



St. Xavier's College – Autonomous Mumbai

Syllabus for 9th Semester Core Courses in

Economics

(June 2022 onwards)

Contents:

Theory Syllabus for Courses:

AECO0901 Economics of Urbanization

AECO0902 Economics of Rural Development

AECO0903 International Trade Theories and Policies

AECO0904 Economics of Financing the Development

(Financial Institutions, Financial Regulation and Financial Stability)

AECO0905 Health Economics

AECO0906 Behavioral Economics

MA

Course: AECO0901

Title: ECONOMICS OF URBANISATION

Learning Objectives:

1. To understand the concepts of urbanisation
2. To understand the hierarchy and decision making
3. To understand the finance and fiscal policy

Number of Lectures: 45

UNIT I: Understanding Concepts [15 lectures]

1. Understanding Urban spaces
2. Evolution of urban forms
3. City: Size, function and policy biases
4. Location and patterns of Land use
5. Labour markets: Employment, Migration and Congestion

UNIT II: Hierarchy and Decision Making [15 lectures]

1. Responsibilities of the Government
2. Functioning of Local Bodies
3. Role of Non-governmental organizations

UNIT III: Finance and Fiscal Policy [15 lectures]

1. Funding and Fund raising
2. Taxation
3. Efficiency in Public Expenditure or fund disbursement

Basic Reference Books:

1. India Infrastructure Reports (Chapters related to Urban Infrastructure)
2. Bahl, R and J. Linn, Urban Public Finance in Developing Countries, OUP (World Bank),1992.
3. Singh, K and B. Tai (eds.), Financing and Pricing of Urban Infrastructure, New Age International, New Delhi, 2000.
4. O'Sullivan, A., Urban Economics, McGraw-Hill Irwin, 2002 (BASIC TEXT All Modules)
5. Shukla, V., Urbanization and Economic Growth, Himalaya Publishers Pvt. Ltd., Mumbai, 1996 (Modules 1, 2)
6. Bahl, R and J. Linn, Urban Public Finance in Developing Countries, OUP (WB), 1992 (Modules 3, 4)
7. Ramachandran, R., Urban Economics and Urban Systems in India, OUP, 1989

MA

Course: AECO0902

Title: ECONOMICS OF RURAL DEVELOPMENT

Learning Objectives:

1. To understand the rural economy and the role of agents of development
2. To understand the significance of commercial infrastructure development
3. To understand the significance of ecology in sustainable development

Number of Lectures: 45

UNIT I: Understanding Rural Economy & the Role of Agents of Rural Development

[15 lectures]

1. Understanding the rural parameters of development
2. Role of State Government: Subsidies and schemes
3. Functioning of Local Bodies
4. Impact of Non-governmental organizations
5. Farmer-Producer Organizations

UNIT II: Commercial Infrastructure Development [15 lectures]

1. Modeling of rural economies
2. Building social overhead capital: Transport, communication and agro-centric infrastructure
3. Creation of commercial units and markets
4. Digitalization

UNIT III: Ecology [15 lectures]

1. Sustainable development
2. Organic- Inorganic farming methods
3. Role of environmental audits in rural economy

Basic Reference Books:

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

5. Ray Debraj, Development Economics, Oxford University Press, Oxford, 2004 (Module 2)
6. Johl S.S. and Kapur T.R., Fundamentals of Farm Business Management, Kalyani Publishers, New Delhi, 1977 (Module 1)
7. Bardhan P.K, Land, Labour and Rural Poverty, Oxford University Press, New Delhi, 1984 (Module 3, 4)

MA

Course: AECO0903

Title: INTERNATIONAL TRADE THEORIES AND POLICIES

Learning Objectives:

1. To understand the difference between Classical and New Trade Policy
2. To learn the trade analytics
3. To understand WTO framework and its relevance in International Trade

Number of Lectures: 45

UNIT I: Classical & New Trade Theory and Strategic Trade Policy [15 lectures]

1. Absolute and Comparative Advantage Trade Theory
2. Heckscher-Ohlin Model
3. Gains from Trade and Terms of Trade
4. Derivation of Offer Curves and International Equilibrium
5. Increasing Returns to Scale and Trade Theories
6. Intra-Industry Trade
7. Trade policy and Government Intervention: Tariff, Dumping, Subsidies and Non-Tariff Barriers
8. Strategic Trade Policy

UNIT II: Trade Analytics [15 lectures]

1. Introduction to various trade database
WITS, Trade-Map, Market Access Map (MAC Map), Use of ITC market, Analysis Tools, Indian Trade Portal
2. Introduction to various trade indicators
Revealed Comparative advantage, Trade Intensity Index, Export Specialization Index
3. Introduction to Basic Indicators
Trade GDP ratio (Trade Openness), Import Content of Exports and External orientation, Vertical Specialization.

UNIT III: WTO framework and its relevance in International Trade [15lectures]

1. Doha Development Round, Discussions from 2001 onwards
2. Problem of Tariff and Non-tariff Barriers on Merchandise and Service Trade with Case Studies
3. TRIPS, Trade Disputes settlements
4. Bilateral Trade Agreements and its impact on Trade Regional Trade Agreements.

