

Curriculum and Syllabus for Masters Program

Department of Economics

Session: 2020-2021

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ECON 501: Microeconomic Theory I (Compulsory), Semester 1

Course Objective

This course will focus mainly on recent theoretical work in the general area of game theory, information

and incentives, with applications in economics.

This course begins with an extensive review of standard topics such as consumer theory, the theory of the

firm, expected utility, risk aversion, and decision-making under uncertainty. Then this will proceed to

analyze game theory, basic moral hazard, adverse selection, and signaling problems. If time permits,

some of the extensions of these basic problems will also be studied. Finally, general equilibrium theory

and its applications in economics will be explored. Problem sets (not to be graded) will be distributed

throughout the course. Even though referenced texts will be used substantially for lectures, supplementary readings from journals will be used for many topics.

Prerequisites:

A solid knowledge of basic microeconomic analysis and mathematical skill with constrained optimization techniques will prove to be very helpful.

Topics

- 1. Review of Consumer Theory:** [MWG] Chapters 1, 2 & 3
- 2. Review of the Theory of the Firm:** [MWG] Chapter 5
- 3. Choice under uncertainty**

Simple Lottery, Compound Lottery, Axioms of Expected Utility, Von Neumann Morgenstern Expected

Utility, Allais Paradox

Definitions of Risk Aversion, Local risk aversion, Global risk aversion, Absolute risk aversion, Relative risk

aversion, Comparisons of the degree of risk aversion Certainty Equivalence, Risk Premium, Probability

Premium , Degrees of Risk Aversion, Decreasing Absolute Risk Aversion (DARA), Constant Absolute Risk

Aversion (CARA), Increasing Absolute Risk Aversion (IARA)

Portfolio Choice, Optimal level of risky assets, Risk Aversion and Insurance

Measuring Risk – First Order Stochastic Dominance, Second Order Stochastic Dominance

Theory of Competitive Firm – (i) under Price Uncertainty and (ii) under production

Uncertainty [MWG],

Section 6A-6D

J. Pratt, "Risk Aversion in the Small and the Large", ;Econometrics, 32(1), January 1964: 122-136.

A Sandmo, "On the Theory of the Competitive Firm under Price Uncertainty" American Economic

Review, 61(1) March 1971: 65-73

4. Game Theory

(i) Oligopoly and Static Games of Complete Information Gibbons, chapter 1

[MWG], Chapter 8

(ii) Dynamic Games of Complete Information

Theory: Backward Induction, Stackelberg Model of Duopoly, Sequential Bargaining, Extensive form

representation of games, Sub-game perfect Nash equilibrium

Ausubel, L. (2003), "Auction Theory for the New Economy" (short survey aimed toward grade students)

Milgrom, P., "Auctions and Bidding: A Primer," Journal of Economic Perspectives, Summer 1989, 3-22

(iv) Dynamic Games of Incomplete Information Gibbons, chapter 4

[MWG], Chapter 13, section 13.c

Spence, A.M., "Job Market Signaling," Quarterly Journal of Economics, 1973, 355-374

Primary Textbooks

Mas-Colell, A., M. Whinston and J. Green (henceforth "MWG") (1995), Microeconomic Theory, Oxford Univ. Press.

Gibbons, R. (1992) Game Theory for Applied Economists, Princeton Univ. Press.

Supplementary Textbooks

Hirshleifer, J. and J. Riley (1992), The Analytics of Uncertainty and Information, Cambridge Analytics Press.

Bolton, P. and M. Dewatripont (2005), Contract Theory, MIT Press.

ECON 502: Microeconomic Theory II (Optional), Semester 2

Prerequisites: A solid knowledge of basic microeconomic analysis and mathematical skill with constrained optimization techniques will prove to be very helpful.

Topics

1. Moral Hazard and Principal-Agent Problems

The Basic Moral Hazard Problem

Contract Design with observable effort, Contract Design with unobservable effort, Shape of the optimal compensation scheme, optimal effort

2. Holstrom and Milgrom's linear scheme

Risk Neutrality and Observability, Risk Neutrality and Unobservability, Assumptions behind the

Simple results, contracting with agent risk aversion, Contracting with effort observability, Contract design with unobservable effort

[MWG], Chapter 14, section 14A-B

B. Holmstrom, "Moral Hazard and Observability", Bell Journal of Economics, 10(1), Spring 1979, 74-91.

3. Lemon Market

Discrete and Continuous case

[MWG], Chapter 13, Section 13B

Akerlof, George A. (1970). "The Market for 'Lemons': Quality Uncertainty and the Market Mechanism".

Quarterly Journal of Economics 84(3); 488-500

4. Adverse Selection, Signaling, and Screening

[MWG], Chapter 13

T. Lewis and D. Sappington, "Countervailing Incentives in Agency Problems", Journal of Economic

Theory, 49(2), December 1989, 294-313.

Spence, A.M., "Job Market Signaling," Quarterly Journal of Economics, 1973, 355-374

5. General Equilibrium Theory

Pure Exchange Economy, The 2 X 2 Production Model, Stolper-Samuelson Theorem, Specific Factors

Model, Rybczynski Theorem

[MWG], Chapter 15

6. Externalities and public goods

Pigouvian Tax, Coase Theorem, The Samuelson Condition (Pareto optimal), under provision of

Public goods through Nash Equilibrium

[MWG], Chapter 11

Maureen L. Cropper and Wallace E. Oates, "Environmental Economics: A survey", Journal of Economic

Literature, Vol. 30, No. 2 (Jun., 1992, pp. 675-740

7. Welfare Theorem

First and Second Welfare Theorem [MWG], Chapter 16

Primary Textbooks

A Mas-Colell, M. Whinston and J. Green (henceforth "MWG"), Microeconomic Theory,

OxfordUniv.Press, 1995

R. Gibbons, Game Theory for Applied Economists, Princeton Univ. Press, 1992.

ECON 503: Macroeconomic Theory I (Economic Growth) (Compulsory), Semester 1

Course objective: This course offers graduate level training in macroeconomic theories and applications to students seeking Masters degree in Economics and have background in advanced

macroeconomic theories, basic econometrics and mathematical economics. The course is divided into

two parts. The first part covers the neoclassical growth models; endogenous theory of economic

growth; brief overview of optimal control theory and dynamic programming with application to the

growth models; growth accounting; and finally empirical analysis using domestic and regional data. The

second part of the course focuses on the theories of economic fluctuations with empirical applications

and the microfoundation of macro level analysis of fluctuations.

Prerequisites (courses offered in the department, others):

Course No. 402 (Advanced Macroeconomic Theory)

Course No. 301 (Introductory Econometrics - I)

Course No. 302 (Mathematical Economics – I)

Course No. 303 (Mathematical Economics – II)

Topics

1. Growth Theories:

- History and Overview of Economic Growth Theories,
- Solow-Swan Model,
- Models of Endogenous Growth,

- Research and Development Models,
- Role of Human Capital,
- Role of Technological Change,
- Role of Labor Supply and Migration,
- R & D Spillovers,
- Growth Models with Consumer Optimization—Ramsey Model,
- Overlapping Generations Model,
- Growth Accounting,
- Empirical Analysis of Growth Rates and Major Macroeconomic Indicators.

2. Dynamic Optimization and Growth:

- Dynamic Macroeconomics,
- Review of Differential Equations and Phase Diagrams,
- Review of Optimal Control Theory,
- The Calculus of Variations and Dynamic Programming,
- Solow Model (Revisited),
- Monetary Growth Model and Non-Neutrality of Money.

Recommended Texts:

1. Acemoglu, DK. (2009). *Introduction to Modern Economic Growth*, Princeton, NJ: Princeton University Press. (A)
2. Barro, R.J. and Sala-i-Martin, X. (1995). *Economic Growth*, (BS)
3. Farmer REA. (2002) *Macroeconomics*. 2nd edition. (F)
4. Leonard D and Long NV. (1992) *Static Optimization in Optimal Control Theory and Economics*, Cambridge University Press. – (LL).
5. Mankiw NG and Scarth W. (2001). *Macroeconomics*, 2nd (MS)

Additional Readings:

1. Griliches Z. (1991). “The Search for R & D Spillovers,” *Scandinavian Journal of Economics*, 94:29-47.
2. Dominguez KM, Fair RC and Matthew DS. (1988). “Forecasting the Depression: Harvard Versus Yale,” *American Economic Review*, 78, September, pp. 595-612

3. Kandil M. (2003) "The Wage-Price Spiral: Industrial Country Evidence and Implications," IMF Working Paper, WP/03/164.
4. Kandil M and Morxaie IA. (2003). "The Effects of Exchange Rate and Output Fluctuations on Prices: Evidence from Developing Countries," IMF Working Paper, WP/03/200.
5. Kose MA, Prasad ES, and Terrones ME. (2003). "How Does Globalization Affect the Synchronization of Business Cycles?" IMF Working Paper, WP/03/27
6. Nordhaus W. (1975). "The Political Business Cycle," Review of Economic Studies, 41:169-190.
7. Barsky RB and Miron JA. (1989). "The Seasonal Cycle and the Business Cycle," Journal of Political Economy, 97, June, pp.503-534.
8. Summers R and Heston A. (1991). Supplement (5.6) to "The Penn World Table (Mark 5): An Expanded Set of International Comparisons 1950-1988," Quarterly Journal of Economics, May, pp 327-368.
9. The Economist. (1997), Big Mac Prices and the Exchange Rate: An Application of Purchasing Power Parity, April 12, p. 71.
10. Mankiw NG, Romer D. and Weil DN. (1992). "A Contribution to the Empirics of Economic Growth," Quarterly Journal of Economics, May, pp. 407-437.
11. Young A. (1995). "The Tyranny of Numbers: Confronting the Statistical Realities of the East Asian Growth Experience ," Quarterly Journal of Economics, 101, August, pp. 641-680.
12. Chari V. V. and Patrick J. Kehoe. (2006). Modern Macroeconomics in Practice: How Theory Is Shaping Policy, Research Department Staff Report 276, Federal Reserve Bank of Minneapolis.
13. Sidrauski M. (1967). Rational Choice and Patterns of Growth in a Monetary Economy, American Economic Review, Vol. 57, No.2
14. Adlman I. (1961). Theories of Economic Growth and Development (IA)
15. Rostow WW. (1990) Theories of Economic Growth from David Hume to the Present Day. (WR)
16. Reid G. (1989) Classical Economic Growth. (GR)

**ECON 504: Macroeconomic Theory II: (Economic Fluctuations) (Optional),
Semester 2**

Topics

1. Theories of Fluctuations:

Real Business Cycle Models,

The Economics of Robinson Crusoe, --Intertemporal Substitution of Labor, Technology Shocks,

-Neutrality of Money,

-Flexibility of Wages and Prices.

