



SHAHEED BENAZIR BHUTTO WOMEN UNIVERSITY PESHAWAR DEPARTMENT OF ECONOMICS

Masters in Economics: 2 years program

Our Masters to program emphasizes knowledge of advanced analytical techniques and the ability to apply them in new contexts.

The curriculum of 2 years MSc is advanced and technically rigorous in nature with the aim to equip students with the advanced tools of professional economists. It is suitable for students who either intend to pursue doctoral studies or are planning a career as research economists in academia, the public sector, international institutions, economic consulting, the financial industry, think tanks, or other research centres.

Unique features of the MSc curriculum:

- It equips the students with a solid grounding in modern economics.
- Wide-ranging two-semester sequences in macroeconomics, microeconomics, and econometrics not only cover the dense theoretical aspects but most of the essential models and tools used by research economists.

Mission of the MSc program

Our mission is to train students at the undergraduate and graduate level in the methods and ideas of modern economics, and to conduct both basic and applied research in economics that pushes forward the frontier of knowledge in the field.

Objectives of the program

- To prepare students who can understand the real world economic problems and can apply problems solving skills to get realistic solutions.
- To orient students with core economic principles and policy issues so that they are able to interpret and apply knowledge on the local economies.
- To provide at least basic banking and financial markets analytical skills to all career fields.



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ADMISSION REQUIREMENTS

ELIGIBILITY

- Eligibility/ Pre-requisite for admission: B.A/BSc or Equivalent

DURATION

- Two years programme spread over 04 semesters, two semesters per year.

COURSE AND CREDIT REQUIREMENTS

- A total of 68 credits are required to complete the degree.



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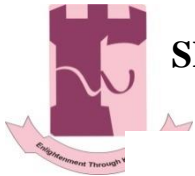
Two years Master's Degree in Economics

Structure

S.NO	CATEGORIES	NO. OF COURSES MIN- MAX	CREDIT HOURS MIN- MAX
1	Compulsory Requirement (No Choice).	15-15	47-47
2	Economics optional	05-05	15-15
3	Non-Economic compulsory	03-03	06
TOTAL			

Total numbers of Credit Hours	68
Duration	2 YEARS
Semester Duration	16-18 WEEKS
Semesters	04
Course Load Per Semester	16-18 CREDIT HOURS
Number of Courses Per Semester	05-06

S.No	Compulsory Requirements (the student has no choice)	
	14 Courses	
	43 Credit Hours	
	Subject	Credit Hours
1.	Micro Economic Theory (Title TBC)	03
2.	Public Finance	03
3.	Mathematical Economics	03
4.	Economy of Pakistan	03
5.	Macro-Economic Theory (Title TBC)	03
6.	Managerial Economics	03
7.	Monetary Economics	03
8.	International Economics and Trade Policy	03
9.	Basic Statistics	03
10.	Advance Micro Economic Theory (Title TBC)	04
11.	Advance Macro Economic Theory (Title TBC)	04
12.	Basic Econometrics (Title TBC)	03
13.	Islamic Economic System	03
14.	Development Economics	04
15.	Econometrics II	02
Total Credit Hours		47



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S.No	Optional (Economics) Courses	
	30 Courses	
	90 Credit Hours	
	Subject	Credit Hours
1.	Labor Economics	03
2	History of Economic Thoughts	03
3.	Research Methods and Techniques	03
4.	Comparative Economic systems	03
5	Financial Markets and Institutions	03
6	Political economy and global order	03
7	Human Resource Development	03
8	Principles of Marketing	03
9	Investment and Project Appraisal	03
10	Political Economy	03
11	Health Economics	03

12	Urban Economics	03
13	Regional Economics	03
14	Institutional Economics	03
15	Topics in Marketing	03
16	Transportation Economics	03
17	Energy Economics	03
18	Economics of Education	03
19	Entrepreneurial Economics	03
20	Global Environmental Governance	03
21	Trade and Environment	03
22	Political Economy of Pakistan	03
23	Economics of Law	03
24	Islamic Banking	03
25	Industrial Organization	03
26	Institutions and Development	03
27	Economic Growth	03
28	Poverty and Income Distribution	03
29	Financial Markets and Institutions	03
30	Entrepreneurial Economics	03
Total Credit Hours		90



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S.No	Non-Economics Compulsory	
	03 Courses	
	02 Credit Hours	
	Subject	Credit Hours
1.	Computer Application in Economics	02
2.	Functional English I	02
3	Functional English II	02
Total Credit Hours		06

In the last semester i-e 4th semester the students have a choice to take two optional courses or work on a research project.



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SCHEME OF STUDIES OF MASTERS OF ECONOMICS (SESSION 2011-13 ONWARDS)

S.No	Semester	Course Title	Course Code	Credit Hour
1	1 st	Functional English I	ECON-510	2
2		Micro Economic Theory (Title TBC)	ECON-511	3
3		Public Finance	ECON-512	3
4		Mathematical Economics	ECON-513	3
5		Economy of Pakistan	ECON-514	3
6		Computer Application in Economics	ECON-515	2
Total Credit Hours				16
S.No	Semester	Course Title	Course Code	Credit Hour
7	2 nd	Functional English II	ECON-520	2
8		Macro-Economic Theory (Title TBC)	ECON-521	3
9		Monetary Economics	ECON-522	3
10		Managerial Economics	ECON-523	3
11		International Economics and Trade Policy	ECON-524	3
12		Basic Statistics	ECON-525	3
Total Credit Hours				17
S.No	Semester	Course Title	Course Code	Credit Hour
13	3 rd	Advanced Microeconomic Theory (Title TBC)	ECON-631	4
14		Labour Economics	ECON-632	3
15		Basic Econometrics	ECON-633	2
16		Investment and Project Appraisal	ECON-634	3
17		Research Methods and Techniques	ECON-635	3
18		Islamic Economic System	ECON-636	3
Total Credit Hours				18
S.No	Semester	Semester	Course Title	Course Code
19	4 th		Advanced Macroeconomic Theory (Title TBC)	ECON-641
20			Development Economics	ECON-642

21		Econometrics-II	ECON-643	2
22		Research Project	ECON-690	3+3= 6
		Two optional subjects from the list		
		Total Credit Hours		16



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DETAILED COURSE OUTLINE OF ECONOMICS MSc (2 YEARS PROGRAM)

SEMESTER-I

Course Name: Functional English -I	Course Code: ECON -510
Course Structure: Lectures: 3	Credit Hours: 3
Prerequisites: None	
<p>Course Objectives This course will enable the participants to:</p> <ul style="list-style-type: none"> • Understand the basic rules of grammar. • Generate ideas and translate them to their speech and writing. • Familiarize students with vocabulary and structures used in day-to-day formal interaction. <p>Intended learning outcomes of course (ILOS)</p> <p>A. <u>Knowledge and understanding:</u></p> <ol style="list-style-type: none"> I. The students will be able to comprehend the reading passages and understand English grammar. II. The students will be able to identify the use (spoken and written) and importance of English Language in their daily life <p>B. <u>Intellectual skill:</u></p> <ol style="list-style-type: none"> I. The students will be able to apply grammatical rules in their academic and day-to-day writing. <p>C. <u>Professional and practical skills:</u></p> <ol style="list-style-type: none"> I. The students will be able to read with correct pronunciation and interpret the different meanings made by the text. II. The students will be able to utilize listening skills and follow lectures and lessons of all the subjects with ease. III. Integration of oral skills. <p>D. <u>General and transferable skills:</u></p> <ol style="list-style-type: none"> I. The students will be able to have clarity of expression, grammatical correctness and appropriateness in writing. II. They will be able to give oral presentations. 	

Contents

- Sentence Structure
(Types of sentences; Simple, Compound and Complex)
(Clauses and phrases)
- Introduction to Tenses and their usage
- Parts of Speech and their Functions
- Active Passive Voice
- Mechanics of writing
(Punctuation, rules of capitalization, subject-verb agreement, formation of words)
- Diction, (denotation and connotation)
- Narration
- Idioms and Proverbs
- Vocabulary Building
- Pair of Words
- Synonyms and Antonyms

Recommended Books

- Murphy, Raymond, *English Grammar in Use*, 2nd Edition Cambridge University Press.1994
- Thompson, A.J and Martinet A.V *A Practical English Grammar*, 4th Edition, Oxford University press.1986
- Bergman C.A and Senn J. A.Heath *Grammar and Composition, Introductory Course*, Lexington, Toronto: D.C.1987.
- Richard C.Yorkey, *Study Skills*, McGraw-Hill Company, Newyork.1970.

Course Name: Micro Economic Theory (Title TBC)	Course Code: ECON - 511
Course Structure: Lectures: 3	Credit Hours: 3
Prerequisites: None	
<p>Course Objectives This course aims at creating problem solving skills to the issues related to microeconomics. The course provides comprehensive knowledge of microeconomics and its applications in real world.</p> <p>Intended Learning Outcomes</p> <ol style="list-style-type: none"> 1. To acquire basic knowledge of Economics for learning advance subjects. 2. To enable the students to comprehend microeconomic models this will help businesses in decision making. 3. To develop skills for mathematical and graphical presentations or models and data. <p>Course Outline</p>	

1. Introduction

Definition, Scope of microeconomics, Types of microeconomic analyses, Need and Importance of microeconomics in solving the economics problem

2. Theory Of Consumer Behavior And Demand Analysis

Approaches to the consumer behavior: Cardinal utility approach, ordinal utility approach. Indifference curves, MRS, Budget line, Equilibrium of the consumer, Comparative and Static of consumer equilibrium. Income effect, price effect, Substitution effect, and Equivalent variation approach. Hicksian analysis (compensated variation approach) Slutsky analysis of consumer demand. Revealed Preference approach, Applications of Indifference Curve Analysis.

3. Theory of Production

Production and Production function. Classical production Function. TPP, APP, MPP of Labour, *Law* of variable proportions and its importance. Theory of firm behavior: Equilibrium of firm – the MP approach, equilibrium of the firm – the Isoquant – Isocost approach. Optimum Factor combination, Choice of optimal expansion path, Changes in input prices.

4. Theory of Cost

Technical Efficiency Vs Economic efficiency. Concepts of Costs: Opportunity cost, Private Vs Economic Cost, Accounting Vs Economic Costs. Theory of short run costs. Theory of long run costs. Modern theory of cost. Engineering cost curves

5. The Firm: Its Environment and Revenue Curves

Classification Of market Structures. Cross elasticity of demand. Concepts of revenue, Total Revenue, average revenue, and marginal revenue curves, relationship between average and marginal revenue.

6. Uncertainty and Risk

Describing Risk, Preferences toward Risk, Reducing Risk, the Demand for Risky Assets

Recommended Books

- Ferguson, C.E & Gould, J.P, (1999) Microeconomic Theory. Macmillan,
- Koutsoyiannis, A., (1999) Modern Microeconomics, London, Macmillan, (Latest Edition).
- A. Hamid Shahid, (2006) Microeconomic Theory, (Latest edition)

Further Readings

- Walter Nicholson, Microeconomic Theory: Basic Principles and Extensions (6th Edition)

- Henderson, J.M & Quandt, R.E., Microeconomic Theory, N.Y. Melliwra H A Book Co.

Course Name: Public Finance **Course Code:** ECON –512

Course Structure: Lectures: 3 **Credit Hours:** 3

Prerequisites: None

Course Objectives:

1. To prepare students to develop the understanding of public revenue and expenditure.
2. To prepare students to improve planning and utilization of resources.

Intended Learning Outcomes

Develop student’s abilities in critical thinking, problem solving and team work.

Course outline

1. Introduction of Public Finance

Meaning and Nature of public finance. Evolution of public sector economics, significance of studying public finance. Methods of public finance.

2. The Theory of Public Goods

Comparison Public and Private Goods., Should Public Sector Produce? Public vs. Private Goods? Pure Public vs. Semi Public Goods. Introduction to the concept of Merit Goods. Free Rider Problem.

3. Introduction and Role of Public Sector

The Economic Functions and Public Goods, Problem of Allocation of Resources. Redistribution of Income and Wealth and Stabilization, Pricing Public Goods.

4. Public Revenue and Taxes

Introduction to Public Revenue. Sources of Public Revenue: Tax Vs. Non-tax Revenues, Tax Rate Relationship; Progressive, Regressive and Proportional Taxes, Types of taxes: Direct vs. Indirect, commodity spending, sales and excise taxes, income taxes and introduction to all other taxes, tax shifting and incidence.

5. The Theory of Public Revenue

The Economic Case for the Public Sector to Allocate Resources: Market Imperfections. Decreasing Costs of Production and Public Revenue collection, Public Goods and Externalities. Pricing decreasing cost industry.

6. Public Expenditure and Budget

Concept of Public Expenditure, Exhaustive Vs Non- Exhaustive Public Expenditure, income Elasticity of Government Expenditures. Theories of Public Expenditures. Wagner's Law, Components of Public Expenditures. Sources and direction of the Growth of Public Expenditures. Introduction to Budget, Kinds of Budget: Surplus, Deficit and Balanced. Development and Non- Development Budget and its Patterns, Zero Based Budget.

7. Fiscal policy: Inter - Government Fiscal Relations

Introduction. Fiscal Principles and Concepts. Objectives and Tools of Fiscal Policy. Federal - Provincial Fiscal Co-ordination, Collection of Revenue and Provincial Share and its Distribution Criteria. Deficit Financing and its Impact.

8. Public Debt

Need and Burden of Public Debt, Domestic and Foreign debt, Debt Modeling and Forecasting Debt Needs, Debt Modeling and Offer Curve, Ricardian View of Public Debt, Problem of Debt Servicing.

Recommended Books

- Musgrave R.A. and B.P., Musgrave (2005), Public Finance in Theory and Practice, McGraw Hill.
- Bernard P. Herber, (1999), Modern Public Finance.
- A. Hamid Shahid, (2006), Monetary Economics & Public Finance (latest Edition).

Course Name: Mathematical Economics	Course Code: ECON – 513
Course Structure: Lectures: 3	Credit Hours: 3
Prerequisites: None	
Course Objective Aim of the course is to provide the students the knowledge of basic mathematical tools and to acquaint them with the use of mathematical models for economic analysis.	
<u>Intended Learning Outcomes</u> The students are expected to understand and use different mathematical models and their relationships, encompassing the economic theories in real world.	
Course Contents	
1. Mathematical Models and Its Ingredients Review of Basic Concepts: constants, Variables and Parameters. Functions:	

Linear, Quadratic, Hyperbolic, Logarithmic and exponential functions. Use of Graphs for representation of data, equations and identities.

2. Derivatives and rules of differentiation: Economic Applications

Concepts of differentiation, Rules of differentiation: constant, sum theorem, product, quotient, chain rule, Logarithmic and exponential derivatives

Higher order derivatives, Economic Applications of derivatives: Elasticity, average, marginal and total costs, revenues, Production functions, average and marginal product.

3. Optimization Techniques

Introduction to optimization concept, Relative Maxima and Minima, Point of inflection and derivative test, Constrained and unconstrained optimization, Economic applications of Maxima and Minima: Maximization of Utility, profit, & revenues minimization of costs. Constrained optimization: Substitution method and Lagrange Multiplier method, Economic applications of constrained optimization, Optimization of multivariable functions and economic applications.

4. Partial Derivatives and Differentials

Functions of several variables and partial derivatives, Rules of partial derivatives, Application of partial derivatives on comparative static analysis of economics: Market model, national income determination, partial elasticity's.

5. Integral Calculus

Concept and laws of integration, Methods of integration: integration by substitution, integration by parts, Definite and indefinite integrals, Economic applications of integrals: Finding Total Functions from Marginal Functions & Capital Formation and Present Value of Cash Flow. Present Value of a perpetual flow.

6. Equilibrium Analysis in Economics

Concept and meaning of equilibrium in economics, Partial market equilibrium- a non-linear model General market equilibrium: commodity market, money market, National Income Equilibrium.

Recommended Books

- Chiang, A. C., (2000) Fundamental Methods of Mathematical Economics, McGraw Hills.
- Baumol W. J., Economic Dynamics, Macmillan, (Latest edition).
- Mirza miraj., (2005) Basic tools of Mathematical Economics, caravan press.

- Dowling E. T., Mathematics for economists, Schun Series (latest edition).
- Weber E. Jean, (2002) Mathematical Analysis, Business and Economic Applications, Harper and Row Publishers, New York.

Course Name: Economy of Pakistan	Course Code: ECON – 514
Course Structure: Lectures: 3	Credit Hours: 3
Prerequisites: None	

Course Objectives

This course is designed to provide students with critical information and knowledge about Pakistan economic environment. Important components which contribute to the development and progress of the economy of country are included here.

Course Contents

1. Assessment of Pakistan's Development

Structural changes /introduction. Analysis of five decades and five epochs Factors affecting analysis of economy.

2. Agriculture

Feudalism and Pakistan: historical perspective. Green revolution. Land reforms. Critical issues in agriculture: Pricing, Agriculture credit, Mechanization, Agriculture marketing. Major crops – agriculture inputs and cropped area Province wise distribution of agriculture land by system of irrigation and major crops.

3. Industry

Process of industrialization in Pakistan (1947- 77). Process of industrialization: 1977 onwards, Zia years: 1977-88, Age of adjustment: 1988 onwards, Current Development. Critical issues in Pakistan industry: Nationalization. Deregulation and Privatization. State owned industries. Causes of backwardness of industrial sector. Industrial financial institutions, and industrial sickness.

4. Inflation and Foreign Trade

Sources of Inflation in Pakistan, Policies to combat inflation and their impacts. Pakistan's foreign trade: Past performance, recent policy change. Trade policy Exchange rate and payments. External debt and liabilities Globalization and WTO and its impact.

5. Service sector

Physical Infrastructure (Transport & Communication), Education. Power Sector (Current Crisis), Banking & Insurance. Review of Five year plans. Critical Analysis of Latest Budget.

Recommended Books

- Saeed, Khawaja Amjad, The Economy of Pakistan, Karachi: Oxford University Press, (Latest Edition).
- Zaidi, Akbar, (1999), Issues in Pakistan Economy, Oxford University Press, Karachi.
- Khan, Shahrukh R., 50 Years of Pakistan's Economy – traditional Topics and contemporary Concerns. Oxford University Press, Karachi. (2000).

Course Name: Computer Application in Economics	Course Code: ECON-515
Course Structure: Lectures: 3	Credit Hours: 3
Prerequisites: None	
Course Outline	
<p>1. Introduction to Computers</p> <p>Concepts, Definition, Characteristics Microsoft Word: Starting Ms Word, Features of MS Word, Parts of Ms Word interface, Overview of Menus, Types and Classification, History and Generations of Computers, Microsoft Word: Managing Documents, Typing and Editing Text, Keyboard Short Cut Keys. Uses of Computers in different fields, positive and negative impact of computers on our society. Microsoft Word: Formatting Text, Formatting Pages, Dealing with Tables in MS Word.</p>	
<p>2. Computer Hardware</p> <p>Definitions, Input Devices. Different, types of input devices, advantages and disadvantages and their applications. Microsoft Word: Dealing with Tables and images/pictures and properties in MS Word Output Devices, Different types of output devices, advantages and disadvantages and their applications. Central Processing Unit, its different parts, associated terminologies and importance</p>	
<p>3. Introduction to Windows</p> <p>Concept Windows Features, Elements of Desktop , Using Mouse, Common Option in Start menu, Control Panel. Starting Ms PowerPoint, Features of MS PowerPoint, Creating Presentations, Working with Slides. Storage Devices and Communication Devices, different types, advantages and disadvantages and applications Working with Placeholders, Slide Transition and Animation. Working</p>	

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4. Computer Software

Definition, Types of Software: System and Application Software, advantages and disadvantages and applications. Operating System and languages concepts.

