MA Economics
Monetary Economics

Code: Econ 559   Total Credits: 03
Semester: Third   Teaching Hours: 48

Course Objective:

Students after the completion of this course are expected to identify the intensive but diversified role of money and monetary policy in the process of economic transformation and development which is required to uplift the quality of life. They will also be able to take systematic policy decision when it is required.

Unit I: Basic Concept

The function, Advantage and Definition (Theoretical and Empirical) of Money

Unit II: Development of Monetary Theories

a. Classical and Neo-Classical Theories
b. Keynesian Monetary Theory
c. Patinkin's Theory of Real Balance Effect
d. Monetarism
e. New Classical School

Unit III: Supply of and Demand for Money

a. Money Supply Analysis: Monetary Base Model of Money Supply Analysis (Money Multiplier), Decomposition of High Power Money.
b. Demand for Money: Classical Neo-Classical, Keynes's, Friedman's, Inventory theoretic approach, Portfolio Balance Approach and McKinnon's Approach.

Unit IV: Theories of Inflation

a. Concept and Measurement of Inflation.
b. Demand Pull Inflation, Cost Push Inflation.
c. Inflation Theories: Classical and Neo-Classical Theories, The Inflationary Gap Model, The Phillips Curve, Lipsey's Version, Samuelson Solow Modification of Phillips Curve, Monetarist Approach to Phillips Curve, New Classical Approach to Phillips Curve.
d. Impacts of Inflation
e. Measure to Control Inflation.

Unit V: Balance of Payment

a. Basic Concepts and Accounts
b. Approaches to Balance of Payment: Elasticity Approach, Absorption Approach and Monetary Approach.

Unit VI: Monetary Policy

a. Objective

b. Targets and Indicators

c. Instrument of Money and Credit Control

d. Monetary Policy in Nepal

Unit VII: Monetary Transmission Mechanism and Channels

a. Portfolio Transmission Mechanism

b. Wealth Transmission Mechanism

c. Credit Availability Transmission Mechanism

d. Expectation Transmission Mechanism

References:

Branson, W.H. (1983), *Macroeconomic Theories and Policies* (2nd ed.). New Delhi: All India Book Seller.

Clower, R.W. (1973), *Monetary Theory*. England: Penguine.

Dornbusch, R. and S. Fischer (Latest Edition). *Macroeconomics*. Singapore: McGraw Hills Book Company.

Dornbusch, R. and S. Fischer (1987). *Macroeconomics (4th ed.)*. New York: McGraw Hills Book Company.

Froyen, R.T. (2003), *Macroeconomics: Theories and Politics,* (7th ed.). New Delhi: Pearson Education.

Gibson, W.K. & Kaufman G.G. (1975). *Monetary Economics: Readings on Current Issues.* New Delhi: McGraw Hill.

Gupta, G.S. (2008), *Macroeconomics: Theory and Applications* (3rd ed.). New Delhi: McGraw Hill Publishing Company Ltd.

Gupta, R.D. (1989). *Keynes, Post-Keynesian Economics.* New Delhi: Kalyani Publication, India.

Gupta, Suraj B. (1979), *Monetary Planning for India.* New Delhi: Oxford.

Gupta, Suraj B. (1992), *Monetary Economics.* New Delhi: S. Chand and Company, India.

Gyanwaly, R.P. (2014), *A Survey on Theories of Inflation: Classical to New Political Macroeconomics.* Kathmandu: Sunlight Publication.

Handa, Jagadish (2000), *Monetary Economics.* London and New York: Rout Ledge, Taylor and Francis Group.

Heller, H.R. (1977), *International Monetary Economics.* New Delhi: Prentice Hall, India.

Khatiwaada, Y.R. (1994), *Some Aspects of Monetary Policy in Nepal.* New Delhi: South Asian Publishers.

Levacic, R. (1978). *Macroeconomics.* London: Macmillan.

MA Economics
PUBLIC ECONOMICS- I

Code: Econ 560   Total Credits: 03

Semester: Third   Teaching Hours: 48

Course Description:

This course is designed with a view to provide advanced theories of public economics and related politics. Upon completion of this course, the students will develop confidence towards building a comprehensive understanding of the dynamics of government finance.

Unit I: Role and Scope of Government under the History of Economics   04 TH

1. Classical, Keynesian, Post-Keynesian and Kaleckian Approach
2. Market Economy: Globalization, Liberalization and Privatization
3. Post-Liberalization: Global Financial Crisis 2007 and Great Recession of 2008/09

Unit II: Government Expenditure   10 TH

1. Theories of Public Expenditure: Wagner's Law, Colin Clarks Critical Limit Theory, Stanley Please Hypothesis, Pareto Optimality and Samuelson's Pure Theory of Public Expenditure, Political or Electoral Theory, Interest Group or Dominant Class Coalition Theory
2. Theories of Public Goods: Characteristics and Types, Externalities, Concept of Coase Theorem, Market Failure

Unit III: Government Revenue   19 TH

1. Types of Government Revenue: Tax and Non-Tax Revenue, Income and Property Tax, Capital Gain Tax, Value Added Tax (tax on goods and services), Custom Duty (Taxation on international trade and transaction) and Excise Duty
2. Excess Burden of Tax Propounded by Marshall, Joseph-Hicks Concept for Justifying Superiority of Direct Tax
3. Ability to Pay and Benefit Principle of Taxation
4. Responsiveness and Productivity of Tax Yields: Concepts, Methods of Adjusting Tax Revenue Series, Estimation of Elasticity and Buoyancy, Forecasting of Revenue and Expenditures
5. Tax Reforms and Tax Design: Administrative Dimensions of Tax Reform, Taxation and Income Redistribution
6. Resource Mobilization and Concept of Resource Gap