2. Microeconomic Foundations of Incomplete Nominal Adjustment:

- Imperfect Information Model,

-The Case of Perfect Information,

-The Case of Imperfect Information,

-Staggered Price Adjustment,

-Model of Imperfect Competition and Price-setting,

-Predetermined Price,

-Fixed Prices,

-Caplin-Spulber Model,

-New Keynesian Model,

- Small Frictions, -

-Real Rigidity,

-Coordination Failure Models.

3. Empirics of Fluctuations: -

-Forecasting the Depression, -- Political Business Cycle,

- Globalization and Business Cycle,

-Exchange Rate Fluctuations,

-Wage-Price Spiral,

- Trends, Cycles, Fluctuations and Seasonality in Data,

- International Comparisons,
- Big Mac Index of Purchasing Power Parity,
- Empirics of Economic Growth,
- East Asian Growth Experience,
- Time Series and Panel Data for Countries.

References

(Same as Semester 1)

ECON 505: Development Economics I (Optional), Semester 1

Course Objective

This course will provide an overview of the concepts, themes and leading issues in the fields of

Contemporary development economics. We shall blend the principles and concepts and theories of

economic development and use them to explore the core issues of economic development in the Third

World countries. Each student taking the course is expected to leave the class with the basic knowledge

of the principles in the study of economic development. They would also be able to discuss comfortably

the leading development issues and challenges facing the developing countries and recommend

possible way-out.

Course Outline

I. Overview of Economic Development from a Historical Perspective

- Meaning and Measurement of Development
- Evolution of the concept of development
- Changes in the approach to development: theories and policies
- Economic growth vs. Economic development

II. Agricultural Transformation and Economic Growth

- Structural transformation of agriculture as a prerequisite for industrial growth: the current debates

- Agrarian reforms and implications for food security, rural development and sustained poverty reduction
- The market for land and types of tenancy contracts.

III. Industrialization and Development

- Industrialization: a prerequisite for high and sustained economic growth Strategies for industrialization ISI vs. E01
- East Asian experience and lessons for late comers

IV. Decision making within families

- Intra-household resource allocation
- The effects on education, marriage and labor supply

V. Urbanization and Rural-urban Migration

- Trends of urbanization and urban growth
- The labor market
- Economic theory of rural-urban migration

VI. Poverty, Inequality, and Economic Growth

- Concepts, Measurements and Poverty Alleviation Policies
- Discrimination, malnutrition, health, and productivity.

IX. Credit Market

- The supply side of the markets for credit and savings
- The demand side of the markets for credit and savings
- Microcredit and Poverty Alleviation: Growth or Stagnation?

X. Technology

- Human capital and adoption of technology Agriculture
- Learning by doing

Recommended Readings (to be expanded gradually as the course progresses)

Books:

- (1) Behrman, J. and Srinivasan, T. N. (edited), Handbook of Development Economies, Volumes, IIIA & 11113 Elsevier, Amsterdam, 1995
- (2) Meir, G.M. and Stightz, J.E. (edited), Frontiers of Development Economics – The Future in Perspective, World Bank and Oxford University Press, 2001
- (3) Ian Living Stone (edited), Development Economics and Policy Readings, George Allen and Unwin Boston, 1981
- (4) Meir G.M. and Seers Dudley, Pioneers in Development, Oxford University Press, New York, 1984
- (5) Aghion, P. and Durlauf, S. (editors), Handbook of Economic Growth, North-Holland, Amsterdam, 2005
- (6) World Bank, Annual World Bank Conference on Development Economics, Various Issues
- (7) World Bank and Oxford University Press, The East Asian Miracle – Economic Growth and Public Policy 1993, Washington, D.C.
- (8) John Rapley, Understanding Development: Theory and Practice, Boulder, 2002
- (9) Amartya Sen, Development as Freedom,, Random House, New York, 1999
- (10) Michel P. Todaro and Stephen C. Smith, Economic Development, Pearson Education, 2003
- (11) A.P. Thirlwal, Growth and Development
- (12) Amsden. A., Asia's Next Giant: South Korea and Late Industrialization, Oxford University Press, New York, 1989
- (13) Edmond, C.M. (edited), Reducing Poverty in Asia
- Emerging Issues in Growth Targeting and Measurement, Edward Elger, Cheltenham, U.K. 2003
- (14) A.K. Sen, Choice of Techniques, Blackwell, Oxford 1968
- (15) Walden Bello, Nicola Bullard et. al. (edited), Global Finance, The University Press Limited, Dhaka, 2000
- (16) Ian Golden and Kenneth Reinert, Globalization for Development, World Bank and Palgrave Macmillan, 2007 (revised edition), Washington

(17) World Bank, World Development Report, Various Issues

(18) UNDP, Human Development Report, Various Issues

Journals:

Selected Leading Journals on Development Issues and Concerns Relevant to the Course

(1) Economic Development and Cultural Change

(2) American Economic Review

(3) World Development

(4) Bulletin of the Oxford University Institute of Economics and Statistics

(5) Journal of Development Studies

(6) Quarterly Journal of Economics

(7) Economic and Political Weekly

(8) Oxford Economic Papers

ECON 506: Development Economics II (Optional), Semester 2

Topics

I. Theories of Economic Growth:

- Neoclassical Growth Theories and Models,
- Structural Transformation Models,
- Market Fundamentalism.

II. The New Growth Theories: Endogenous Growth:

- Increasing vs. Constant vs. Diminishing Returns, Income Convergence Controversies.

III. Foreign Direct Investment and Economic Development:

- Trends and Patterns of FDI flows in the Recent Decades,
- FDI and Technology Transfer: Benefits vs. Costs to the Host Countries, Export Processing Zones (EPZs) and Economic Development in the LDCs.

IV. Globalization and Development:

- Structural Adjustment and Economic Reforms,
- Paradigm Shifts in National and International Development Policies;
- Social Mobilization, Empowerment, Participation and Human Rights Based Development Paradigms;
- Global Finance: Critical Issues of Controls, Regulations and Implications for Reforms of the International Financial System.

V. The Environment and Sustainable Development:

- Environmental Challenges to Development;
- Environment-Development Nexus;
- the Search for and Approach to Sustainable Development.

VI. The Role of the State and the Market and the Development Challenges:

- State vs. Market as Development Agents;
- Current Controversies and future directions.

VII. Political Economy and Development:

- History and Institution
- Corruption
- Patronage Politics
- Democracy and Development.

Recommended Readings

Same as Semester 1

ECON 507: International Trade Theory (Optional), Semester 1

Topics

1. Ricardian Comparative Advantage

- Absolute and Comparative Advantage
- the Ricardian Model
- the Analysis of Relative Demand and Relative Supply and Free Trade Price
- Production, Consumption and Trade after Free Trade

2. Comparative Advantage in the Heckscher-Ohlin Framework

- GDP Function,
- Factor Intensity Reversal
- The Heckscher-Ohlin Model

3. Empirical Testing of Heckscher-Ohlin Model

- Leontief Paradox
- Heckscher-Ohlin-Vanek (HOV) Model; Theorem (Leamer 1980)
- Partial Tests of HOV Theorem
- Complete Test of HOV Theorem
- Modelling Different Technologies across Countries
- Export Structure of South Asia and Africa Through the Lens of Heckscher-Ohlin

4. The Specific-Factors Model

- Assumption of the Model
- Production Possibilities
- Prices, Wages and Labor Allocation
- International Trade in the Specific Factors Model

5. The Gains from Trade and Income Distribution

- Gains from Trade
- the Gains-From-Trade Theorem
- the Gains from Exchange

-the Gains from Specialisation

6. Factor Endowments and International Trade

-The Rybczynski Theorem

7. Alternative Theories of International Trade

-Monopolistic Competition

-Increasing Returns to Scale

-Intra-Industry Trade

-Strategic Trade Theory

8. Various Issues Related to Tariffs

-Smuggling and Protection

Texts

1. Feenstra, R. (2004). *Advanced International Trade: Theory and Evidence*, Princeton University Press.
2. Krugman, P., Obsfeld, M. (2003). *International Economics: Theory and Policy*, 6th Edition, Addison- Wesley, London .
3. Markusen, et al. (2000), *International Trade: Theory and Practice*, McGraw-Hill, Inc.

Reading List

- (1) Baldwin, Richard and Krugman, P. (1988), "Industrial Policy and International Competition in Wide-Bodied Jet Aircraft", in Robert E. Baldwin (ed.), *Trade Policy Issues and Empirical Analysis*, University of Chicago Press for NBER
- (2) Carolan, T. et al. (1998), "The Composition of US-East Asia Trade and Changing Comparative Advantage", *Journal of Development Economics*, vol. 57, pp.361-389.

