

Syllabus of M. Sc. In Agricultural Economics (BSMA)

VII. Theory

Block 1: Introduction to micro-economics

Unit 1: Basic Concepts: A review

2. Factor Markets

Scarcity and Choice; Production possibility frontier, Positive and normative economics; concepts of opportunity cost, Demand and Supply: determinants of individual demand/supply; demand/ supply schedule and demand/ supply curve; market versus individual demand/ supply; shifts in the demand/ supply curve

Block 2- Insight of consumer, production and cost involved

Unit 1: Consumer Choice

Cardinal Utility Approach – Ordinal Utility Approach -Budget sets and Preferences under different situations – Hicks and Slutsky income and substitution effects – Restructured and Revised Syllabi of Post-graduate Programmes Vol. 2

Applications of Indifference curve approach – Revealed Preference Hypothesis – Consumer surplus – Derivation of Demand curve – Elasticity of demand – Demand and supply together; how prices allocate resources; controls on prices – price floor and price ceiling – applications in agriculture.

Unit 2: Production and Cost

Production functions: single variable - average and marginal product, variable proportions, stages of production. Two variables - isoquants, returns to scale and to a factor; factor prices; Technical progress; cost minimization and output maximization; Elasticity of substitution. Expansion path and the cost function Concept of economic cost; Short run and long run cost curves; increasing and decreasing cost industries; envelope curve; L-shaped cost curves; economies of scale; revenue and expenditure, elasticity and marginal revenue; Firm equilibrium and profit.

Block 3: Overview of market

Unit 1: Market Forms

Behaviour of profit maximizing firms and the production process- Perfect competition: Equilibrium of the market. Long run industry supply, applications: effects of taxes and subsidies; Monopoly: Equilibrium; supply; multiplant firm; monopoly power; deadweight loss; price discrimination; Monopolistic Competition:

Product differentiation; equilibrium of the firm in the industry-with entry of new firms and with price competition. Comparison with pure competition. Duopoly: Cournot model and reaction curves; Stackelberg's model, Bertrand model; Oligopoly.

Unit 2: Factor Markets

Labour and land markets - basic concepts (derived demand, productivity of an input, marginal productivity of labour, marginal revenue product); demand for labour; input demand curves; shifts in input demand curves; competitive labour markets; Economic rent and quasi rent.

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Block 1: Introduction to Production Economics

Unit 1: Concepts of production economics

Nature, scope and significance of agricultural production economics- Agricultural Production processes, character and dimensions-spatial, temporal - Centrality of production functions, assumptions of production functions, commonly used forms Properties, limitations, specification, estimation and interpretation of commonly used production functions.

Block 2: Factors and costs

Unit 1: Factors and theory of production

Factors of production, classification, interdependence, and factor substitution - Determination of optimal levels of production and factor application - Optimal factor combination and least cost combination of production - Theory of product choice; selection of optimal product combination.

Unit 2: Concepts of cost

Cost functions and cost curves, components, and cost minimization - Duality theory - cost and production functions and its applications - Derivation of firm's input demand and output supply functions - Economies and diseconomies of scale.

Block 3: Assessment

Unit 1: Dynamics of economic assessment

Technology in agricultural production, nature and effects and measurement Measuring efficiency in agricultural production; technical, allocative and economic efficiencies

- Yield gap analysis-concepts-types and measurement - Nature and sources of risk, modeling and coping strategies.

VII. Theory

Block 1: Introduction to Agricultural Marketing

Unit 1: Introduction to agricultural marketing

New Concepts in Agricultural Marketing - Characteristic of Agricultural product and Production - Problems in Agricultural Marketing from Demand and Supply and Institutions sides. Market intermediaries and their role - Need for regulation in the present context - Marketable & Marketed surplus estimation. Marketing Efficiency - Structure Conduct and Performance analysis - Vertical and Horizontal integration - Integration over space, time and form-Vertical coordination.

Block 2: Agricultural Markets

Unit 1: Aspects of agricultural marketing

Different Forms of marketing: Co-operatives Marketing - APMC Regulated Marketing - Direct marketing, Farmer Producer Companies, e-NAM and marketing under e-NAM, e-marketing Contract farming and Retailing, Organized retailing Supply Chain Management - State trading, Warehousing and other Government agencies

- Performance and Strategies - Market infrastructure needs, performance and Government role - Value Chain Finance.