Unit IV: Fiscal Policy   09 TH

1. Historical Views on Fiscal Policy
2. Objectives, Nature and Techniques of Fiscal Policy
3. Role of Fiscal Policy in Developing Countries
4. Types: Compensatory Fiscal Policy, Anti-Inflationary Fiscal Policy, Counter Cyclical Fiscal Policy
5. Effectiveness of Fiscal Policy and Alternative Fiscal Policies
6. Fiscal Reforms and Fiscal Cliff

Unit V: Public Enterprises   06 TH

1. Role of Public Enterprises under Liberalization in Developing Countries
2. Price and Output Policy of Public Enterprises
3. Privatization of Public Enterprises and New Public Management (NPM)
4. Public-Private Partnership (PPP)

References:

Atkinson, A. and Stiglitz, J. (1980). *Lectures in Public Economics.* McGraw Hill

Aurebach, A. and Feldstein, M. (2002). *Handbook of Public Economics.* North Holland

Bird, Richard M. (1992). *Tax Policy and Economic Development.* The Johns Hopkins University Press

Bird, Richard M. and Oliver Oldman (1990). *Taxation in Developing Countries.* The Johns Hopkins University Press

Chelliah, R.J. (1969). *Fiscal Policy in Underdeveloped Countries.* Bombay: George Allen and Unwin Pvt. Ltd.

D. Vines and C. Allsopp (2005). *Oxford Review of Economic Policy: Fiscal Policy.* Vol. 21, No. 4, PP 584-597, Oxford: Oxford University Press

Due, John F. and Ann F. Friendlaender (1994). *Government Finance: Economics of the Public Sector.* Delhi: AITBS Publishers and Distributers

Due, John F. (1993). *Government Finance: An Economic Analysis.* Illinois: Richard D. Irwin Gills, Malcolm; Carl S. Shoup and Gerardo P. Sicat (1990). *Value Added Taxation in Developing Countries.* Washington D.C.: The World Bank

Goode, Richard (1986). *Government Finance in Developing Countries.* New Delhi: Tata McGraw-Hill Publishing Company Ltd.

Haughton, R.W. (1970). *Public Finance.* Penguin Books

Herber, B.P. (1996). *Modern Public Finance.* New Delhi: AITBS

Hyman, David N. (2007). *Public Finance: A Contemporary Application of Theory and Policy.* Thomson South Western

Kalecki, M. (1971). *Selected essays in the Dynamics of the Capitalist Economy.* Cambridge: Cambridge University Press

Khalizadeh-Shirazi, Javad and Anwar Shah (1991). *Tax Policy in Developing Countries.* Washington D.C.: The World Bank

Musgrave, R.A. (1985). *Handbook of Public Economics*. New York: Elsevier

Musgrave, R.A. and P.B. Musgrave (1989). *Public Finance in Theory and Practice.* Columbus: McGraw Hill International Edition

Musgrave, Richard A. (1969). *Fiscal Systems.* New Haven and London: Yale University Press

Newbery, David and Nicholas Stern (1987). *The Theory of Taxation for Developing Countries.* Oxford University Press

Premchand, A. (1963). *Government Budgeting and Expenditure Controls: Theory and Practice.* Washington D.C.: International Monetary Fund

Schiavo-Campo, Salvatore and Daniel Tommasi (1999). *Managing Government Expenditure.* Asian Development (ADB)

Shah, Anwar (2005). *Public Expenditure Analysis.* The World Bank

Stiglitz, J.E. (2000). *Economics of the Public Sector.* New York: W.W. Norton and Company Inc.

Tanzi, V. (1993). *Transition to Market.* Washington D.C.: International Monetary Fund

Tanzi, V. and H.H. Zee (2000). *Tax Policy for Emerging Markets: Developing Countries.* Washington D.C.: International Monetary Fund

Tresch, R.W. (1981). *Public Finance: A Normative Theory.* Texas: Business Publication

Turvey, R. (1968). *Public Enterprise.* Penguin Books

Y. Bangura and G.A. Larbi (2006). *Public Sector Reform in Developing Countries.* New York: Palgrave/Macmillan

<div align="center">

MA Economics
RESEARCH METHODOLOGY

</div>

Code: Econ 561   Total Credits: 03

Semester: Third   Teaching Hours: 48

Course Objective:

The objective of this course is to acquaint the students with the techniques of conducting research in economics and to develop their skill in writing research works.

Unit I: Introduction of Research in Economics   04 TH

1.1 Concept of Research in Economics

1.2 Need for Research in Economics

Unit II: Research Design and Literature Review   08 TH

2.1 Research Design: Concept and Types

2.2 Literature Review: Procedure and Methods

2.3 Measurement Scales

2.4 Reliability and Validity

2.5 Operational Definition of Variables

Unit III: Methods of Data Collection   12 TH

3.1 Sources of Information: Primary and Secondary Data

3.2 Sampling Survey, Observation, Questionnaire, Interview, Case Study

3.3 Participatory Rural Appraisal (PRA), Focus Group Discussion (FGD), Grounded Theory (GT)

Unit IV: Data Analysis   12 TH

4.1 Data Processing (Editing, Coding, Classification and Tabulation)

4.2 Methods of data Analysis

4.2.1 Descriptive Method (Univariate, Bivariate and Multivariate)

4.2.2 Inferential Method (Z-Test, F-Test, Chi-Square Test)

Unit V: Research Proposal   06 TH

5.1 Need of a Research Proposal

5.2 Procedure for Preparing Research Proposal

5.3 Practical Exercise to prepare a Proposal

Unit VI: Research Writing   06 TH

6.1 Procedure and Format of Research Writing

6.2 Notes, Footnotes, Endnotes, Quotations, Citations, References, Bibliography

6.3 Presentation of Research Writing (Written and Oral)

References:

Babbie, Earl (2004), *The Practice of Social Research* (10th ed.). Belmont, CA: Wadsworth.

