopoly, monopolistic competition and oligopoly; price discrimination.

UNIT-IV
Baumol’s theory of sales revenue maximization basic techniques of average cost pricing; peak load pricing; limit pricing; multi-product pricing; pricing strategies and tactics; transfer pricing.

**MAEC25---Indian Economics Thought**

UNIT-I
Introduction:
Economic thinkers of ancient India; major source and books of ancient economic ideas; definition and scope of economics according to kautilya and shukra- basic assumptions-integral man, integrated man, integrated rationality dharma, based economic structure and four purusarthas. Human wants-nature, origin and kinds. The concept of restrained consumption and co-consumption; meaning and importance of wealth and code of conduct for earning and spending

UNIT-II
Ancient Thoughts:
Economics ideas of manu, shukra and kautilya in the field of consumption, production, exchange, distribution and public finance

UNIT-III
Pre-Independence Nationalist Ideas:
Economic thought of Swami Dayanand Saraswati, economic ideas of Swami Vivekananda

UNIT-IV
Pre-Independence Nationalist Ideas:
Dada Bhai Naruji, Mahadev Govind Ranade, Gopal Krishna Gokhle, R.C.Dutt, M.N. Roy and M.K.Gandhi

UNIT-V
Contemporary Thinkers:
Major Economic thoughts of Dr. B.R.Ambedkar, J.L. Nehru, Ram Manohar Lohiya, Vinoba Bhave, Deen Dayal Upadhayay and Amartya sen.

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