- (3) Helpman, E. (1999) , “The Structure of Foreign Trade”, Journal of Economic Perspectives, vol. 13, No.2, pp. 121-144.
- (4) Krugman, P. (1987), “Is Free Trade Passe?” Journal of Economic Perspectives, vol. 1, no. 2, pp. 131-44.
- (5) Krugman, P. (1994). “Increasing Returns and the Theory of International Trade”, Chapter 5 in *Rethinking International Trade*, MIT Press, pp. 63-90.
- (6) Krugman, P. (1994), “Industrial Organization and International Trade”, Chapter 14 in *Rethinking International Trade*, MIT Press pp. 226-268.
- (7) Krugman P. (1994), “Introduction”, in Krugman, P., and Smith, A. (eds.), *Empirical Studies of Strategic Trade Policy*, University of Chicago Press for NBER pp. 1-5.
- (8) Krugman, P. (1994), “ What’s Wrong with Strategic Trade?”, *Peddling Prosperity: Economic Sense and Nonsense in the Age of Diminished Expectations*, Norton, pp. 256-267.
- (9) Mayer, J. And Wood, A. (2000), “South Asia’s Export Structure in a Comparative Perspectives”, *Oxford Development Studies*, vol. 29, no.1, pp. 5-30.
- (10) Neven, D. And Seabright, P. (1995), “European Industrial Policy: The Airbus Case”, *The Economic Policy*, vol. 21, pp 313-358.
- (11)Smith, A. (1994), “Imperfect Competition and International Trade”, Chapter 3 in *Greenaway, D. And Winters, L. A. (1994), Surveys in International Trade*, Blackwell, pp. 4365.
- (12) Tharakan, P.K.M. (ed.) (1983), *Intra-Industry Trade: Empirical and Methodological Aspects*, Elsevier Science Publishers B.V. (North-Holland).
- (13) Trefler, D. (1993), “International Factor Priced Differences: Leontief Was Right! *Journal of Political Economy*, vol. 10, no. 6, pp.961-985.

(14) Trefler, D. (1995), "The Case of Missing Trade and Other Mysteries", American Economic Review, pp. 1029-1046.

(15) Winters (1994), International Economics, Routledge, pp.95-97; pp.104-105 pp.106-110

(16) Wood, A. And Mayer, J. (2001), "Africa's Export Structure in a Comparative Perspective", Cambridge Journal of Economics, vol. 25, pp.369-94.

ECON 508: International Trade Policy (Optional), Semester 2

Topics

1. Trade Policy and Trade Liberalisation:

- Theoretical Perspectives on Trade Liberalization and Economic Growth
- Empirical Literature on Trade Liberalization and Economic Growth
- Export-Led Growth vs. Growth Led Export
- Evolution of Trade Policy in Bangladesh
- Evolution of Trade Liberalisation in Bangladesh
- Within-Country and Global Perspectives of Trade Liberalisation in Bangladesh
- Scopes for Further Trade Liberalisation in Bangladesh

2. Regional Trade Integration:

- Forms of Regional Integration
- Trade Creation and Trade Diversion
- Arguments For and Against Regional Integration
- Experiences of Different RTAs: NAFTA, SAFTA, ASEAN, BIMSTEC, Different Bilateral FTAs
- Regionalism versus Multilateralism
- Implications for Bangladesh

3. Economic Geography, Trade, and Development:

- Geographical and a Country's Competitiveness
- How Does Geography Shape Interactions between Economic Agents?
- The Gravity Model
- Geography and Export Performance

4. WTO Issues:

- Overview of WTO
- WTO Agreement on Agriculture
- WTO and NAMA;
- General Agreement on Trade in Services (GATS)

- Trade Related Aspects of Intellectual Property Rights (TRIPS)
- Sanitary and Phytosanitary (SPS) Measures, Aid for Trade
- WTO and the LDCs and Bangladesh

Reading List

- (1) ADB (2003). "The Role of Preferential Trading Arrangements in Asia", <http://www.adb.org>
- (2) Ahmed, S. and Sattar, Z. (2003), "Trade Liberalisation, Growth and Poverty Reduction: The Case Of Bangladesh", World Bank.
- (3) Baldwin, R.E. (1997), "The Causes of Regionalism", *The World Economy*, pp.865-888.
- (4) Begum, S. and Shamsuddin, A.F.M. (1998), "Exports and Economic Growth in Bangladesh",
- (5) Dollar, D. and Kraay, A. (2001), "Trade, Growth and Poverty", Policy Research Working Paper, World Bank, Washington, D.C.
- (6) Feder, G. (1983), "On Exports and Economic Growth", *Journal of Development Economics*, vol. 12, pp. 59-73.
- (7) Frankel, J.A. and Romer, D. (1999), "Does Trade Cause Growth", *American Economic Review*, vol. 89, No.3, pp.379-99.
- (8) Ghatak, S., Milner, C. and Utkulu, U. (1997), "Exports, Export Composition and Growth: Cointegration and Causality Evidence for Malaysia", *Applied Economics*, vol. 29, pp.213-23.
- (9) Giles, J. and Williams, C. (2000), "Export-led Growth: A Survey of the Empirical Literature and Some Noncausality Results", *Journal of International Trade and Economic Development*, vol. 9, No.3, pp. 261-338.
- (10) Greenaway, D. and Sapsford, D. (1994), "What does Liberalisation Do for Exports and Growth", *Weltwirtschaftliches Archiv*, vol. 130, pp. 152-74.
- (11) Grossman, G., and Helpman, E. (1991) "Trade, Knowledge Spillovers, and Growth", NBER.

- (12) Harrison, A. (1996), "Openness and Growth: A Time-Series, Cross-country Analysis for Developing Countries", *Journal of Development Economics*, vol. 48, pp 419-447.
- (13) Henderson et al. (2000), "Geography and Development", mimeo.
- (14) Hoekman, B. and Kost, M. (2002), "Regional Integration", Chapter 10 in *Political Economy of the World Trading System: The WTO and Beyond*, Oxford University Press, Second Edition.
- (15) Irwin, D. and Trevio, M. (2002), "Does Trade Raise Income" Evidence from the Twentieth Century", *Journal of International Economics*, vol. 58, pp. 1-18.
- (16) Krueger, A. (1998), "Why Trade Liberalisation is Good for Growth", *Economic Journal*, vol. 108, pp. 1513-1521.
- (17) Krueger, A. (1999), "Are Preferential Trading Arrangements Trade Liberalising or Protectionists", *Journal of Economic Perspectives*, vol. 13, No.4, pp.105-24.
- (18) Michaely, M. (2001), "Assessing the Promise of a Preferential Trade Agreement" in Lal, and Snape (eds) *Essays in Honour of Anne E Krueger* – this covers some methodological issues.
- (19) Milner, et al. (1998), "Protection, Trade Policy and Transport Cost: Effective Taxation of Ugandan Exporters", *CREDIT Discussion Paper no. 7*, University of Nottingham.
- (20) Neary, P. (2000), "On Hype and Hyperboals: Introducing the New Economic Geography" mimeo.
- (21) Overman et al. (2001), *The Economic Geography of Trade, Production and Income: A Survey of Empirics*, LSE and CEPR, mimeo.
- (22) Panagariya, A. (1998), "Rethinking the New Regionalism", in Nash, J. and Takacs, W. (eds), *Trade Policy Reform: Lessons and Implications*.
- (23) Panagariya, A (2004), "South Asia: "Does Preferential Trade Liberalisation Make Sense?"", mimeo.
- (24) Pitigala, N. (2004), "What Does Regional Trade in South Asia Reveal about Future Trade Integration: Some Empirical Evidence", *World Bank Policy Research Working Paper*, no. 3497, World Bank, Washington, D.C. (Electronic version is available).
- (25) Rahman, Mafizur (2003), "A Panel Data Analysis of Bangladesh's Trade: The Gravity Model Approach", mimeo.
- (26) Raihan, S. (2006), "Bangladesh' s Trade Barriers in a Global Perspective: A Comparative Analysis", *The Bangladesh Development Studies*, vol. 29, No. 1&2, March-June.

- (27) Raihan, S. (2007), Dynamics of Trade Liberalisation in Bangladesh: Analyses of Policies and Practices. Pathak Samabesh, Dhaka.
- (28) Raihan, S. and Razzaque M.A. (2007), "Welfare Implications of SAFTA", Paper presented at the 10th GTAP conference, Purdue University, USA.
- (29) Raihan, S. and Razzaque, A. (2006), "Poverty and Welfare Implications of Global Rice Trade Liberalisation for Bangladesh" paper prepared for the Commonwealth Secretariat, London.
- (30) Raihan, S. and Razzaque, A. (2008), Trade Development and Poverty Linkages: Experiences from Asia and Sub-Saharan Africa. Vol. II. CUTS International. Jaipur, India.
- (31) Raihan, S. and Razzaque, A. (2007), "Regional Trading Arrangement (RTA) in South Asia", Paper prepared for the UNDP Regional Centre Colombo.
- (32) Razzaque et al. (2003), "Trade Liberalisation and Economic Growth: Empirical Evidence on Bangladesh", Paper Presented at the BIDS-World Bank Workshop on Trade Policies in South Asia, 6-7 October.
- (33) Razzaque, A. and Raihan, S. (2008), Trade Development and Poverty Linkages: Experiences from Asia and Sub-Saharan Africa. Vol 1, CUTS International, Jaipur, India.
- (34) Razzaque, A. and Raihan, S. (eds.) (2007), Trade and Industrial Policy Environment in Bangladesh with Special Emphasis on Some Non-Traditional Export Sectors. Pathak Samabesh, Dhaka.
- (35) Razzaque, A. and Raihan, S. and Almiad, N. (2006), "Global Rice Trade Liberalisation: Implications from Some Alternative Scenarios", paper prepared for the Commonwealth Secretariat, London.
- (36) Razzaque, et al. (2003), "Export-Growth Nexus and Trade Liberalisation" Chapter 3 in Trade Liberalisation and Economic Growth: Empirical Evidence on Bangladesh, BIDS, mimeo.
- (37) Redding, S. and Venables, S. (2004), "Economic Geography and International Inequality", Journal of International Economics.
- (38) Redding, S. and Venables, A. (2003), "Geography and Export Performance: External Market Access and Internal Supply Capacity", LSE and CEPR.
- (39) Rodriguez, F., and Rodrik, D., "Trade Policy and Economic Growth: A Skeptic's Guide to Cross National Evidence", NBER Macroeconomics Annual 2000.
- (40) Rodrik, D. (1995), "Getting Interventions Right: How South Korea and Taiwan Grew Rich", Economic Policy, vol. 20, April.