Dasgupta, Manas (Ed.). (2007). *Research Methodology in Economics.* New Delhi: Deep and Deep Publications.

Kumar, Ranjit (2005). *Research Methodology: A Step by Step Guide for Beginners.* Singapore: Pearson Education.

Pokhrel, Bharat (2003). *Research Methodology in Economics.* Kathmandu: New Hira Books Enterprises.

Shakya, Kusum (2012). *An Introduction to Research Methodology: An Application in Economic Sector.* Kathmandu: Kshitiz Prakashan.

Silverman, David (Ed.) (2011). *Qualitative research* (3rd ed.). New Delhi: SAGE Publications.

Singh, Kultar (2010). *Quantitative Social Research Methods.* New Delhi: SAGE Publications.

MA Economics
Econometrics

Code: Econ 562   Total Credits: 03
Semester: Third   Teaching Hours: 48

Course Objective:
This course intents to acquaints the students with the fundamentals of econometrics methods and models and apply the appropriate model for economic forecasting and decisions.

Unit I: Introduction
a. Definition of Econometrics
b. Estimation: Methods (OLS, MI, Methods of Moments), Properties of Estimators

Unit II: Linear Regression Model
A. Simple Regression Model
a. Specification of the Model
b. Estimation (OLS and ML)
c. Statistical Properties of OLS Estimators
d. Interpreting the Results of Regression Analysis
e. Testing the Hypothesis
B. Multiple Regression Model
a. Specification of the Model
b. Estimation by OLS Method (Matrix Approach)
c. Variance-Covariance Matrix
d. Correlation Matrix, Partial Correlation Coefficients and Regression Coefficients
e. Test of Hypothesis

Unit III: Variation of OLS Assumptions
a. Heteroskedasticity
 Nature, Consequences, Detection and Remedies
b. Autocorrelation
Nature, Consequences, Detection and Remedies
c. Multicollinearity
Nature, Consequences, Detection and Remedies

Unit IV: Regression on Dummy Variables
a. Use of Dummy Variables as Regressor
b. Dummy Variable Trap
c. Dummy Dependent Variables
d. Linear Probability Model
e. Logit and Probit Model

Unit V: Distributed Lag Models
a. Koyck Model
b. Almon Polynomial Lag Model
c. Stock Adjustment Model
d. Adaptive Expectation Model

Unit VI: Forecasting
a. Ex-ante and Ex-post Forecast
b. Conditional and Unconditional Forecasting

References:
Baltagi, Badi H. (2008), *Econometrics* (4th ed.). New York: Springer.

Bhusal, T.P. (2013), *Basic Econometrics*. Kathmandu: Dreamland Publication.

Gujarati, D.N. and Sangeetha. (2007), *Basic Econometrics* (4th ed.). New York: McGraw Hill.

Gujarati, D.N. (1992), *Essentials of Econometrics*. New York: McGrew Hill International Editions, Economic Series.

Greene, W.H. (2003), *Econometric Analysis* (5th ed.). Singapore: Pearson Education.

Johnston, Jack and John DiNardo (1997), *Econometric Methods* (4th ed.). New York: The McGrew Hill Companies, Inc.

Judge, G.G., Hill, C.R., Griffiths, W.E., Lutkepohl, H & Lee, T.C. (1988), *Introduction to the Theory and Practice of Econometrics* (2nd ed.). New York: John Wiley and Sons.

Kelejian, H.A. & Oates, W.E. (1981), *Introduction to Econometrics: Principles and Applications* (2nd ed.). New York: Harper & Row Publishers.

Koutsoyiannis, A. (1977), *Theory of Econometrics* (2nd ed.). London: the Macmillan Press Ltd.

Maddala, G.S. (2002), *Introduction to Econometrics* (2nd ed.). Singapore: John Wiley and Sons.

Pindyck, R.S. and Rubinfeld, D.L. (1998), *Econometric Models and Economic Forecasts* (4th ed.). New York: McGrew-Hill, Inc.

Ramanathan, Ramu (1995), *Introductory Econometrics with Applications* (3rd ed.). Fort Worth, Texas: The Dryden Press, Harcourt Brace College Publishers.

Wooldridge, J.M. (2013), *Introductory Econometrics: A Modern Approach* (5th ed.). Mason, OH, USA: South Western Cangage Learning.

Wonnacott, R.J. & Wonnacott, T.H. (1979), *Econometrics* (2nd ed.). New York: John Wiley and Sons, Inc.

MA Economics
International Economics

Code: Total Credits: 03
Semester: Third   Teaching Hours: 48

Course Objective:

The objective of this course is to introduce the students to important theories of international trade and barriers to trade, to give them knowledge about the disequilibrium in trade and the options for resolving disequilibrium and to enable them to understand trade problems of developing countries and the role of WTO in resolving these problems.

Unit I: Classical and Endowment Theories: The Ricardian Model, the Transformation Curve, Heckscher-Ohlin Model, Factor Price Equalization and Explanation with Edgeworth Box Diagram, Leontief Paradox.

Unit II: Changing Factor Endowments: The Rybczynski Theorem, Footloose Industries and Intermediate Goods, Demand Differences.