5. Concepts of Networking and Data Communication

Installation of Windows and different software

6. Internet

Concepts and History, advantages and disadvantage and impact on our society, Starting internet, Web browser properties and settings. Different terms associated with internet, Web Browsers Searching Techniques, Uploading and Downloading

7. E-mail

Definition, Concepts, Associated terms. Creating Accounts, Emailing, Attachment

8. SPSS

Concepts, Starting, Features , Interface, Managing Information. SPSS Formulas, Usage of Important Functions, Normalization and Analysis. Tests in SPSS

Recommended Books

- Introduction to Computers by Peter Norton, 6th International Edition (McGraw HILL)
- Computer Science-An Overview, Glenn Brooks Hear, 3rd Edition
- E-View Manual, (Learning help available with package (software)).
- Computer Fundamentals, P.K Sinha
- MS Office and SPSS Manuals



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DETAILED COURSE OUTLINE OF ECONOMICS MSc (2 YEARS PROGRAM)

SEMESTER-II

Course Name: Functional English-II	Course Code: ECON-520
Course Structure: Lectures: 2	Credit Hours: 2
Prerequisites: None	
Course Objectives This course will enable the participants to: <ul style="list-style-type: none">• Understand the basic rules of grammar.• Generate ideas and translate them to their speech and writing.• Formalize students with Vocabulary and structures used in day-to-day formal interaction.	
Course Consents Application Writing Letter Writing CV Writing Report Writing Paragraph Writing Types of Paragraph	

Essay Writing
 Comprehension
 Summarization
 Interview and its types
 Role Play
 Dialogue Writing

Recommended Books

- Murphy, Raymond, *English Grammar in Use*, 2nd Edition Cambridge University Press.1994
- Thompson, A.J and Martinet A.V *A Practical English Grammar*, 4th Edition, Oxford University press.1986
- Bergman C.A and Senn J. *AHeath Grammar and Composition, Introductory Course*, Lexington, Toronto: D.C.1987.
- Richard C.Yorkey, *Study Skills*, McGraw-Hill Company, Newyork.1970

Course Name: Macroeconomic Theory (Title TBC)	Course Code: ECON-521
Course Structure: Lectures: 3	Credit Hours: 3
Prerequisites: None	
<p>Course Objectives The course aims at imparting the students with the basic theories and models of macroeconomics and to cover state of the art material in the field of macro economics. The course provides a comprehensive knowledge of National income, employment and its determination, demand and supply of money, theories of saving and investment.</p> <p>Intended Learning Outcomes After the completion of this course students will be able to understand different macroeconomic issues and policies, various macroeconomic problems and their solutions faced by various economies.</p> <p>Course outline</p> <p>1. Basic Concepts</p> <p style="padding-left: 40px;">Introduction to Macroeconomics. Subject matter of Macroeconomics.</p> <p>2. National Income.</p>	

The concept theory of national income and some basic concepts of national income. Measurement of national income. Circular flow of national income in two, three, and four sector Economy.

3. Income, Prices and Employment

Classical theory of income and employment; Labour market, Money market and Real market. Say's law of market. Keynesian theory of income and employment. Determination of equilibrium level of national income in two, three and four sector economy (aggregate demand and aggregate supply approach, saving and investment approach). Inflationary and deflationary gaps.

4. Multiplier Analysis

Concept and definition of multiplier. Types of Multiplier: Govt. expenditure multiplier, Transfer payment multiplier, Tax multiplier, Balanced budget multiplier, foreign trade multiplier and trade balance Investment multiplier.

5. Theories of Investment, Consumption and Saving Functions.

Capital stock Vs investment. Marginal efficiency of capital (MEC). Marginal efficiency of investment (MEI). Role of interest rate and Finance in influencing investment demand. Theory of consumption function. Theory of saving function.

6. Goods market and Money market Equilibrium.

Goods market equilibrium (IS Curve). Money market equilibrium (LM Curve) Shifts in IS, LM curves, General equilibrium (IS-LM model).

Recommended Books

- Mankiw, Gregory N., (2000) Macroeconomics, Worth Publishers, New York.
- Shapiro, E. (1998) Macroeconomic Analysis, Galgotia Publications.
- Abel, Andrew B and Bernanke, Bens, (2002) Macroeconomics, Addison-Welsey Longman, Inc. international student edition. Reading and Study Skills by John Langan Study Skills by Riachard Yorkey.

Course Name: Monetary Economics	Course Code: ECON-522
Course Structure: Lectures: 3	Credit Hours: 3
Prerequisites: None	
<p>Course Objectives This Course is designed to give the students an insightful understanding of the subject. The main purpose is to orient the students with fundamental concepts of public side economics and the role and functioning of money mechanism.</p>	

Intended learning outcome

This course will enable the students to interpret and apply the knowledge of monetary economics on local as well as foreign economies, and to participate in the policy formulation process from the forum of various public and private sector organizations.

Course Contents

1. Introduction and Development of Monetary Mechanism

Evolution of money and Payment System. Definition of money M1, M2, M3, L etc. Functions of money and measurement of money. Demand for money and supply of Money.

2. Role of money in the Economy

Debate on Neutrality and non-neutrality of Money. Classical Dichotomy and Keynesian Integration of Nominal and Real Sectors. Role of money in IS-LM Frame work. Money in aggregate demand and aggregate supply analysis. Keynesian vs. Monetarist view of Equilibrium output. Employment and prices.

3. Demand for Money

Quantity theory of Money. Transaction and Portfolio Theories of Demand for Money. Baumol-Tobin model of Cash Management. Friedman's Restatement of Quantity Theory of Money: Empirical Evidence on Demand for Money.

4. The Money Supply Process

Monetary Base. Keynesians Liquidity Preference Framework. Freidman Modern Quantity theory of Money. Determinants of money supply: Exogenous and Endogenous. Understanding movements in the Monetary Base. Money Multiplier. Velocity of Money and its variability. Complete Money supply Model.

5. The Conduct of Monetary Policy: Central Bank

Structure and Functions of central Bank. Independence of Central bank and its role in Economic Growth. Tool of Monetary policy. Advantages and Disadvantages and impact analysis of each policy tool.

6. Money and Interest Rates

Definitions and Determinants of interest rates, Kinds of interest rates. The behavior of interest rates. Understanding and measuring interest rates. Real and nominal interest rates. Theories of Interest rate Determination. The Distinction between interest rates and returns.

7. Money and Inflation

Definition and causes of inflation. Types of inflation. Inflation as monetary Phenomena? The Philips curve and the Accelerating Inflation. Inflation in Pakistan: sources and managing policies. Sources of Inflation in Pakistan, Policies for combating inflation in Pakistan.

8. Monetary policy in international framework

Current issues in monetary and financial sectors. Conduct of monetary policy. Perfect mobility of capital and Money Control. Effectiveness of Policy. Impact of Reserves on BOP and Exchange rates. Targeting exchange rate. Exchange rates and balance of payments.

9. Commercial Banking

Introducing the money supply process. Multiple Deposit Creation.

10. The concept of Plastic Money.

What are credit cards and debit cards: various types of plastic money. How does the financial system of plastic money works? Impacts, issues and the future of plastic money with special reference to Pakistan.

Recommended Books

- Bennett T. McCallum, (1989), Monetary Economics, Theory and Policy, McMillan.
- Fredric S. Mishkin, (1995), Financial Markets and Money, Harper and Row Publishers.
- Miller, R. L. and David VanHose, (2001), Money, Banking and Finanacial Markets. South Western, Singapore.
- Laider, David E.W (1996), The Demand for Money: Theories, Evidence and problems (fourth edition), Harper and Row Publishers, New York.

Course Name: Managerial Economics	Course Code: ECON-523
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Course Structure: Lectures: 3	Credit Hours: 3
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Prerequisites: None

Course Objectives

The basic objective of this course is to familiarize the students with the approach, language and techniques of managerial economics. At a more specific level, this course has three objectives:

- Develop specific tools – quantitative as well as broadly analytical – that are useful for tackling basic managerial economics problems.

- Instill a unique “point of view” on each and every one of the students. This point of view – the “economic point of view” – is extremely powerful and has proven to be a useful analytical perspective in many circumstances, including business decision making at the highest level.
- Discuss the functioning of the economy from an analytical point of view. Throughout the class an effort will be made to use as many examples as possible related to the international economy.

Course Contents

1. Introduction to Managerial Economics

Definition and Nature of Managerial Economics. Scope of managerial economics. Use of optimization techniques and Managerial Economics.

2. Demand Analysis,

Review of demand theory: Individual demand and market demand. Concept and types of elasticity: Price elasticity, income elasticity and cross elasticity, arc elasticity. Use of elasticity's in managerial economics

3. Demand Estimation and Forecasting

Demand Estimation. The identification problem. Marketing research approach to Demand Estimation. Introduction to regression analysis. Qualitative forecasts Time series Analysis.

4. Production and Cost Analysis

Production function, Total, Average and Marginal Product. Concept of cost analysis.

5. Cost Estimation and Forecasting

Breakeven analysis. Cost Estimation and Forecasting.

6. Pricing Analysis and Decisions

Review of market structure. Perfect competition, monopoly, monopolistic competition, Price discrimination, Pricing: markup pricing and new product pricing.

7. Capital Budgeting and Investment Decisions

Capital budgeting with unlimited availability of funds. The net present value criterion, The internal rate of return criterion, The profitability index criterion. The average rate of return criterion. Mutually exclusive investment. The superiority of NPV over IRR for mutually exclusive investment.

Recommended Books

- Douglas, E. J., (1998) Managerial Economics, Prentice Hall, U.S.A. Thomson
- Hirschey, M. , (2003) Managerial Economics, South-Western publishers.
- Hirschey, M. and J.L. Pappas, (1998) Fundamentals of Managerial Economics, Dryden Press.
- Kent P, and P Young., (2003) Managerial Economics: Economic Tools fourth Edition) Pearson
- Keat, P., and P., Young, (1992) Managerial Economics, MacMillan
- Mansfield E., (1998), Managerial Economics, Theory, Application and Cases. W. W. Norton & co.
- Michael R., Baye, (2000), Managerial Economics and Business Strategy, McGraw Hills.
- Pappas, James, Brigham Eugene F and Hirschey Mark., (latest Edition), Managerial Economics, Dryden Press, Chicago.
- Salvatore, D. (2001) Managerial Economics, McGraw Hill,
- Thomas, Maurice. (2002) Managerial Economics: In a Global Economy (7th Edition) New York: McGraw Hills.

Course Name: International Economics and Trade Policy	Course Code: ECON-524
Course Structure: Lectures: 3	Credit Hours: 3
Prerequisites: None	
Course Objectives The course aims at familiarizing the students with international economic issues, trade theories & Policies and international organizations. The main emphasis of the course is to prepare the students for policy formulation and creating analytical skills.	
Intended Learning outcomes This course would enable the students to comprehend international flow of factors of production, balance of payment problems, and different international economic systems of trade. After completion of this course students will be able to work in different private and public sector organizations.	
Course Contents 1. Introduction to international economics: The scope and nature of international economics, distinguishing features trade, foreign trade and national interest.	

2. The pure theory of international trade

Basis of trade. Classical theories of Trade (Absolute and Comparative advantage theories). Modern trade Theory, H-O Hypothesis. The Leontief paradox, alternate theories of trade and human skills, technology and product cycle theories, use of indifference curves, offer curves and box diagrams for exposition of trade theories.

3. Commercial Policy

The case for and against free trade, theory of tariffs, infant industry argument, the effective rate of protectionism, optimum tariffs, retaliation, trade barrier taxes, subsidies, and quantitative restrictions, non-barrier export cartels and dumping, international institutions promoting trade, GATT, UNCTAD, WTO and European common market.

4. International Trade and Economic Growth

Trade and growth, mutual effects of growth and trade in the context of small and large countries, Immiserizing growth, problems faced by developing countries, market barriers, secular decline in terms of trade.

5. Economic Integration:

Types and reasons, the theory of custom unions, static and dynamic effects of custom unions, economic integration among the developing countries, SAARC.

6. Balance of Payments;

Balance of payments accounts, autonomous and accommodating items, disequilibrium in balance of payments and corrective measures.

7. Income Adjusted Mechanism:

Income determination in open economy, the foreign trade multiplier, foreign repercussions, national income and the balance of payments, policies for internal and external balance, swan's and mundell models and policy assignments.

8. International Monetary Systems:

Characteristics of a good monetary system, the Bretton wood system, its major weaknesses and its collapse, the present system of managed flexibilities, its appraisal and need for reforms, IMF conditionality and structural adjustment programs, world bank and regional development banks (Asian banks and Islamic development banks).

Recommended Books

- Dominick Salvatore B., (2005) International Economics, Prentice Hall, Latest Edition.
- Jhingin M.L, (2000) International Economics (latest edition)
- Grubel Herbert C., (2002) International Economics, Richard D. Irwin Inc. Homewood, Illinois.

Course Name: Basic Statistics	Course Code: ECON-525
Course Structure: Lectures: 3	Credit Hours: 3
Prerequisites: None	
Course Objectives The course emphasis on enhancing the students with basic statistical techniques and to enable them not only for testing various theories but to also provide them the basic skills to take the advance courses like Econometrics.	
Intended Learning Outcomes After the completion of this course student would be able to analyze and handle the statistical data and use the estimation techniques in various problems.	
Course Contents	
1. Descriptive Statistics Data collection and presentation, Frequency distribution and Graphs, Histogram, Measures of central tendency, Mean, Median, Mode, Geometric and Harmonic Means, Quartiles, Deciles, Percentiles, Measures of dispersion, Absolute and Relative dispersion, Skewnes.	
2. Index Numbers Concept of index number, Simple and weighted index numbers, Unweighted index numbers, consumer price index, whole sale Price Index, Advantages and Limitations of Index number. Forecasting, time-series analysis, estimation of trends, seasonal variations	
3. Correlation & Regression Definition of correlation and its measurement, Partial and Multiple Correlation, Concept of Regression, Simple and Multiple Regression model, Coefficient of	

Determination, Methods of Least Square.

4. Elements of Probability

Basic concept of Probability, Random variables and expectations, Basic concepts of Binomial, Poisson and normal Distribution, properties of Binomial, Poisson distribution.

5. Sampling Techniques

Difference between sample and population, objectives of sampling, different types of techniques of sampling, sampling distribution of means, difference between means, sampling distribution of proportion and difference between proportion.

6. Inferential Statistics

Basic concepts of estimation, Hypothesis testing, Testing of hypothesis about mean, difference between means using Z, t statistics. Fitting of distribution using Chi-square distribution.

7. Analysis of Variance and Experimental Design

Analysis of variance of one and two way classification. Experimental design and its different types.

8. Interpolation

Interpolation with equal and unequal intervals using Newton's and Lagrange's Methods.

Recommended Books

- Choudhry, Sher Muhammad, (2006) "Introduction to Statistical Theory", part – I and II and appendix Ilmi Kutab Khana, Lahore.
- 2. Spiegel, M.R., (2002) "Theory and Problems of Statistics", (Schaum's Outline Series)
- 3. Walpole, Raynold E Introduction to Statistics (Maxwell, McMillan Int, Ed).
- 4. Allan G. Bluman, (2003) Elementary Statistics A step by step approach 3rd edition, Mcgraw Hill Book co.



**SHAHEED BENAZIR BHUTTO WOMEN UNIVERSITY PESHAWAR
DEPARTMENT OF ECONOMICS**

DETAILED COURSE OUTLINE OF ECONOMICS MSc (2 YEARS PROGRAM)

SEMESTER-III

Course Name: Advance Microeconomic Theory (Title TBC)	Course Code: ECON – 631
Course Structure: Lectures: 2	Credit Hours: 4
Prerequisites: None	
<p>Course Objectives</p> <p>This course covers the basic theory of modern microeconomics. It intends to introduce the main branches and methodologies of the neoclassical microeconomics, game theory, industrial organization, and information economics. Students are required to understand the theories and concepts intuitively, to master the modeling techniques and derivations, and to solve simple versions of the problems.</p> <p>Course Outline</p> <p>1. Market Organization</p> <p>Perfect Competition Definition, Assumptions. Short run Equilibrium of the firm (Price and output determination under perfect competition) Short run equilibrium of the firm, TR – TC approach, MR – MC approach. Different possibilities of the firm’s equilibrium under perfect competition in short run. Short run Equilibrium of the industry. Short run Supply curves. SR supply curve of firm. SR supply curve of industry. Long run equilibrium of the firm. Long run equilibrium of the industry. Long run supply curves of an industry. Long run supply curve of increasing cost industry. Long run supply curve of constant cost industry. Long run supply curve of decreasing cost industry.</p> <p>2. Monopoly</p> <p>Definition. Causes of monopoly. Demand & Revenue curves under monopoly. Relationship between Marginal Revenue, Price and Elasticity of demand. Equilibrium of the firm (Price & out put determination under monopoly). Short run equilibrium of the firm under Monopoly. TR – TC approach. MR – MC approach Long run equilibrium. Less than optimal scale of plant. Optimal scale of plant More than optimal scale of plant. Multiplant Monopoly. Natural Monopoly. Bilateral Monopoly Comparison of Monopoly & perfect competition</p> <p>3. Price Discrimination</p> <p>Definition. Conditions of price discrimination. Types of price discrimination Degree of price discrimination. First degree price discrimination. Second degree</p>	

price discrimination. Third degree price discrimination

4. Monopolistic Competition

Definition, Characteristics and Assumption. Equilibrium of the firm. Short run equilibrium, Long run equilibrium. Critical analysis.

5. Oligopoly

Definition, Classification of Oligopoly. Characteristics of Oligopoly markets
Collusive oligopoly. Cartel models. Non Collusive Oligopoly. Cournot's duopoly model

6. Pricing of factors of production

Factor pricing in perfectly competitive markets. Demand for labor in perfectly competitive markets. Supply of labor in perfectly competitive markets. The determination of the factor price in perfect markets. Elasticity of input substitution & the share of factors of production. Technological progress & income distribution. The prices of fixed factors, (rents & quasi rents).

7. General Equilibrium

Introduction. General equilibrium of consumption. General equilibrium of production. General equilibrium of consumption & production

8. Welfare Economics

Introduction. Criterion for social welfare. Growth of GNP as welfare criterion
Bentham's criterion. Cardinalist criterion. The Pareto optimality criterion. The Kaldor-Hicks criterion. Bergson criterion. Maximization of social welfare
Derivation of GUPF. Determination of the welfare-Maximizing State

Recommended Books

- Ferguson, CE & Gold, J.P, (1999) Microeconomic Theory. Mcmillan, (Latest Edition)
- Henderson, J.M & Quandt, R.E., (2002) Microeconomic Theory, N.Y. Melliwra H A Book Co.
- Koutsoyiannis, A., (1999) Modern Microeconomics, London, Macmillan, (Latest Edition)
- Layard & Walter A.A., Microeconomics, McGraw Hills, (Latest Edition)
- Varian Hall R., (1992) Microeconomic Analysis, Norton & Company, New York.

Reference Books:

- Baumol, W.J., Economic Theory and Operations Analysis, Prentice Hall (Latest Edition)
- Silberberg E., The Structure of Economics, A Mathematical Analysis, McGraw Hill, (Latest Edition)

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Course Name: Labour Economics	Course Code: ECON- 632
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Course Structure: Lectures: 3	Credit Hours: 3
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Prerequisites: None

Course Objectives

The objective of the course is to provide students with the basic economic tools needed to understand and analyze how earnings are determined, how labour markets work and how various government policies may affect the labour market.

Course Outline

1. Importance of Labor Economics

Introduction: Industrialization and Emergence of Labor Economics. Tools to Analyze Labor Markets and Conditions. Overview of Labor Issues in Developing and Developed World.

2. Labor Markets Analysis: Demand for Labor

Labor Market Indicators, Demand for Labor, Decision Making and Labor Hiring. Labor Migration: Reasons and Impacts. Demand for Labor by Firms, Short Run and Long Run Demand for Labor, Industry and Market Demand.

3. Labor Market: Supply of Labor and Wages

Determinants of Labor Supply. Concepts of Human Capital, Human Capital, Productivity and Wages. The Determinants, Labor Force Participation. Supply of Labor and Household Productions. Labor – Skill, Training and Productivity. The Dual Labor Market Theory. Labor Unions and Wages. Supply and Demand for Labor and Wage Determination. Backward bending Supply Curve of Labor.

4. Wages, Unemployment and Inflation

Determinants of Wages, Market Determination of Wages and Marginal Productivity, High Wages and Involuntary Unemployment. Stagflation and Unemployment, Structural Adjustment and Wages. Major Sources of Unemployment, Wages and Phillip Curve. Wage Rigidity, Labor Unions and Unemployment. Unemployment and Social Protection.

5. Labor Market Discrimination

Discrimination in Labor Market: Gender, Race and Ethnicity. Efficiency Wage

Theories and Coordination Failure.

6. Labor Market Information System

Labor Market Information System and Efficiency, Labor Statistics and Labor Policy. Human Welfare and Labor Policy, Minimum Wages, Rationale and Impacts.

7. Theories of Labor Movements

The Marxist, The Wells, Selling and Pearlman's contributions. Trade Unions in Pakistan, Labor Legislation in Pakistan. Impacts of Labor Union. Labor Policies in Pakistan: Critical Evaluation.

8. Child Labor

Definition and extent of child labor. Child labor; moral aspects. Child labor an international issue: Extent of Child labor in developing countries. Child labor in Pakistan. Policies to combat child labor. Child labor and international trade issue.

Recommended Books

- Comith Stephen, (2003), Labour Economics, Routledge Publishers.
- Bruce, Kaufman; e. Kaufman, Julie L; Hotchkiss, (2002), Economics of Labour Markets, Thomson Publisher.
- Current Issues in Labour Economics, (1989), Palgrave Mcmillan.
- Reynolds, Labor Economics and Labor Relations.
- Orley, Ashenfelter (edt), Layard, P. R. G., (edt), Hand Book of Labour Economics, Elsevier Science Pub. Co. (1986).