- (41) Rodrik's Comments on Dollar and Kraay.
- (42) Sachs, J. and Warner, A. (1995), "Economic Reforms and the Process of Global Integration", Brookings Papers on Economic Activity, p. 1-95.
- (43) Soloaga, I., and Winters, L. A. (2001), "Regionalism in the nineties: What Effect on Trade", World Bank Policy Research Working Paper.
- (44) Srinivasan, T.N. and Bhagwati, J. (1999), "Outward-Orientation and Development: Are Revisionist Reight?", mimeo.
- (45) Vamvakidis, A. (2002), "How Robust is the Growth-Openness Connection? Historical Evidence", Journal of Economic Growth, vol.7, pp.57-80.
- (46) Venables, A. (2000), Cities and Trade: External Trade and Internal Geography in Developing Countries, mimeo.
- (47) Winters, L. A. (2000), "Assessing Regional Integration Arrangements", World Bank Policy Research Working Paper.
- (48) Winters, L. A. (2004), "Trade Liberalisation and Economic Performance: An Overview", Economic Journal, vol. 114, pp. F4-F21.
- (49) World Bank (2005), "Regional Trade Agreements: Effects on Trade", Global Economic Prospects 2005.
- (50) Yanikkaya, H. (2002), "Trade Openness and Economic Growth: A Cross-country Empirical Investigation", Journal of Development Economics, v ol. 72, pp.57-89.

ECON 509: International Finance (Optional), Semester 2

The aim of the course is to provide students with the analytical tools used in the field of international

finance and show how these tools can be applied in examining key policy issues. Topics covered in the

course include small open economy models of intertemporal trade, international business cycles

puzzles in international economics, models of exchange rate determination, global capital flow,

sovereign debts and defaults and financial crises.

Topics

1. Small Open Economy Model: A Small Economy with Many Periods, Dynamics of Current Account, Output Fluctuations, Demographics and Life Cycle, Investment and Growth, Public Debt and the World Interest Rate.

2. Uncertainty and International Financial Markets: A Global Model, International Portfolio Diversification, Consumption and Home Bias, Feldstein-Horioka Puzzle, Asymmetric Transmission Puzzle, Failure of the Law of One Price, Business Cycles in Emerging Markets.

3. Imperfections in International Capital Markets: The Composition, Direction and Volatility of Capital Flow, Sovereign Debt: Classical Theory, Sovereign Risk and Investment, Recontracting Sovereign Debt Repayment.

4. Money and Exchange Rates under Flexible Prices: The Cagan Model of Money and Prices, Nominal Exchange Rate Regimes, Speculative Attacks.

5. Nominal Price Rigidities: The Mundell-Fleming-Dornbusch Model, Empirical Evidence of Sticky Price Exchange Rate Models, Choice of the Exchange Rate Regime.

6. Financial Crisis: Empirical Facts, First Generation Models, Self-Fulfilling Expectations and Crises (Second Generation Models), Credit Frictions and Crises/Sudden Stops (Third Generation Models).

References

- (1) Obstfeld, Maurice and K. Rogoff (1996). *Foundations of International Macroeconomics*, Cambridge, MA, MIT Press.
- (2) (1996): *The Handbook of International Economics*, ed. Gene Grossman and Kenneth Rogoff North Holland-Elsevier Press.
- (3) Obstfeld, M. and K. Rogoff (2001): "The Six Major Puzzles in International Macroeconomics: Is There a Common Cause?" NBER Macro Annual.
- (4) Cole, H.L. and T. Kehoe (2000): "Self-Fulfilling Debt Crises", RES.
- (5) Arellano, C. and E. Mendoza (2002): "Credit Frictions and Sudden Stops in Small Open Economies: An Equilibrium Business Cycle Framework for Emerging Markets Crises," NBER WP 8880.
- (6) Eaton, J. and M. Gersovitz (1981): "Debt with Potential Repudiation: Theoretical and Empirical Analysis," RES.
- (7) Betts, C. and M. Devereux (2000): "Exchange Rate Dynamics in a Model of Pricing- To Market," JIE.
- (8) Gorodnichenko, Y. and L. Tesar (2005): "A Reexamination of the Border Effect" University of Michigan,
- (9) Backus, D., P. Kehoe and F. Kydland (1992), "International Real Business Cycles", JPE.
- (10) Stockman, A., and L. Tesar (1995): "Tastes and Technology in a Two-Country Model of the Business Cycle: Explaining International Co-Movements", AER.

ECON 510: Time Series Econometrics (Optional), Semester 1

Course Objects: The course deals with the theory and application of time series methods in econometrics. Topics covered will include univariate stationary and non-stationary models, cointegration, error correction model, vector autoregressions, seasonal time series, conditional heteroskedasticity and forecasting. The goal is to provide a theoretical foundation of the above mentioned topics along with tools to pursue empirical research.

Prerequisites:

ECON. 301, ECON 302, ECON 305, ECON 306

Topics

1. Stationary ARMA Process:

- Stationary Stochastic Processes,
- ARMA,
- Stationarity and Invertibility,
- Autocorrelations of a SSP,
- Partial Autocorrelations of a SSP,
- Modeling Univariate Time Series,
- Estimation and Inference.

2. Vector Auto-Regression:

- VAR and Granger Causality,
- Impulse Response Functions.

3. Spectral Analysis:

- The Population Spectrum,
- Sample Periodogram

4. Models of Nonstationary Time Series:

- Nonstationary Processes,
- Integrated Processes–Meaning of Unit Root, Processes with Deterministic Time Trends

5. Univariate Processes with Unit Roots:

- Brownian Motion,
- Phillips-Perron Test,
- Dickey-Fuller Test.

6. Unit Roots in Multivariate Time Series:

- VAR Containing Unit Roots.

7. Co-integration:

- Spurious Regression,
- Co-integration,
- Test of Co-integration **ECM**

8. Seasonal Time series:

- Generalized Seasonal Model,
- Multiplicative Seasonal Model.

9. Time Series Model of Heteroskedasticity:

- Volatility Clustering, .

10.

- World Decomposition,
- Box-Jenkins Modeling,
- Examples.

11. Review of Time Series Analysis

12. Practice classes –

- Practice with STATA/EVIEWS

13. Paper presentation

- Presentation of assignment
- 20 minutes each

14. Midterm and in-course

- Two classes for midterms and in-course and two for solutions

Recommended Texts

1. Hamilton, J. D (1994), *Time Series Analysis*, Princeton University Press.

2. Greene, William H. (2002), *Econometric Analysis*, Prentice Hall, Upper Saddle River, New Jersey.
3. Nelson, Charles R. (1973), *Applied Time Series Analysis For Managerial Forecasting*, Holden-Day, Inc.
4. Stock, J. H. and Mark Watson (2007). *Introduction to Econometrics*, Pearson Education, Inc.

Additional Reference

1. Gujarati, Damodar N. (1995), *Basic Econometrics*, McGraw-Hill Inc.
2. Cochrane, John H. (2005), *Time Series for Macroeconomics and Finance*.

ECON 511: Panel Data and Non-linear Econometrics (Optional), Semester 2

Course objective: The course deals with two types of econometric models

1. Panel data models
2. Non-linear models

The goal is to provide a theoretical foundation of the above mentioned models along with tools to pursue empirical research. In addition to this it also deals with the concept of large sample properties of estimators- consistency, asymptotic normality etc.

Prerequisites:

ECON 301, ECON 302, ECON 405, ECON 406

Topics

1. Binary outcome models

-- LPM, Logit Model, Probit Model Latent Variable Models, Choosing a Binary Model – Theoretical and Empirical Consideration, Examples

2. Multinomial Models

-- MNL and CL, Additive Random Utility Models, Nested Logit, Ordered and Sequential Outcomes, Example

3. Tobit and Selection Models

-- Censored and Truncated Models, Tobit Model, Conditional mean in Censored and Truncated Models, Sample selection Models, Example

4. Transition Data: survival analysis – Basic concepts, censoring, parametric models, non-parametric regression models

5. Models of count data

-- Basic count regression, parametric and partially parametric models, multivariate counts and endogenous regression

6. Panel Data Models

-- Models, Estimators – Pooled, Between, Within, First Difference and Random Effect, Panel Robust Statistical Inference, Fixed Effect vs Random Effect, Hausman Test, Example

7. GMM Estimation

-- One and Two Step Panel GMM, Tests of Overidentifying Restriction, Selection of Instruments Under Different Exogeneity Assumptions, IV for Fixed Effect, First Difference and Random Effect Models, Dynamic Panel Models, Arellano – Bond Estimator, Difference in Difference Estimator, CEV in Panel Data, Example

8. Nonlinear panel models

-- Binary outcome data, Tobit and selection model, transition data, count data

9. Treatment evaluation

-- Setup and assumptions, treatment effect and selection bias, regression, discontinuity design, IV method

10. Review, midterm, in-course

Recommended Texts:

1. Cameron, A Colin and Pravin K. Trivedi (2005), *Microeconometrics Methods and Applications*, Cambridge University Press.
2. Greene, William H. (2002), *Econometric Analysis*, Prentice Hall, Upper Saddle River, New Jersey.
3. Wooldridge, Jeffrey M. (2002), *Econometric Analysis of Cross Selection and Panel Data*, The MIT Press, Cambridge.

Additional Readings:

1. Gujarati, Damodar N. (1995), *Basic Econometrics*, McGraw-Hill Inc.
2. Maddala, G. S. ,*Introduction to Econometrics*, McMillan Publishing Co. New York.

ECON 512: Industrial Organization I: (Optional), Semester 1

Topics

1. (i) Conceptual Issues

- (a) Importance and Scope of Industrial Organization
- (b) Concept of a plant, firm and industry and their interrelationships

(ii) Business Organizations

- (a) Private Sector vs. Public Sector
- (b) Types of Private Sector Ownership
- (c) Types of Public Sector Organizations.

2. Objectives of firm

Growth, profit and sales maximization and nature of conflicts between different objectives.