Unit III: Beyond Factor Endowments: Economies of Scale, Technology Gap Models, Product Cycles, Linder Thesis.

Unit IV: Terms of Trade: Determination of Terms of Trade, Types of Terms of Trade, Factors Affecting Terms of Trade.

Unit V: Barriers to Trade: Tariffs and Non-Tariff Barriers to Trade, Effects of Tariff.

Unit VI: Gains from Trade: Inter-Industry Specialization, Intra-Industry Specialization, Income Distribution, The Stolper-Samuelson Theorem.

Unit VII: Disequilibrium in Balance of Trade, Automatic and Policy Induced Corrective Mechanisms, Elasticity and Absorption Approaches.

Unit VIII: WTO: Important Arrangements and Major Developments since 1995, Expected Effects to Nepalese Economy.

Unit IX: Changing Composition of World Trade, Developing Countries' Participation in Global Trade, Issues and Problems.

Recommended Readings:

Krugman and Obstfeld: *International Economics: Theory and Policy*, Addision & Wesley.

Kindlerberger, C.P. *International Economics*, R.D. Irwin, Homewood.

Soderston Bo: *International Economics*, The Macmillan Press London.

Caves, R.E. & Jones, R.W.: *World Trade and Payments*, Little Brown and Company.

Williamson, J. and Milner, C.: *The World Economy*, New York University Press.

Journal Articles to be prescribed in the Course of Lecture.

ECONOMIC DEMOGRAPHY

The aim of the course is to provide knowledge of changing demographic events by econom perspective. Therefore, the course includes introduction of economic demography and provid knowledge of the tools of demographic analysis. In the course, the population theory and oth related theories of population components are included. Finally, the course includes the effect o changing demographic events into economic development and provides basic knowledge o population projection for economic development.

Credit: 3 **Hours: 48**

UNIT I: Introduction to Economic Demography　　3 hrs

1. Concept and Significance
2. Sources of Population Data and Its Quality (Census, Vital Registration and Surveys)

Unit II: Rates and Ratios of Demographic Analysis　　6 hrs

1. Rates: Population growth rates, Crude Birth Rates, Age-specific Fertility Rate, Total Fertility Rate, Gross Reproduction rate, Net Reproduction rate, Crude Death Rate, Infant and Child Mortality rate, Maternal Mortality Rate, Migration Rates)
2. Ratio: Sex Ratio, Child Woman ratio, Dependency ratio, and Survival Ratio

UNIT III: Population Theory　　10 hrs

1. Demographic Transition Theory
2. Reformulation of the Demographic Transition Theory
3. Threshold Hypothesis
4. Theory of Demographic Change and Response
5. Theory of Relative Income

UNIT V: Age Structural Transformation　　4 hrs

1. Demographic Dividend
2. Aging and its impact on economy

UNIT VI: Theories Related to Population Components　　12 hrs

1. Harvey Leibenstein's Theory,
2. Becker's Model,
3. The Easterlin Hypothesis,
4. Caldwell's Intergenerational Wealth Flow Model
5. Ravenstein, Lee and Todaro

UNIT V: Population Growth and Economic Development

UNIT V: Population Growth and Economic Development   8 hrs

1. Population and Development - Interrelationship
2. Income, Savings, Investment and Productivity
3. Remittance Economy
4. Women empowerment in relation to Population growth and development.

UNIT VI: Population Projection   5 hrs

1. Methods of population projection
2. Importance of population in development and planning.

References

Alexia Prskawetz et al (2007). The Relationship Between Demographic Change and Econo
Growth in the EU. Research Report 32. Alexia Prskawetz and Thomas Lindh (E
July.

Bhende, Asha A and Tara Kanitkar (2002). *Principles of Population Studies.* Bombay: Hima
Publishing House.

Central Bureau of Statistics (2014). *Population Monograph of Nepal-2014.* Volume I, II and
Kathmandu: National Planning Commission. Nepal.

Coale, Anseley J and Edgar M. Hoover (1958). *Population Growth and Economic Developm
in Low Income Countries: A case Study of India's in Prospects.* Princeton, I
Princeton University Press.

Cohen, Joel E (1995): How many People Can the Earth Support? W. W Norton & Compa
New York

Easterlin, Richard A.(1975). An Economic Framework for Fertility Analysis. *Studies in Fam
Planning,* Vol. 6, No. 3. (Mar., 1975), pp. 54-63.

Gary Becker (1960). "An Economic Analysis of Fertility," in Demographic and Econom
Change in Developed Countries, Princeton: National Bureau of Economic Research, 20
-231.

Ghosh, B. N (ed.) (1987): Studies in Population and Economic Development, Vol 1 and 2, Dee
and Deep Publications New Delhi

Harry S. Shryock, Jacob S. Siegel and Associates (1976). The Methods and Materials o
Demography. New York: Academic Press.

Mahadevan, K(1986): *Fertility and Mortality Theory, Methodology and Empirical Issues.* Nev
Delhi: Sage Publications India Pvt Ltd.

Meire, Gerald M. (1989). *Leading Issues in Economic Development.* New York: Oxford South
Asia Publishers.

Mishra, Bhaskar D (2004). *An Introduction to the Study of Population.* New Delhi: South Asian
Publishers Pvt Ltd.

O. S. Srivastava (1998). *Demography and Population Studies.* New Delhi: Vikas Publishing
House Pvt. Ltd.

HISTORY OF ECONOMIC THOUGHT

M.A. Third Semester

Credit: 3

Teaching Hours: 48

Course Objective:

This course intends to provide basic knowledge of economic thought, to link it in the development of economic theories, and to identify factors influencing the development of economic thought. A core problem addressed in many of the contributions to the development and evolution of economic thought is the nature of the relationship between the individual and society in the process of allocating and using resources.