Unit 2: Future marketing and government

Introduction to Commodities markets and future trading - Basics of commodity futures - Operation Mechanism of Commodity markets – Price discovery – Hedging and Basis - Fundamental analysis - Technical Analysis – Role of Government/SEBI in promoting commodity trading and regulatory measures.

Block 3: Advances in Agricultural Marketing

Unit 1: Use of Information Technology

Role of Information Technology and Market Intelligence in marketing of agricultural commodities, -electronic auctions (e-bay), e-Chaupals, Agmarknet and Domestic and Export market Intelligence Cell (DEMIC).

Unit 2: Dynamics of price

Price forecasting – time series analysis – time series models – spectral analysis. Price policy and economic development – non-price instruments.

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Block 1: Conceptualising Macro Economics

Unit 1: Introduction: Measurement and Concepts

Basic concepts and scope of Macro-economics, National Income Accounting: Methods of measurement of key macro-economic aggregates, relationship of national income and other aggregates (with numerical exercises), real and nominal income

Block 2: Theories of macroeconomics

Unit 1: Classical Macroeconomics

Say's Law, Quantity Theory of Money, aggregate labour supply and demand of labour, Classical theory of determining output, wages and prices.

Unit 2. Income And Spending: Keynesian Framework

Simple Keynesian model of income determination; Keynesian Multiplier-aggregate spending, taxation, transfer payments, foreign spending, balanced budget; budget surplus (with numerical exercises).

Block 3- Money, Consumption and Inflation

Unit 1: Money, Interest and Income

Goods market equilibrium-IS curve; Demand for Money, the Liquidity Preference

Theory – Liquidity Trap; asset market equilibrium- LM curve; simultaneous equilibrium in goods and asset market- effect of fiscal and monetary policy

Unit 2: Theories of Aggregate Consumption and Investment

Absolute Income Hypothesis, Relative Income Hypothesis, Fisher's Intertemporal Choice Model, Life-Cycle and Permanent Income Hypotheses; Profits and Accelerator Theory.

Unit 3: Inflation and Unemployment

Inflation: Nature, Effects and control; Types of inflation – demand pull, cost push-stagflation, core inflation, hyperinflation; Phillips curve.

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Block 1: Introduction to Econometrics

Unit 1: Introduction

Relationship between economic theory, mathematical economics, models and econometrics, methodology of econometrics-regression analysis.

Block 2: Classical Regression

Unit 1: Classical Linear Regression

Basic two variable regression – assumptions estimation and interpretation approaches to estimation – OLS and their properties – extensions to multi-variable models-multiple regression estimation and interpretation.

Unit 2: Breaking down of Classical assumptions

Violation of assumptions – identification, consequences and remedies for Multicollinearity, heteroscedasticity, autocorrelation – data problems and remedial approaches – model misspecification.

Block 3: Qualitative Variables

Unit 1: Qualitative variables and simultaneous equation models

Use of dummy variables- Introduction to simultaneous equations- identification problem

VII. Theory

Block 1: Introduction

Unit 1: Introduction

Role of agriculture in economic/ rural development – Evolution of thinking on agriculture and development; Agricultural development – meaning, stages and determinants – Population and food supply – need for sound agricultural policies

Block 2: Theoretical Concepts

Unit 1: Theories of Agricultural Development

Resource exploitation model- Conservation model- Location (Urban impact) model-Diffusion model- High pay-off input model-Induced Innovation Model- Agricultural R&D and Linkages

Block 3: Performance and policies

Unit 1: Performance of Indian Agriculture

Agrarian structure and land relations; trends in performance and productivity; agrarian structure and technology; credit, commerce and technology; capital formation; subsidies; pricing and procurement; Post Green Revolution agriculture; Production and productivity crisis in agriculture; Regional differences; Food Security, PDS system and Malnutrition.

Unit 2: Agricultural Policy: Process and Implementation

Instruments of Agricultural Policy; Process of agricultural policy formulation, implementation, Monitoring and Evaluation in India; Global experiences in participatory approach to Agricultural policy process; critical review of various elements of Indian agricultural policy-resource policies – credit policies – input and product marketing policies – price policies; WTO – Agreement on Agriculture; Planning models. Planning for utilization of resources and Indian Five Year Plans.