Course Name: Basic Econometrics	Course Code: ECON – 633
Course Structure: Lectures:2	Credit Hours: 2
Prerequisites: None	
Course Objectives Providing the students the knowledge of basic econometric theory and models and enabling the students to use quantitative aspects of various econometric theories for data analysis.	
Intended Learning Outcomes Students are expected to easily undertake regression analysis, on different econometric models. They will be comfortable in data analysis and analyzing projects.	
Course Contents 1. Introduction Definition and scope of econometrics, Econometric models vs. Statistical models.	

Ingredients of econometric modeling. Specification, estimation, verification or evaluation and forecasting

2. The Classical Linear Regression Model

(a) **The Simple Linear Regression Model (SLRM)**, Estimation of SLRM by Ordinary Least Squares (OLS) Interpretation of Estimated Coefficients and their Economic Meanings.

(b) **The Multiple Linear Regression Model (MLRM)**, Estimation of MLR model by OLS and its assumptions Interpretation of estimated coefficients and their economic meanings, Computation as a measure of elasticities and standardized coefficients Using R of 'Goodness of Fit' and some Problems with its use.

(c) **The General Linear Regression Model (GLRM)**, Estimation of GLRM by OLS through Matrix Approach Var-Cov matrix of estimated coefficients.

Recommended Books

- Econometrics, (1998) 3rd Edition, ” McGraw Hill.
- Johnston, J. (2000) Econometric Models, McGraw Hill, (Latest)
- Koutsoyiannis, A. (1999) Theory of Econometrics, McMillan.
- Maddala, J.S. Econometrics, McGraw Hill, New York, (Latest).
- Wonnacot, R.J. Econometrics, John Wiley, New York & Wonnacot, E.
- Madnani, G.M.K Introduction to Econometric Principles and Applications, (Latest Edition)
- Maddala, J. & Kim Unit Roots, (1998) Co-integration and Structural Change, Cambridge University Press.

Course Name: Investment and Project Appraisal	Course Code: ECON-634
Course Structure: Lectures: 3	Credit Hours: 3
Prerequisites: None	
Course Objectives The course aims at understanding various aspects of development of a project, its feasibility analysis and pricing.	
Course Contents	
1. Introduction	

Meaning of Project Appraisal, usefulness and significance, Aspect of project appraisal with a special focus on economic versus financial analysis, Contours and Dimensions of a project and its essential ingredients, Project Vs. Plans. Project Cycle.

2. Investment Overview

Investment & Investment Appraisal: an overview, nature & scope. Investment Appraisal and Financial Decision Making. Public & Private Sector Appraisal. Significance & importance of Investment and Project Appraisal in Developing Countries.

3. Investment Appraisal – Basic Evaluation techniques

Introduction, Traditional Methods, Time Value of money Methods.

4. Identify Project Benefits and Costs

Objectives of Costs and Benefits, The Incremental / Net Benefits and “With” and “Without” Comparisons, Categories of Costs and Benefits

5. Cash Flows, Capital Budgeting & Investment Decisions

Introduction, identifying & using cash flows, capital market imperfections, simple. Simple ways to cope with risk.

6. Social & Economic Cost-Benefit Analysis

Cost Benefit Analysis – An illustration, Identifying costs & Benefits, Valuation of costs & Benefits, A case study in Valuation - putting money on human life.

7. Discount Rate, Risk & Uncertainty in Cost Benefit analysis

The discount rate, theoretical & derivation of a social discount rate, the social discount rate in practice, risk & uncertainty, methods for handling risk and uncertainty.

8. Different Criterion for Project Evaluation

Discounting Technique, Discounted measure: NPV, IRR, BCR, Net benefit Investment Ration. Undiscounted measures. Comparison of NPV & IRR.

Recommended Books

- Steve Lumby and Chris Jones: Corporate Finance: Theory & Practice, latest edition,
- HM Treasury, “The Green Book, a UK government publication detailing the methods it uses in evaluating public service projects.” latest edition
- David Potts,” Project Planning and Analysis for Development, latest edition
- Pedro Belli, Jock Anderson, Howard Barnum, John Dixon and Jee-Peng, latest edition
- Tan (2001) Economic Analysis of Investment Operations, latest edition 6. Richard

- Layard and Stephen Glaister, Cost-Benefit Analysis, latest edition
- Hughes, A., & D.J. Storey, “*Finance and The Small Firm*” (Ed) Routledge, London.
- Donald, E., Fischer, Arnold, J., *Security Analysis and Portfolio Management*, New Delhi: Prentice Hall.
- Gittinger J. Price, “*Economic Analysis of Agricultural Projects*”, London: The Johns Hopkins University Press.
- Hughes and Storey D.J., *Finance and Small Firms*, London: Routledge.
- Hussain, Ch. M: “*Project Appraisal, Monitoring and Evaluation Process with Special Reference to Pakistan*”, Karachi: Royal Book Co.
- United Nations: (Latest ed.), “*Guide to Practical Project Appraisal – Social Benefit – Cost Analysis in Developing Countries*”, New Delhi: Oxford & IBH publishing Co.
- United Nations: (Latest ed.), “*Manual for Evaluation of Industrial Projects*”, New Delhi: Oxford & IBH Publishing Co.
- Zvi Bodie, Alex Kane, Alan K., (Latest ed.), *Essentials of Investment*, New York: McGraw Hill.

Course Name: Research Methods and Techniques	Course Code: ECON-635
Course Structure: Lectures: 3	Credit Hours: 3
Prerequisites: None	
Course Objectives	
To enable the students to learn the basic research techniques essential for all social scientists.	
Course outline	
1. Introduction	
Introduction to research, What is research and why to do research? The research process, Human Inquiry and Science, Different types of research (Basic and Applied Research, Exploratory research, Descriptive Research, Causal Research, Explanatory Research, Qualitative Research, Quantitative Research, Archival and historical Research), Selection, formulating and clarifying the research topic, Introduction to writing research proposal.	
2. Literature Review and Critical Reading	
Introduction, The Importance of Literature Review, Types of Literature Review, Some General Points in Literature Reviewing, Obtaining Literature Sources Searching the Literature, Assessing the Quality of Literature , Academic Referencing and using Endnote.	

3. Understanding research philosophies and approaches

Research Approaches: inductive and deductive, What is reality? Ontology and Epistemology and its importance in social research, Role of theory and philosophy in research , Objectivist and subjectivist approaches, What is a Research Philosophy, Positivism and Interpretivism , Macro and micro theory

4. Conceptual Framework

What, why and how of conceptual framework, Designing conceptual framework
Conceptual framework in qualitative and quantitative research, Combining more than one theory, Mixed Method Research, Theoretical Research.

5. Research design

Definition and Purpose of the research design, Quantitative & qualitative research designs: Research strategies, Sampling techniques, Multiple methods choices – combining data collection techniques and analysis procedures, Time horizons: Cross sectional and longitudinal research, Data collection, Data collection tools , Types of Data: Primary data secondary data, Data management in Quantitative and qualitative research, The credibility of research findings, The ethics of research design.

6. Data analysis I: Analysis of Primary data

Analysing quantitative data:

- a. Preparing, inputting and checking data
- b. Exploring and presenting data
- c. Describing data using statistics
- d. Examining relationships, differences and trends using statistics

Analysing qualitative data

- e. Differences between qualitative and quantitative data
- f. Preparing your data for analysis: transcription and translations of data
- g. Types of qualitative analysis processes: Grounded theory, thematic analysis
- h. Data presentation, writing analysis, Memo writing
- i. Use of software in qualitative and quantitative data analysis

7. Data analysis II: Analysis of secondary data

Introduction , Types of secondary data and uses in research, Locating secondary data, Advantages and disadvantages of secondary data, Evaluating secondary data sources.

8. Report writing

Introduction, Getting started with writing, Structuring and presenting the Dissertation/project report, Organising the project report's content, Developing an appropriate writing style.

Recommended Books

Core Text:

- Sounders, M., Lewis, P. and Thornhill, A. (2000), Research Methods for Business

Students, 5th edition, Prentice-Hall, Upper Saddle River, NJ.

- Adams, J., Khan, H. T. A., Raeside, R., & White, D. (2007). Research methods for graduate business and social science students. New Delhi: Response Books

Additional Text:

- Babbie, E. (2007). The practice of social research. 7th Edition, New York: Macmillan
- Bryman, A. (2012). Social Research Methods. New York: Oxford University Press
- Johnson, Glenew, (Latest ed.), *Research Methodology for Economists: Philosophy and Practice*, New York: McMillan Publishing Co
- Neuman W. Lawrence, (1997), *Social Research Methods, Qualitative and Quantitative Approaches*, Allyn and Bacon; Boston
- Uma, Sekarn, (1992), *Research Methods for Business. A Skill Building Approach*, John Willey & Sons, Inc.
- Young Pauline V., (latest ed.), *Scientific Social Survey and Research*, Prentice Hall Inc
- Zikmund William, G., (1994), *Business Research Methods*, Chicago: The drydem Press.

Course Name: Islamic Economic System	Course Code: ECON – 636
Course Structure: Lectures: 3	Credit Hours: 3
Prerequisites: None	

Course Objectives

The course aims at acquainting the students with Islamic principles and their applications to analyze the economic aspects and problems. The course helps to build nexus between the Islamic principles and mainstream economic theories.

Intended Learning outcome

This course would help the students to use and apply fundamentals of Islamic thoughts and principles to different economic problems and banking systems and to understand the current process of Islamization of economic systems.

Course Contents

1. Introduction

Islamic Economics Nature and Importance of Islamic Economics. Islamic Economics Versus Economics of Secular Economy and Mixed Economic System. Brief Introduction of Basic Values of Islam; Taqva, Halal and Haram, Justice, Benevolence, Equality, Brotherhood and Cooperation as Determinants of Economic Behaviour and Policies.

2. Major Economic Thoughts: Contribution of Scholars

Contribution of some Earlier Muslim Scholars in the Development of Islamic Economics (Imam Abu Yousuf, Imam Abu Ubaid Al Qasim,, Ibn-e-Khaldoon, Imam Ibn-e-Taimiah, Shah Waliullah Dehlvi, Baqar-al-Sadar).

3. Islamic Economic System

Silent features of Islamic Economic System; objectives, Economic Freedom, Property and Ownership Rights. The Concept of Equality and Efficiency. The Relative Importance of Capital and Labour. Priority to Basic Needs. Concepts of Ownerships and Implication. Welfare and income Distribution. Comparison of Islamic Economic System with Capitalism and Socialism, with respect to above cited principles / values of Islam.

4. Microeconomics in Islamic Framework

The Consumer Behaviour in Islam. Utility, Moderation, optional Consumption Behaviour. Organization of Production and Behavioral Theories of Firms. Objectives and Behaviour of Firm in Islamic Economy. Business Ethics in Production and Marketing. Hoarding and Gains. Market Structure – Monopoly and Competition, Resource Allocation in Islamic Environment and Cartels. Concepts of Fair Trade. Stockists / Wholesales, determination of Prices and Rate of Normal Profit / Meeting of Losses. Price Mechanism and State Role in Regulation of Markets.

5. The Modes of Financing In Islam

Modarba and Musharka. Types of Bai. (Bai-Salam, Bai Muajjal, Morabaha.) Saving and Investment in Islam. Investment of Savings for Gains.

6. Distribution in Islamic Economy

Islamic Stress on Circulating of Wealth. Steps against Concentration of Wealth. Social Justice in Islam. Rights of Labour, Distributive Justice. Use of Land and Other Natural Resources and their Rewards. Role of State in Distribution of Wealth.

7. Some Basic Macroeconomic Concepts

Consumption, saving and Investment Functions in Islamic Environment. Determents of Islamic Consumption Function, Concept to Help others, Welfare and Religious believes. Zakat and Usher.

8. Demand and Supply of Money and Banking

Gold Money, Paper Money and Credit Money. Western Justification of interest. Islamic Concept of Riba, its Implications and Alternatives. Functions of Commercial Banks in Islamic Framework. Central Banking and Monetary Policy in Islamic Framework. Central Banking and Monetary Policy in Islam. Inflation Vs. Design of Capital Market. Monetary Policy in an Islamic Framework.

9. Zakat, Social Justice and State

Meaning of Zakat, Nisab, Introductory Hints about items of Zakat. Distributive Role of Zakat and Social Justice. Zakat as a tool in Fiscal Policy. Economic Role of Islamic State. Welfare consumption and limits. Revenue and Expenditure Items in Modern Islamic States. Beneficiaries of Zakat. The Tax Policy of Islam. Nature and Scope of Fiscal Policy in Islamic State (Taxation Policy). Expenditure Principles. Burden of Taxes.

10. The Islamisation Process in Pakistan

The Islamisation of Banks. Implementation of Zakat / Usher in Pakistan. A brief Survey of Changes in Economic Structure and Conditions since the Holy Prophet (regarding Transport / communication, Business Forms, Production of Goods, Money and Banking).

Recommended Books

- Islamic Economics: Theory and Practice, A Comparative Study, M.A. Mannan, Cambridge, Hodder and Stoughton, 1986 (or latest ed.)
- Islamic Economics: Dar A.H & M.. Akram Ilmi Kitab Khana, Lahore (latest ed.)
- Macro Consumption Function in an Islamic Economic Framework, M. Fahim Khan, International Centre for Research In Islamic Economics, King Abdul Aziz Univ, KSA.

Reference Books:

- Ahmad, Khurshid, (2007), Fiscal Policy and Revenue Allocation in Islam, International Islamic University, Islamabad.
- Anf A.Q. Mannan M.A. (1995), Developing a System of Financial Instruments IRTI, Islamic Development Bank, Jeddah.
- Badawi, Imam Abu Abaid Al-Qasim Muhammad A. Zaki, Kitab ul Amwal:, Zakat and Social Justice, Islamic Council of Europe, London, 1979.
- Chapra T M., The Economic System of Islam, University of Karachi, 1991.
- Chapra, Umer, Monetary Policy in an Islamic Economy, in Money and Banking in Islam, Institute of Policy Studies, Islamabad.
- Ghazanfar S.M., (2003), Medieval Islamic Economic Thoughts, Routledge Publishers.

- Khan M. Fahim, (1995), Human Resource Mobilization Through the Profit, Loss Sharing Based Financial System, IRTI, Islamic Development Bank Jeddah.
- Khan, Tariq ullah, (1996), Practice and Performance of Mudarba, A case study of Pakistan, IRTI, Islamic Development Bank, Jeddah.
- Khurshid, Ahmad, Elimination of Riba: Institute of Policy Studies, Islamabad.
- Mahdi, M. Ahmad, (1995), Islamic Banking Modes for House Building Finance, IRTI, Islamic Development Bank, Jeddah.
- Mannan M.A, (1996), Financing Development in Islam, IRTI, Islamic Development Bank, Jeddah.
- Naqvi Syed Nawab Hyder Ethics and Economics: . Leicester, The Islamic Foundation. 1981.
- Nomani, Farhad & Rehnuma., Ali, Islamic Economic Systems: Zed Books Ltd., London, 1994.
- Nuti, D. Haris, (1995), The Economics of Participation, IRTI, Islamic Development Bank, Jeddah.
- Siddiqui, M.N., Muslim Economic Thinking, Leicester, The Islamic Foundation. 1985.
- Tago, Usman, Justice: Introduction to Islamic Finance, (2000), Idara-tul- ma'arif edition.
- Yusaf, Imam Abu, Kita bur Kharaj, Lahore, Islamic Book Centre, 1979.



**SHAHEED BENAZIR BHUTTO WOMEN UNIVERSITY PESHAWAR
DEPARTMENT OF ECONOMICS**

DETAILED COURSE OUTLINE OF ECONOMICS M.Sc (2 YEARS PROGRAM)

SEMESTER-IV

Course Name: Advanced Macroeconomic Theory (Title TBC)	Course Code: ECON – 641
Course Structure: Lectures: 4	Credit Hours: 4
Prerequisites: None	
Course Objectives The course aims at imparting the students with advance theories and models of macroeconomics and to cover state of the art material in the field of macro economics. The course provides a comprehensive knowledge of multipliers and macroeconomic policy formulation in the real world.	
Intended Learning Outcome Describe problems in the macroeconomic system of the country and to formulate policies for the solutions.	
Course Outline <ol style="list-style-type: none">Theories of Consumption and Their Implications Theories of Consumption: Duesenbury Hypothesis, Keynesian Consumption Function. Permanent Income Hypothesis / Life Cycle Hypothesis, Kuznet's findings and Reconciliation of Marginal Propensity to Consume and Average Propensity to Consume Implications of Consumption Theories for Policy Formulation and Stabilization Policy.Saving and Investment Definition and Kinds of Investment; Autonomous and Induced etc. Determinants of investment. Present Value Criteria for Investment. Investment Demand Tobin's Q-Theory. Volatility of Investment.The Demand and Supply of Money Money Demand and its Determinants, Portfolio Balance Approach, Empirical Estimation of Income and Interest Elasticities. Supply of Money, Determinants of Money Supply. Measurement of Money Supply and its implications, Instruments of Monetary Policy.Multipliers and supply-side economics Derivation and simple multiplier, tax multiplier, inclusion of imports and multipliers. Supply side economics, stagflation and stabilization policies.	

5. Open Economy and Macroeconomic Stabilization

Exchange Rates and their Determinants: Mundell - Fleming Model (MFM): Small open Economy with perfect Capital Mobility. Floating Exchange Rate and Fiscal Policy. Fixed Exchange Rate and Fiscal Policy. Flexible and Managed Exchange Rates.

6. Globalization

Globalization-a long term perspective. The benefits of trade liberalization. Problems of globalization. International financial institutions.

7. Macro economics policy in the world economy:

The international financial and monetary system. History of world financial and monetary system. Monetary policy rules in the world economy.

Recommended Books

- Branson, William H., (1979), Macroeconomic Theory and Policy, Harper and Row Publishers, New York / London.
- Branson, William H., and Litvack James M., Macroeconomics, (Latest Edition), Princeton University.
- Glahe, Fred R., (Latest Edition), Macroeconomics, Theory and Policy, Harcourt Brace Jovanovich Inc.
- Mankiw, Gregory N., (2000) Macroeconomics*, Worth Publishers, New York.
- Peel D. and Minfow P., (2002). Advance Macroeconomics, Edward Elgar, Cheltenham, U.K.
- Romer, David, (2001). Advanced Macroeconomics, McGraw Hills, New York / London.
- Sargent, Thomas J., (1988) Rational Expectations and Inflation*, Harper and Raw Publishers, New York / London.

Course Name: Development Economics	Course Code: ECON-642
Course Structure: Lectures: 4	Credit Hours: 4
Prerequisites: None	
Course Objectives The course aims at developing necessary abilities in students to apply development economics theories to solve problems of developing countries and helps to understand the	

functioning of various institutions and the policies adopted in developing countries.

Course Outline

1. Scope and New Developments

Definitions: Economic Development and Growth, Identification of Development variables. Scope and Significance of Development Economics. Characteristics of LDC's. Measurement of Economic Development and Growth, Per Capita Income approach, Quality of Life Index / HDI etc. Historical overview of world development and emerging major issues pertaining to Less Developed Countries (LDC's). Why the whole world is not developed.

2. Major Theories of Development

Classical and Neo-classical Theories, Vicious Circle of Poverty, Stages of Economic Growth, Balanced and Unbalanced Growth, Big Push Theory. Endogenous Growth Theory: New growth Theory. Income Convergence/Divergence debate.

3. Agriculture and Industry

Agriculture vs. Industry: Development Debate. Lewis' Model of surplus Labor. Rains' Fei Model and its critical review. Transforming Agriculture, Underemployment problem. Role of agriculture in economic development. Land Holdings, Green Revolution and its Performance. Need for Industrialization. Industrialization and its financing mechanism. Why Green Revolution? The Spread of Green Revolution in Pakistan and its Status / Contributions.

4. Domestic problems and Policies:

Poverty: definition(s) and approaches to measure poverty; 1) Basic need approach 2) Poverty of opportunity index (POIP) 3) Calorie based approach. Types of poverty: Absolute and Relative Poverty. The concept of poverty line. The nexus of poverty, inequality and underdevelopment. The distribution of wealth and resources, poverty and nutrition. Demographic transition. Population growth; its causes and consequences. Urbanization/rural-urban migrations; its causes and consequences. Human capital; education, health and development. Agriculture and rural development. Environment and natural resources. Sustainable development.