Unit I: Overview of Oriental and Occidental Economic Thought   TH 08

1.1 Basic Features of Hebrew, Hindu, Buddhist Thought
1.2 Fundamentals of Greeks and Romans Thought

Unit II: Pre-Classical Economic Ideas   TH 10

2.1 Mercantilism: Basic Features, Thomas Mun, Jean Baptiste Colbert
2.2 Physiocracy: Basic Features, Francois Quesnay, Anne Robert Turgot

Unit III: Classical Contributions to Economics   TH 12

3.1 Adam Smith
3.2 David Ricardo
3.3 Thomas Malthus
3.4 J.S. Mill

Unit IV: Socialistic Economic Thought   TH 10

4.1 Scientific Socialism: Marxian Labor Theory of Value
4.2 Marxian Theory of Surplus Value

Unit V: Post Classical and Neoclassical   TH 08

5.1 William Jevons, Carl Menger, Leon Walras
5.2 Alfred Marshall

Suggested Readings

Backhouse, Roger E. (2002). *The ordinary business of life: A history of economics from the ancient world to twenty-first century.* Princeton, NJ: Princeton University Press.

Freedman, R. (Ed.). (1978). *Marx on economics.* New York: Penguin Books.

Gide, Charles and Rist, Charles (1978). *A history of economic doctrine.* Calcutta: Oxford University Press.

Haney, Lewis H. (2000). *History of economic thought.* Delhi: Surjeet Publications.

Pokharel, Bharat (2004). *History of economic thought.* Kathmandu: New Hira Books.

Roll, Eric (1988). *A history of economic thought.* Calcutta: Oxford University Press.

Schumpeter, Joseph A. (1954). *History of economic analysis.* New York: Oxford University Press.

Industrial Economics

Course Objective

The objectives of this course is to provide students with the analytical skills required for understanding problems in industrial economics and to give them knowledge about the issues of industrial development in the country and the policy issues of industrialization in Nepal.

Unit I : Introduction

1.1 Meaning, Scope, Need and Significance of Industrial Economics.   (7 lecture hours)

1.2 Industrial Profile –

Private Sector – Large, Medium and Small scale industries.
Public Sector, Role and Problems of public sector industries.

1.3 Disinvestment Policy.

Unit II : Theories of Industrial Location

2.1 Factors influencing location of industries.   (10 lecture hours)
2.2 Theories of Industrial location, Weber, Sargent Florence.
2.3 Industrial Imbalance, Causes and Measures.
2.4 Need for balanced Regional Development of Industries.

Unit III : Industrial Productivity and Efficiency

3.1 Productivity – Norms and Measurement.   (7 lecture hours)
3.2 Factors affecting productivity and capacity utilization.
3.3 Importance of productivity in the competitive environment.
3.4 Measures required for improving productivity and efficiency.

Unit IV : Industrial Finance

4.1 Meaning, scope, importance of industrial finance.   (8 lecture hours)
4.2 Sources of industrial finance – private, public sector (Capital market, Development Banks).
4.3 Foreign Capital : Need, Government's policy towards foreign capital, Direct investment.
4.4 Industrial Finance in Nepal : trends and problems.

Unit V : Industrial Management

5.1 Concept of Industrial Management   (5 lecture hours)
5.2 Scientific Management
5.3 Rationalization
5.4 Labor participation in management

Unit VI : Industrial Structure

(6 lecture hours)

6.1 Industrial Structure and Market Structure.
6.2 Market Structure and profitability.
6.3 Market Structure and innovation.
6.4 Role of research and development.

Unit VII : Industrial Development in Nepal

(5 lecture hours)

7.1 Industrial policy of Nepal (2011).
7.2 Classification of Industries.
7.3 Facilities and concessions.
7.4 Competitiveness and comparative advantage.

References
1. Barthwal R.R. - Industrial Economics, Wiley Eastern Ltd. New Delhi, 1985
2. Divine P.J. and R.M. Jones et. al. – An Introduction to Industrial Economic, 1976
3. Hay D. and D.J. Morris – Industrial Economics Theory and Evidence , Oxford University Press, New Delhi, 1979
4. Kuchhal, S.C. – Industrial Economy of India, 1980
5. Kemien, M.J and N.L. Schwartz – Market Structure and Innovation, Cambridge University Press, Cambridge, 1982
6. Martin, Stephen – Advanced Industrial Economics, 1988

Note :- Latest edition of the text book may be used.

Managerial Economics

Credit hours: 3 Hours

Course objectives: - The course aims to develop students knowledge and skills with practical perspectives a experiences in the area of operational and environmental issues pertaining by firms through economic theor and quantitative methods in relation to business decision methods.

Course concepts:

Unit 1- Fundamentals of Managerial economics
LH - 8
- Nature and scope of Managerial Economics
- Managerial Decision and Principles in Today's Economy
- Firms, Managers and their Goals
- The Nature and Function of Profit
- The International Framework of Managerial Economics
- Economists and the Application of Managerial Economics
- *Numerical Assignments and Case Studies*

Unit 2 – Demand Analysis
LH – 8
- Demand Function
- Elasticity of Demand: Measurement, determinants and uses
- Demand Estimation: Marketing Research Approaches and Regression Analysis.
- Demand Forecasting
- Qualitative Forecasts
- Quantitative Forecasts:- Time Series Analysis, Smoothing Techniques, Barometric Methods, Econometric models, Input-output model.

