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DEPARTMENT OF ECONOMICS AND PUBLIC POLICY

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COURSE CATALOGUE

SEMESTER IV

2019-2020

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Central University Of Himachal Pradesh  
[ESTABLISHED UNDER THE CENTRAL UNIVERSITIES ACT 2009]  
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## EXPLANATORY NOTES

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Credit Equivalent: One credit is equivalent to or is defined as given below:

- i. 10 hours of lectures /organized classroom activity /contact hours;
- ii. 5 hours of laboratory work / practical / field work /Tutorial /teacher-led activity;
- iii. 15 hours of other workload such as independent individual/group work; obligatory/ optional work placement; literature survey/ library work; data collection/ field work; writing of papers/ projects/dissertation/thesis; seminars, etc.

### Credit Requirement

For completing MA degree programme the student is required to accumulate 80 credits. The distribution of credits is as follows:

Course Type		Credit Required
Core courses	Compulsory (50%)	40
	Open (15%)	12
Elective courses	Specialization (20%)	16
	Open Elective (5%)	4
Foundation courses	Human making (5%)	4
	Skill development (5%)	4
Total credit requirement (100%)		80

### Attendance Requirements

Students are expected to attend all lectures in order to be able to fully benefit from the course. A minimum of 75% attendance is a must failing which a student may not be permitted to appear in examination.

### Evaluation Criteria

1. Mid Term Examination: 25 per cent
2. End Term Examination (External): 50 percent
3. Comprehensive Internal Assessment: 25 percent

## ECN: 408 Public Economics

**Course Code:** ECN 408  
**Course Name:** Public Economics  
**Credit:** 4

### Course Objectives

- familiarize students with basic concepts of public economics.
- enable students to understand different principles and theories of public economics.
- enable students to understand changing scenario of revenue and expenditure.
- enable students to understand changing role of government in the changed economic dispensations.

### COURSE CONTENTS

- UNIT I (10 hours)**  
Introduction and Background to public finance; Theoretical Tools of Public Finance; Budget Analysis and Deficit Financing: Government Budgeting, Measuring the Budgetary Position of the Government.
- UNIT II (10hours)**  
Externalities: Problems and Solutions: Externality Theory, Private-Sector Solutions to Negative Externalities, Public-Sector Remedies for Externalities; Externalities in Action: Environmental and Health Externalities
- UNIT III (10 hours)**  
Public Goods: Optimal Provision of Public Goods, Private Provision of Public Goods, Public Provision of Public Goods; Cost-Benefit Analysis: Measuring the Costs of Public Projects, Measuring the Benefits of Public Projects; Unanimous Consent on Public Goods Levels, Mechanisms for Aggregating Individual Preferences, Representative Democracy
- UNIT IV (15 hours)**  
Taxation: Types of Taxation, Measuring the Fairness of Tax Systems, Defining the Income Tax Base; The Equity Implications of Taxation; Tax Inefficiencies and Their Implications for Optimal Taxation, Taxation on savings; Fundamental Tax reform.
- UNIT V (15 hours)**  
Public Expenditure: rationale for the growth of public expenditure; Wagner's law of increasing state activities, Wiseman-Peacock hypothesis; cost benefit analysis, shadow pricing, discounting and cost of capital, risk and uncertainty.

### Prescribed Text Books:

1. Gruber, Jonathan(2010) *Public Finance and Public Policy* , New York: Worth Publisher
2. Atkinson, A., and J. Stiglitz (1980) *Lectures on Public Economics*. New York, NY: McGraw Hill.

**Supplementary Readings:**

1. Cullis, John. And Jones. Philip, *Public Finance and Public Choice Analytical Perspectives, Third edition* , Oxford university press.
2. Musgrave, R.A. and P.B. Musgrave, *Public Finance in Theory and Practice Fifth Edition*, Tata-McGraw Hill Education Private Ltd, New Delhi.
3. Amaresh. Bagchi, (2005) *Readings in Public Finance*, Oxford University Press, New Delhi.

## ECN: 409 Money & Banking

**Course Code:** ECN 409  
**Course Name:** Money & Banking  
**Credits:** 4

### Course Objectives:

- enabling students to understand different aspects of monetary theory, institutions and policy;
- familiarize students with basic concepts and functions of commercial banks;
- enabling students to understand analytically the debates in monetary policy and banking sector especially in the Indian context.