5. International Debt, Aid / Assistance

Why international borrowing? Two Gap Model, Aid commitments and disbursement. Sources of borrowing. Debt Cycle Theory/Stages. Debt Burden: Debt Servicing, Debt buy back etc., Latin American Debt Crises, Debt Problem of LDC's and South Asia, Debt Overhang and threat to growth. Policies to

combat debt problem: Forecasting debt and solution for debt burden, saving mobilization/Domestic resource mobilization, Debt rescheduling etc. Debt Modeling and Forecasting Future Implication.

6. Economic Growth and Environment

Environment and development nexus. Environmental Externalities. Optimal growth in the presence of environmental externalities. Industrialization and its environmental cost. Use of pesticides and environmental impact. Natural resources and Economic growth. Natural resource degradation. Cost of pollution/environmental degradation.

Recommended Books

- Balasubramanyam V. and Lall, S. (Latest eds.), Current Issues in Development Economics. McMillan , London.
- Chaudhary M. Aslam and Hamid, A., (1989). Human Resource Development and Management in Pakistan. Ferozsons, Lahore.
- Chaudhary M. Aslam and Eatzaz, A., (2004), Globalization: WTO, Trade and Economic Liberalization in Pakistan, Ferozsons, Lahore, Pakistan.
- Chenery H. B. and Srinivasen. Hand Book of Development Economics, vol. I & II, Amsterdam (1988, eds.). North Holland.
- Cypher J. M. and Dietz James L., (2004), The Process of Economic Development, Routledge. Tayl or Francis Group, London/New York.
- Ghatak Subarta, (2003), Introduction to Development Economics, Routledge, Taylor and Francis Group, London/New York.
- Herrick B. and Kindleberger C., (latest eds.). Economic Development. McMillan, New York.
- 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.
- Mahboob-ul-Haq Center for Human Development (MHCHD). Human Development in South Asia, Annual Reports, Islamabad. ----- (1999), A Profile of Poverty In Pakistan, (In Collaboration with UNDP).
- Meier Gerald M., Leading Issues in Economic Development, (Latest Issue),Oxford University Press.
- Perkins, D. H., S. Radelet, D. R. Snodgrass, M. Gillis and M. Roemer (2001): Economics of Development, W. W. Norton: New York
- Thirlwall, A.P., (2003), Growth and Development, With Special Reference to Developing Economies 7th edition, Palgrave Publisher.
- Todaro M. P., Economic Development in the third World. Latest Edition, Heinemann, London.

- UNDP, Human Development Reports , Annual Reports.
- Van Den Berg H., (2001), Economic Growth and Development,* McGraw Hills.
- William, Easterly, Growth without Development, A Case Study of Pakistan, World Bank.
- World Bank, World Development Reports, Annual reports, 1986, 1987, 1990, 1991, 1992, 1994, 1995, 1998/99, 2000/2001 and 2004.
- Yotopolous Pan A. and Nugent Jeffery B., Economics of Development, Empirical Investigation (Latest eds.). Harper and Row Publishers, London/New York.
- Please see the link for the last topic http://ec.europa.eu/economy_finance/publications/publication7726_en.pdf
- https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/69195/pb13390-economic-growth-100305.pdf
- http://www.unep.org/geo/geo4/report/01_Environment_for_Development.pdf

Course Name: Econometrics -II	Course Code: ECON – 643
Course Structure: Lectures: 03	Credit Hours: 03
Prerequisites: None	

Course Objectives

This part of econometrics aims at dealing with different econometric problems arising in the data during research & estimation, and their suggested solutions and imparting the knowledge of simultaneous models and their identification.

Intended Learning Outcome

1. Students are expected to easily solve the econometric problems in regression analysis, and of different other econometric models. They will be comfortable in data analysis and analyzing projects.
2. Design experiments, collect data, analyze and interpret results.

Course Outline

1. Multicollinearity

Distinction between perfect Multicollinearity and less than perfect Multicollinearity (Multicollinearity problem). Consequences of Multicollinearity problem, methods for detection of Multicollinearity problem. Remedial measures for Multicollinearity problem.

2. Heteroskedasticity

What is Heteroskedasticity and what are its causes? Consequences of Heteroskedasticity for OLS estimation. Methods for detection of Heteroskedasticity. Remedial measures for Heteroskedasticity.

3. Autocorrelation

What is Autocorrelation and its Causes? Consequences of Autocorrelation for OLS estimation. Methods for detection of Autocorrelation. Remedial measures for Autocorrelation.

4. Forecasting with a Single Equation Regression Model

What is forecasting and what are its various types? Important features of a good forecast. Variance of unconditional forecast error. Variance of conditional forecast error. Measures for evaluating the forecasting power of a model.

5. Errors in Variables

Time as a Variable, Dummy Variables, Grouped Data, Lagged and Distributed-Lag Variables Errors in variables. Time as a variable. Dummy variables. Estimation from grouped data. Exogenous lagged variables. Endogenous lagged variables. Methods of estimation of lagged models.

6. Identification

The problems of identification. Implications of the identification state of a model. Formal rules for identification. Identifying restrictions. Tests for identifying restrictions. Identification and Multicollinearity.

7. Simultaneous Equations Models

Why Simultaneous Equation Models? Various Types of simultaneous equation Models. The identification problem. Checking the identification state of a model or of a particular equation in the model by Order Condition, bogus equation and reduced form approaches. Identification and methods of estimation.

Recommended Books

- Gujrati, D. Basic Econometrics , (1998) 3rd Edition, ” McGraw Hill.
- Johnston, J. (2000) Econometric Models, McGraw Hill, (Latest)
- Koutsoyiannis, A. (1999) Theory of Econometrics, McMillan.
- Maddala, J.S. Econometrics, McGraw Hill, New York, (Latest).
- Wonnacot, R.J. Econometrics, John Wiley, New York & Wonnacot, E.
- Madnani, G.M.K Introduction to Econometric Principles and Applications, (Latest Edition)
- Maddala, J. & Kim Unit Roots, (1998) Co-integration and Structural Change, Cambridge University Pres



DEPARTMENT OF ECONOMICS
SCHEME OF STUDIES OF M.SC ECONOMICS

LIST OF OPTIONAL COURSES

S.NO	Subject	Course code	Credit Hours
1.	Labor Economics	ECON	03
2	History of Economic Thoughts	ECON	03
3.	Research Methods and Techniques	ECON	03
4.	Comparative Economic systems	ECON	03
5	Financial Markets and Institutions	ECON	03
6	Political economy and global order	ECON	03
7	Human Resource Development	ECON	03
8	Principles of Marketing	ECON	03
9	Investment and Project Appraisal	ECON	03
10	Political Economy	ECON	03
11	Health Economics	ECON	03
12	Urban Economics	ECON	03
13	Regional Economics	ECON	03
14	Institutional Economics	ECON	03
15	Topics in Marketing	ECON	03
16	Transportation Economics	ECON	03
17	Energy Economics	ECON	03
18	Economics of Education	ECON	03
19	Entrepreneurial Economics	ECON	03
20	Global Environmental Governance	ECON	03
21	Trade and Environment	ECON	03
22	Political Economy of Pakistan	ECON	03
23	Economics of Law	ECON	03
24	Islamic Banking	ECON	03
25	Industrial Organization	ECON	03
26	Institutions and Development	ECON	03
27	Economic Growth	ECON	03
28	Poverty and Income Distribution	ECON	03
29	Financial Markets and Institutions	ECON	03
30	Project Appraisal and Investment Decisions	ECON	03
Total Credit Hours			90



**SHAHEED BENAZIR BHUTTO WOMEN UNIVERSITY PESHAWAR
DEPARTMENT OF ECONOMICS**

DETAILED COURSE OUTLINE OF ECONOMICS M.SC (2 YEARS PROGRAM)

Course Name: Comparative Economic System	Course Code: ECON –
Course Structure: Lectures	Credit Hours: 2
Prerequisites: None	
Course Objective: The course will enable students to gain an understanding of how economic systems work and how economic theory can be used to understand the interactions of policy, institutions, history, and culture. The general objectives of this course are to provide students with an understanding of: <ol style="list-style-type: none">1. the fundamental theories of market, planned, and socialistic economies;2. the role of institutions in economic organizations;3. the different types of economies around the world.	
Course Outline: <ol style="list-style-type: none">1. Introduction Classification of Economic Systems, Historical Development Criteria for Evaluation of an Economic System. Basic Differences between Economic Systems.2. Capitalism Definition, Historical Development, Pre-Requisites of Capitalism, Competitive and Monopoly Capitalism. Economic Institutions of Capitalism. Distinction between private and Public Property and Production, Price System, Profit Maximization/Cost Minimization and Competition. Economic Decision Making under Capitalism. Evaluation of Capitalism in USA and Europe Capitalism, Market System and Environmental Problems.3. Communism and Socialism Meaning and Nature, Communism and Power to the Centre. Concepts of Ownership and Production. Various types of Communism, Marxism, Socialism, Economic Planning and Decision Making. Achievements and Failures, Communism / Socialism in USSR, China and Other parts of the World. Modern Trend and its failure, Convergence of Capitalism and Socialism. Present Status of Socialism.	

4. Economic System of Islam

Distinctive Features, Basic Economic Values of Islam. Economic Institutions and their Role, Property Rights, Production and Distribution System. The Concept of Welfare State. Comparative Analysis: Islamic System, Capitalism and Communism.

5. Economic System in Pakistan

Brief Economic History of Pakistan. The Mixed Economy, Nationalization and its Impacts. Operations under Mixed Economy, Privatization and Liberalization in the 1990's and 2000's. Islamisation in Pakistan: Process and Problem, Achievements and Experience. Islamic Economics as Global System of Equity and Welfare.

Recommended Books

- Capitalism, Socialism and Islam by Syed A. Ala Maududi, Islamic Book Publisher, Lahore.
- Comparative Economic System by William, Louks and William G. Whitney (latest edition).
- Comparative Economic Systems by Martin C. Schmelzter and James W. Hordyke (1977).
- Economic System of Islam by M. Omer Chapra.
- Islam or Socialism by Wilicaynaki.
 - o Comparative Economic Systems by Gregory, Stuart, Houghton Mifflin Company, Boston (1985).

Course Name: Financial Institutions & Markets	Course Code: ECON-
Course Structure: Lectures: 3	Credit Hours: 3
Prerequisites: None	
Course objectives: After the course you should be able to apply theoretical and analytical concepts to topical financial market issues. You should be able to formulate recommendations for financial institutions and regulators, such as: how financial institutions and policymakers should cope with systemic risk; how central bankers should maintain monetary and financial stability; how international institutions as the IMF can help prevent and resolve financial crises; the role of credit rating agencies and hedge funds in financial markets.	
Course Outline	
1. Role & Functioning of Financial System Information asymmetric and the need for the role of financial sector. Some Basic concepts like adverse selection, moral hazard, free rider and principal-agent problems in financial sector to understand puzzles of financial markets.	

Financial system and its relationship with the rest of the economy. Functions of financial sector: mobilization and allocation of resources; pooling, diversification and trading of risk; advisory role; financing technological innovation and development. Financial Repression vs. Financial Liberalization.

2. Role of Regulatory Institutions/Agencies:

Growth and stability of financial system.

Why there is need to regulate the financial sector? Why financial sector is most regulated one in an economy? State Bank of Pakistan and its main functions: conduct of monetary policy; promotion, establishment, regulation and supervision of depository institutions; exchange rate policy and management of foreign exchange reserves; Payment System (NIFT And its functions. Relating to payments system). Securities and Exchange Commission of Pakistan and its functions: promotion, establishment, regulation and supervision of various components of capital market.

3. Financial Institutions and Current issues

i) Scheduled Banks and their role in economic development of Pakistan: Introduction to commercial banking; structure of commercial bank in Pakistan; Assts and Liabilities of a commercial bank; performance indicators for commercial banks; recent issues in commercial banking.

ii) Non-bank Financial Institutions: Development Financial Institutions, Investment Banks, Modarbas, Leasing companies, Mutual Funds, Housing Finance Corporations, Discount Houses, Venture Capital Companies.

iii) Micro Finance Institutions, SME Banks

iv) Insurance Companies – the rationale and role.

4. Financial Markets and Current Issues

i) Functioning of Money Market (Primary and Secondary Dealers

ii) Capital Market (Stock exchanges and Various Components of capital markets – Securities, equities, bonds, debentures)

iii) Foreign Exchange Market and its evolution, dollarization of the economy.

5. Financial Infrastructure

i. Legal Framework (SBP Act 1956, BCO, 1984, SBP Prudential Regulations)

ii. Accounting Standard

iii. Auditing

iv. Corporate governance of banks and other financial institutions.

v. Human Resource Development|(Skill and Training) – Importance for functioning of financial sector

vi. Electronic Banking and its prospects

Recommended Books

- Fabozzi, F. and Modigliani, F. (1996) Capital Markets. 2nd edition. Prentice- Hall London
- Mishkin (2003), The Economics of Money, Banking, and Financial Markets. 7th edition.
- Ritter, L. S. and Peterson, R.L. Financial Institutions and Financial Markets. 9th edition. New York. Basic Books.
- Arby, Muhammad Farooq (2004), “Functions, Evolution and Organization of State Bank of Pakistan” www.sbp.org.pk
- History of State Bank of Pakistan (Volume – 3, chapters 2 to7, 13).
- Zaidi, Akber (2005), “Issues in Pakistan Economy,” Karachi. Chapters12, 13
- SBP Annual and Quarterly Reports
- SBP Financial Sector Assessment: 1990-2002, 2003 and onward.

Course Name: History of Economic Thought	Course Code: ECON-
Course Structure: Lectures: 3	Credit Hours: 3
Prerequisites: None	
Course Objectives	
1. Introduction Introduction: Importance of Economic History: Approaches to Study the Subject. Overview of Ancient Greek, Roman and Medieval Economic thought. Overview of Ancient and medieval thoughts, Quensey’s Influential ideas, Feudalism, Mercantilism, Nature’s Circular Flow, Process of modern theories and thoughts. Overview of Islamic thoughts: Ibne-Khuldoon and thereafter. Overview of Silent Features of Muslim School of Thought.	
2. Mercantilists and the Physiocrats The Contributions of Mercantilists and the Physiocrates. A doctrine of economic process, transition to liberalization: Wage theory to natural price, the task of government. Overtime, Changing Role of Government.	
3. Classical School The Contributions of Classical School, Adam Smith; Malthus and Ricardo etc. the Labor Theory of Value. Bullin Debate. Ricardo’s Monetary Thought. Evolutionists. The, Ricardo and Reformers of 18th Century. The theory of Rent. Profit Concepts of Colonization. Economic	

4. Socialism

Socialism before Marx. English Socialists. Anarchism. Karl Marx's Contributions. The Class Struggle. Criticism on Marx. Challenges to Capitalism. German Historical School, Weber's contributions. The Marginalist School, Neo-Classical Economics. Jenson's Inference. The concept of Welfare State. Chamberlin and Robinson. Australian School of thought. Veber and Galberith's Contribution.

5. Keynesian and Post Keynesian School

The Keynesian and Post Keynesian School, the Great Depression: Economic Policies and Capitalist Instability Between the World Wars. The 20th Century Paradigms. The Growth of International Economy. The Rise and fall of Post World War II. The American economic history and Lessons.

6. The Emergence of Modern Economic Growth, Building Blocks, Industrial Revolution

Structuralist and Dependency School of thought; Sunkel, Amir Samer, Frank and others' contribution. Technological Change and Impacts. The Crisis of the 1970's and International Responses. Failure of Trickle down effects. Rational Expectation Revolution. Basic Needs Approach and welfare. Emergence Famine and Poverty.

7. Modern Economic Thought.

Comparison of Post Keynesian and Monetarist Thoughts. Supply side economics. Globalization, Liberalization and New Weave of Economic Growth and Welfare. New Growth Theory. Convergence and Divergence Debate. Future of Economics, Quality and International Trade and emergence of markets, New Regionalism, New directions of research. Environment and sustainable growth.

Recommended Readings

- A History of Economic Ideas, (1959), Robert Lekachman, McGraw Hill Company.
- Economic Theory in Retrospect, Blaug, (1978), Cambridge University Press.
- Frank A. G., (1998), Global Economy in the Asian Age, Univ., of California Press.
- Henry John D., The Future of Economics, (1992), Black Wall Publishers.
- Marx k., and Engles F., The Communist Manifesto, Peoples Publishing House, Moscow, latest edition.
- Rima Ingrid, Development of Economic Analysis, Routledge Publishers (Latest ed.).
- Spechler, Martin C., (1990), Perspective in Economic Thought, McGraw Hills.
- The Main Current in Modern Economics (latest edition), The Free Press of Glancer.
- Theories of Value and Distribution (latest Edition), Dobb M., Cambridge Univ. Press, Latest edition.

Course Name: Human Resource Development	Course Code: ECON
Course Structure: Lectures: 3	Credit Hours: 3
Prerequisites: None	
Course Objectives	
To understand the management of human resource of the organization including the essential concepts of hiring, firing, social benefits, employees motivation etc.	
Course Contents	
<ol style="list-style-type: none"> 1. Introduction and Basic Concepts Basic Concepts, Meanings and Definitions of HRD by various Economists, Human Capital Formation and HRD, Significance of HRD to wards economic development, Brief Historical background of HRD, Theories of HRD by T.W. Schultz, Kuznets and modern economists, Factors of HRD, Education, Science and Technology as factors of HRD, its role in HRD, Social and Economic rate of return to Education 2. HRD and Needs Food, Health, Nutrition and Clean drinking water as factor of HRD, Its impact on HRD Training and Skill development a component of HRD, its various forms and role in HRD 3. Migration: Needs and Impacts Migration, its kinds and causes, impact on HRD, Brain Drain problem in LDC's, its impact on economy, migration of labour force, remittances and its impact on HRD and economic development 4. WTO and Labor Migration Information, Globalization, WTO and their impact on HRD, Significance of information in HRD 5. Manpower Planning & Forecasting Labor Concept of Manpower planning, its importance, factors and other allied concepts, stages of Manpower planning, forecasting of labour force in LDC's with special reference to Pakistan 6. Women and Development Role of Women in HRD, Female Labour force participations rate, Development 	

of women for HRD, Development of HRD factors in women, Earning of women and economic development Policies / Suggestions to develop the women in Pakistan.

7. LIMS and Labor Issues in Pakistan

Population profiles in Pakistan. Its salient features, its role in economic development and rate of return to education in Pakistan. Measures to improve the education for HRD in Pakistan, Poverty, Unemployment in Pakistan, Labour force market information (LMIS) in Pakistan. Mismatch between the supply and demand of Labour forces in Pakistan and policies for improvement the population for HRD, Analysis of the efforts regarding HRD in Pakistan, its implications and suggestions to improve HRD in Pakistan, A comparative Study of HRD in Pakistan with other LDCS

Recommended Books

- Chaudhary M. Aslam and Hameed, A., (1989), *Human Development in Pakistan*, Lahore :Feroze Sons, The Mall.
- Ali, Karamat, (1998), *Political Economy of Human Resource Development*, Lahore: Feroz Sons, The Mall,
- Khilji, Bashir Ahmad, (2005), *50 years of Human Resource Development in Pakistan*, Faisalabad:Shaheen Publishers.
- Kamal A. R, *Human Resource Development in Labour Surplus Economies PDR*, PIDE, Islamabad.
- Schultz. T.W. (1961), *Investment in Human Capital American Economic Review*, Vol.51 USA

Course Name: Labor Economics	Course Code: ECON
Course Structure: Lectures: 3	Credit Hours: 3
Prerequisites: None	
Course Objectives	
To understand the labor market and its functioning including essential concepts of wages, unemployment and inflation.	
Course Contents	
1. Importance of Labor Economics Introduction to labor economics, overview of labor economics, Tools to Analyze Labor Markets and Conditions, Overview of Labor Issues in Developing and Developed World, Industrialization and Emergence of Labor Economics.	

2. Labor Markets Analysis: Demand for Labor

Labor Market Indicators, Demand for Labor, Decision Making and Labor Hiring, Demand for Labor by Firms, Short Run and Long Run Demand for Labor, Industry and Market Demand. Labor Migration: Reasons and Impacts.

3. Labor Market: Supply of Labor and Wages

Determinants of Labor Supply, Concepts of Human Capital, Human Capital, Productivity and Wages, The Determinants, Labor Force Participation, Supply of Labor and Household Productions, Labor – Skill, Training and Productivity, The Dual Labor Market Theory Labor Unions and Wages, Supply and Demand for Labor and Wage Determination, Backward bending Supply Curve of Labor

4. Wages, Unemployment and Inflation

Determinants of Wages, Market Determination of Wages and Marginal Productivity, High Wages and Involuntary Unemployment, Stagflation and Unemployment, Structural Adjustment and Wages, Major Sources of Unemployment, Wages and Phillip Curve, Wage Rigidity, Labor Unions and Unemployment. Unemployment and Social Protection

5. Labor Market Discrimination

Discrimination in Labor Market: Gender, Race and Ethnicity. Efficiency Wage Theories and Coordination Failure

6. Labor Market Information System

Labor Market Information System and Efficiency, Labor Statistics and Labor Policy, Human Welfare and Labor Policy, Minimum Wages, Rationale and Impacts

7. Trade unions and Theories of Labor Movements

The Marxist, The Wells, Selling and Pearlman's contributions to labor movements, Labor unions, Impacts of Labor Union, Trade Unions in Pakistan, Labor Legislation/ policies in Pakistan,. Labor Policies in Pakistan: Critical Evaluation.

