

**Economic Theory
Paper-II (Departmental)**

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| Subject Code: ECO903 | Economic Theory |
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UNIT-1

Missing markets: some applied micro economic aspects. Bilateral and Multilateral externalities, Private Cost versus Social Cost. Solutions to the problem of externalities: Government Responses; Regulation, Corrective Taxes, The Compensation principle.

UNIT-2

Public Goods: Efficient provision of discrete and continuous public goods. Issues of Hidden actions and Moral Hazard; The Principal Agent problem. Moral Hazard in Insurance and Product markets. Adverse Selection and the problem of lemons; the efficiency effects of adverse selection

Market and Government responses to Asymmetric Information; Market Signaling.

UNIT-3

Monetarist Keynesian Debate of Macroeconomic Theory and Policy. The Structure, Policy implications and Assessment of the New Classical school, The core propositions, features, policy implications and Assessment of New Keynesian School. Essential features of the Austrian school.

UNIT-4

Exploring Money Multiplier, Demand for Money and Philips Curve in Indian context. Macro Economic theory for India. The Global Economic Crisis and Macro Economic theory India and the Global Economic Crisis.

Text /Reference Book:

| S. No | Name | Author(S) | Publisher |
|-------|---|---|--|
| 1. | Macro Economics | Gordon Robert J. | Pearson Education. |
| 2. | Unconventional Economics Essays | Bhaduri, A | Oxford University Press, New Delhi. |
| 3. | Macroeconomics: Theory and Applications | Gupta, G S | Tata McGraw Hills Publishing Co. Ltd., New Delhi |
| 4. | Microeconomic Theory | Mas-Colell, M.D. Whinston & J.R. Green | Oxford University Press. |

**Economic Development
Paper-III (Departmental)**

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| Subject Code: ECO905 | Economic Development |
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UNIT-1

Development Issues of our Time I: Looking beyond the Neo-classical Growth Theory; Role of Human Capital (Health, Education), Innovations and Evolving Technologies, Environmental Issues.

UNIT-2

Development Issues of our Time II: Institutions and Development; Markets, Networks, Social Capital; Finance and Development; Political Economy and Policies of Development; Inequality and Development.

UNIT-3

Development Policy in the Twenty-First Century-I: Creating Roadmaps towards Quest for Happiness through Inclusive Growth; Creating more Gainful Employment and Earning Opportunities, Devising Mechanisms for Empowerment.

UNIT-4

Development Policy in the Twenty-First Century-II: Alternate Policy Paradigms: Economic Nationalism in a Globalizing World; Cooperation versus Competition and Development.

Text /Reference Book:

| S. No | Name | Author(S) | Publisher |
|-------|--|-------------------------------------|----------------------------------|
| 1. | Promise and Pitfalls in the use of “ Secondary” Data Sets: Income Inequality in OECD Countries | A B Atkinson and A Brandolini | Journal Of Economics Literature. |
| 2. | The Policies of Growth : A Survey of the Recent Literature, World Bank Economics Review | Alberto Alesina and Roberto Perotti | Princeton University Press |
| 3. | One Economics, many Reciepes: Globalization, Institutions and Economic Growth | Dani Rodrik | Princeton University Press. |
| 4. | Employment, Technology and Development. | Amartya Sen | Oxford University Press. |