Numerical Assignment and Case studies

Unit -3 Production and Cost Analysis.
LH – 10
Theory of Production:
- Optimal Employment of One variable Input
- Optimal Employment of Two variable Inputs
- Returns to Scale
- Economies of scope
- Empirical Production Function

Cost Theory and Estimation:
- Short run and Long run Cost Functions and their Estimation
- Plant size and Economies of Scale
- Learning curve
- Cost Volume Profit Analysis and Operating Leverage

Linear Programming:
- Linear Programming
- Profit Maximization and Cost Minimization
- The Dual Problem and Shadow Price.

Numerical Assignments and Case Studies

Unit-4 Market Structure and Pricing Practices.

- Market Structure and Degree of Competition
- Oligopoly and Market Concentration
- Pricing Models: Kinked demand curve models, Cartel and Price leadership.
- Strategic Behaviour and Game Theory
- Strategic Behaviour and International Competitiveness
- Non-Price competition and Optimal level of Advertising.
- Pricing Practices: Pricing of Multiple and Joint Products, Price discrimination, Transfer pricing, Cost-plus Pricing, Incremental Analysis in Pricing, other Pricing Practices.

Numerical Assignments and Case Studies

Unit -5 Government Regulation, Risk Analysis and Capital Budgeting.

Government Regulation:
- Role of Government in the Economy
- The Rationale for Regulation
- Market Failure
- Regulatory Response to structural Failure – public utility regulation, Antitrust policy, Regulation of monopoly
- Regulation Responses to Incentive Failures – Patent system, Subsidy, Operating controls, Tax Policy, Regulation of Environmental Pollution.
- Regulation of International competition.
- The Effort of Taxation on Business Decision Risk Analysis.

Risk Analysis:
- o Risk and Uncertainty in Managerial Decision making.
- o Measuring Risk with Probability Distributions.
- o Utility Theory and Risk Aversion
- o Information and Risk

Capital Budgeting
- o The Capital Budgeting Process,
- o The Cost of Capital Benefit Analysis
- o Overview of Cost Benefit Analysis

Numerical Assignments and Case Studies

References:

Domiwick Salvatore and R. Shrivastawa(2012) Managerial Economics – Principles and Worldwide Application, 7" ed., Oxford, Delhi.

Mark Hirschey and James L. Pappas (1989)Fundamentals of Managerial Economics, 4th ed, The Dryden Press, London.

Truett and Truett (2004) Managerial Economics- Analysis, Problems, Cases , 8th ed, Willy Student Edition, India

Michel Baye (2010) Managerial Economics and Business Strategy – 7th ed, McGraw Hills International Edition,
Singapore.

...ary, Keating and Holton Wilson (2009) Managerial Economics – An Economic Foundation for Business Decision 2nd ed, Swatantra, New Delhi.

...istopher R. Thomas and Charles Mourice (2005) Managerial Economics, Concepts and Applications 8th ed. McGraw Hills, India.

...raig Peterson and Cris lewis (2008) Managerial Economics, 3rd ed. Prentice Hall in India, New Delhi.

...eat and Young(2009) Managerial Economics, Economic Tools for Today's Decision Makers –Pearson Education.Delhi

...eep Mclann (2008) Managerial Economics, 1st ed, Thompson South Westeres.

Econ: International Economics   Full Marks: 100
Paper: Teaching Hours:48

(This course will have THREE credits)

The objective of this course is to introduce students to important theories of international trade and barriers to trade, to give them knowledge about the disequilibrium in trade and the options for resolving disequilibrium and to enable them to understand trade problems of developing countries and the role of WTO in resolving these problems.

I.   Classical and Factor Endowment Theories: The Ricardian Model, the Transformation Curve, Heckscher-Ohlin Model, Factor Price Equalization and Explanation with Edgeworth Box Diagram, Leontief Paradox.

II.   Changing Factor Endowments: The Rybczynski Theorem, Footloose Industries and Intermediate goods, Demand Differences.

III. Beyond Factor Endowments: Economies of Scale, Technology Gap Models, Product Cycles, Linder Thesis.

IV.   Terms of Trade: Determination of Terms of Trade, Types of Terms of Trade, Factors Affecting Terms of Trade.

V.   Barriers to Trade: Tariffs and Non-Tariff Barriers to Trade, Effects of Tariff.

VI.   Gains from Trade: Inter- Industry Specialization, Intra-Industry Specialization, Income Distribution, the Stolper-Samuelson Theorem.

VII. Disequilibrium in Balance of Trade, Automatic and Policy Induced Corrective Mechanisms, Elasticity and Absorption Approaches.

VIII. WTO: Important Arrangements and Major Developments since 1995, Expected Effects to Nepalese Economy.

IX.   Changing Composition of World Trade, Developing Countries' Participation in Global Trade, Issues and Problems.

Recommended Readings:

Krugman and Obstfeld: International Economics: Theory and Policy, Addison & Wesley.

Kindleberger, C.P. International Economics, R.D. Irwin , Homewood.

Soderston Bo: International Economics, The Macmillan Press London.

Caves, R.E. &Jones, R.W. :World Trade and Payments, Little Brown and Company

Williamson J.and Milner, C.: The World Economy, New York University Press.

Journal Articles to be prescribed in the Course of Lecture.

Economics of Agricultural Development

Third Semester: Optional Course

Credit hours: 3

This course deals with application of economic principles for agricultural development. The course will cover analysis from farm level to national policies and international issues. Students will develop analytical skills to evaluate agricultural production and agriculture policies in terms of their economic impacts and sustainable development.