8. Child Labor

Definition and extent of child labor, Child labor; moral aspects, Child labor an international issue: Extent of Child labor in developing countries. Child labor in Pakistan, Policies to combat child labor, Child labor and international trade issue.

Recommended Books

- Comith Stephen, (2003), *Labour Economics*, Routledge Publishers.
- Bruce, Kaufman; e. Kaufman, Julie L; Hotchkiss, (2002), *Economics of Labour Markets*, Thomson Publisher
- Palgrave, (1989), *Current Issues in Labour Economics*, New York: McMillan.

- Orley, Ashenfelter (ed) Layard, P. R. G., (1986), *Hand Book of Labour Economics*, Elsevier Science Pub. Co.

Course Name: Investment & Project Appraisal	Course Code:
Course Structure: Lectures: 3	Credit Hours: 3
Prerequisites: None	
Course Objectives	
<p>The course aims at understanding various aspects of development of a project, its feasibility analysis and pricing.</p>	
Course Contents	
<ol style="list-style-type: none"> 1. Introduction Meaning of Project Appraisal, usefulness and significance, Aspect of project appraisal with a special focus on economic versus financial analysis, Contours and Dimensions of a project and its essential ingredients, Project Vs. Plans. Project Cycle. 2. Investment Overview Investment & Investment Appraisal: an overview, nature & scope. Investment Appraisal and Financial Decision Making. Public & Private Sector Appraisal. Significance & importance of Investment and Project Appraisal in Developing Countries. 3. Investment Appraisal – Basic Evaluation techniques Introduction, Traditional Methods, Time Value of money Methods. 4. Identify Project Benefits and Costs Objectives of Costs and Benefits, The Incremental / Net Benefits and “With” and “Without” Comparisons, Categories of Costs and Benefits 5. Cash Flows, Capital Budgeting & Investment Decisions Introduction, identifying & using cash flows, capital market imperfections, simple. Simple ways to cope with risk. 6. Social & Economic Cost-Benefit Analysis Cost Benefit Analysis – An illustration, Identifying costs & Benefits, Valuation of costs & Benefits, A case study in Valuation - putting money on human life. 7. Discount Rate, Risk & Uncertainty in Cost Benefit analysis The discount rate, theoretical & derivation of a social discount rate, the social discount rate in practice, risk & uncertainty, methods for handling risk and 	

uncertainty.

8. Different Criterion for Project Evaluation

Discounting Technique, Discounted measure: NPV, IRR, BCR, Net benefit Investment Ration. Undiscounted measures. Comparison of NPV & IRR.

Recommended Books

- Steve Lumby and Chris Jones: Corporate Finance: Theory & Practice, latest edition,
- HM Treasury, “The Green Book, a UK government publication detailing the methods it uses in evaluating public service projects.” latest edition
- David Potts,” Project Planning and Analysis for Development, latest edition
- Pedro Belli, Jock Anderson, Howard Barnum, John Dixon and Jee-Peng, latest edition
- Tan (2001) Economic Analysis of Investment Operations, latest edition 6. Richard Layard and Stephen Glaister, Cost-Benefit Analysis, latest edition
- Hughes, A., & D.J. Storey, “*Finance and The Small Firm*” (Ed) Routledge, London.
- Donald, E., Fischer, Arnold, J., *Security Analysis and Portfolio Management*, New Delhi: Prentice Hall.
- Gittinger J. Price, “*Economic Analysis of Agricultural Projects*”, London: The Johns Hopkins University Press.
- Hughes and Storey D.J., *Finance and Small Firms*, London: Routledge.
- Hussain, Ch. M: “*Project Appraisal, Monitoring and Evaluation Process with Special Reference to Pakistan*”, Karachi: Royal Book Co.
- United Nations: (Latest ed.), “*Guide to Practical Project Appraisal – Social Benefit – Cost Analysis in Developing Countries*”, New Delhi: Oxford & IBH publishing Co.
- United Nations: (Latest ed.), “*Manual for Evaluation of Industrial Projects*”, New Delhi: Oxford & IBH Publishing Co.
- Zvi Bodie, Alex Kane, Alan K., (Latest ed.), *Essentials of Investment*, New York: McGraw Hill.

Course Name: Political Economy & Global Order	Course Code: ECON
Course Structure: Lectures: 2	Credit Hours: 3
Prerequisites: None	
1. Introduction Meaning, definition and brief introduction of basic concepts of political economy. economic and political integration. policy reform and popular organization, key	

social and economic indicators. political and economic institutions and their role in decision making. linkages of politics and economics. conceptualizing the changing global order.

2. Political economy and world order

Problem of power and knowledge: new millennium, knowledge, politics and neo-liberal political economy. new voices in the globalization debate: green perspective, regional phenomena and state order, new state actors, theory of exclusion.

3. Regional dynamics

Regionalism and globalization, the political economy of european integration, regionalism in the asia-pacific political globalization and the competition state. economic blocks and political blocks.

4. Political economy of economic development

International politics and transfer of technology, sector specific development limitation. agriculture and industry, political slogans and their implementation, international challenge of poverty, the political economy of food grain prices, rural development. regional exporting blocks and their markets.

5. Political economy of Pakistan

the economics of patronage, seven pillars of good governance. the political economy of reforms. pakistan - dynamics of elitist model. strategies for self-preservation, a military theocracy, different regimes, economic development, ethnic conflict, the role of state. emerging economic and political issues and their linkages. regionalism, poverty and governance etc.

6. SAARC Political & Economic Aspects

economic aspects, poverty eradication, trade & economic cooperation, cooperation with regional ngo's in south asia. pakistan and saarc: composition of trade, foreign trade trends in external trade, direction of foreign trade, trends of trade with saarc. future economic prospects of saarc.

7. Issues in lawlessness and development

Introduction, economic crimes, terrorism & insurgency, theories of the economic impact of law & order. socio economic developments & crime a review of socio-economic situation in pakistan, urbanization, housing, unemployment, poverty, juvenile delinquency, health hazards. environment and externalities.

8. Global Issues

Global issues in historical perspective, capital mobility and global order, opening up of services sector and its beneficiaries. Will there be free mobility of factors of production? Capital, labor and entrepreneurs etc. Multinationals: objectives, contribution and their mobility. Emerging world financial order. The group of seven and political management of the global economy, big businesses and new trade agreements, trade blocks.

Recommended Books

- Azhar, H. Nadeem (2002), Pakistan: The Political Economy Of Lawlessness, Oxford University Press.
- Gupta, S. Dev, the political economy of globalization, Kluwer Academic Publishers. (latest eds.)
- Hagen Everett E., the economics of development, Richard D. Irwin, Inc. (latest eds.)
- Hussain Ishrat, (2004), Dollars, Debt and Deficits, Reform and Management of Pakistan Economy, Oxford University Press.
- Kardar Shahid, the political economy of Pakistan, Progressive Publishers, Pakistan. (latest eds.)
- Kher, R.S. (2004), SAARC: Political & Economic Aspects, Dominant Publishers and Distributors.
- Noman Omar (1988), the political economy of Pakistan 1947-1985, KPI, London and New York.
- Stubbs Richard and Underhill Geoffrey R.D., (2000), Political Economy and the Changing Global Order, Oxford University Press.
- Szentes J., the political economy of underdevelopment, Akademiai Kiado, Budapest. (latest eds.)

Course Name: Principles of Marketing	Course Code:
Course Structure: Lectures: 3	Credit Hours: 3
Prerequisites: None	
Course Objectives Developing understanding of the important marketing concepts including consumer and business markets, advertisement and distribution channels etc	
Pre-Requisite It is assumed that the students should be familiar with the following courses: Microeconomics and Macroeconomics, game theory, industrial organization, economic history and history of economic thought.	
Course Contents	

1. Introduction to Marketing

Marketing defined, Evolution of Marketing, Scope and Importance of Marketing, Marketing strategy and elements of the marketing mix, Marketing as an Exchange Process, Marketing as a Demand Management Tool.

2. Environmental forces and marketing ethics

Elements and analysis of the marketing environment (micro and macro environment), Ethics and social responsibility in the marketing environment

3. Strategic marketing planning and forecasting

Strategic planning concepts and process, , The BCG Matrix, GE Nine Cell Model and Porter's Generic Strategies Models of SMP, Components of a marketing plan, Forecasting Market Demand and sales,

4. Consumer's and Buyer's Behaviors

Consumer Motive to Marketing, Models of Consumer, Buyer Behaviour, Influences on Buyer's Behaviour, Industrial Buyer Behaviour, Decision making behavior

5. Marketing research and analysis

The role of marketing information, The marketing research process, Researching in international markets, The ethics of marketing research

6. Segmentation, targeting, and positioning

Identifying market segments, Selecting target segments, Positioning, Repositioning

7. Product Management

What is product, Product classification, , Developing new products, Product Adoption and Diffusion, Product Life Cycle, Product Positioning and Differentiation, Product Mix Strategies.

8. Pricing Strategies and Sales

The role of price in the marketing mix, Overview of the pricing process, Price strategies, Short-run and Long-run Pricing

9. Marketing channels, Distribution Management and Market Intermediaries

Foundations of marketing channels, Basic channel functions, Types of marketing channels, Designing Distribution Networks, , The supply chain, The Wholesale Market, Retail Marketing

10. Promotional strategies and processes

The role of promotion, The elements of promotion , Promotion and the communication process , The promotional mix , Promotion and society

11. Intercultural and international marketing

Defining intercultural marketing, Defining international marketing, Assessing social elements in international marketing, Developing the level of international involvement, Developing international marketing strategies

Recommended Books

- Jerome McCarthy, Prentice Hall, (8th Ed.). *Basic Marketing*
- Boyd H.W.,(latest ed.) “*Marketing Management: Strategic Approach with a Global Orientation*”
- Burman, E. (4th Ed.). “*Marketing*” McMillan Publishing Co.
- Tousley, R.D., (latest ed.), “*Principles of Marketing*”, Eugene Clark
- Etzel, W. & Stanton, (11th Ed.), “*The Fundamentals of Marketing*”, New Delhi: McGraw Hill.
- Kotler, P. (latest ed.), “*The Marketing Management*” Millennium Edition Prentice Hall.

Course Name: Health Economics

Course Code: ECON-

Course Structure: Lectures: 3

Credit Hours: 3

Prerequisites: None

Course Objectives

This course is an introduction for advanced economics students to contemporary theoretical analysis of, empirical evidence on and policy debate about: what and who produces health, how it is produced, variations in its production, consequences of its production or lack of production

Course Contents

1. Introduction to Health Economics

Meaning and definition of Health Economics, Scope of health economics, role of health economics in improved health outcomes, health care system in Pakistan.

2. Micro & Macroeconomics of Health

Demand and supply of health care, typology of health care markets, production and distribution of health as a public good. Unemployment in the health sector (human resource for health), Inflation in the health sector (Medical consumer price index), International trade and health care

3. Health and sustainable development

Population growth and its impacts on health, Health and education, Income distribution and poverty, Human Development Index Human capital in the form of health, Health and Economic growth, Modeling the interaction of health and incomes, changes in the level of education, Health education and its impact on the economy

4. Health Care Finance

How health care is paid for? Health care financing techniques, New approaches to health care financing (Demand side financing, community financing and public private partnership in health)

5. Economic evaluation of health care

Introduction to economic evaluation of health care, Cost benefit analysis, Cost utility analysis, Cost minimization analysis and cost effectiveness

Recommended Books

- The Economics of Health is one of the newest fields to have its own North-Holland 2-Volume Handbook, and remains somewhat unstandardized, with major variations in subject matter between countries and departments.
- Drummond MF, O'Brien BJ, Stoddart GL, Torrance GW (2nd ed.)(1998). *Methods for the Economic Evaluation of Health Care Programmes*, Oxford :Oxford University Press.
- Duckett S.J. (2004). *The Australian Health Care System*. Oxford :Oxford University Press.
- Gold M.R. Siegel J.E. Russell LB, Weinstein MC (1996), *Cost-Effectiveness in Health and Medicine*. Oxford: Oxford University Press.
- Petitti D.B. (2000), *Meta-Analysis, Decision Analysis, and Cost-Effectiveness Analysis*:
- *Methods for Quantitative Synthesis in Medicine*, (2nd ed.), Oxford :Oxford University Press.
- Rychlik R (2002), *Strategies in Pharmacoeconomics and Outcomes Research*. New York: The Haworth Press.
- Zweifel and Breyer, *Economics of Health*, North Holland.

Course Name: Environmental Economics	Course Code: ECON
Course Structure: Lectures: 3	Credit Hours: 3
Prerequisites: None	
Course Objectives	
The objective of the course is to understand the economics of environment and study global environment.	
Course Contents	
1. Introduction and Awareness	
What is Economics of Environment? Historical Framework for Environmental Protection, Distinction between natural resource economics and environmental	

economics, The Economy and the Environment, First and the second laws of thermodynamics. The fundamental balance

2. Analytical Tools: An Environment

Supply and Demand Issue: Cost of Controlling Environment Benefit – Cost and its Estimation. Willingness to Pay. Equilibrium Principle Technology and Equi. Marginal Principles, Marginal Cost and Supply, Economic Efficiency and Markets, Equity and Social Efficiency, External costs and external benefits

3. The Economics of Environmental Quality

Pollution and Impacts on Human Life, quality of life and Environment Quality, General Models of Pollution Control. Emission Reduction and Equi Marginal Principle, Long Run Sustainability through Pricing Mechanism

4. Valuing the Environment and Benefit Cost Analysis

Measuring environmental benefits: Contingent valuation, the travel cost method and the hedonic approach. Benefit Cost analysis: Costs: The value of life, health, safety and risk. Pigovian Analysis, The Coase Theorem.

5. Economic Development and the Environment

General considerations, Environmental degradation in developing economies, Economy and Environment, The Pollution Haven hypothesis, The role of developed countries

6. Environment and Pakistan

Emergence of Environment Issue in Pakistan, Industrial Waste, Urban Waste and Agricultural Issues Related to Pesticides use, Salinity and Water Logging, Urban Environmental Issues, Public and Private Efforts to Improve Environment Quality and Impacts, Air pollution in Pakistan, Public Policies and Awareness to Control Pollution, Environmental Policy and Strategy in Pakistan

7. The Global Environment

Ozone Depletion, The Economics of Global Warming. Keyoto – Protocol and Issues International Environmental Agreements, UN and Environmental Cooperation International trade and the Environment. Impacts of Awareness Policy

Recommended Books

- Field, B.C and M.K Field, (3rd ed.)(2002), *Environmental Economics: An Introduction* New York: McGraw Hill.
- Barry C. Field,.(Latest Ed.).*Environmental Economics: An Introduction*, New York: McGraw Hill.
- Chapman, D., (Latest ed.). *Environmental Economics: Theory Application and Policy*, Massachusetts: Addison- Wesley.

- Hussen A., (2003). *Principles of Environmental Economics*, Rutledge Publishers.
- Baker Steve, (2003). *Environmental Economics*, New Delhi: Dominant Publisher and Distributors.
- Buchanan J.M., (1969), *External Diseconomies, Corrective Taxes, and Market Structure*, American Economic Review, vol. 59, 174-177.
- Coase R.H., (1992), *The Institutional Structure of Production*, American Economic Review, vol. 82, 713-719.

Course Name: Economics of Law	Course Code: ECON –
Course Structure: Lectures: 3	Credit Hours: 3
Prerequisites: None	
<p>Course Objectives</p> <p>The main objective of this course is to provide students with an interdisciplinary knowledge of the fields of law and economics. Particular emphasis will be on application of the economics analysis to the law. The main focus will remain on the economic and legal aspects of market regulation (in banking, regulations, property rights, energy, telecom, transport, health care, etc.), private equity, hedge funds, competition and competition policy, corporate governance, and mergers.</p> <p>Course Outline</p> <ol style="list-style-type: none"> 1. Application of economic analysis to the law 2. Property rights, taking the Coase Theorem 3. The economics of regulation 4. Crime and punishments 5. Liability law 6. Public choice 7. Contract law and the law of corporations merger/take-overs 8. Personal and corporate bankruptcy <p>Recommended Books</p> <ul style="list-style-type: none"> - Marciano, A. (2009): <i>Law and Economics: A Reader</i>, Routledge, London - Weigel, W. (2008): <i>Economics of the Law: A Primer</i>, Routledge, London - Cooter, R. and T. Ulen (2007): <i>Law and Economics</i>, 5th Edition, Pearson, India 	

Course Name: Islamic Banking	Course Code: ECON –
Course Structure: Lectures: 3	Credit Hours: 3
Prerequisites: None	
Course Objectives	

This module provides an introduction to the Islamic principles and the modes used in financing particularly in Islamic Banking System and goes on to deal with the key operations of Islamic banks and co-operation between conventional and Islamic banks. The subject shall contribute to the understanding, advancement and acceleration of the process of Islamic financial product development from the Shariah aspect. The course will also enable students to understand the Islamic Banking from the Shariah aspect and the technical issues related to it. The course will enable the students analyze the issues both at the theoretical and policy sides of Islamic Banking.

Course Outline

1. Introduction to Islamic financial system
2. Concept of sales in Islam
3. Islamic financial products
4. Deposit and financing in Islam
5. Structure of Islamic banks
6. Governance of Islamic banks
7. Islamic insurance

Recommended Books

- Ahmad, K. (1980), Studies in Islamic Economics, Leicester, The Islamic Foundation, U.K.

Course Name: Poverty and Income Distribution	Course Code: ECON–
Course Structure: Lectures: 3	Credit Hours: 3
Prerequisites: None	
<p>Course Objectives</p> <p>The aim of this course is to introduce students to the subject of poverty and inequality. The emphasis will be on problems in the modern contemporary economy, but the topic will also be approached from an historical perspective, taking a longer term view of the distribution of income in human societies. In particular, we will examine why some individuals and groups have less access to resources and income than others. Students will learn the fundamental concepts, theories and methodologies that are used by economists to measure and understand questions related to the distribution of income. By the end of the course, students should expect to not only have a greater knowledge of the forces determining the extent of poverty and the distribution of income, but to have also gained some understanding of the methods used by economists and policy-makers to deal with them.</p> <p>Course Outline</p>	

1. What Is Poverty and Why Measure It?

The Concepts of Well-Being and Poverty, Measuring Poverty, Steps in Measuring Poverty, monetary poverty, capability approach, Poverty Lines, Relative Poverty, Absolute Poverty, Issues in Choosing an Absolute Poverty Line, Measures of Poverty, Headcount Index, Poverty Gap Index, Squared Poverty Gap (Poverty Severity) Index, Sen Index, The Sen-Shorrocks-Thon Index, FGT class of measures, multidimensional poverty index, Poverty Indexes: Checking for Robustness, Sampling Error, Measurement Error, Equivalence Scales, Choice of Poverty Line and Poverty Measure

2. Definition of Inequality

Measures of Inequality, Decile Dispersion Ratio, Gini Coefficient of Inequality, Generalized Entropy Measures, Atkinson's Inequality Measures, Inequality Comparisons, Measuring Pro-Poor Growth, Decomposition of Income Inequality, Poverty Profiles,

3. Additive Poverty Measures of poverty

Determinants of Poverty, Household and Individual-Level Characteristics, Analyzing the Determinants of Poverty: Regression Techniques, Poverty Reduction Policies, The Analysis of Poverty over Time, Vulnerability to Poverty, Quantifying Vulnerability to Poverty.

4. Poverty in Pakistan

Poverty and inequality in Pakistan- How does Pakistan compare? Historical Trends- the longer term picture.

Recommended Books

- Jonathan Houghton and Shahidur Khandker (2009) Handbook on Poverty and Inequality. (World Bank Training Series) ISBN-10: 0821376136
- Atkinson, A. B., B. Cantillon, E. Marlier and B. Nolan (2002), Social Indicators. The EU and Social Inclusion. Oxford: Oxford University Press.
- Cowell, F. (1992), Measuring Inequality, 2nd Edn. Hemel Hempstead: Harvester Wheatsheaf.87
- Fields, G. S. (2001), Distribution and Development. Cambridge, MA: MIT Press.
- Foster, J. E., J. Greer and E. Thorbecke (1984), "A class of decomposable poverty measures", *Econometrica*, 52(3): 761-66.
- Kakwani, N. (2003), "Issues in Setting Absolute Poverty Lines", Poverty and Social Development Paper 3. Asian Development Bank.
- Ravallion, M. (1994), Poverty Comparisons, Chur: Harwood Academic Publishers.
- Sachs, Jeffrey (2005) End of Poverty: Economic Possibilities for our Time (New York, Penquin).