Basic Reference Books:

1. Feenstra, Ch 1; Markusen, et. al., Ch 7; Sodersten and Reed, Ch 1 and 2.
2. Feenstra, Ch 2; Markusen, et. al., Ch 8.
3. Feenstra, Ch 1; Markusen, et. al., Ch 7; Sodersten and Reed, Ch 1 and 2.
4. Feenstra, Ch 2; Markusen, et. al., Ch 8.
5. Feenstra, Ch 3; Markusen, et. al., Ch 5, 7, 10, 11 and 13.
6. Sodersten and Reed, Ch 11.
7. Grubel and Lloyd.
8. WITS, Trade Map, ITC, FIEO
9. WTO Database.

MA

Course: AECO0904

**Title: ECONOMICS OF FINANCING THE DEVELOPMENT
(Financial Institutions, Financial Regulation and Financial Stability)**

Learning Objectives:

1. To understand the fundamentals of financing the development
2. To understand the banking and non-banking system in financing
3. To understand the capital market

Number of Lectures: 45

UNIT I: Banking System [15 lectures]

1. Banking Regulation and Supervision: Why regulate Banks?
2. Global Financial Crisis: Reasons, Lessons Learned
3. Global Regulatory Standards
4. Commercial banking in India: Structure, Operations and Performance
5. The role and functions of Reserve Bank of India

UNIT II: Co-operatives, Non-Banking Financial Companies and Micro Finance Institutions [15 lectures]

1. Legal structure of Cooperatives in India
2. Strength and coverage of cooperatives, non-banking financial companies and micro finance institutions
3. Pros and cons and regulatory issues
4. Challenges and remedies.

Basic Reference Books:

1. Sylvester Eijffinger, Handbook of Central Banking, Financial Regulation and Supervision After the Financial Crisis, Edward Elgar Publishing Ltd, UK 2013
2. John Armour, et al, Principles of Financial Regulation, Oxford University Press, 2016
3. Basel Committee on Banking Supervision publications at www.bis.org
4. Cato Institute publications at <https://www.cato.org/research/finance-banking-monetary-policy>
5. Reserve Bank of India, Annual Report 2018-19 and other issues at www.rbi.org.in
6. Reserve Bank of India, Financial Stability Report December 2019 at www.rbi.org.in
7. Reserve Bank of India, Report on Trend and Progress of Banking in India 2018-19 at www.rbi.org.in
8. SEBI Annual Reports at www.sebi.gov.in
9. Centre for Central Banking Studies, Bank of England, publications at <https://www.bankofengland.co.uk/ccbs>
10. Federal Reserve Board publications at <https://www.federalreserve.gov/default.htm>
11. European Central Bank publications at <https://www.ecb.europa.eu/home/html/index.en.html>

MA
Title: HEALTH ECONOMICS

Course: AECO0905

Learning Objectives:

1. To understand the key concepts & Healthcare financing models
2. To understand the Human resources in Health sector
3. To understand the role of aid and multilateral organisations

Number of Lectures: 45

UNIT I: Key Concepts & Healthcare financing models in developed and developing countries [15 lectures]

1. Key concepts, Difference between demand, need and supply of health care,
2. Equity and efficiency concerns, market failure, Role of state, health systems.
3. Universal Health coverage, Moral Hazard and Adverse Selection, Health care payment models

UNIT II: Human Resources in health sector [15 lectures]

1. Issue of shortage,
2. Role of technology,
3. Artificial Intelligence
4. Physical infrastructure of health care

UNIT III: Role of Aid and Multilateral Organizations in Influencing Health Policy [15 lectures]

1. Sustainable development
2. Organic- Inorganic farming methods
3. Role of environmental audits in rural economy

Basic Reference Books:

1. James Henderson: Health Economics and Policy
2. Kenneth Arrow (1963): Uncertainty and the welfare economics of medical care (American Economic Review)
3. Paul Feldstein: Health Care Economics
4. Paul Feldstein: Health Policy Issues: An economic perspective
5. Philip Musgrove: Health Economics in Development

Learning Objectives:

1. To understand the fundamentals of behavioural economics
2. To understand the basics of prospect theory
3. To understand the Reference Dependence

Number of Lectures: 45

UNIT I: Fundamentals of Behavioral Economics [15lectures]

1. Absolute and Comparative Advantage Trade Theory
2. Hechscher-Ohlin Model
3. Gains from Trade and Terms of Trade
4. Derivation of Offer Curves and International Equilibrium.

UNIT II: Prospect Theory [15 lectures]

1. Loss Aversion,
2. Decision Weighting,
3. Ambiguity Aversion,
4. Time Inconsistent Preferences

UNIT III: Reference Dependence [15 lectures]

1. Endowment Effect
2. Status Quo Bias, Behavioural finance insights, Norms, Incentives
3. Group think, Social preferences
4. Policy implications

Basic Reference Books:

1. Ariely, D. (2010) Predictably Irrational: The Hidden Forces That shape our Decisions (Harper).
2. Kahneman, D. (2011) Thinking, Fast and Slow
3. Shiller, R. (2006) Irrational Exuberance 2nd Ed. (Crown Business).
4. Articles
5. Benartzi, S., and R. Thaler (1995), "Myopic loss aversion and the equity premium puzzle" Quarterly Journal of Economics 110:75-92.
6. Camerer, C. F., Babcock, L., Loewenstein, G., Thaler, R. (1997). "Labor supply of New York City cab drivers: One day at a time" Quarterly Journal of Economics 112(2):407-441.
7. Laibson, David. (1997) "Golden Eggs and Hyperbolic Discounting" Quarterly Journal of Economics 112(2):443-477.
8. Kahneman, D., and Tversky, A. (1979) Prospect Theory: An Analysis of Decision under Risk. Econometrica, 47(2): 263-292