

2SLS.

### **Time Series Econometrics**

Concept of Stationarity, Tests of Stationarity, Unit Root test, Transforming Non-stationary Time Series, ARMA and ARIMA Models, Comparison of forecast based on ARIMA and regression models, Co-integration and Error Correction Mechanism (ECM), VAR models, ARCH models.

### **Panel Data**

Why panel data regression models, Estimation of pool data regression models, Common intercept method, fixed effects model, Least Square Dummy Variables Approach, Random effects model, Generalized Least Square Approach, Fixed effects model vs. random effects model, Hausman Specification Test.

### **Recommended Books:**

- Stock H. J. and Watson M. W. (2003), Introduction to Econometrics, India: Pearson Education. Latest edition
- Gujarati, D. Porter, D. (2009). Basic Econometrics, McGraw-Hill Company. 5th edition
- Jeffrey M. Wooldridge J. M., (2001). Econometric Analysis of Cross Section and Panel Data”, The MIT Press, Latest edition.
- Johnston, J. & John D. (1997). Econometric Methods. The McGraw Hill Companies, Inc, Singapore. Latest edition/
- Greene W. H (latest edition), Econometrics Analysis, Pearson Education, Inc.

**Code: ECON-406**

**Title: Development Economics-II**

**Credit Hours: 03**

**Prerequisite: Development Economics-I**

### **Objectives:**

The course objectives are: To provide an introduction to the concepts, ideas, and strategies employed in the pursuit of economic development; To develop and understand basic principles that enable critical assessment of alternative development policies and programs. To reflect on the goals and objectives, implementation strategies, and successes and failures of economic development efforts

### **Course Contents**

#### **The Millennium Development Goals**

A case study of Pakistan

#### **Urbanization and Rural-Urban Migration**

The migration and urbanization dilemma, the role of cities, urban problems, urban formal sector, migration and economic development, economic theory of rural urban migration.

#### **Human Capital and Contributions to Growth**

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Role of education and health in economic development, employment – issues and generation strategies, educational system and economic development, health measurement and distribution, health productivity and policy.

### **Environment and Economic Development**

Environment and development: some basic issues, rural development and the environment, global warming and climate change: change scope, mitigation and adaptation, economic models of environment issues, urban development and the environment, the local and global cost of forest destruction, case study of developed and developing countries.

### **Trade, FDI and Development**

Gains from trade, aid versus trade debate, MNC's (Multinational co-operations) advantages and disadvantages. Transfer of technology: ways and means.

### **Foreign Finance, Investment, and Aid: Controversies and Opportunities**

The International Flow of Financial Resources, Private Foreign Direct Investment and the Multinational, Private Foreign Investment: Some Pros and Cons for Development, Private Portfolio Investment: Benefits and Risks, The Role and Growth of Remittances, Foreign Aid: The Development Assistance Debate, Conceptual and Measurement Problems, Amounts and Allocations: Public Aid, Why Donors Give Aid, Why Recipient Countries Accept Aid, The Role of Nongovernmental Organizations in Aid, The Effects of Aid.

### **Institutions and Economic Development**

Domestic political institutions: What is democracy? Domestic political institutions and the IMF, Global governance: Who runs the international institutions? Why do we have a G-20? and what is the role of regional institutions?

### **Research Articles**

Three recent research articles from well-known journal, The Developing Economies.

### **Recommended Books:**

- Hirshman A. O., (1960). Strategy of Economic Development, Yale University, Press.
- Jones H. G., An Introduction to Modern Theories of Economic Growth, (Latest Edition), McGraw Hills.
- Debraj Ray, Development Economics.
- David N. Weil, Development Economics, (Latest Edition).
- Todaro and Smith (2014). Development Economics, 11th or 12th Edition Pearson.
- Przeworski, Adam, Michael Alvarez, José Antonio Cheibub, and Fernando Limongi. (2000). Democracy and Development: Political Regimes and Economic Well-being in the World, 1950-1990. New York: Cambridge University Press.
- Research Journal, The Developing Economies, Impact Factor: 0.481.