Course Name: Entrepreneurial Economics	Course Code: ECON –
Course Structure: Lectures: 3	Credit Hours: 3
Prerequisites: None	
<p>Course Objectives</p> <p>The emphasis of this course is on entrepreneurship as a manageable process that can be applied in virtually any organizational setting. Entrepreneurship will be studied over the life cycles of people’s careers, of organizations as they evolve from start-up enterprise to sizeable corporation. However, the principal focus is on the creation of new ventures, the ways that they come into being, and factors associated with their success. The objective is to have a greater understanding of the entrepreneurial process – a process of opportunity recognition, resource marshalling, and team building driven by communication, creativity and leadership. When process and passion collide, the seemingly unconnected become connected. New ventures are born, stagnating businesses grow, and failing businesses are reinvented.</p> <p>Course Outline</p> <ol style="list-style-type: none"> 1. The Entrepreneurial Mind for an Entrepreneurial World 2. The Effectuation theory of Entrepreneurship 3. The Opportunity 4. The Founder and the Team 5. Marketing and Financing Entrepreneurial Ventures 6. Startup and beyond <p>Recommended Books</p> <ul style="list-style-type: none"> - “New Venture Creation: Entrepreneurship for the 21st century”, by Jeffrey Timmons, Stephen Spinelli, Jr. 8th edition - Entrepreneurship: A process perspective 2e, by Robert A. Barona and Scott A. Shane - Effectual Entrepreneurship, by Stuart Reed and Saras Sarasvathy - Innovation and Entrepreneurship: Peter Drucker - Collins and Porras: Build to Last 6. Parker, Simon C., “The economics of Entrepreneurship” latest Edition, Cambridge University Press, USA, New York. - Hirsch, Robert D., Peters, Michael P. and Shepherd, Dean A., “Entrepreneurship” latest Edition, McGraw-Hill Companies, Inc. USA, New York. - Naqi, S. M., “Entrepreneurship: A Recipe for Economic Development” Latest Edition, Newfine Printing Press, Lahore. <p>Support Articles</p> <ul style="list-style-type: none"> - Entrepreneurship Plus: The Impact of Spiritual Orientation on Entrepreneurial Orientation, Market Orientation and the Entrepreneurial Process, Shahid Qureshi, IRCMP, 16-17 January 2013, LUMS, Lahore, Pakistan, Theme: Entrepreneurship. 	

- HBS reading: The New Normal: Agenda for responsible living
- IBA Review: The New Entrepreneurial Leader
- Beyond Selfishness Henry Mintzberg, MIT Sloan Management Review
- Entrepreneurship from an Islamic Perspective by Journal of Business Ethics Ali Aslan Gümüşay
- HBS reading: How will you measure your life

Course Name: Economics of Education	Course Code: ECON –
Course Structure: Lectures: 3	Credit Hours: 3
Prerequisites: None	
<p>Course Objectives:</p> <p>The course aims to analyze the ways through which the education is organized and delivered to achieve economic growth in the most efficient ways. It helps to understand the efficacy of reforms pertaining to teacher salaries, student teacher ratio and charter schools. The course helps to develop an understanding of the importance of education in economic growth of a country. This course is intended to make students aware of the fact as to how education enhances labour productivity, earnings and distribution of income. It will further help the students to analyze the relation between education, inequality and poverty prevailing in the developing economies of the world.</p> <p>Course outline:</p> <ol style="list-style-type: none"> 1. Introduction Defining economics and educational problem 2. Importance of Schooling 3. Econometrics overview Empirical research methods in the economics of education 4. Human Capital theory The basic economic perspective on education 5. Education as a Signal Signalling in the labour market 6. Returns to education in developing countries, with special reference to Pakistan, social rate of returns to education 7. Educational Production 	

- 8. Education and health**
- 9. Education and inequality**
- 10. School Accountability and Standards**
- 11. Technology and Education**
- 12. Role of state in education**
- 13. Educational privatization**

Recommended Books

- Autor, David, Frank Levy, and Richard J. Murnane. "The Consequences of Increasing the Nation's Supply of College Graduates." Policy Brief Written for the Gates Foundation. December, 2003
- Feinstein, Leon. "Inequality in the Early Cognitive Development of British Children in the 1970 Cohort." *Economica* 70, no. 277 (2003): 73-97.
- Introduction to Econometrics: 4th Edition by Christopher Dougherty, Oxford University Press (2011, 512pp)
- Modern Labour Economics, Theory and Public Policy: Ronald Ehrenberg, Robert Smith, 11th edition.
- . Borjas, G. 2008. Labour Economics, pp.268-273.
- Hanushek, E. A. 1986. "The Economics of Schooling: Production and Efficiency in Public Schools." *Journal of Economic Literature* 24(3): 1141- 77.
- Clotfelter, Charles T., and Helen F. Ladd. "Recognizing and Rewarding Success in Public Schools." Chapter 2 in *Holding Schools Accountable*. Edited by Helen Ladd. Washington, DC: Brookings Institution Press, 1996. ISBN: 9780815751038
- Rouse, Cecilia Elena, and Alan B. Krueger. "Putting Computerized Instruction to the Test: A Randomized Evaluation of a 'Scientifically Based' Reading Program." *Economics of Education Review* 23, no. 4 (2004): 323- 338

Course Name: Energy Economics	Course Code: ECON –
Course Structure: Lectures: 3	Credit Hours: 3
Prerequisites: None	
Course Objectives	
<p>This course is the study of economic relationships in energy production, consumption, demand and supply, pricing and conservation, energy policy and the development of new and renewable energy sources. This course aims to provide students with the opportunity to study and develop a broader understanding of the economics of energy. There is mounting evidence that the current global energy system has been growing far beyond what is globally sustainable and already poses a serious, and potentially irreversible, threat to global environmental quality and stability in future decades.</p>	

Course Outline

3. **Overview and Fundamental Concepts**

Energy in the Economy; Global Energy Problems and Issues, Fundamental Concepts: Energy, Power; Measuring energy: units and conversion factors, Laws of Thermodynamics, 1st Law and Entropy law, Input and output energy, energy efficiency, Energy conversions (technologies), Global Energy system sustainability issues, Energy markets and energy prices; competitive market valuation and social valuation, Market Failures: Market power (monopoly, oligopoly, and cartels), Externalities, Public goods and common property resources.

4. **Oil Resources and Economic Issues**

Discounted cash flow analysis, reserve and resources, resource substitution, forecasting prices and speculation, Natural resource (oil) demand and supply, OPEC

5. **Overview of Energy Economics and Global Energy Sustainability**

Primary energy supply, secondary energy and energy end use demand/consumption, Energy, economic activity, and growth: energy intensity, global energy use forecasts, Energy conversion, energy transportation and/or transmission, and clean energy use, Conditions for a sustainable global energy system, climate change and clean energy.

6. **Clean Energy Supply from Non-Conventional, Alternative and Renewable sources**

Climate change and primary and secondary energy use, Energy Conservation policies, demand side management, Non-conventional and renewable alternative energy: Solar, Biomass, Wind, Geothermal, Tidal & other, Hydrogen energy, fuel cells.

7. **Energy Supply from Non-Renewable Fossil Fuel Resources**

Fossil fuel resources and reserves model, Cartel models of global energy markets, Overview of Oil, Natural gas, and Coal industries, Backstop technologies and Non-renewable resource Pricing (Hotelling model), Clean fossil fuel use; carbon sequestration

8. **Energy Conversion and Supply by Electric Utility Industries**

Electric Power demand and load duration vs. Electric energy consumption, time-of-use, Electricity production technologies and electricity production cost trade-

offs, Thermal, hydro, nuclear and renewables production and transmission of electricity, Electricity pricing issues, regulation and deregulation issues, Nuclear energy issues and prospects.

9. Sustainable Energy Policy

Jaccard’s Sustainable Energy System in 2100, Energy Policy of Pakistan, Sustainable energy options and criteria for comparison, Sustainable Energy Policy Alternatives and Climate Change, International Policy Initiatives.

Recommended Books

- Mark Jaccard, Sustainable Fossil Fuels: The Unusual Suspects in the Quest for Clean and Enduring Energy, Cambridge University Press (2005) Subhes C. Bhattacharyya Energy Economics Concepts, Issues, Markets and Governance Springer-Verlag London Limited (2011)
- J. M. Griffin, and H. B. Steele (1985): Energy Economics and Policy, Academic Press
- Tom Tietenberg and Lynne Lewis Environmental & Natural Resource Economics Pearson Education, Inc., 9th Edition 2012

Course Name: Transport Economics	Course Code: ECON
Course Structure: Lectures: 3	Credit Hours: 3
Prerequisites: None	

Course Objectives

This course will provide students with the basic concepts and tools for economic evaluation of transportation projects and related investments. Students should obtain basic skills in the analysis of travel demand and in the valuation and analysis of transportation system benefits. Students should also be able to understand different components of the costs of transportation, basic pricing principles, and how these factors affect the market for transportation infrastructure and services. Finally, students should be able to apply these concepts to analyze transportation investment decisions.

Course Contents

- 1. Economic analysis of transportation projects** and transportation infrastructure investment, optimal pricing and investment.
- 2. Travel demand analysis** and the value of travel time saving consumers’ surplus and producers’ surplus measures, General equilibrium models for transportation economics, analysis of travel demand, benefits, costs, equilibrium, pricing, and market structure.

- 3. **Microeconomic principles** in transportation, Pricing alternatives, road pricing and sustainable transportation, fare increases and the public transport fare adjustment mechanism, Price discrimination ,Road congestion pricing, Equity dimensions of transport policy,
- 4. **Cost function for transport firm**, City formation and transport cost, , peak load and cost allocation problem, project appraisal and financing, Economics of transport logistics, ,Efficiency measurement theory and its application to transport, Theory of external cost, Transport and energy.
- 5. **Competition, regulation and public service obligations.**
- 6. **Public private partnership in transport** , transportation improvements and land values, returns to scale and road durability, Project evaluation, Congestion, Air quality, Fuel economy and safety.
- 7. **Transportation technology.** Transportation and international Trade, Transportation and Economic Development.

Recommended Books

- Palma, Andre De. A Handbook of Transport Economics. Edward Elgar Publishing, 2011
- Émile Quinet, R. Roger William Vickerman, Principles of Transport Economics, Edward Elgar Publisher 2005
- John Robert Meyer, José A. Gómez-Ibáñez, W. William B. Tye, Essays in Transportation Economics and Policy. A Handbook in Honor of John R. Meyer.

Course Name: Political Economy of Pakistan	Course Code: ECON –
Course Structure: Lectures: 3	Credit Hours: 3
Prerequisites: None	
Course Objectives	
<p>The objective of this course is to examine the global context in which the economy works. Global Political Economy incorporates different fields such as individual disciplines of politics, economics, and international relations. The course will familiarize the students with some of the important debates within the subject of political economy in relation to Pakistan and will deepen understanding of the history of macroeconomic policies and economic development in Pakistan. The course will attempt to form a holistic picture of the connections between economic and political developments in our</p>	

history.

Course Outline

1. Introduction and basic theory of political economy
2. Rural elite and agricultural development in Pakistan
3. The pattern of adoption of new technology
4. Technical change and social polarization
5. Urban elite and industrial development
6. Development of small and large scale industry and the role of State
7. Political economy of foreign aid and debt, its motivation for donors and recipients and the effects on the economy of debt
8. Globalization and its effects on the economy of developing countries, especially Pakistan
9. Environmental impacts of foreign investment liberalization

Recommended Books

- Bhatia, B. M. (1981): Economic History of Pakistan, Oxford University Press
- Zaidi, A. (1999): Issues in Pakistan's Economy, Oxford University Press, Karachi

Course Name: Trade and Environment	Course Code: ECON –
Course Structure: Lectures: 3	Credit Hours: 3
Prerequisites: None	
Course Objectives This main objective of this course is to give the student the knowledge of the linkages between international trade, growth and the environment from both theoretical and empirical viewpoints. It investigates the theoretical links between international trade and sustainability by examining the impact of trade and growth on both industrial pollution and natural resource use. This course is intended to enable the students to review and critique the empirical evidence linking trade and growth to environmental outcomes using theory as a guide to evaluate the literature. During the course it shed light on the basic issues about the link between trade and the environment using both theoretical and empirical methods. This will include the discussion of impact of international trade on the environment; whether free trade raise pollution levels; if it leads to over consumption of cheap resources produced in developing countries. Secondly, this subject will also touch the issue of impact of government environmental policy on the trade flows and environmental outcomes.	
Course Outline <ol style="list-style-type: none">1. Unilateral trade-based measures2. The legality of multilateral environmental agreements3. Employing trade measures4. Utilization of science-based trade tests5. Environmental impacts of foreign investment liberalization6. The major international trade agreements and institutions, such as	

GATT, NAFTA, the World Trade Organization

Recommended Books

- Faure, M., J. Gupta and A. Nentjes (2003): Climate Change and the Kyoto Protocol: The Role of Institutions and Instruments to Control Global Change, Edward Elgar Publishing
- Wold, C, S. Gaines and G. Block (2005): Trade and the Environment: Law and Policy, Canadian Academic Press

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Course Name: Political Economy	Course Code:
Course Structure: Lectures: 3	Credit Hours: 3
Prerequisites: None	
Course Objectives The aim of the course is to enable students to understand the link between politics and economics. Understand the process of global economic and political order.	
Course Contents 1. Introduction Meaning, Definition and brief Introduction of basic Concepts of Political Economy, Economic and Political Integration, Policy Reform and Popular Organization, key Social and Economic indicators, Political and Economic Institutions and their role in decision making. Linkages of Politics and Economics, Conceptualizing the Changing Global Order	
2. Political Economy and World Order Problem of Power and Knowledge: New Millennium, Knowledge, Politics and Neo-Liberal Political Economy. New Voices in the Globalization Debate: Green Perspective, Regional Phenomena and State Order, New State Actors, Theory of Exclusion.	
3. Regional Dynamics Regionalism and Globalization, The Political Economy of European Integration, Regionalism in the Asia-Pacific Political Globalization and the Competition State, Economic Blocks and Political Blocks	
4. Political Economy of Economic Development International Politics and Transfer of Technology, Sector Specific Development Limitation, Agriculture and Industry, Political Slogans and their Implementation, International challenge of poverty, The Political Economy of food grain prices, Rural Development, Regional Exporting Blocks and their Markets	

5. Political Economy of Pakistan

The Economics of Patronage, Seven Pillars of good Governance, The Political Economy of Reforms, Pakistan - Dynamics of Elitist Model, Strategies for self-preservation, A military Theocracy, Different Regimes, Economic Development, Ethnic conflict, the Role of State. Emerging Economic and Political Issues and their linkages, Regionalism, Poverty and Governance etc

6. SAARC: Political & Economic Aspects

Economic Aspects, Poverty Eradication, Trade & Economic Cooperation, Cooperation with Regional NGO's in South Asia. Pakistan and SAARC: Composition of Trade, Foreign Trade Trends in External Trade, Direction of Foreign Trade, Trends of Trade with SAARC. Future Economic Prospects of SAARC

7. Issues in Lawlessness and Development

Introduction, Economic Crimes, Terrorism & Insurgency, Theories of the Economic impact of Law & Order

8. Socio Economic Developments & Crime

A Review of Socio-Economic Situation in Pakistan, Urbanization, Housing, Unemployment, Poverty, Juvenile Delinquency, Health Hazards, Environment and Externalities

9. Global Issues

Global Issues in Historical Perspective, Capital Mobility and Global Order, Opening up of Services Sector and its beneficiaries. Will there be free mobility of factors of production? Capital, labor and entrepreneurs etc. Multinationals: Objectives, Contribution and their Mobility. Emerging World Financial Order, The Group of Seven and Political Management of the Global Economy, Big Businesses and New Trade Agreements, Trade Blocks.

Recommended Books

- Azhar, H.N. (2002). *Pakistan: The Political Economy of Lawlessness*, Oxford: Oxford University Press.
- Gupta, S. Dev, (Latest eds.), *The Political Economy of Globalization*, Kluwer Academic Publishers.
- Hagen Everett E., (Latest eds.), *The Economics of Development*, Richard D. Irwin, Inc.
- Hussain Ishrat, (2004), *Dollars, Debt and Deficits, Reform and Management of Pakistan Economy*, Oxford University Press (1999), *Pakistan, the Economy of an Elitist State*, Oxford University Press.
- Kardar Shahid, (Latest ed.), *The Political Economy of Pakistan*, Pakistan: Progressive Publishers.
- Kher, R.S. (2004), *SAARC: Political & Economic Aspects*, Dominant Publishers and Distributors.
- Noman Omar (1988), *The Political Economy of Pakistan 1947-1985*, KPI, London and New York.
- Stubbs Richard and Underhill Geoffrey R.D., (2000), *Political Economy and the Changing Global Order*, Oxford: Oxford University Press.

Course Name: Health Economics	Course Code: ECON-
Course Structure: Lectures: 3	Credit Hours: 3
Prerequisites: None	
Course Objectives This course is an introduction for advanced economics students to contemporary theoretical analysis of, empirical evidence on and policy debate about: what and who produces health, how it is produced, variations in its production, consequences of its production or lack of production	
Course Contents 1. Introduction to Health Economics Meaning and definition of Health Economics, Scope of health economics, role of health economics in improved health outcomes, health care system in Pakistan.	
2. Micro & Macroeconomics of Health Demand and supply of health care, typology of health care markets, production and distribution of health as a public good. Unemployment in the health sector (human resource for health), Inflation in the health sector (Medical consumer price index), International trade and health care	
3. Health and sustainable development Population growth and its impacts on health, Health and education, Income distribution and poverty, Human Development Index Human capital in the form of health, Health and Economic growth, Modeling the interaction of health and	

incomes, changes in the level of education, Health education and its impact on the economy

4. Health Care Finance
 How health care is paid for? Health care financing techniques, New approaches to health care financing (Demand side financing, community financing and public private partnership in health)

5. Economic evaluation of health care
 Introduction to economic evaluation of health care, Cost benefit analysis, Cost utility analysis, Cost minimization analysis and cost effectiveness

Recommended Books

- The Economics of Health is one of the newest fields to have its own North-Holland 2-Volume Handbook, and remains somewhat unstandardized, with major variations in subject matter between countries and departments.
- Drummond MF, O'Brien BJ, Stoddart GL, Torrance GW (2nd ed.)(1998). *Methods for the Economic Evaluation of Health Care Programmes*, Oxford :Oxford University Press.
- Duckett S.J. (2004). *The Australian Health Care System*. Oxford :Oxford University Press.
- Gold M.R. Siegel J.E. Russell LB, Weinstein MC (1996), *Cost-Effectiveness in Health and Medicine*. Oxford: Oxford University Press.
- Petitti D.B. (2000), *Meta-Analysis, Decision Analysis, and Cost-Effectiveness Analysis: Methods for Quantitative Synthesis in Medicine*, (2nd ed.), Oxford :Oxford University Press.
- Rychlik R (2002), *Strategies in Pharmacoeconomics and Outcomes Research*. New York: The Haworth Press.
- Zweifel and Breyer, *Economics of Health*, North Holland.

