

Fundamentals behind Economic Growth

Government

Government's role in economy, governance and rule of law, taxation, efficiency and the size of government, planning and policies, corruption and Kleptocracy, democracy and economic growth, causation from government quality to income.

Income Inequality

Facts about income equality, the Kuznets Hypothesis, effects of income inequality on the accumulation of physical and human capital, and economic growth.

Culture

The effect of culture on economic growth, openness to new ideas, hard work, saving behaviour, trust, social capital, cultural change, determinants of cooperation.

Geography, Climate and Natural Resources

Location, trade and growth, geographic concentration and spillovers, climate and productivity, climate and disease, natural resource endowment and economic growth, the curse of natural resources, incorporating natural resources into the analysis of economic growth.

Recommended Books:

- David N. Weil, Economic Growth, (2012). Third Edition. Pearson Addison-Wesley.
- Charles I. Jones and Dietrich Vollrath. (2013). Introduction to Economic Growth, Third edition, W. W. Norton & Company.
- Elhanan Helpman, The Mystery of Economic Growth, (2010). Belknap, Press of Harvard University Press.
- William R. Easterly. (2008). The Elusive Quest for Growth: Economists' Adventures and Misadventures in the Tropics. The MIT Press

Code: ECON-403

Title: Applied Economics

Credit Hours: 03

Prerequisite: Advanced Microeconomics, Advanced Macroeconomics, Mathematical Economics-I and Econometrics-II

Objectives:

This course is designed for senior students having gone through theory of Macroeconomics, Microeconomics, Statistics, Mathematics and Econometrics. The important areas will be emphasized in this course are reading articles, data analysis/ estimation and writing ability. The students will also be taught how to build economic model and estimate them. The software programs such as EVIEWS, SPSS and STATA are recommended for this course. This course is enormously demanding and students will have to make efforts and hard work. Consistency and seriousness will be of paramount important for performing well in this course.

Course Contents

Introduction

Introduction to Applied Areas, Selection of topic, Defining the problem statement, writing literature, Building Economic model. Selection of variables for economic model.

Estimation of Production Function

Use of Computer, SPSS, E-Views to Estimate Production Functions. Cob-Douglas Production Function, Constant Elasticity Production Function etc.

Computer Applications: Demand, Supply and Equilibrium

Estimation of Demand and Supply using E-Views/SPSS. Aggregate Demand, Aggregate Supply and Equilibrium.

Model Building and Estimation

Building Simple Econometric Models and Estimation. Single Equation Models, Multiple / Simultaneous Equation Model. Interpretation of Computer

Project Appraisal and Computer Application

Use of Computer Programming (Softwares), E-Views etc. for Cost-Benefit Analysis, Estimation of Present Values, Estimation of Economic and Social Benefits. Project Appraisal Using E-Views etc. Estimation of Cost Functions and Decision Making.

Econometric Analysis and Computer Applications

Regression Functions. Estimation with Qualitative Variables Confidence Interval and Hypothesis Testing. Estimation and Improving Model Estimates: Autocorrelation, Estimation of simultaneous Equations. Estimation of VAR and ARIMA Models.

Results and Discussions

Types of results, interpretation and discussion of results, how to conclude results, policy suggestions, referencing.

Recommended Books:

- E-Views Manual (Learning help available with package (Software)). Gimi, Carter and Annette, Marquis, with Karl Browning, Mastering Microsoft
- Office XP Premium, Selection B.P.B., Publishers, New Delhi, 2001.
- D. F. Robertson, Computer Applications and Programming, USA: Har Brace Jovanovich Inc., Latest edition.
- SPSS-Manual.
- Micro-fit