VII. Theory

Block 1: Introduction to Agricultural Finance

Unit 1: Basic concepts: A Review

Role and Importance of Agricultural Finance. Financial Institutions and credit flow to rural/priority sector. Agricultural lending – Direct and Indirect

Financing through Co-operatives, NABARD and Commercial Banks and RRBs. District Credit Plan and lending to agriculture/priority sector. Micro-Financing

and Role of MFI's - NGO's, and SHG's.

Block 2: Credit and Financial Analysis

Unit 1: Credit and its aspects

Lending to farmers – The concept of 3 C's, 7 P's and 3 R's of credit. Estimation of Technical feasibility, Economic viability and repaying capacity of borrowers and appraisal of credit proposals. Understanding lenders and developing better working relationship and supervisory credit system. Credit inclusions – credit widening and credit deepening.

Unit 2: Financial analysis

Financial Decisions – Investment, Financing, Liquidity and Solvency. Preparation of financial statements - Balance Sheet, Cash Flow Statement and Profit and Loss Account. Ratio Analysis and Assessing the performance of farm/firm.

Block 3- Project and Risk Management

Unit 1: Project Overview

Project Approach in financing agriculture. Financial, economic and environmental appraisal of investment projects. Identification, preparation, appraisal, financing and implementation of projects. Project Appraisal techniques – Undiscounted measures. Time value of money – Use of discounted measures - B-C ratio, NPV and IRR. Agreements, supervision, monitoring and evaluation phases in appraising agricultural investment projects. Net work Techniques – PERT and CPM.

Unit 2: Risk and its Management

Risks in financing agriculture. Risk management strategies and coping mechanism.

Crop Insurance programmes – review of different crop insurance schemes – yield loss and weather based insurance and their applications.

VII. Theory

Block 1: Concepts of research methodology

Unit 1: Concepts of research methodology

Importance and scope of research in agricultural economics. Types of research – Fundamental vs. Applied. Concept of researchable problem – research prioritization – selection of research problem. Approach to research – research process.

Block 2- Building up hypothesis and sample selection

Unit 1: Hypothesis: Framing and Testing

Hypothesis – meaning – characteristics – types of hypothesis – review of literature – setting of Course Objective and hypotheses – testing of hypothesis.

Unit 2: Sampling

Sampling theory and sampling design – sampling error - methods of sampling – probability and non-probability sampling methods - criteria to choose. Project proposals – contents and scope – different types of projects to meet different needs

– trade-off between scope and cost of the study. Research design and techniques

– Types of research design.

Block 3- Data Collection and Analysis

Unit 1: Data Collection

Data collection – assessment of data needs – sources of data collection – discussion of different situations. Mailed questionnaire and interview schedule – structured, unstructured, open ended and closed-ended questions. Scaling Techniques. Preparation of schedule – problems in measurement of variables in agriculture. Interviewing techniques and field problems - methods of conducting survey – Reconnaissance survey and Pre testing.

Unit 2: Data Analysis

Data coding, tabulation, cleaning. –Multivariate analysis –factor analysis' PCA'cluster analysis. Universal procedures for preparation of bibliography – writing of research articles.

VII. Theory

Block 1- Introduction

Unit 1: Concepts of International Economics

Scope and Significance of International Economics – The role of trade- General Equilibrium in a Closed Economy (Autarky Equilibrium) – Equilibrium in a Simple Open Economy - Possibility of World Trade - Trade gains and Trade Equilibrium.

Block 2- Models, Rate and Terms of Trade

Unit 1: Barriers to trade

Tariff, Producer Subsidy, Export Subsidy, Import Quota and Export Voluntary Restraints- The Case of Small Country and Large Country Case.

Unit 2: Models of trade

Ricardian Model of Trade- Specific Factors Model- Heckscher - Ohlin Model - Trade

Creation and Trade Diversion – Offer Curve - Export Supply Elasticity and Import

Demand Elasticity – Comparative Advantage and Absolute Advantage.

Unit 3: Rates and Terms of trade

Official Exchange Rate and Shadow Exchange Rate - Walra's Law and Terms of Trade – Trade Blocks.

Block 3- Institutions

Unit 1: Trades Institutions

IMF, World Bank, IDA, IFC, ADB – International Trade agreements – Uruguay Round – GATT – WTO.