Course Name: Urban Economics	Course Code:
Course Structure: Lectures: 3	Credit Hours: 3
Prerequisites: None	
Course Contents	
<p>1. Theory of Residential Land Use The Standard Monocentric City Model: Comparative Statics, Dynamic Stability:</p> <p>2. Durable Housing - Development Timing</p> <p>3. Durable Housing Endogenous Maintenance, A Commodity Hierarchy Model, Maintenance,</p>	

Comparative Statics with Durable Housing:

4. Name Durable Housing - Investment and Demolition

5. Spatial Interactions and Non-monocentric Cities

6. Name Economics of Agglomeration

7. City Sizes: Factory Towns, A System of Cities,

8. Empirical Studies on the Housing Market

Homogeneous Housing, Intraurban Migration, Supply, Demand, Tenure Choice,

9. Urban Transportation

Congestion Pricing and Investment, Second-Best Pricing and Investment, Land Use for Transportation, Transportation Technology and Demand, Regulation of Urban Transportation Services

10. Local Public Goods

11. Taxation

Property Taxes, Capital Gains Tax

12. Externalities and Zoning

Externality Zoning, Fiscal Zoning

13. The Hedonic Approach

14. Measuring the Benefits and Costs of Urban Externalities

15. The Contract Theory and the Housing Market, Tenure Choice Project Financing in Pakistan.

Recommended Books

- Beckmann, M.J. (1968), *Location Theory, Random House*, (An old book, but still the best one in location theory)
- Fujita, M. (1989), *Urban Economics Theory*, Cambridge University Press, (An up-to-date survey of technical aspects of urban land use theory)
- Henderson, J.V., (2nd ed.) (1985). *Economic Theory and the Cities*, Academic Press, (1985) (A standard graduate textbook).
- Kanemoto, Y. (1980), *Theories of Urban Externalities*, North-Holland.
- Miles, D. (1994), *Housing, Financial Markets and the Wider Economy*, Wiley. (A book on housing economics with special emphasis on the financial side)
- Mills, E. S. and Hamilton, B.W. (4th ed.) (1994), *Urban Economics*, Scott, Foresman and Company, (A standard undergraduate textbook if you have not read this book yet, you should do so in a hurry.)
- Small, K. A., (1992), *Urban Transportation Economics*, Harwood, (A good survey of recent research on transportation economics with special emphasis on the empirical side)

- Wildasin, D. E., (1986), *Urban Public Finance, Fundamentals of Pure and Applied Economics* 10, Switzerland: Harwood Academic Publishers: Chur.

Course Name: Regional Economics	Course Code:
Course Structure: Lectures: 3	Credit Hours: 3
Prerequisites: None	
<p>Course Objectives To acquaint the students with the problems of regional economics and methods of analyzing them. The factors for regional growth and development will also be considered.</p> <p>Course Contents</p> <ol style="list-style-type: none"> 1. Different types of Regions, Micro Level (Regional), Political Blocks, Homogeneous and Heterogeneous Blocks, Need for Planning for Local Level Development; Techniques / Methods / Tools. Regional Aims of Planning, Theoretical and Practical Problems of Regional Development Planning, Combining Theory, Techniques and Practices of Development, Linkage between Planning and Implementation at grassroots Level, Aggregate and Regional Planning Techniques / Models, Inter-industry Model, Theories of Inter-regional Economic Growth, Regional Policies and Alternatives. Shadow Pricing and Socio-economic Development. Criteria for Development of Backward Areas 2. Impact of Distance on Classical Economic Markets and Theory of Firms, International and Regional Location Analysis of Industries, Spatial and Economic Structure of Regions and Regional Development, Agglomeration Economics and Industrialization Measurement of Regional Economic Activities, Social and Economic Returns to Develop Backward Regions 3. Growth Poles, Project Economics and Planning, Centralized and Decentralized Planning and Financing for Development, Rationale for Decentralization and Functioning of Markets, Factor Mobility, Lack of Local Resources and Financing Techniques. Sharing to Finance Local Projects and Benefits, Cost / Benefits Analysis of Socially Uplifting Projects, Social Returns to Local Projects 4. International Inter-regional Economic Growth: Convergence-divergence debate. Regional Policies for Development and Regional (Provincial) development in Pakistan; Planning, Implementation and Progress, International Income Differential and Issues 	

Recommended Books

- Armstrong, H. (2000), *Regional Economics and Policy*, Black wall Publishing Company.
- Choi, Rok-Byung, (2003), *High Technology Development in Regional Economic Growth, Policy Implications of Dynamic Externalities*, Amazon.com.
- Davis H., Craig, (1990), *Regional Economics, Impact Analysis and Project Evaluation*, Amazon.com
- Hijkamp (Editor), *Handbook of Regional and Urban Economics*, North Holland.
- Lee Roger (1997), *Geographics of Economics*, John Wiley and Sons
- Marshall Peter, (1998), *Competitiveness, Localized learning and Regional Development: Specialization and Prosperity in Small Open Economies*, (Routledge Functions of Political Economy), Amazon.com.
- Mcker David L., (1970), *Regional Economics: Theory and Practice*, New Yok: The Free Press.
- Philip McCann, (2001), *Urban and Regional Economics*, Oxford University Press.
- Richardson H.W. (1985), *Regional Development Theories in Economic Prospects for the Northeast*, (Editors), Harry W. Richardson and Joseph H., USA: Turek, Temple University Press, Philadelphia.
- David, S., (1990), *Third World Regional Development: A Reappraisal*, Paul Chapman Educational Publishing.
- Shrivastava D.S. (1985), *Advanced Economics of Development and Planning*, New Delhi: Allied Publications.
- Thisse, Fujita, M.J., (2002), *Economics of Agglomeration: Cities, Industrial Location, and Regional Growth*, Cambridge University Press.
- Taylor, Jim, and Armstrong, H.W., (2000), *Regional Economics and Policy*, Amazon.com
- Treyz, George, (1993)(latest ed.). *Regional Economic Modeling: A Systematic Approach to Economic Forecasting and Policy Analysis*, Kluwer Academic Publishers.
- Winters L. A., *Regional Integration and Development*, Amazon.com.
- Zaidi, A. (1999), *Issues in Pakistan Economy*, Karachi: Oxford Univ. Press.

Course Name: Institutional Economics	Course Code:
Course Structure: Lectures: 3	Credit Hours: 3
Prerequisites: None	

Course Objectives

A course in "Institutional economics" accomplishes a series of courses that constitute the basic training for economists. Before studying institutional economics students should master not only the fundamentals of general economic theory but have knowledge of the historical courses and humanities as well.

Pre-Requisite

It is assumed that the students should be familiar with the following courses: Microeconomics and Macroeconomics, game theory, industrial organization, economic history and history of economic thought.

Course Contents

1. Introduction

Introduction to institutional analysis; The concept of institution: attempts at definition. Institutions and organizations, Functions of social institutions, Interaction situations and the types of norms: prisoners' dilemma-type situation; co-ordination situation; inequality situation. Enforcement characteristics, Institutional structure of a society. Formal and informal institutions, Sanctions for disobeying norms (self-enforcing sanctions, guilt, shame, informational sanctions, bilateral costly sanctions, multilateral costly sanctions), Conditions of norms' effectiveness, Interaction of formal and informal institutions, The limits of imitations of institutions from best-performing countries, The problems of their Enforceability, The New Institutional Economics and modern institutionalism, Old institutional economics

2. Transaction costs

The concept of transaction, Market and intrafirm transactions, Transaction costs as friction in the economy. Transaction costs and transformation costs, Interdependency between transaction costs and transformation costs, Types of market transaction costs and means of transaction costs minimization (search and information costs; measurement costs; bargaining and decision costs; supervision and enforcement costs). Comparative advantages and shortcomings of the legal enforcement mechanism, Reputation as a contract enforcement device, Ideal model of "perfect reputation", Shortcomings of the reputation as a contract enforcement mechanism, Reputation and the "free rider problem", Reputations aided by institutions, Contract enforcement in contemporary Russia

3. Property Rights

The definition of property rights, Property rights in different legal traditions (common law and civil law traditions). The property rights approach: some basic concepts. Specification of property rights, the bundle of rights, partitioning of property rights, attenuation of property rights. Assigning of property rights: the internalization of externalities, The Coase Theorem, Critic of Coase (dynamic effects of alternative legal rules, wealth effect, distributional effects, strategic behavior and the problem of holding-out, endowment effect, sociological critic,

unrealistic assumption about zero transaction costs), Alternative property rights regimes, Common property (open access) and the tragedy of the commons, Exclusive property rights and the conditions for their emergence, The first economic revolution, Communal property, Optimal group size, Private property, Moral and economic aspects of private property, Public property, The emergence of property rights. The optimistic theory of the emergence of property rights (naive model). The interest-group theory of property rights, The costs of collective action. The theory of rent-seeking, Interest-groups and rent-seeking in the Russian economy

4. Contracts

The definition of a contract, Legal and economic approach to contracts, Freedom of contract, Bounded rationality and contractual incompleteness, Asymmetric information (hidden characteristics, hidden information/ hidden action, hidden intentions) and opportunistic behavior, Adverse selection and the closing of markets. Signaling, screening and self-selection, Asset plasticity and moral hazard, Principal-agent problem and agency costs, A simple principle-agent experiment in the classroom, Controlling and preventing moral hazard (controlling the agent, incentive contracts, bonding, do-it-yourself method), Case study: crisis of the savings and loan associations in America as an example of moral hazard in financial markets. Attributes of transactions and the choice of a contract, Asset specificity, types of specific assets, Synergy effects, quasi-rents appropriation and hold-up problem, Classification of contracts (classical, neoclassical and relational contracting), discrete alternative governance structures: market, hybrids and hierarchy. Self-enforcing agreements (Telser) and hostages (Williamson), Hybrids: specific assets and their safeguards. Institutional environment and its role in the choice of contract, GM and Toyota: different models for solving the problem of safeguards for specific investments. The role of trust, Economic approach to trust, Kreps: the trust game. Types of trust (contractual trust, competence trust and good will trust). Explaining the internal structure of formal organizations: transaction costs approach

5. The new institutional theory of the firm

Neoclassical theory of the firm, Explanations of the firm in the new institutional theory (F.Knight, R. Coase, A. Alchian and H.Demsetz, O.Williamson, O.Hart), The market and the firm. Comparative analyses of the alternative coordination forms, internal market and influence costs, The boundaries of the firm, Ownership structure of the firm, A theory of the owner-monitor. Competing forms of economic organization, relative advantages of alternative structures (proprietorships, partnerships, Open Corporation, regulated firms, public enterprises, nonprofit organizations, labor-managed firms), Separation of ownership and control in the open corporation, Opportunistic behavior of the managers and corporate control, Outsider and insider corporate governance, Privatization in Russia and other transition economies: how to control the managers.

6. The new institutional theory of the state

Social mechanisms for constraining open access. Contractual theories of the state (Locke, Rousseau), Hobbes predatory theory of the state, North's model of the state, The regulatory role of the state in the Russian economy

7. The theory of institutional change

Stability of institutions and institutional change, The concept of institutional equilibrium, The main sources of institutional change, Centralized and spontaneous institutional change, The role of the state in the process of institutional change, The problem of compensation of the disadvantaged groups. Theories of selection of efficient institutions in the process of competition (Alchian, Friedman), Institutional change and path dependence, Forms of path-dependence (weak form, semi-strong and strong forms), Institutional change in contemporary Russia

Recommended Books

- Akerlof G.A. (1984), The Markets for "Lemons": *Quality Uncertainty and the Market Mechanism* 84 Quarterly Journal of Economics, pp. 488-500
- Alchian A., Demsetz H. (1972), Production, Information Costs and Economic The American Economic Review, pp. 777-795
- Coase R. (1937), The Nature of the Firm, *Economica*, pp. 386-405
- Coase R.H. (1960) ,*The Problem of Social Cost*. Journal of Law and Economics 1-44
- Dahlman C. (1979) ,*The Problem of Externality*. Journal of Law and Economics, pp. 141-162 .
- Hart O. (1989), *An Economist's Perspective on the Theory of the Firm*. 89 Columbia Law Review, p. 1757
- Joskow P. (1987), Contract Duration and Relationship-Specific Investments: Empirical Evidence from Coal Markets. 77 American Economic Review pp. 168-173
- Milgrom P., Roberts J. *Economics, Organization and Management*.
- Milgrom P., Roberts, (1992), *J. Economics, Organization and Management* - Prentice-Hall Int.
- North D. (1990), *Institutions, Institutional Change and Economic Performance Cambridge*, University Press.
- Posner R. (1997), *Social Norms and the Law: an Economic Approach*. 87 American Economic Review, pp. 365-369
- Rose C. *Evolution of Property Rights*, In: Newman P, *The New Palgrave Dictionary of Economics and the Law Vol. 2,*.

Course Name: Topics in Marketing	Course Code:
Course Structure: Lectures: 3	Credit Hours: 3
Prerequisites: None	
<p>Course Objectives Developing understanding of the important marketing concepts including consumer and business markets, advertisement and distribution channels etc</p> <p>Pre-Requisite It is assumed that the students should be familiar with the following courses: Microeconomics and Macroeconomics, game theory, industrial organization, economic history and history of economic thought.</p> <p>Course Contents</p> <ol style="list-style-type: none"> 1. Introduction to Marketing Marketing defined, Evolution of Marketing, Scope and Importance of Marketing, Marketing strategy and elements of the marketing mix, Marketing as an Exchange Process, Marketing as a Demand Management Tool. 2. Environmental forces and marketing ethics Elements and analysis of the marketing environment (micro and macro environment), Ethics and social responsibility in the marketing environment. 3. Strategic marketing planning and forecasting Strategic planning concepts and process, , The BCG Matrix, GE Nine Cell Model and Porter's Generic Strategies Models of SMP, Components of a marketing plan, Forecasting Market Demand and sales. 4. Consumer's and Buyer's Behaviors Consumer Motive to Marketing, Models of Consumer, Buyer Behaviour, Influences on Buyer's Behaviour, Industrial Buyer Behaviour, Decision making behavior. 5. Marketing research and analysis The role of marketing information, The marketing research process, Researching in international markets, The ethics of marketing research. 6. Segmentation, targeting, and positioning Identifying market segments, Selecting target segments, Positioning, Repositioning. 7. Product Management What is product, Product classification, Developing new products, Product Adoption and Diffusion, Product Life Cycle, Product Positioning and 	

<p>Differentiation, Product Mix Strategies.</p> <p>8. Pricing Strategies and Sales The role of price in the marketing mix, Overview of the pricing process, Price strategies, Short-run and Long-run Pricing</p> <p>9. Marketing channels, Distribution Management and Market Intermediaries Foundations of marketing channels, Basic channel functions, Types of marketing channels, Designing Distribution Networks, , The supply chain, The Wholesale Market, Retail Marketing</p> <p>10. Promotional strategies and processes The role of promotion, The elements of promotion , Promotion and the communication process , The promotional mix , Promotion and society</p> <p>11. Intercultural and international marketing Defining intercultural marketing, Defining international marketing, Assessing social elements in international marketing, Developing the level of international involvement, Developing international marketing strategies</p>
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<p>Recommended Books</p> <ul style="list-style-type: none"> - Jerome McCarthy, Prentice Hall, (8th Ed.). <i>Basic Marketing</i> - Boyd H.W.,(latest ed.) “<i>Marketing Management: Strategic Approach with a Global Orientation</i>” - Burman, E. (4th Ed.). “<i>Marketing</i>” McMillan Publishing Co. - Tousley, R.D., (latest ed.), “<i>Principles of Marketing</i>”, Eugene Clark - Etzel, W. & Stanton, (11th Ed.),“<i>The Fundamentals of Marketing</i>”, New Delhi: McGraw Hill. - Kotler, P. (latest ed.), “<i>The Marketing Management</i>” Millennium Edition Prentice Hall.

Course Name: Transport Economics	Course Code:
Course Structure: Lectures: 3	Credit Hours: 3
Prerequisites: None	

<p>Course Objectives</p> <p>This course will provide students with the basic concepts and tools for economic evaluation of transportation projects and related investments. Students should obtain basic skills in the analysis of travel demand and in the valuation and analysis of transportation system benefits. Students should also be able to understand different components of the costs of transportation, basic pricing principles, and how these factors affect the market for transportation infrastructure and services. Finally, students should</p>

be able to apply these concepts to analyze transportation investment decisions.

Course Contents

- 1. Economic analysis of transportation projects** and transportation infrastructure investment, optimal pricing and investment.
- 2. Travel demand analysis** and the value of travel time saving consumers' surplus and producers' surplus measures, General equilibrium models for transportation economics, analysis of travel demand, benefits, costs, equilibrium, pricing, and market structure.
- 3. Microeconomic principles** in transportation, Pricing alternatives, road pricing and sustainable transportation, fare increases and the public transport fare adjustment mechanism, Price discrimination ,Road congestion pricing, Equity dimensions of transport policy,
- 4. Cost function for transport firm**, City formation and transport cost, , peak load and cost allocation problem, project appraisal and financing, Economics of transport logistics, ,Efficiency measurement theory and its application to transport, Theory of external cost, Transport and energy.
- 5. Competition, regulation and public service obligations.**
- 6. Public private partnership in transport** , transportation improvements and land values, returns to scale and road durability, Project evaluation, Congestion, Air quality, Fuel economy and safety.
- 7. Transportation technology.** Transportation and international Trade, Transportation and Economic Development.

Recommended Books

- Palma, Andre De. A Handbook of Transport Economics. Edward Elgar Publishing, 2011
- Émile Quinet, R. Roger William Vickerman, Principles of Transport Economics, Edward Elgar Publisher 2005
- John Robert Meyer, José A. Gómez-Ibáñez, W. William B. Tye, Essays in Transportation Economics and Policy. A Handbook in Honor of John R. Meyer.

Course Name: Energy Economics	Course Code: EC –
Course Structure: Lectures: 3	Credit Hours: 3
Prerequisites: None	

Course Objectives

This course is the study of economic relationships in energy production, consumption, demand and supply, pricing and conservation, energy policy and the development of new and renewable energy sources. This course aims to provide students with the opportunity to study and develop a broader understanding of the economics of energy. There is mounting evidence that the current global energy system has been growing far beyond what is globally sustainable and already poses a serious, and potentially irreversible, threat to global environmental quality and stability in future decades.

Course Outline

1. Overview and Fundamental Concepts

Energy in the Economy; Global Energy Problems and Issues, Fundamental Concepts: Energy, Power; Measuring energy: units and conversion factors, Laws of Thermodynamics, 1st Law and Entropy law, Input and output energy, energy efficiency, Energy conversions (technologies), Global Energy system sustainability issues, Energy markets and energy prices; competitive market valuation and social valuation, Market Failures: Market power (monopoly, oligopoly, and cartels), Externalities, Public goods and common property resources.

2. Oil Resources and Economic Issues

Discounted cash flow analysis, reserve and resources, resource substitution, forecasting prices and speculation, Natural resource (oil) demand and supply, OPEC

3. Overview of Energy Economics and Global Energy Sustainability

Primary energy supply, secondary energy and energy end use demand/consumption, Energy, economic activity, and growth: energy intensity, global energy use forecasts, Energy conversion, energy transportation and/or transmission, and clean energy use, Conditions for a sustainable global energy system, climate change and clean energy.

4. Clean Energy Supply from Non-Conventional, Alternative and Renewable sources

Climate change and primary and secondary energy use, Energy Conservation policies, demand side management, Non-conventional and renewable alternative energy: Solar, Biomass, Wind, Geothermal, Tidal & other, Hydrogen energy, fuel cells.

5. Energy Supply from Non-Renewable Fossil Fuel Resources

Fossil fuel resources and reserves model, Cartel models of global energy markets, Overview of Oil, Natural gas, and Coal industries, Backstop technologies and Non-renewable resource Pricing (Hotelling model), Clean fossil fuel use; carbon sequestration

6. Energy Conversion and Supply by Electric Utility Industries

Electric Power demand and load duration vs. Electric energy consumption, time-of-use, Electricity production technologies and electricity production cost trade-offs, Thermal, hydro, nuclear and renewables production and transmission of electricity, Electricity pricing issues, regulation and deregulation issues, Nuclear energy issues and prospects.

7. Sustainable Energy Policy

Jaccard's Sustainable Energy System in 2100, Energy Policy of Pakistan, Sustainable energy options and criteria for comparison, Sustainable Energy Policy Alternatives and Climate Change, International Policy Initiatives.

Recommended Books

- Mark Jaccard, Sustainable Fossil Fuels: The Unusual Suspects in the Quest for Clean and Enduring Energy, Cambridge University Press (2005) Subhes C. Bhattacharyya Energy Economics Concepts, Issues, Markets and Governance Springer-Verlag London Limited (2011)
- J. M. Griffin, and H. B. Steele (1985): Energy Economics and Policy, Academic Press
- Tom Tietenberg and Lynne Lewis Environmental & Natural Resource Economics Pearson Education, Inc., 9th Edition 2012

Course Name: Economics of Education	Course Code: EC –
Course Structure: Lectures: 3	Credit Hours: 3
Prerequisites: None	
Course Objectives: The course aims to analyze the ways through which the education is organized and delivered to achieve economic growth in the most efficient ways. It helps to understand the efficacy of reforms pertaining to teacher salaries, student teacher ratio and charter schools. The course helps to develop an understanding of the importance of education in economic growth of a country. This course is intended to make students aware of the fact	

as to how education enhances labour productivity, earnings and distribution of income. It will further help the students to analyze the relation between education, inequality and poverty prevailing in the developing economies of the world.