Unit I: Introduction to agricultural economics
  a   Definition of Agriculture
  b   Role of agriculture in economic development,
  c   Structure of Agriculture Sector
  d   Interrelationship between agriculture and industry
  e   Agricultural development and poverty, environment and Employment
  f   Inputs Used and Products of Agriculture
  g   Agricultural economics

Unit II: Agriculture Production Economics with one variable input
  a   Production
  b   Profit Maximization
  c   Production with Two Inputs
  d   Maximization in the Two-Input Case
  e   Maximization Subject to Budget Constraints

Unit III Agriculture Production Economics with two variable inputs
  a   Production
  b   Profit Maximization
  c   Maximization Subject to Budget Constraints

Unit IV: Agricultural Production Functions
  a   Cobb-Douglas Production Function
  b   Spillman production function
  c   Transcendental Production Function

Unit 5: Agricultural Marketing
  a   Definition and functions
  a   Special characteristics of agricultural products
  b   Functional and institutional approaches to agricultural marketing

c   Price analysis of agricultural products
d   Costs of marketing food and agricultural products

Unit VI Agriculture Financing
a   Sources of financing
b   Utilization of loan
c   Government regulations on agriculture financing
d   Risks and uncertainties in agriculture
e   Agricultural insurance

Unit VII Agricultural Policies
a)   National Agriculture Policy
b)   Agribusiness promotion policy
c)   Agriculture Perspective Plan
d)   Agriculture Development Strategy

Unit VIII Land Reforms
a   Types of farm organization,
b   Principle of land utilization,
c   Tenancy and crop sharing
d   Green revolution, land reforms measures
e   Performance traditional and modern agriculture,
f   Problems and opportunity of small and marginal farmers

Unit IX Global Issues
a   Population Growth
b   World Food Production Trends
c   Labour migration as a form of service trade
d   UN classification of countries
e   Trade in Agricultural Products
f   Agreement on Agriculture of World Trade Organization

Term paper

Text books

1. Introduction to Agricultural Economics (6th Edition), 2014 by John B. Penson Jr., Oral Capps Jr., C. Parr Rosson III, Richard T. Woodward, Amazon
2. Agricultural Economics (3rd Edition), 2010 by H. Evan Drummond Ph.D. (Author), John W. Goodwin, Amazon
3. Agricultural Economics and Agribusiness (7 ed). Gail L. Cramer, Clarence W. Jensen and Douglas D. Southgate, John Wiley and Sons
4. Principles of Agricultural Economics: Markets and Prices in Less Developed Countries By David Colman, Cambridge University Press[1].
5. Agricultural Production Economics (3 ed), David L. Debertin, Amazon Createspace 2012 (e-copy available).

References

1. Samuelson Paul and William Nordhaus 2009. Economics (19th Edition), McGraw-Hill/Irwin
2. Dominick Salvatore, Eugene Diulio 2003. Schaum's Easy Outline of Principles of Economics (1st Edition), McGraw-Hill, 1st Edition
3. Economic analysis of agricultural projects, by James Price Gittinger, Economic Development Institute of the World Bank, 1982
4. The Agricultural Economics of the 21st Century edited by Vítor João Pereira Domingues Martinho, Springer[2].
5. Fundamentals of arm business management, SS Johl and TR Kapur, Kalyani Publishers
6. Applied Microeconomics: Consumption, Production and Markets, David L. Debertin, Amazon Createspace 2012 (e-copy available)
7. Agricultural Economics and Agribusiness, Cramer, Jensen, and Southgate, John Wiley
8. Agricultural Economics, Drummond and Goodwin, Prentice Hall
9. Introduction to Agricultural Economics, Penson, Capps, and Rosson, Prentice Hall
10. Economics of Resources, Agriculture and Food, Seitz, Nelson, Halcrow
11. Agricultural Price Analysis and Forecasting, John W. Goodwin, John Wiley and Sons, New York, 1994
12. Agricultural Economics by H. Evan Drummond and John W. Goodwin. Prentice-Hall, Inc., New Jersey, 3nd Ed., 2011.

---

[1] Available at googlebook http://books.google.com.np/books?id= fiDjfSQGMRMC&printsec=frontcover&source =gbs_ge_summary_r&cad=0#v=onepage&q&f=false)

[2] Available at google book, https://books.google.com.np/books?id=CKYxBQAAQBAJ&pg=PA119&lpg=PA119&dq=agricultural+economics+text+book&source=bl&ots=NNzMhuAlCh&sig=U_3gIho_U9KJ7F6zJSO85Ngyr_o&hl=ne&sa=X&ei=HQjWVOS_JM6OuATQ1oHwDw&ved=0CDQQ6AEwAzgy#v=onepage&q=agricultural%20economics%20text%20book&f=false

Semester–III Optional Subject.

Environmental Economics

Course Objectives: This course is meant to equip the students with the knowledge of environmental economics to enable them to use economic tools for studies in the fields of environmental economics

Teaching Hrs.