3. Determinants of optimum size of the firm.

4. Growth rate and cost curve of a firm.

5. Measurement of optimum size of a firm.

- (a) Stigler's hypothesis and Survivor Technique.
- (b) Economies of scale and Survivor Technique.

6. Industrial Concentration

- (a) Types of Concentration
 - (i) Average concentration
 - (ii) Market concentration.
- (b) Measurement of Market Concentration:
 - (i) Concentration curve
 - (ii) Concentration ratio
 - (iii) Lorenz curve
 - (iv) Hirschman: Herfindahl index
 - (v) Lerner index

7. Integration

- (a) Concept and types of integration: Vertical, Horizontal and Merger.
 - (i) Merger and economies of scale.
 - (ii) Vertical and conglomerate merger.
- (b) Stigler's life-cycle hypothesis and vertical intergration.
- (c) Vertical integration and monopoly.

8. Diversification

- (a) Typology of diversification:

- (i) Lateral diversification:
 - Convergent lateral diversification
 - Divergent lateral diversification
- (ii) Diagonal diversification
- (iii) Conglomerate diversification
- (b) Measurement of diversification:
 - (i) Diversification curve
 - (ii) Specialization ratio
 - (iii) Berry's index
 - (iv) Herfindahl Index
- (c) Objectives of diversification.
- (d) Diversification and competition.

9. Conditions of entry

- (a) Barriers to entry
 - (i) Absolute cost advantage
 - (ii) Economies of scale
 - (iii) Product differentiation
- (b) Vertical integration and barriers to entry.
- (c) Merger and barriers to entry.

10. Market structure, Invention and Innovation

- (a) Firm size and technical progress
- (b) Patent right; Patent right and Barrier's to entry.

11. Location of industry

- (a) Significance of the location of industry; advantage and disadvantage.
- (b) Factors of location of industry
 - (i) Historical
 - (ii) Natural
 - (iii) Economic
 - (iv) Political
 - (v) Others.
- (c) Weber's theory of least transportation cost.
- (d) Location of industry and regional development: Agglomeration and Deglomeration factors.

(e) Measurement of the location of industry.

Recommended Texts: (Insent)

1. Bain, J.S. (1959), *Industrial Organization*, University of California.
2. Needham, Douglas (1970), *Economic Analysis and Industrial Structure*, Rinehart and Winston.
3. Bain, J.S. (1956), *Barriers of New Competition*, Harvard University Press.
4. Clarke, Roger (1986), *Industrial Economics*, Balasil Blackwell Ltd.
5. Pickering, J.F. (1974), *Industrial Structure and Market Conduct*, Martin, Robertson & Company Ltd, London.
6. Birthwal, R.F. (1984), *Industrial Economics*, Wiley Eastern ltd., Delhi
7. Penrose, E.T., *The Theory of the Growth of a Firm*,
8. Becheme, A. & E.J. William, *Economics of the Industrial Organization*
9. Koch, J.V. (1974), *Industrial organization price*
10. Hoover, E.M., *The Location of Economics Activity*
11. Isard, W., *Location and Space Economy*
12. Sing, Amarjit and Sadhu (1988), *Industrial Economics*, Himalaya Publishing House, Bomvay
13. Sharma, C.P. (1988), *Industrialization and Regional Development*, Deep & Deep Publications, New Delhi.
14. Needham, Devid (eds.), *An Introduction to Industrial Economics*
15. Report of the TASK RORCES on Bangladesh Development Strategies for the 1990's Vol. two, University Press Limited, Dhaka, 1991.
16. Khan, Azizur Rahman (1989), *The Strategy of Development in Bangladesh*, Macmillan
17. Abdullah, Abu and A.R. Khan (1996), *State, Market and Development: Essays in Honour of RehmanSobhan*, UPL, Dhaka
18. Centre for Policy Dialogue (CPD), (1995, 1996 and 1997), *Experiences with Economic Reform: Review of Bangladesh's Development*, University Press Ltd.
19. Reza, S., M.U. Ahmed & W. Mahmud (1992), *Small and Medium-Scale Enterprises in Industrial Development*, Academic Publishers, Dhaka.
20. Bakht, Zaid (ed.) (1991), Special Issue on "Industrial Policies and State of Industrialization in Bangladesh", vol. XIV, March-June 1991, Numbers 1 & 2.
21. Reza, Sadrel A.L. (ed.), *Export-Led Growth Strategy for South Asia*
22. Thuraisingam, Geeta (1998), *Prospects on Challenges*, Asia and Pacific Development Centre (APDC), Kuala Lumpur

23. Ahmed, Momtaz Uddin (1987), *The Financing of Small Scale Industries: A Study of Bangladesh and Japan*, University of Dhaka
24. K.H. Ahmed (2002), *Backward Linkage to Ready Made Garments: Bangladesh Perspective*, Academic Press and Publication Limited, Dhaka
25. Quddus, M. and S. Rashid (2000), *The Remarkable Story of Garment Exports from Entrepreneurs and Bangladesh Economic Development*, UPL, Dhaka
26. Siddique, Hafiz, G.A. (2004), *The Ready Made Garment Industry of Bangladesh*, Dhaka, UPL
27. Bhattacharya. D., et, al. (2005), *Bangladesh in the Global Trade Regime: Labour*,

ECON 513: Industrial Organization II (Optional) Semester 2

Course outline

1. Significance of industrialization for a densely populated country like Bangladesh.
2. Industrialization strategies
3. Industrial policies since independence.
4. Structure of policies since independence:
 - (a) Size of the industrial sector.
 - (b) Composition of industries.
 - (c) Growth and structure of manufacturing industries.
5. Growth of private industrial investment (Domestic and Foreign) for accelerating industrial development:
 - (a) Policies and incentives
 - (b) Institutional Support.
6. Structure and trend of the growth of export-oriented industries.
7. Financing industries in Bangladesh.
8. Strategy of industrialization:
 - (a) Import-substitution and Export promotion.
 - (b) Problems challenges and prospects of garment industries.
 - (c) Strategy of small and medium industries (SMEs).
 - (d) Agro-industrial linkage:
 - (e) Industrial cluster, Agglomeration, EPZ, Economic Zone, Industrial Complex, Industrial Park.
 - (f) Labour intensive and capital intensive.
9. Globalization and Structural shift of industries.
10. Industrialization and Regional Development.

References

Same as Semester I

ECON 514: Bangladesh Economy: Sectoral Studies (Optional), Semester 2

Topics

1. External Sector: Trade and Debt

- Trade gap and external debt
- Exports: growth and composition
- Imports: growth and composition
- An assessment of export and import policies
- Balance of Payments and foreign exchange reserves
- External aid and debt situation

2. Fiscal Sector

- Budget and its Structure
- Revenue: Structure and Growth
- Tax and Non-tax Revenues: Structure and Growth
- Expenditure: Structure and Trends
- Financing of the Budget

3. Physical Infrastructure

- Energy and Power
- Transport and Communications
- Flood Control

4. Poverty and Income Distribution

- Main Indicators and their Limitations
- The evidence and Interpretation
- Factors Behind Poverty and Inequality
- Discrimination against Women
- Other Sources of Economic Inequality

5. Human Resource Development

- Indicators of HRD
- Social Sector: Trends and Development
- Policy Changes in Relation to HRD

6. Labor Migration and Remittance Earnings

- Within-country and Out-country Labor Migration in Bangladesh Market for Labor Migration for Bangladeshi Workers
- Problems in the Manpower and Skill Training Sector
- Remittance Flow and Impact on Bangladesh Economy

References

1. Khan, A.R. and Mahabub Hossain (1989), *The Strategy of Development in Bangladesh*, Macmillan, London
2. Planning Commission (1973), *The First Five Year Plan 1973-78*, Bangladesh Government Press
3. C.P.D., *Independent Review of Bangladesh Development, (IRBD)*, (different issues from 1995 to 2001), University Press Limited, Dhaka.
4. Bayes, Abdul and Muhammad, Anu (ed.) (1998), *Bangladesh at 25: An Analytical Discourse on Development*, University Press Ltd. 1998.
5. Bangladesh Bureau of Statistics, *Statistical Pocket Book (Latest Issue)*, Dhaka
6. Akash, M.M., (2004), *বাংলাদেশের অর্থনীতি: অতীত, বর্তমান ও ভবিষ্যৎ*, প্যাপিরাস, ঢাকা, Papyrus, Dhaka
7. Islam, Nurul (2007), *The Making of A Nation: A Tale of an Economist*, UPL, Dhaka.

ECON 515: Population Economics (Optional) Semester 2

Course Outline

- 1. Political Economy of Health:** Why health matters? Health inequality- how much and why? Health of poor people- Reality. Changing disease pattern-who bears the burden? Public health expenditure- who benefits? Health and conscientization.
- 2. Health inequalities:**What is health? Why health equity matters? Measures of health inequality. Three dimensions of health inequality – health outcomes, health seeking behaviors, economic burdens of ill-health. Lessons for future.
- 3. Diseases of poverty:** Six diseases of poverty; implications for population and health planning.
- 4. Burden of disease:** Measurement (DALY); pattern, trend and policy-planning implications.
- 5. Barriers in poor people’s access to public health:** Barrier model – reasons for not visiting public health facilities. Associated expenses – IPD, OPD, Subsidy, undone services. Access gap. Associated learning.
- 6. Child Health, Child Poverty and Child Schooling:** What Determines Child Health and Survival? The Effects of Poor Nutrition, Dimensions associated with health and nutrition, Child Labour and Schooling.
- 7. Empowerment of women:** Economic, social, cultural dimensions.
- 8. Disability and development:** Extent by types of disability; budget and relevant issues.
- 9. Health policy:** Essence and development links.
- 10. Economics of Family:** Theories of the Family, The Formation and Dissolution of Families, Intrahousehold Distribution, Intergenerational and Interhousehold Economics Links,
- 11. Fertility:** Models of Fertility, The Cost of Children and the Use of Demographic Variables in Consumer Demand, Demand for Children in Low Income Countries.
- 12. Migration:** Internal Migration, Economic Impact of International Migration: Developed and Developing Country Perspective.
- 13. Aging:** Demographic Composition, and the Economy: The Economics of Individual and Population Aging.
- 14. Population and Economic Growth:** Population Dynamics: Equilibrium, Disequilibrium, and Consequences of Fluctuations, Long-Term Consequences of Population Growth: Technological Change, Natural Resources, and the Environment.