Course outline:

1. Introduction

Defining economics and educational problem

2. Importance of Schooling

3. Econometrics overview

Empirical research methods in the economics of education

4. Human Capital theory

The basic economic perspective on education

5. Education as a Signal

Signalling in the labour market

6. Returns to education in developing countries, with special reference to Pakistan, social rate of returns to education

7. Educational Production

8. Education and health

9. Education and inequality

10. School Accountability and Standards

11. Technology and Education

12. Role of state in education

13. Educational privatization

Recommended Books

- Autor, David, Frank Levy, and Richard J. Murnane. "The Consequences of Increasing the Nation's Supply of College Graduates." Policy Brief Written for the Gates Foundation. December, 2003
- Feinstein, Leon. "Inequality in the Early Cognitive Development of British Children in the 1970 Cohort." *Economica* 70, no. 277 (2003): 73-97.
- Introduction to Econometrics: 4th Edition by Christopher Dougherty, Oxford University Press (2011, 512pp)
- Modern Labour Economics, Theory and Public Policy: Ronald Ehrenberg, Robert Smith, 11th edition.

- . Borjas, G. 2008. Labour Economics, pp.268-273.
- Hanushek, E. A. 1986. "The Economics of Schooling: Production and Efficiency in Public Schools." Journal of Economic Literature 24(3): 1141- 77.
- Clotfelter, Charles T., and Helen F. Ladd. "Recognizing and Rewarding Success in Public Schools." Chapter 2 in Holding Schools Accountable. Edited by Helen Ladd. Washington, DC: Brookings Institution Press, 1996. ISBN: 9780815751038
- Rouse, Cecilia Elena, and Alan B. Krueger. "Putting Computerized Instruction to the Test: A Randomized Evaluation of a 'Scientifically Based' Reading Program." Economics of Education Review 23, no. 4 (2004): 323- 338

Course Name: Global Environmental Governance	Course Code: EC –
Course Structure: Lectures: 3	Credit Hours: 3
Prerequisites: None	
<p>Course Objective</p> <p>The main objective of this course is to examine the ways in which world society is striving to address environmental challenges by means of ‘global governance’ – that is, international, transnational and global institutions and organisations that are meant to deal with international and global environmental issues. It will be attained by looking at the historical perspectives of the international, transnational and global structures and the way they have evolved over time, as well as examining specific organisations and other dynamic actors in global environmental governance today. The management of specific global environmental challenges will also be discussed. This course is intended to make students aware of the key concepts, theories and the practical implications of global environmental governance.</p> <p>Course Outline</p> <ol style="list-style-type: none"> 1. Historical evolution of global environmental governance and key actors 2. Key concepts, practices and theories in global environmental governance 3. Global commons – climate and ozone 4. Transboundary issues: toxics and biosafety 5. The interface of global economic and environmental governance. 6. Trade and environment 7. Multilateral environmental funding mechanisms 8. Private governance and market-based initiatives for the global environment 9. Civil society and individual responses to global environmental problems 	
<p>Recommended Books</p> <ul style="list-style-type: none"> - Anderson, S., J. Kavanagh and T. Lee (2000), Field Guide to the Global Economy, New Press, New York - Faure, M., J. Gupta and A. Nentjes (2003): Climate Change and the Kyoto Protocol: The Role of 	

Course Name: Trade and Environment	Course Code: EC –
Course Structure: Lectures: 3	Credit Hours: 3
Prerequisites: None	
<p>Course Objectives</p> <p>This main objective of this course is to give the student the knowledge of the linkages between international trade, growth and the environment from both theoretical and empirical viewpoints. It investigates the theoretical links between international trade and sustainability by examining the impact of trade and growth on both industrial pollution and natural resource use. This course is intended to enable the students to review and critique the empirical evidence linking trade and growth to environmental outcomes using theory as a guide to evaluate the literature. During the course it shed light on the basic issues about the link between trade and the environment using both theoretical and empirical methods. This will include the discussion of impact of international trade on the environment; whether free trade raise pollution levels; if it leads to over consumption of cheap resources produced in developing countries. Secondly, this subject will also touch the issue of impact of government environmental policy on the trade flows and environmental outcomes.</p> <p>Course Outline</p> <ol style="list-style-type: none"> 1. Unilateral trade-based measures 2. The legality of multilateral environmental agreements 3. Employing trade measures 4. Utilization of science-based trade tests 5. Environmental impacts of foreign investment liberalization 6. The major international trade agreements and institutions, such as GATT, NAFTA, the World Trade Organization 	
<p>Recommended Books</p> <p>- Faure, M., J. Gupta and A. Nentjes (2003): Climate Change and the Kyoto Protocol: The Role of Institutions and Instruments to Control Global Change, Edward Elgar Publishing Wold, C, S. Gaines and G. Block (2005): Trade and the Environment: Law and Policy, Canadian Academic Press</p> <p style="text-align: center;">-</p>	

Course Name: Political Economy of Pakistan	Course Code: EC –
Course Structure: Lectures: 3	Credit Hours: 3
Prerequisites: None	
<p>Course Objectives</p> <p>The objective of this course is to examine the global context in which the economy works. Global Political Economy incorporates different fields such as individual</p>	

disciplines of politics, economics, and international relations. The course will familiarize the students with some of the important debates within the subject of political economy in relation to Pakistan and will deepen understanding of the history of macroeconomic policies and economic development in Pakistan. The course will attempt to form a holistic picture of the connections between economic and political developments in our history.

Course Outline

- 1. Introduction and basic theory of political economy**
- 2. Rural elite and agricultural development in Pakistan**
- 3. The pattern of adoption of new technology**
- 4. Technical change and social polarization**
- 5. Urban elite and industrial development**
- 6. Development of small and large scale industry and the role of State**
- 7. Political economy of foreign aid and debt, its motivation for donors and recipients and the effects on the economy of debt**
- 8. Globalization and its effects on the economy of developing countries, especially Pakistan**
- 9. Environmental impacts of foreign investment liberalization**

Recommended Books

- Bhatia, B. M. (1981): Economic History of Pakistan, Oxford University Press
- Zaidi, A. (1999): Issues in Pakistan’s Economy, Oxford University Press, Karachi

Course Name: Economics of Law	Course Code: EC –
Course Structure: Lectures: 3	Credit Hours: 3
Prerequisites: None	
<p>Course Objectives</p> <p>The main objective of this course is to provide students with an interdisciplinary knowledge of the fields of law and economics. Particular emphasis will be on application of the economics analysis to the law. The main focus will remain on the economic and legal aspects of market regulation (in banking, regulations, property rights, energy, telecom, transport, health care, etc.), private equity, hedge funds, competition and competition policy, corporate governance, and mergers.</p> <p>Course Outline</p> <ol style="list-style-type: none"> 1. Application of economic analysis to the law 2. Property rights, taking the Coase Theorem 3. The economics of regulation 4. Crime and punishments 5. Liability law 	

- 6. Public choice
- 7. Contract law and the law of corporations merger/take-overs
- 8. Personal and corporate bankruptcy

Recommended Books

- Marciano, A. (2009): *Law and Economics: A Reader*, Routledge, London
- Weigel, W. (2008): *Economics of the Law: A Primer*, Routledge, London
- [Cooter](#), R. and T. Ulen (2007): *Law and Economics*, 5th Edition, Pearson, India

Course Name: Islamic Banking	Course Code: EC –
Course Structure: Lectures: 3	Credit Hours: 3
Prerequisites: None	
<p>Course Objectives</p> <p>This module provides an introduction to the Islamic principles and the modes used in financing particularly in Islamic Banking System and goes on to deal with the key operations of Islamic banks and co-operation between conventional and Islamic banks. The subject shall contribute to the understanding, advancement and acceleration of the process of Islamic financial product development from the Shariah aspect.</p> <p>The course will also enable students to understand the Islamic Banking from the Shariah aspect and the technical issues related to it. The course will enable the students analyze the issues both at the theoretical and policy sides of Islamic Banking.</p>	
<p>Course Outline</p> <ol style="list-style-type: none"> 1. Introduction to Islamic financial system 2. Concept of sales in Islam 3. Islamic financial products 4. Deposit and financing in Islam 5. Structure of Islamic banks 6. Governance of Islamic banks 7. Islamic insurance 	
<p>Recommended Books</p> <p>- Ahmad, K. (1980), <i>Studies in Islamic Economics</i>, Leicester, The Islamic Foundation, U.K.</p>	

Course Name: Industrial Organization	Course Code:
Course Structure: Lectures: 3	Credit Hours: 3
Prerequisites: None	
<p>Course Objectives:</p> <p>Students examine of the performance and operation of imperfectly competitive markets,</p>	

as well as the behavior of firms in these markets. They attempt to answer big questions, such as why are firms and markets organized the way they are; how does the behavior of firms affect the structure and performance of markets; and how does the organization of markets determine how firms behave and how markets perform. Topics include theories of the firm; market structure models; strategic interaction among firms; business practices such as mergers and acquisitions, price discrimination, advertising, innovation, vertical restraints, and cartels; and new developments in industrial organization, including network issues and auction markets.

After completing this course, students should be able to:

1. Describe the basic models of the behaviour of firms and industrial organization.
2. Solve analytically problems relating to industrial organization.
3. Explain why government intervenes in markets.
4. Discuss how the firms' actions affect consumer welfare.
5. Apply models to important policy areas while being aware of the limitations.
6. Discuss the factors that influence the conduct of firms in terms of their advertising, price setting, R&D, and other decisions.

Course Contents

1. Monopoly Power and Practice

Price discrimination, Product variety and quality

2. Game Theory and Oligopoly Markets

Static games and Cournot competition, Dynamic games and first and second movers

3. Anticompetitive Strategies

Limit pricing and entry deterrence, Price-fixing and repeated games

4. Contractual Relations between Firms

Horizontal mergers, Vertical and conglomerate mergers

5. Nonprice Competition

Advertising, market power, and information, Research and Development

6. New Developments in Industrial Organization

Network issues, Auctions and Auction Markets

Recommended Books

- Lynne Pepall, Daniel J. Richards and George Norman, Industrial Organization: Contemporary Theory and Practice, 4rd Edition, South-Western College Publishing, 2008.

Course Name: Institutions and Development

Course Code:

Course Structure: Lectures: 3	Credit Hours: 3
Prerequisites: None	
<p>Course Objectives: The specific objectives of the course are to help student learn to:</p> <ul style="list-style-type: none"> ○ describe the tenets and concepts of, and the similarities and differences between, major theories of how institutions effect development and how development affects institutions; ○ use theories, concepts, and empirical evidence to construct explanations of institutions, development, and their consequences for private interests and public well-being. 	
<p>Course Contents</p> <ol style="list-style-type: none"> 1. Individuals, organization, Institutions and state 2. Interaction among individuals and institutions 3. Law, police, property rights and financial development 4. Governance and economic growth 5. Institutions, conflict resolution and decision making 6. Role of state institutions in economic development 	
<p>Recommended Books</p> <ul style="list-style-type: none"> ○ Stglitz, J. E. (2003), Challenges in the Analysis of the Role of Institutions in Economic Development, Oxford University Press, Oxford ○ Lin, J. Y. and J. B. Nugent (1995), Institutions and Economic Development, HDE, Vol IIIa 	

Course Name: Economic Growth	Course Code:
Course Structure: Lectures: 3	Credit Hours: 3
Prerequisites: None	
<p>Course Contents</p> <ol style="list-style-type: none"> 1. Theories of economic growth: Harrod-Domar model, Kaldore model, Marxist model, Malthusian model 2. Two sector models of economic growth 3. Cambridge growth controversy 4. Technological change in Herrod-Domar, neo-classical and Cambridge settings 5. Models of endogenous growth: human capital, knowledge, learning and externality in growth. 6. Growth accounting and growth empirics 	
Recommended Books	

- Romar, D. (2006): *Advanced Macroeconomics*, McGraw-Hill (Boston)
- Taylor, J. B. and M. Woodford (2005) *Handbook of Macroeconomics*, Vol. 1A, Elsevier, North Holland (Amsterdam)
- Jones, Hywel (1975): *An Introduction to Modern Theories of Economic Growth*, Van Nostrand Reinhold (UK) Co. Ltd. (Southampton)
- Hahn, F. H. (1971): *Readings in the Theory of Growth*, MacMillan (London)
- Stiglitz, Joseph E. and Uzawa, Hirofumi (1969): *Readings in the Modern Theory of Economic Growth*, M. I. T. Press Cambridge (Massachusetts and London)

Course Name: Poverty and Income Distribution	Course Code: ECON–
Course Structure: Lectures: 3	Credit Hours: 3
Prerequisites: None	
<p>Course Objectives</p> <p>The aim of this course is to introduce students to the subject of poverty and inequality. The emphasis will be on problems in the modern contemporary economy, but the topic will also be approached from an historical perspective, taking a longer term view of the distribution of income in human societies. In particular, we will examine why some individuals and groups have less access to resources and income than others. Students will learn the fundamental concepts, theories and methodologies that are used by economists to measure and understand questions related to the distribution of income. By the end of the course, students should expect to not only have a greater knowledge of the forces determining the extent of poverty and the distribution of income, but to have also gained some understanding of the methods used by economists and policy-makers to deal with them.</p> <p>Course Outline</p> <p>1. What Is Poverty and Why Measure It?</p> <p>The Concepts of Well-Being and Poverty, Measuring Poverty, Steps in Measuring Poverty, monetary poverty, capability approach, Poverty Lines, Relative Poverty, Absolute Poverty, Issues in Choosing an Absolute Poverty Line, Measures of Poverty, Headcount Index, Poverty Gap Index, Squared Poverty Gap (Poverty Severity) Index, Sen Index, The Sen-Shorrocks-Thon Index, FGT class of measures, multidimensional poverty index, Poverty Indexes: Checking for Robustness, Sampling Error, Measurement Error, Equivalence Scales, Choice of Poverty Line and Poverty Measure</p> <p>2. Definition of Inequality</p> <p>Measures of Inequality, Decile Dispersion Ratio, Gini Coefficient of Inequality, Generalized Entropy Measures, Atkinson’s Inequality Measures, Inequality</p>	

Comparisons, Measuring Pro-Poor Growth, Decomposition of Income Inequality, Poverty Profiles,

3. Additive Poverty Measures of poverty

Determinants of Poverty, Household and Individual-Level Characteristics, Analyzing the Determinants of Poverty: Regression Techniques, Poverty Reduction Policies, The Analysis of Poverty over Time, Vulnerability to Poverty, Quantifying Vulnerability to Poverty.

4. Poverty in Pakistan

Poverty and inequality in Pakistan- How does Pakistan compare? Historical Trends- the longer term picture.

Recommended Books

- Jonathan Haughton and Shahidur Khandker (2009) Handbook on Poverty and Inequality. (World Bank Training Series) ISBN-10: 0821376136
- Atkinson, A. B., B. Cantillon, E. Marlier and B. Nolan (2002), Social Indicators. The EU and Social Inclusion. Oxford: Oxford University Press.
- Cowell, F. (1992), Measuring Inequality, 2nd Edn. Hemel Hempstead: Harvester Wheatsheaf.87
- Fields, G. S. (2001), Distribution and Development. Cambridge, MA: MIT Press.
- Foster, J. E., J. Greer and E. Thorbecke (1984), "A class of decomposable poverty measures", *Econometrica*, 52(3): 761-66.
- Kakwani, N. (2003), "Issues in Setting Absolute Poverty Lines", Poverty and Social Development Paper 3. Asian Development Bank.
- Ravallion, M. (1994), Poverty Comparisons, Chur: Harwood Academic Publishers.
- Sachs, Jeffrey (2005) End of Poverty: Economic Possibilities for our Time (New York, Penquin).

Course Name: Financial Institutions & Markets	Course Code:
Course Structure: Lectures: 3	Credit Hours: 3
Prerequisites: None	
Course Objectives The course aims at the understanding of national and international financial systems it covers all the aspects of various financial transactions.	

Course Contents

1. Theory of the Role and Functioning of Financial System

Introduction to the financial system, intermediaries and institutions. Information asymmetric and the need for the role of financial sector, Some Basic concepts like adverse selection, moral hazard, free rider and principal-agent problems in financial sector to understand puzzles of financial markets, Financial system and its relationship with the rest of the economy, Functions of financial sector: mobilization and allocation of resources; pooling, diversification and trading of risk; advisory role; financing technological innovation and development. Financial Repression vs Financial Liberalization

2. Growth and stability of financial system

Why there is need to regulate the financial sector? Why financial sector is most regulated one in an economy? State Bank of Pakistan and its main functions: conduct of monetary policy; promotion, establishment, regulation and supervision of depository institutions; exchange rate policy and management of foreign exchange reserves; Payment System (NIFT and its functions. Relating to payments system), Securities and Exchange Commission of Pakistan and its functions: promotion, establishment, regulation and supervision of various components of capital market.

3. Financial Institutions and Current issues

- i) Scheduled Banks and their role in economic development of Pakistan: Introduction to commercial banking; structure of commercial bank in Pakistan; Assts and Liabilities of a commercial bank; performance indicators for commercial banks; recent issues in commercial banking.
- ii) Non-bank Financial Institutions: Development Financial Institutions, Investment Banks, Modarbas, Leasing companies, Mutual Funds, Housing Finance Corporations, Discount Houses, Venture Capital Companies.
- iii) Micro Finance Institutions, SME Banks
- iv) Insurance Companies – the rationale and role.

4. Financial Markets and Current Issues

- i) Functioning of Money Market (Primary and Secondary Dealers
- ii) Capital Market (Stock exchanges and Various Components of capital markets – Securities, equities, bonds, debentures)
- iii) Foreign Exchange Market and its evolution, dollarization of the economy.

5. Financial Infrastructure

Legal Framework (SBP Act 1956, BCO, 1984, SBP Prudential Regulations), Accounting Standard, Auditing, Corporate governance of banks and other financial institutions Human Resource Development(Skill and Training) – Importance for functioning of financial sector. Electronic Banking and its prospects

Recommended Books

- Fabozzi, F and Modigliani, F. (1996), Capital Markets, London: Prentice- Hall.
- Mishkin, (2003), The Economics of Money, Banking, and Financial Markets.
- Ritter, L. S. and Peterson, R.L., (9thed.) Financial Institutions and Financial Markets, New York: Basic Books.
- Arby, Muhammad Farooq, (2004), Functions, Evolution and Organization of State Bank of Pakistan
- *History of State Bank of Pakistan,*
- Zaidi, Akber (2005), Issues in Pakistan Economy, Karachi. Chapters12, 13
- SBP Annual and Quarterly Reports.
- SBP Financial Sector Assessment: 1990-2002, 2003 and onward.

Course Name: Entrepreneurial Economics	Course Code: EC –
Course Structure: Lectures: 3	Credit Hours: 3
Prerequisites: None	
Course Objectives The emphasis of this course is on entrepreneurship as a manageable process that can be applied in virtually any organizational setting. Entrepreneurship will be studied over the life cycles of people’s careers, of organizations as they evolve from start-up enterprise to sizeable corporation. However, the principal focus is on the creation of new ventures, the ways that they come into being, and factors associated with their success. The objective is to have a greater understanding of the entrepreneurial process – a process of opportunity recognition, resource marshalling, and team building driven by communication, creativity and leadership. When process and passion collide, the seemingly unconnected become connected. New ventures are born, stagnating businesses grow, and failing businesses are reinvented.	
Course Outline 1. The Entrepreneurial Mind for an Entrepreneurial World 2. The Effectuation theory of Entrepreneurship 3. The Opportunity	

4. The Founder and the Team**5. Marketing and Financing Entrepreneurial Ventures****6. Startup and beyond****Recommended Books**

- “New Venture Creation: Entrepreneurship for the 21st century”, by Jeffrey Timmons, Stephen Spinelli, Jr. 8th edition
- Entrepreneurship: A process perspective 2e, by Robert A. Barona and Scott A. Shane
- Effectual Entrepreneurship, by Stuart Reed and Saras Sarasvathy
- Innovation and Entrepreneurship: Peter Drucker
- Collins and Porras: Build to Last 6. Parker, Simon C., “The economics of Entrepreneurship” latest Edition, Cambridge University Press, USA, New York.
- Hirsch, Robert D., Peters, Michael P. and Shepherd, Dean A., “Entrepreneurship” latest Edition, McGraw-Hill Companies, Inc. USA, New York.
- Naqi, S. M., “Entrepreneurship: A Recipe for Economic Development” Latest Edition, Newfine Printing Press, Lahore.

Support Articles

- Entrepreneurship Plus: The Impact of Spiritual Orientation on Entrepreneurial Orientation, Market Orientation and the Entrepreneurial Process, Shahid Qureshi, IRCMP, 16-17 January 2013, LUMS, Lahore, Pakistan, Theme: Entrepreneurship.
- HBS reading: The New Normal: Agenda for responsible living
- IBA Review: The New Entrepreneurial Leader
- Beyond Selfishness Henry Mintzberg, MIT Sloan Management Review
- Entrepreneurship from an Islamic Perspective by Journal of Business Ethics Ali Aslan Gümüşay
- HBS reading: How will you measure your life