(26)

Code: ECON-306

Title: Development Economics-I

Credit Hours: 03

Prerequisite: Intermediate Macroeconomics and Intermediate Microeconomics

Objectives:

This is an intermediate course in development economics. This course will give the insight about the economics of low and middle income countries. The field of economic development is versatile and has much to contribute regarding differing scenarios. Thus the course also underlines common features exhibited by a majority of developing nations using the insights of the study of economic development.

Course Contents

Theoretical Foundations

The Nature of Development Economics, Why Study Development Economics? Some Critical Questions, The Important Role of Values in Development Economics, Economies as Social Systems: The Need to Go Beyond Simple Economics, Concepts/ definitions, development versus growth, development variables, scope and significance, recent measurements: PPP (purchasing power parity), PQLI (physical quality life index), human development index (HDI) and Governance index (GI). Characteristics of developing countries.

Major theories of Development

Vicious circle of poverty, Rostow's stages of economic growth. Big push theory, balanced versus unbalanced growth theory, Market friendly approach, Structuralist's view point. Dependency theory, Classical and endogenous growth Theory-Income convergence/ divergence hypothesis, Michael Kremer's O-Ring Theory of Economic Development, The International-Dependence Revolution, The Neoclassical Counterrevolution: Market Fundamentalism.

Population Growth and Economic Development

The Basic Issue: Population Growth and the Quality of Life, Population Growth: Past, Present, and Future, The Demographic Transition, The Causes of High Fertility in Developing Countries: The Malthusian and Household Models, The Consequences of High Fertility: Some Conflicting Perspectives.

Agriculture versus Industry Debate

Role of agriculture, Lewis model of surplus labor and its critical evaluation. Fei – Ranis model, Green Revolution with reference to any developing nation. Complementarities between agriculture and industry. Concept of dualism.

Poverty

Definitions and measurements of poverty. Economic Characteristics of High-Poverty Groups.

Third World Foreign Debt Issues

Rationale of borrowing, Debt cycle theory, Debt overhang and threat to growth. Causes of

third world debt crises: oil price shocks, exchange rate differences, low forex earnings, loose lending factor and mismanagement. Solutions to debt difficulties – Debt rescheduling, restructuring and non-conventional solutions.

Recommended Books:

- Ray, D. (1998). Development economics. Princeton University Press.
- Todaro & Smith (2014). Development Economics, 11th or 12th Edition Pearson
- Herrick B. and Kindleberger C., (latest eds.). Economic Development. McMillan, New York.
- Jones H. G., An Introduction to Modern Theories of Economic Growth, (Latest Edition), McGraw Hills

Code: ECON-307

Title: Advanced Mathematical Economics

Credit Hours: 03

Prerequisite: Calculus –I & Calculus -II

Objectives:

This is the first of a compulsory two-course sequence. The objective of this sequence is to transmit the body of basic mathematics that enables the study of economic theory at the undergraduate level, specifically the courses on microeconomic theory, macroeconomic theory, statistics and econometrics set out in this syllabus. In this course, particular economic models are not the ends, but the means for illustrating the method of applying mathematical techniques to economic theory in general. The level of sophistication at which the material is to be taught is indicated by the Course Contents of the prescribed textbook.

Course Contents

Higher Order Differential and Difference Equations

Solution of Higher Order Differential Equations with Constant Coefficient and Constant Term. Convergence and the Routh Theorem. Higher Order Linear Difference Equations and their Solutions. Convergence and Schur Theorem.

Simultaneous Differential and Difference Equations

Solving Simultaneous Dynamic Equations, Dynamic Input-Output Models, Inflation-Unemployment Model, Two Variables Phase Diagrams

Linear Programming

Ingredients of linear Programming. Graphical approach, simplex method, economic application of linear programming. Concept of primal & dual. Duality theorems. Solving of Primal via dual. Economic interpretation of a dual

Non-Linear Programming:

The Nature of Non Linear Programming Non-Linearities in Economics. Kuhn Tucker Condition. Interpretation of Kuhn Tucker Condition. Kuhn Tucker Sufficiency Theorem: Concave Programming. Arrow Enthoven Sufficiency Theorem: Quasiconcave Programming.