Reading List

1. Todaro, M. 1985. Economic Development in the Third World. Orient Longman.
2. Government of Bangladesh, Bangladesh Bureau of Statistics, Population Census
3. Jeffrey D. Sachs, 2005. The End of Poverty. How we can make it happen in our lifetime, Penguin Books.
4. Martha C. Nussbaum and Amartya Sen (eds), 2000. The Quality of life, 4th edition, Oxford University Press.
5. AbulBarkat, 2008. “Political Economy of Energy for Attaining MDGs in Bangladesh: Challenges and Options”, *Social Science Review, The Dhaka University Studies, Part-D, Vol. 25, No. 2.* Dhaka University.

6. AbulBarkat and M Majid, 2005. "Rural Electricity's Impact on Reduction of Health Poverty in Bangladesh", *Bangladesh Journal of Political Economy*, Volume 22, Nos. 1 & 2.
7. AbulBarkat, 2004. "Rural Electrification and Poverty Reduction: The Case of Bangladesh", *Social Science Review*, The Dhaka University Studies, Part D, Volume 21, Number 1, June, pp. 21-64, University of Dhaka.
8. AbulBarkat, 1998. "Governance of Public Health in Bangladesh", in RehmanSobhan (ed), *Crisis of Governance in Bangladesh: Independent Review of Bangladesh Development 1998*, University Press Limited, Dhaka.
9. AbulBarkat, M Majid, R Ara, M Taheruddin, S Hoque, A Poddar, and G Mahiyuddin, 2006. *Budget Allocation in Gender Perspective: Methodological issue*.
10. AbulBarkat and N Sabina, 2006. *Barriers in Poor People's Access to Public Health Facilities in Bangladesh*.
11. Ministry of Health and Family Welfare, 1998. Population and Development Challenges in Bangladesh: Innovations and Scopes for Collaboration.
12. Ministry of Health and Family Welfare, 1999. ICPD Programme of Action: What has been done in Bangladesh.
13. Barbara Evers and K Siddique (eds), 2006. Who Gets What. A Gender Analysis of Public Expenditure in Bangladesh. The University Press Limited, Dhaka
14. Ministry of Health and Family Welfare, 1999. Population and Development Post- ICPD Achievements and Challenges in Bangladesh.
15. AbulBarkat and SR Howlader (eds),. 1997. Population and Development Issues in Bangladesh: National Plan of Action based on ICPD '94 Recommendations, Ministry of Health and Family Welfare.
16. World Health Organization, 2007. Macroeconomics and Health (Volumes 1 and 2).
17. AbulBarkat, 2010. "Political Economy of Health Care in Bangladesh", *Social Science Review*, University of Dhaka.
18. AbulBarkat, 2010. "Is there any impact of microcredit on Women's health", *Social Science Review*. University of Dhaka.
19. AbulBarkat and MS Khan, 2009. "Economics of Tobacco in Bangladesh: Lessons Learned and Recommendations for Policy", *Bangladesh Journal of Political Economy*, Vol. 25, Numbers 1 and 2, Dhaka.
20. Population Reference Bureau, World Population Data Sheet (various years)
21. Binayek Sen, 2001. The Health Divide: Analysis of Health Inequalities in Bangladesh, Bangladesh Institute of Development Studies (*mimeo*).
22. Kim P Streatfield, 2001. Disease Patterns in Bangladesh: Present and Future Health Needs (*mimeo*). ICDDR, B.
23. SR Osmani (undated). Delivering Basic Health Services to the Poor in Bangladesh: A Right to Development Approach.
24. Health Policy of Bangladesh.
25. UNICEF, 2009. Global Study on Child Poverty and Disparities: National Report Bangladesh.
26. Richard Smith, R Beaglehok, D Woodward, and N Drager, 2003. Global Public Goods for Health: Health Economic and Public Health Perspectives, Oxford University Press.
27. April Harding and A S Preker (eds), 2003. Private Participation in Health Services. The World Bank.

28. Marjorie A. Koblinsky, 2003. Reducing Maternal Mortality. The World Bank.
29. World Health Organization, 2002. Mobilization of Domestic Resources for Health.
30. World Health Organization, 2002. Global Public Goods for Health.
31. World Health Organization, 2002. Health and the International Economy.

Journal

1. Population and Development Review
2. Population Studies
3. Demography
4. Studies in Family Planning
5. International Family Planning Perspective
6. Journal of Health, Population and Nutrition
7. Asia Pacific Population Journal
8. Social Science and Medicine
9. International Journal of Health Planning and Management
10. Health Transition Review
11. International Labour Review
12. Economic Development and Cultural Change
13. Journal of Health and Population in Developing Countries
14. Bullentin of the World Health Organization
15. Bangladesh Development Studies
16. Bangladesh Journal of Political Economy
17. Social Science Review (University of Dhaka, Part D)
18. Rosensweig, M. R. and Evenson, R. E. (1977). Fertility, Schooling, and the Economic Contribution of Children in Rural India: An Econometric analysis, *Econometrics*, Vol. 45, no. 5, pp. 105-1079.

ECON 516: Public Policy (Optional), Semester 2

Course objective

This course examines the basic political dynamics of the public policymaking process, emphasizing the role of usable knowledge for policy decision-making. In addition to examining the politics of each phase of the policy cycle-agenda setting, policy formulation, policy adoption, implementation, and evaluation- the seminar investigates the kind of knowledge and inquiry appropriate to each phase. Along the way, the contemporary debates between positivist and post positivist approaches to policy inquiry are explored.

Topics

1. Introduction to Public Policy
2. Theoretical Approaches to Public Policy
3. Efficiency versus Equity in the Policy Process
4. Policy Agenda-Setting: The “Garbage Can” Model
5. Policy Formulation and Policy Communities
6. Policy Decision-Making: Rationalism, Incrementalism and Irrationalism
7. The Politics of Policy Decision Methodologies: The Case of Cost-Benefit Analysis
8. Policy Implementation and Process Evaluation
9. Policy Evaluation: Evaluation Research and Experimental Designs
10. In Search of Usable Policy Knowledge: Integrating Empirical Evidence
11. Policy Discourse: Postpositivist and Postmodern Perspectives
12. Policy Evaluation: Program Objectives and Situational Context
13. Policy Evaluation: Societal Goals and Political Ideology
14. Policy Analysis and Democratic Decision-Making

Recommended Texts

Leon, Peter De, *Advice and Consent: The Development of the Policy Sciences*

Fischer, Frank, *Reframing Public Policy: Discursive Politics and Deliberative Practices*

Additional Readings

Howlett, Michael and M. Ramesh, *Studying Public Policy: Policy Cycles and Subsystems*

Schneider, Anne and Helen Ingram, *Policy Design for Democracy*

Kingdon, John, *Agendas, Alternatives, and Public Policies*

Pressman, Jeffrey and Aaron Wildavsky, *Implementation*

Lindblom, Charles, *Inquiry and Change*

Fischer, Frank, *Citizens, Experts and the Environment: The Politics of Local Knowledge*

Fischer, Frank and John Forester, eds. *The Argumentative Turn in Policy Analysis and Planning.*

Bobrow, Davis and John Dryzek, *Policy Analysis by Design*

Parsons, Wayne, *Public Policy: The Theory and Practice of Policy Analysis*

Hawkesworth, M. E., *Theoretical Issues in Policy Analysis*

Okun, Arthur, *Equity Versus Efficiency: The Big Trade*

ECON 517: Environmental and Natural Resource Economics (Optional), Semester 1

Topics

- 1. The Theory of Externalities**
- 2. The Design of Environmental Policy**
- 3. Valuation of Environmental Resources**
- 4. Overview of Natural Resource Economics**
 - Notions of Scarcity.
 - Measurement of Scarcity: physical indicators, price, marginal extraction cost, scarcity rent.
 - Review of Discounting.
 - Review of the Hamiltonian.
- 5. Economics of Exhaustible Resources**
 - Optimal Depletion of an Exhaustible resource.
 - Hotelling's Rule for a Perfectly Competitive Mining Industry.
 - The Hartwick Rule.
 - Impact of Costs, Discount Rates and Backstop Technologies.
 - Choice of Discount Rate and Social Welfare Function.
 - Empirical Analyses
- 6. Economics of Fishery**
 - Static and Dynamic Theory of the Fishery.
 - Growth Functions, Carrying Capacity, Maximum Sustainable Yield.
 - Regulation of the Fishery.
 - Taxes and Quotas.
 - Individual Transferable Quotas.
- 7. Biological resources with *in situ* Value**
 - Optimal Harvesting.
 - Possibility of Extinction.
- 8. Economics of Forestry**
 - The Forester, Fisher and Faustmann Rules.
 - Effect of Incorporating Non Timber Values
- 9. Key Environmental issues of Bangladesh**

Recommended Texts

- (1) Baumol, W. J. and Oates, W. (1988), "The Theory of Environmental Policy", 2nded, Cambridge University Press.
- (2) Hanley, N., Shorgen, J. and White B. (1997). "Environmental Economics in Theory and Practice", Macmillan.
- (3) Bromley, D. W. (1995). (eds). "Handbook of Environmental Economics", Blackwell.
- (4) Conrad, J.M. and Clark, C. W. (1987), "Natural Resource Economics", Cambridge University Press.
- (5) Hartwick, J. M. and Olewiler, N. D. (1998). "The Economics of Natural Resource Use" 2nded, Addison Wesley.
- (6) Conrad, J. M. and Clark, C. (1987), "Natural Resource Economics: Notes and Problems" Cambridge University Press.
- (7) Perman, R, Ma Ya., McGilvay, J. and Common, M. (1999). "Natural Resource and Environmental Economics", 2nded, Pearson Education.