## COURSE CONTENTS

### Unit I (8 Hours)

Money and Interest Rates, changes in equilibrium interest rate, risk structure of interest rates, the subprime collapse and the Baa-Treasury Spread, Expectations theory, market segmentation theory, liquidity premium theory, the lemon problem.

### Unit II (12 Hours)

Commercial Banks- theoretical basis, profitability & liquidity management, growth and structure, Assets & liabilities of banks, lending & portfolio choice, risk management in banking. Co-operative Banks- origin & growth, features, problems & policy, Khusro committee recommendation. Small savings, provident funds, and pension funds, current pension schemes.

### Unit III (10 Hours)

Supply of Money-sources of money supply, measures and theory of money supply, monetary expansion & the money multiplier, monetary expansion & currency drain, Reserve Bank of India- Organization and Management, Roles, Monetary policy, recent policy development, liquidity adjustment facility, challenges to monetary policy in India, Securities and Exchange Board of India

### Unit IV (20 Hours)

Call Money Market, Treasury Bills Market, Commercial Bills Market, Market for Commercial Paper & Certificate of Deposits, The Discount Market, Market for Financial Guarantees, Government (Gilt-Edged) Securities Market

### Unit V (10 Hours)

Industrial Securities Market, Futures, Options and Other Financial Derivatives, Role and Functions of Insurance Companies, Bancassurance & IRDA, Financial Crisis & its Damage to the Economy.

**Prescribed Text Books**

1. Bhole, L M (2009): *Financial Institutions & Markets*, Tata McGraw Hill (5<sup>th</sup> Edition).
2. Mishkin, Frederic S & Eakins, Stanley G. (2012): *The Economics of Money, Banking and Financial Markets*, Prentice Hall (7<sup>th</sup> Edition).
3. Indian Institute of Banking and Finance (2008): *Principles & Practices of Banking*, Macmillan.
4. Selected Materials will be provided in the class room for reading and discussion.

**Supplementary Readings:**

1. Reddy Y V (2000): *A Review of Monetary and Financial Sector Reforms: A Central Bank's Perspective*, Universal Book Stall, New Delhi.
2. Lewis & Muzan (2000): *Monetary Economics*, Oxford University Press.
3. The Economics Times, The Business Line, & Financial Express.

## ECN: 416 Environmental Economics

**Course Code:** ECN 416  
**Course Name:** Environmental Economics  
**Credits:** 4

### Course Objectives:

- Familiarize students with basic concepts of environment economics.
- Enable students to understand inter-linkages between economics and environment.
- Enable student understand environmental problems and ways to sustainable development.
- Familiarize students with environmental issues in Indian and global context and its implications.

## COURSE CONTENTS

### Unit-I (12 hours)

#### Scope of Environmental Economics:

Economics and Environment: Major Environmental problems, Environmental regulation in USA, UK and Russian Federation, Cost of Environmental Protection; Positive vs. Normative analysis of Environmental problems, Making Societal Choices: Individual preferences regarding Environmental protection, Environment Sustainability, Social Choices and Individual Preferences: Pareto optimality, Voting, Arrow's impossibility theorem.

### Unit- II (12 hours)

#### Environmental Externality:

Welfare and Market, Market failure: Public goods and externalities, Property rights; Benefit-Cost analysis; The Coase Theorem, Economics of Exhaustible resources.

### Unit- III (12 hours)

#### Measuring Value of Environment and Natural Resources

Demand for Environmental Goods, Revealed vs. Stated preferences, Hedonic Price Theory, Contingent Valuation

### Unit- IV (12 hours)

#### Environment Regulation:

Rationale for regulation, Basic regulatory instruments; Pigovian Fees: Single polluters, Multiple pollutes. Regulation with unknown Control Costs; Permits or Fees, Emission Fees or Quality regulation, Hybrid price or quantity regulations; Risk, Uncertainty and pollution control.



**Unit- V****(12 hours)**

Current status of pollution in India, Review of environmental legislation in India, Environmental issues in global content, Greenhouse gases ozone depletion, Montreal Protocol, Paris agreement.

**Text Books**

1. Kolstad, Charles D. (2011), *Intermediate Environmental Economics*, Oxford University Press, New Delhi.
2. Nick Hanley, Jason F. Shogren and Ben White (2000), *Environmental Economics in Theory and Practice*, Macmillan
3. Rabindra, N. Bhattacharya (2001), *Environmental Economics: An Indian Perspective*, Oxford University Press, New Delhi.

