

**SVKM's Narsee Monjee Institute of Management Studies**

**Sunandan Divatia School of Science, Mumbai**

<b>Program: B. Sc. Applied Statistics &amp; Analytics</b>				<b>Semester : IV</b>	
<b>Course : Applied Economics</b>				<b>Code:</b>	
<b>Teaching Scheme</b>			<b>Evaluation Scheme</b>		
<b>Lecture (Hours per week)</b>	<b>Practical (Hours per week)</b>	<b>Tutorial (Hours per week)</b>	<b>Credit</b>	<b>Internal Continuous Assessment (ICA) (Marks - 50)</b>	<b>Term End Examinations (TEE) (Marks- 50 in Question Paper)</b>
4h	-	-	4	Marks Scaled to 50	Marks Scaled to 50
<b>Pre-requisite:</b>					
<b>Objectives:</b> To provide an introduction to the application of economic theory to data by imparting an ability to understand and interpret results both statistically and economically. This course focuses on microeconomics, with some topics from macroeconomics and international trade.					
<b>Outcomes:</b> After completion of the course student should be able to integrate the theory, data and judgment in the analysis of corporate decisions and public policy.					
<b>Detailed Syllabus: ( per session plan )</b>					
<b>Unit</b>	<b>Description</b>				<b>Duration</b>
<b>1</b>	Introduction to Games and Strategy: Normal form game-dominant strategy equilibrium-Nash equilibrium-mixed strategy Nash equilibrium-extensive form games-sub game perfect Nash equilibria, Dynamic consistency (credibility), Cournot, Bertrand and Stackleberg models and their applications, Collusive Oligopoly- Cartels- Profit sharing and market sharing cartels.				10
<b>2</b>	Asymmetric Information and Contracts: Optimal contracts under symmetric information-contracts under moral hazard-Bayesian Nash equilibria – adverse selection and signalling-pooling and separating equilibria-applications in labour and capital markets				10
<b>3</b>	State and Markets: First and second fundamental theorems of welfare economics- externalities-public goods- regulation of monopolies –public utility pricing-models of interest group behavior.				10
<b>4</b>	Macroeconomics: The IS-LM model, impact of monetary and Fiscal policy- Long run and short run Phillips curve, rational expectations and policy ineffectiveness. Policy implications of quota and price restrictions.				10
<b>5</b>	International Trade: Comparative advantage, Heckscher-Ohlin Theorem, Comparative advantage vs. Protectionism; Trade barriers; Open economy with flexible exchange rates- Mundell Fleming model. International trading arrangements (WTO/ Regional Blocks)				10

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<b>6</b>	Economic Growth in developing economies: Growth vs Development, Models of Economic growth (Harrod- Domar and Solow) -Growth and Inequality- Poverty measures and policies (Illustrative Policy like MNREGA) -Growth versus the Environment debate (CRZ/ Eco-sensitivity) - Indian economic policy examples.	10
	<b>Total</b>	<b>60</b>
<b>Text Books:</b> <ol style="list-style-type: none"><li>1. Games of Strategy by Avinash Dixit, Susan Skeath, and David H. Reiley, Jr., 3 edition, W. W. Norton &amp; Company</li><li>2. Robert Gibbons : Game Theory for the Applied Economist</li><li>3. R. Varian : Intermediate Microeconomics</li><li>4. N. Gregory Mankiw : Macroeconomics</li><li>5. Ray Debraj : Development Economics</li><li>6. Eric Rasmusen : Games &amp; Information</li></ol>		
<b>Reference Books:</b>		
<b>Any other information :</b>		