- (8) Cropper, M. L. and Oates, W. (1992). "Environmental Economics- A Survey" *Journal of Economic Literature*, vol. 30, no. 2, pp. 75-740.
- (9) Clark, C.W. (1973). "Profit Maximization and the Extinction of Animal Species", *Journal of Political Economy*, vol. 81, pp. 950-61.
- (10) Conrad, J. M. "Bioeconomic Models of Fisheries" in *Handbook of Environmental Economics*.
- (11) Pearce, D. & Turner, R.K. 1990. *Economics of natural resources and the environment*. Harvester Wheatsheaf.
- (12) Gain, Philip (ed.) (1998), *Bangladesh Environment: Facing the 21st, Century*, Society for Environment and Human Development (SEND).

ECON 518: Labor Economics (Optional), Semester 1

Topics

1. **Key Issues on Labor Demand and Labor Supply**
2. **Job Search**
 - Basic Job Search Theory & its Extensions.
 - The Equilibrium Search Model and the Theory of Optimal Unemployment Insurance.
 - Empirical Issues: Hazard Function, Parametric Estimation etc.
3. **Contracts, Risk-Sharing and Incentive**
 - The Labor Contract.
 - Risk Sharing.
 - Incentive in the Presence of Verifiable Results.
 - Incentive in the Absence of Verifiable Results.
4. **Unions and Collective Bargaining**
 - Bargaining Theory
 - Standard Models of Collective Bargaining.
 - Insiders and Outsiders.
 - Investment and Hours.
5. **Compensating Wage Differentials and Discrimination**
 - Perfect Competition and Compensating Wage Differential.
 - Obstacles to Perfect Competition in Wage Differential.
 - Hedonic Theory of Wages.
 - Wage Discrimination
6. **Technological Progress, Globalization, and Inequalities**
 - Does Technological Progress Destroys more Jobs than it Creates.
 - Globalization, Inequality and Unemployment.
7. **Institutions and Labor Market Policies**
 - Types of Labor Market Polices.
 - Theoretical Analysis of Policies.
 - The Macroeconomic Effects of Policies.

Recommended Texts

1. Cahue, P. and A. Zylberberg, Labor Economics, MIT Press, 2004.
2. Ashenfelter, O. et al (eds.), Handbook of Labor Economics, 1999.

Additional Readings

1. Angrist. J. and Krueger A. (1999), "Empirical Strategies in Labor Economics" in Handbook of
2. Solon, G. (1992), "Intergenerational Income Mobility in the United States" American Economic Review, 82 (3): 393-408.
3. Oreopoulous, P., Marianne, P. and Ann Huff, S. (2008), "The Intergenerational Effects of Worker Displacement" Journal of Labor Economics, 26 (3), 455-483.
4. Card, D. and Krueger, A. (1992), "Does School Quality Matter? Returns to Education and the Characteristics of Public Schools in the United States" Journal of Political Economy, 100: 1-40.
5. Becker, G. (1964), Human Capital, New York, NBER.
6. Juhn, C., Murphy, K. and Pierce, B. (1993). "Wage Inequality and the Rise in Returns to Skill", Journal of Political Economy, 101:410-442.

7. Rahman, Rushidan Islam (2007), *Labour Market in Bangladesh: Changes, Inequities and Challenges*, Research Monograph No. 21, Bangladesh Institute of Development Studies.

ECON 519: Economic Modeling (Optional), Semester 1

Objective: This course will cover fixed and price modeling with special emphasis of SAM CGE modeling empirical and theoretical issues. The course will also cover theoretical issues related to forecasting and application of forecasting techniques. After the course one should be able to build SAM based Multiplier model, a simple CGE model using GAMS and application of forecasting techniques using suitable software. The general purpose of the course is to assist graduate students to:

- (i) become familiar with the basic structure of an input-output table (IOT) and Social Accounting Matrix (SAM) as general equilibrium data sets for an economy
- (ii) learn the techniques to convert a general equilibrium data set (i.e. IOT and SAM) as fixed price models
- (iii) gain experience in implementing scenarios in a fixed price modeling framework,
- (iv) learn the skill to interpret and evaluate results of the simulation exercises.
- (v) become familiar with the basic structure of a simple computable general equilibrium model and the economic logic underlying CGE,
- (vi) gain experience in implementing and solving basic CGE models including problem formulation and solution,
- (vii) examine selected applications of CGE to policy analysis issues gaining insight into potential application areas and model use techniques, and
- (viii) be able to interpret and evaluate results from real-world CGE exercises.
- (ix) become conversant in implementing forecasting models
- (x) learn the skill to interpret and evaluate results of the forecasting exercises.

Topics

Input-output table and Social Accounting and Fixed Price Model

1. **The Generalized Leontief (Glm) And The Input-Output Model (1-0 M)**
 - Introduction
 - Basic Assumptions and Limitations of the 1-0 Model
 - Open, Closed 1-0 and Sam Models
 - Endogenous and Exogenous Accounts in 1-0 and Sam Models
2. **The Generalized Leontief Model and Sam-Based Models**
 - The 1-0 Model Framework: Introductory Observations
 - The 1-0 Framework: Main Components
 - Symmetric 1-0 Tables and Classic Input-Output Model
 - Derivation of the Open Classic or Traditional Input-Output Model
 - Derivation of the Generalized Leontief and the Closed 1-0 Model
 - The Generalized Leontief and Sam Model Assumptions
 - Determination of Sam Endogenous and Exogenous Accounts
3. **Derivation of the Glm and Sam-Based Accounting Multipliers**
 - Sam Framework and Input-Output Under the Generalized Leontief Model
 - Sam Average Propensities to Spend and Income Shares
 - Derivation of Sam Accounting Multipliers
4. **Decomposition of SAM Accounting Multipliers**
 - Additive and Multiplicative Decomposition

- Derivation of the Multiplicative Decomposition
- 5. **Derivation of the SAM Fixed-Price Multipliers Model**
 - Derivation of the Sam Fixed-Price Multipliers Model
 - Interpretation of Injections in a Fixed-Price Multiplier's Model
- 6. **SAM Extensions: Prices Formation, Demographic, Social and Environmental Indicators**
 - The Need to Extend the SAM
 - The Extended SAM (ESAM) with Demographic, Social and Environmental Indicators, Households, Employment and Capital-Investments
 - The Extended SAM (ESAM) with Social and Environmental Indicators
 - Extended Social Accounting Matrix Exercise
- 7. **SAM Based Fixed-Price Model and Their Application to Bangladesh**
 - Exogenous Expenditure Injections and Endogenous Income Accounts
 - Simulation and Scenario Analysis with Sam Accounting
 - Analysis of Average Propensities to Spend
 - Income Distribution and Value Added Modules

Computable General Equilibrium Flex Price Model: Outline

- 8. **Overview of Computable General Equilibrium Model**
 - What and why CGE?
 - Benefits and drawbacks of CGE
 - Overview of CGE modeling
 - Theory behind CGE
 - Walrasian equilibrium and conditions
- 9. **An Introduction to the Structure of CGE Models**
 - Fundamental relationship of simple CGE model Incorporating taxes
 - Interpretation of results
 - Incorporating shocks
 - Comparative analysis
- 10. **The Data Base and application**
 - Input-output table and Social Accounting Matrices
 - Building benchmark equilibrium data sets
 - Parameters calibration
 - Discussion on a selected application
- 11. **CGE Modeling via General Algebraic Modeling System (GAMS)**
 - Introduction to GAMS
 - GAMS Documentation
 - Applying CGE into GAMS
 - Extend simple CGE including hierarchical (nested) functions Choice of functional forms
 - Numerical examples
- 12. **Review of Basic Application of CGE Models to Bangladesh**
 - Review of existing CGE models Discussion on selected applications

References

1. Shoven, J. B. and J. Whalley (1998), *Applying General Equilibrium Surveys of Economic Literature*, Cambridge University Press.
2. Alarcon, J.V. (2000): *Social Accounting Matrix-Based Modelling: Extension to Wellbeing and Environment and Computable General Equilibrium Models* (applications using the 1975 and 1980 Ecuador SAMs), Institute of Social Studies, The Hague, The Netherlands.
3. Alarcon, J.V., Heemst, J. van, Keuning, S., de Rujter, W. Vos, R. (1991): *The social accounting framework for development: concepts, construction and applications*, Aldershot-Avebury, UK.
4. Andrew Mas-Collell, Michael D. Whinston, and Jerry R. Green (1995), *Microeconomic Theory*. Chapter 15 and 16. Oxford University Press, NY.
5. Bulmer-Thomas, v. (1982) "Input-Output Analysis in developing countries", John Wiley & sons Ltd., New York.
6. Cohen, S. I. (2002), *Social Accounting and Economic Modelling for Developing Countries*. Ashgate, London.
7. Hertel, T. W. (1990), "General equilibrium analysis of U.S. agriculture: What does it contribute?" *J. of Agricultural Economics Research* 42:3-9.
8. Hertel, T.W. (1999) "Applied general equilibrium analysis of agricultural and resource policies". Staff Paper 99-2, Department of Agricultural Economics, Purdue University, March edition.
9. King, Benjamin B. (1981): *What is a SAM? A Layman's Guide to Social Accounting Matrix*, World Bank, Washington, D.C.
10. Lofgren, H., R. L. Harris, S. Robinson, M. Thomas, and M. El-Said (2001). *A Standard computable general equilibrium (CGE) model in GAMS*. International Food Policy Research Institute (IFPRI), Washington, D.C.
11. McKittrick R.R. (1998), "The econometric critique of computable general equilibrium modeling: The role of functional form choice." *Economic Modelling* 15:543-573.
12. Miller, R. E. and P. D. Blair (1985). *Input-Output Analysis: Foundations and Extensions*. Prentice-Hall.
13. McCarl, B. A. Basic GAMS class. (<http://agecon.tamu.edu/faculty/mccarl/mccarl.html>).
14. McCarl, B.A. and D. Gilling. Notes on Formulation and solving Computable General Equilibrium Models within GAMS (<http://agecon.tamu.edu/faculty/mccarl/mccarl.html>).
15. Pyatt, G. and E. Thorbecke (1976), "Planning Techniques for a Better Future". International Labour Office, Geneva.
16. Pyatt, G. and E. Thorbecke (1976), "Planning Techniques for a Better Future", Geneva: ILO.
17. Pyatt, G. and Roe, A. (1977). "Social Accounting for Development Planning with special reference to Sri Lanka". Cambridge University Press. Cambridge.
18. Pyatt, G. and Round, J. (1985). "Accounting and Fixed Price Multipliers in a Social Accounting Matrix Framework, in Pyatt, G. and Round, J. (coord.), *Social Accounting Matrices*". A Basis for Planning. A World Bank Symposium, The World Bank, Washington, D.C.; also in *Economic Journal*, 89 (356), 1979, pp. 850-873.
19. Pyatt, G. (1988). "A SAM Approach to Modeling". *Journal of Policy Modeling*, 10, 327-352.
20. Pyatt, G. (1991). "Fundamentals of Social Accounting". *Economic Systems Research*, 3, 315-341.