Unit I: Economy and Environment
    10
1. Circular flow of the Economy
2. Material balances
3. The emergence of environmental economics and its linkage with welfare economics
4. Nature of the problem (global and local): pollution and resources depletion
5. Welfare economics and environment
6. Environmental ethics

Unit II: Theory of Externalities
    15
Definition of Externality and Optimal Externality; Properties rights, transactions costs and market failure, Pollution as Externality

Unit III: Economics of Environmental Pollution
    10
1. Residual emissions, Pollution and pollution damages.
2. Efficient reduction in environmental pollution
3. Static efficiency under perfect completion
4. Static efficiency under imperfect competition
5. Environmental pollution (air, water and soil) in Nepal
6. Climate change and its impact in Nepal

Unit IV: Public Policies for Restricting Pollution
    20
1. Establishing property rights for environmental resources
2. Pollution abatement policies for
Point source pollution- taxes, emission charges, emission standards, tradable emission permits
Policies for non point source pollution- input tax, emission charges, input restrictions, cost sharing, mandated production methods, tradable emission permits, other considerations
3. Policies adapted to control pollution in Nepal

Unit VI: Sustainable Development
    20
Meaning of Sustainable Development;
Measuring Sustainable Development; Relevance of concept of Sustainable Development in Developing Countries; Implications of Sustainability for Economic Development, Poverty and the Environment
Case Studies of Nepal

References Books

Barde, J.P. and D.W. Pearce (eds.) (1991). *Valuing the Environment, Six Case Studies*. Earthscan Publication.

Baumol, W. and W. Oates (1988). *The Theory of Environmental Policy*, Second Edition. London: Cambridge University Press.

Champ, Patricia A., Kevin J. Boyle, and Thomas C. Brown (eds.) (2003). *A Primer on Nonmarket Valuation*. Dordrecht/Boston/London: Kluwer Academic Publishers.

Crutilla, J.V. (1967). "Conservation Reconsidered," *American Economic Review*, 57.

Dasgupta, Partha S. and G.M. Heal (1979). *Economic Theory and Exhaustible Resources*. Cambridge: Cambridge University Press.

Dorfman, R. and N. Dorfman (eds.) (1993). *Economics of Environment*, Third Edition. New York: WW Norton.

Faueheux, S., Pearce, D., and Proops J. *Models of Sustainable Development*.

Field, Barry C. (19??). *Environmental Economics: An Introduction*. McGraw Hill, Inc.

Hackett, S. C. (2011). Environmental and Natural Resource Economics, Routledge

Hanley, Nick, Jason F. Shogren, and Ben White (1997). *Environmental Economics: In Theory And Practice*. London: Macmillan Press Limited.

Karparagam, M. (1999). Environmental Economics, Sterling Publications Private Limited

Kirkpatrick, C. and Lee Norman, *Sustainable Development in a Developing World*.

Kolstad, Charles D. (2003). *Environmental Economics*. Oxford and New York: Oxford University Press.

Miller, G.T. (2013). Environmental Science, 14th. Edition. Cengage Learning

Pearce, David W. and Turner, R. Kerry (1990) Economics of Natural Resource and The Environment, The John Hopkins University Press, Baltimore

Perman, Roger, Yue Ma, and James McGilvaray (1996). *Natural Resource and Environmental Economics*. London and New York: Longman. (Third Impression in 1998)

Prato, Tony (1998) Natural Resource and Environmental Economics, Iowa State University Press

Tietenberg, Tom (2001). *Environmental Economics and Policy*, Third Edition. Boston: Addison Wesley.

World Commission on Environment and Development (1987). *Our Common Future*. London: Oxford University Press.

Working Papers from SANDEE publication www.sandeeonline.org

4. Motivation and job satisfaction

UNIT VI   POLICIES RELATED TO HRD IN NEPAL

1. Education policy
2. Employment policy
3. Labour policy
4. Wage policy
5. Health Policy
6. On the Job Training Policy

6

UNIT VII   PROBLEM AND PROSPECTS OF HRD

1. Global HR practices
2. HRD Planning: Affecting Factors, Process and Problems.
3. Problem and Prospects of HRD: Policies, Planning, Implementation with Public Expenditure and Prospects.

References

1. Curtis, B., Hefley, W. E., & Miller, S. A. (1999). *The people capability maturity model*. New Delhi: Hill Publishing Co. Ltd.

2. Dayal, I.(1970). *Management Training Organization*. New Delhi: Prentice Hall.

3. Famularo, Joseph J. (1987). *Handbook of Human Resource Management*. Singapore: McGraw Hill.

4. Ghosh, B. (2000). *Human Resource Development and Management*. New Delhi: Vikas Publisher.

5. Harbison, F & Myers, C.A (1968). *Education, Manpower and Economic Growth Strategies of Human Resources Development*. New Delhi: Oxford and IBH Publishing Co.

6. Kaplan, R.S., and Norton, D.P. (1992). *The Balanced Scorecard: Measures that drive performance*. U.S and Canada: Harvard Business Review.

7. Khandelwal, A (1988). *Human Resource Development in Banks*: New Delhi, Oxford & IBH.

8. Morris, D.M. (1979). *Measuring the Condition of the World's Poor The Physical Quality of Life Index*. New York: Overseas Development Council, Pergaman Press.

9. Nadler. L. (1980). *Corporate Human Resources Development Van Nostrand Reinhold*

10. NPC/UNDP(2014): Nepal Human Development Report 2014 Beyound Geography Unlocking Human Potential, GON, NPC, UNDP, Kathmandu

11. Parek,U. and T.V. Rao (1981). *Designing and Planning Human Resource Systems*. New Delhi, Oxford& IBH.

12. Pareek, U. and V. Sisodia (1999). *HRD in the New Millennium*. New Delhi: Tata McGraw -Hill Publishing Co. Ltd.

13. Rao,T.V. and D.P. Pereira (1985). *Recent Experiences in HRD*, New Delhi, Oxford & IBH.

14. Rudrabasavaraj, M.N. (1977). *Executive Development in India*. New Delhi, Himalaya.

15. UNDP (2013). *The Rise of the South Human Progress in a Diverse World. Human Development Report-2013*. New York.