**Supplementary Readings**

1. Charles Perrings (2009), *Ecological Economics*, Sage Publications, New Delhi.
2. Johansson Per-Olov (1987), *The Economic Theory and Measurement of Environmental Economics*, Cambridge University Press.
3. Willam Baumal and Wallace E. Oats (1998), *The Theory of Environmental Policy*, 2<sup>nd</sup> Edition, Cambridge University Press.
4. Daniel W. Bromley (1996) (Eds.), *Handbook of Environmental Economics*, Blackwell Publishers Ltd.
5. Hussen, A.H. (2000), *Principles of Environmental Economics*, Routledge.
6. Fisher, A (1981), *Resource and Environmental Economics*, Cambridge University Press

## ECN: 446 Field Work and Report Writing

**Course Code:** ECN 446  
**Course Name:** Field Work and Report Writing  
**Credits:** 4  
**Objectives:**

- to enable students to raise researchable issues, form objectives and prepare questionnaire for primary survey.
- to equip students with basic skills of data collection and data analysis.
- to develop the analytical and report writing skills of the students.

### Division of Marks

1. Assessment of Student's performance during Data Collection & analysis	25
2. Mid-Term appraisal of the research work*	25
3. Evaluation of the Research Report	25
4. Viva-Voce Examination**	25
<hr/> <b>Total Marks = 100</b>	

\* Mid-Term appraisal of the research work shall be done during Mid-Term examinations where students shall be sharing experiences and observations on their field survey.

\*\* Viva-Voce examination shall be taken by an external examiner towards the end of the semester.

### The Format of the Final Report

The report shall be written by each student based on data collected from the field through a detailed schedule approved by the course instructors and its analysis as per the objectives of the problem. The following is the proposed format for the field work report.

#### Chapter-1: Introduction

- Nature & Rationale of the proposed Problem
- Research issues, Hypothesis and Objectives
- Data and Methodology
  - I. Sample Selection
  - II. Analytical Tools

#### Chapter-2: Literature Review

- Review of the related studies
- Gaps/Researchable issues

#### Chapter-3: Results and Discussions

#### Chapter-4: Conclusion and Recommendation

- Summary of the report
- Policy Implications

## ECN: 424 Economics and Law

**Course Code:** ECN 424  
**Course Name:** Economics and Law  
**Credit** 4

**Credit:** 4 (One credit is equivalent to 10 hours of lectures / organized classroom activity / contact hours; 5 hours of laboratory work / practical / field work / Tutorial / teacher-led activity and 15 hours of other workload such as independent individual/ group work; obligatory/ optional work placement; literature survey/ library work; data collection/ field work; writing of papers/ projects/dissertation/thesis; seminars, etc.)

### Course objectives:

- to develop an understanding of application of economic methodology in analysing of the law.

### COURSE CONTENTS

#### UNIT I (10 hours)

Introduction to Law and Economics: Meaning of economic analysis of the law, Efficiency vs. distribution in analysis of private law, Importance of applying economic methodology to law; Microeconomic theory and economic analysis of law; Introduction to Law and Legal Institutions: The Civil and the Common law tradition, Nature of legal disputes, Evolution of legal rules.

#### UNIT II (12 hours)

Property Law: Legal concept of property, Bargaining theory, Origin of institution of property, Economic theory of property, Protection of property rights, Limits of private property (Public vs. Private goods), Rights of the owner, Distribution aspect of property, Remedies of violation of property rights

#### UNIT III (16 hours)

Tort Law: Meaning of Tort law, Economic theory of Tort liability, Computation of damages

#### UNIT IV (12 hours)

Contract Law: Bargaining theory, Economic theory of contract enforcement, Economic analysis of Contract breach remedies, Economic interpretation of contracts, Relational Contract (long-run contracts), Remedies vs. Incentives, Formation Defences and Performance Excuses.

#### UNIT V (10 hours)

Legal Process: Goal of the Legal Process, Why Sue? Exchange of information, Settlement bargaining, Trial, Appeals.

### Prescribed Text Book:

- Cooter, Robert and Thomas Ulen, (2012) Law and Economics, Sixth Edition, Addison-Wesley, Delhi.