21. Pyatt, G. (1991a). "SAMs, the SNA and National Accounting Capabilities". *Review of Income and Wealth*, 37, 177-198.
22. Pyatt, G. (1999). "Some Relationships between T- Accounts, Input-Output Tables and Social Accounting Matrices". *Economic Systems Research*, 11, pp. 365-387.
23. Rolland-Holst, David AND Sanncho, Ferran (1995): Modeling Prices in a SAM Framework, *Review of Economics and Statistics*, May, no. 2
24. Sherman, R (1989): Multi-sectoral Models, *Handbook of Development Economics*, Volume 11 (eds. Chenery, H and Srinivasan S, T. N.), North-Holland, Amsterdam
25. Shoven, J. B. and J. Whalley. "Applying general equilibrium". *Surveys of Economic Literature* Chapter 5, 1998.
26. Round, J. (2003). "Construction SAMs for Development Policy Analysis: Lessons Learned and Challenges Ahead". *Economic Systems Research* 15. 161-183.

ECON 520: Institutional Economics (Optional), Semester 2

Course objective

The main aim of the course is to provide an overview of recent developments in the field of institutional economics, to introduce the basic concepts and techniques related to the subject, to show the students how the institutional structure of economy determines the incentives of economic agents, and to help the students in their understanding of the role of institutional environment in economic theory and in business practice, including the analysis of modern problems in the development of a country.

Topics

1. Introduction to institutional analysis
2. Transaction costs
3. Economic Theory of Property Rights
4. Contracts
5. The new institutional theory of the firms
6. The new institutional theory of the state
7. The theory of institutional change

Recommended Texts

1. EggertsonThr. (1990), *Institutions and Economic Behavior*. Cambridge, Cambridge University Press
2. Milgrom P., Roberts J. (1992), *Economics, Organization and Management.*, Prentice Hall Inc.
3. Varian, H. (1996), *Intermediate Microeconomics A Modern Approach*, (4th ed.) W. W. Norton & Company. N. Y.

Additional Readings

1. Encyclopedia of Law and Economics <http://allserv.rug.ac.be/-gdegeest>
2. International Society for New Institutional Economics ISNIE <http://www.isnie.org>

ECON 521: History of Economic Thought (Optional), Semester 1

Topics

1. Economic thought in the Middle Ages

The influence of the Early Christianity and scholastics. The logics of scholastic analysis. The evolution of the concepts of money, value, usury and market. The concept of fair price.

2. Mercantilism

The development of the international market and formation of the trade and payment balances. The correlation between Nationalism and Liberalism: economic aspects of the problem. The crisis of mercantilism theory and policy.

3. Economic theory of the Physiocrats

An attempt to define labour productivity and production efficiency. “Tableau Economique” of Canais: a model of goods and money flows. Development of the theory of value. The principles of economic policy.

4. Smith’s economic theory

A relation between moral philosophy and economic theory: normative and positive concepts. Division of labour: the importance and limitations. Market price and “natural price”. Creation of integral theory of value. Competition and Monopoly. The image of invisible hand and future development of the theory.

5. Ricardo’s economic model

Ricardian model of the market system: a general overview. The theory of value. Labour and non-labour income: a distribution system. International division of labour and relative advantages. The theory of Finance, “Ricardo’s principle”, tax exertion problems. Ricardian traditions in Economic Theory.

6. Th. Malthus: a search for general theory of accumulation and population

Demographical problems in Economic Theory: the role of Th. Malthus. Malthus’s value theory. A search for valid methods in economic analysis: Malthus and Ricardo. Capital accumulation and consumption.

7. Economic Theory of K. Marx

Can Marx be considered as a representative of the classical school? Marxian theory as the political economy of growing social conflict. Some results of revolutionist experiments: theory and practice of Marxism.

8. The role of Mathematical Methods in Economic Investigations

The response of the economic theory on the achievements of science. O. Cournot on the method of economic investigation. The concept of economic equilibrium. The analysis of the monopoly and oligopoly. The concept of consumer surplus.

9. General equilibrium model: Leon Walrus

Peculiarities of Jevons’ Macroeconomics concept. Theoretical model of exchange. Jevons vs. Ricardo. Function of utility and costs in value determination process. Capital theory. Jevons’ empirical investigations.

10. Alfred Marshall and Neo-Classicalism

Role of the empirical tradition in the development of the English economic school. Marshall’s conception as a reaction on the Austrian subjectivism and vulgar ricardianism. Neoclassical synthesis. Partial equilibrium method. New developments in value theory. Consumer surplus and producer surplus. Theory of welfare.

11. Keynes and the “Keynesian Revolution”

Social and economic conditions which had been prepared the appearance of non-equilibrium macroeconomic theory. The evolution of Keynes' position. Monetary theory of Keynes. The principles of Keynesian model. Interaction of aggregate demand and aggregate supply in this model. Mechanisms of multiplier-accelerator. The impact of investment. Recommendations for economic policies.

Recommended Texts

1. M. Blaug, "Economic Theory in Retrospect", 5th ed. Cambridge University Press 1991.
2. T. Negishi, "History of Economic Theory". North Holland, 1989.
3. R. Ekelund, R. Hebert, "A History of Economic Theory and Method". McGraw Hill Publ. Co. 1990
4. J. Schumpeter, "A History of Economic Analysis". Oxford University Press, 1954.
5. Snowden, Brian, et.al., A Modern Guide to Macroeconomics: An Introduction to Competing Schools of Thought, 1994.

Additional Readings

1. Smith, Adam, *An Inquiry into the Nature and Causes of the Wealth of Nations*, 1776.
2. Say, Jean-Baptiste, *A Treatise on Political Economy*, 1803.
3. Ricardo, David, *On the Principles of Political Economy and Taxation*, 1817.
4. Marx, Karl, *Capital: Critique of political economy*, 3 vols., 1867-1894.
5. Marshall, Alfred, *Principles of Economics*, 1890.
6. Wicksell, Knut, *Lectures on Political Economy*, 2 vols., 1901-1906.
7. Keynes, J. M., *The General Theory of Employment, Interest and Money*, 1936.
8. Rickett, Trans., Guanzi, "Guo Xu (The State's Store of Grain)"
9. Rothbard, "Taoism" in Economic Thought before Adam Smith
10. Long, "Austro-Libertarian Themes in Early Confucianism,"
11. Thanawala, "Kautilya's *Arthashastra*: A Neglected Work in the History of Economic Thought," in Price, B.B., *Ancient Economic Thought*.
12. Ghazanfar and Islahi, "Economic Thought of an Arab Scholastic: Abu Hamid al-Ghazali (AH450-505/1058-11 I IAD)", in *Medieval Islamic Economic Thought*.
13. Buchanan, "The Constitution of Economic Policy," found (<http://www.nobel.se/economics/laureates/1986/buchanan-lecture.html>)
14. Friedman, "The Quantity Theory of Money: a restatement"
15. Friedman, "Inflation and Unemployment", found at (<http://www.nobel.se/economics/laureates/I976/friedman-lecture.pdf>)

ECON 522: Comprehensive and oral examination (Compulsory), Semester 2

ECON 524: Thesis (Optional), Semester 2

এই অপশনাল কোর্স তাদের জন্যই উন্মুক্ত থাকবে যারা ৪র্থ বর্ষের চূড়ান্ত পরীক্ষায় ন্যূনতম সিজিপিএ ৩.৫০ পাবেন। মাস্টার্সের থিসিসের পরামর্শকের দায়িত্ব বিভাগের শিক্ষকগণ সমানভাবে পালন করবে তবে প্রয়োজনীয় ক্ষেত্রে বহিঃস্থ শিক্ষক নিয়োগ করা হবে এক্সটার্নাল হিসেবে। শিক্ষার্থীদের থিসিসের এর শিরোনাম তাঁর পরামর্শকের নিকট জমা দিতে হবে প্রাথমিক পর্যায়ে। থিসিসটি মূল্যায়ন করবে দু'জন পরীক্ষক যার মধ্যে একজন পরামর্শক এবং অন্যজন এক্সটার্নাল উভয়ই বিভাগীয় শিক্ষক হতে পারে বা নাও হতে পারে প্রয়োজনীয় ক্ষেত্রে। থিসিসটি জমাদানের সময় আবশ্যিকভাবে প্রেজেন্টেশন দিতে হবে শিক্ষার্থীদের। বিভাগীয় মিডটার্ম পরীক্ষার সময় শিক্ষার্থীরা থিসিসের অগ্রগতি সম্পর্কে প্রতিবেদন প্রদান করবে বিভাগীয় পরীক্ষা কমিটির নিকট এবং সেখানে পরামর্শক তার অগ্রগতি বিষয়ে মন্তব্য করবেন। একজন শিক্ষক সর্বনিম্ন ০১টি ও সর্বোচ্চ ০৩টি থিসিস মূল্যায়ন করতে পারবেন।

থিসিসের পূর্ণমান হবে ১০০।