# Course Outlines for MS Economics & Finance

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<tr>
<th>Course Description for Compulsory Courses</th>
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<tbody>
<tr>
<td><strong>EC 501 - Microeconomic Theory</strong></td>
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*Indicative Reading:*

- *H Varian ‘Microeconomic Analysis’ (Latest Edition)* Published by W. W. Norton & Company
- *P. Ghai, A. Gupta, Microeconomics Theory And Applications, Publisher: Sarup & Sons 2002*
EC 502 - Macroeconomic Theory

Theory and measurement of national income Accounts, product side and income side. measurement of the Components of national accounts, price indices, Construction and problems, real VS nominal GNP. Aggregate demand, determination of equilibrium level of income & output, effects on equilibrium of shifts in aggregate demand (Multiplier Analysis) of changes in government Spending, taxes and transfer payment. Theories of consumption, investment, money supply and money demand. The IS-LM model and the interaction of fiscal and monetary policies. Rational expectations and uncertainty in macroeconomic models. Macroeconomic equilibrium with internationally mobile capital, sticky prices and exchange rate overshooting.

**Indicative Reading:**

**EC 503 - Mathematics for Economics and Finance**

The nature of mathematical economics and finance. The theory of finance and economics. Mathematical economics; input-output model, constraint and unconstrained optimization, integral calculus, first and higher order differential equations, simultaneous differential equations, and linear programming. Mathematical finance; time value of money, bond valuation and duration, stock valuation, financial decision making models under certainty and uncertainty, minimizing risk on the portfolio and the capital asset pricing model.

**Indicative Reading:**

- *A C Chiang ‘Fundamental Methods of Mathematical Economics’ (Latest Edition)*
  
  Published by McGraw-Hill International


**Software: Excel, Minitab, SPSS**
**EC 504 – Econometrics**

Definition and scope of econometrics, theoretical and applied econometrics, methodology of econometric research. Types of data, econometric models and functional forms. Deterministic and stochastic model, The simple and general regression models, least squares estimation, hypothesis testing, Econometric problems autocorrelation, heteroscedasticity, and multicollinearity, concepts, consequences, tests and remedial measures. Extension of the linear regression model, violation of the classical least squares assumptions, generalized least squares, measurement errors, distributed lag models, seasonality, simultaneous equation models, identification, cointegration, error correction models and application of econometric in finance.

**Indicative Reading:**

- *W Greene ‘Econometric Analysis’ (Latest Edition,)* Publisher, Prentice Hall,
- *H R Fogler & S Ganapathi ‘Financial Econometrics’ (Latest Edition)* Published by Prentice-Hall,

**Software:** Excel, Minitab, SPSS, EViews, R-643
**EC 505 - Financial Accounting**


**Indicative Reading:**

- *W B Meigs and R F Meigs ‘Accounting: the Basis for Business Decisions’ (Latest Edition), Published by McGraw-Hill*

*Software: sage*
# Course Description for Elective Courses

## EC 506 – Money and Banking


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**Indicative Reading:**

- *Money and Banking V. 2.0 (2012)* by Robert E. Wright and Vincenzo Quadrini (Saylor foundation)


- *Simpson D Thomas “Money Banking & Economics Analysis” Prentice Hall College Div; 3 Sub edition (December 1986)*
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<th>EC 507 - Financial Markets and Institutions</th>
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<tr>
<td>Financial markets; the stock market, the bond market, the money market, the foreign exchange market, the forward market the futures market, the option market, the swap market, the Eurocurrency market and their structure, functions and place in the global economy. Financial institutions; the theory of financial structure, bank and non-bank financial institutions, risk management, the money supply process and the central bank and the conduct of monetary policy.</td>
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**Indicative Reading:**

EC 508 - International Trade and Finance

The neo-classical trade theories and the new trade theories emphasizing on economies of scale and imperfect competition, the benefits, pitfalls and problems in foreign trade, trade policies, the roles of international financial and trade bodies, multinational enterprises, foreign exchange markets, balance of payments and theories of balance of payments. Theories of exchange rate determination, exchange rate arrangements, cash & spot exchange markets, forward, futures & optional markets, the purchasing power parity theory, interest parity, the international financial system and the international debt crisis.

Indicative Reading:

- L Copeland ‘Exchange Rates and International Finance’ (Latest Edition), Publisher Prentice Hall, and
- Dominick Salvatore ‘Introduction to International Economics’ (Latest Edition), John Wiley and Sons
EC 509 - Investment Analysis and Portfolio Management


Indicative Reading:

EC 510 - Project Appraisal and Management


Indicative reading:

- Steve Curry & John Weiss, “Project Analysis in Developing Countries”, St. Martin Press Inc. USA (Latest Edition)
- Prasanna Chandra “Projects, Preparation, Appraisal, Budgeting and Implementation”, (Second Edition), Indian Institute of Management, Banglore,
EC 511 - International Business Strategy

The world of international business; the challenge of international business, the multinational enterprise, the triad and international business. The international business environment; international politics, culture, trade and finance. International business strategy, global strategic planning, operational strategy, production strategy, marketing strategy, human resource management strategy, political risk and negotiation strategies and international financial management. International business strategy in actions; doing business in the European community, Japan, North America and Nontriad nations. Future challenges in international business.

Indicative Reading:

## EC 512 - International Development and Finance


### Indicative Reading:

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**EC 513 - Multinational Corporations and Finance**

**EC 514 - Managerial Economics**

The nature and scope of managerial economics, nature and function of profit, optimization technique and management tools, business decision making under risk and uncertainty, demand analysis; estimation and forecasting, qualitative forecast, time series analysis, smoothing technique, econometric models, production analysis and cost analysis; estimation, forecasting and planning. Pricing analysis; basic pricing models, price leadership and advertising decisions. Profit planning and control. Capital budgeting and investment.

**Indicative Reading:**

- D Salvatore ‘Managerial Economics: In Global Economy’ (Latest Edition), Oxford University Press
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<th>EC 515 – Financial Management and Risk</th>
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**Indicative reading:**

- *Gitman, Managerial Finance, Prentice Hall.*
**EC 516 - Investment Banking and Management**

Banking System in Pakistan, Banks, and Customers including different types of customers, Cheques their payment, endorsement, clearing, and collections, Concept, and law of Negotiable Instruments, Principles, and Forms of Lending, Security for loans, and advances, Collateral, Different Types of Collateral and Security, Measurement of Treasury or Fund Management, Non-Fund Based Revenue, Administration of Banking Operation in Pakistan and Other Countries, Foreign Banks in Pakistan, Letters of Credit, Foreign Exchange, Remittances Interest, Free Banking, Foreign exchange Management of Banks.

**Indicative reading:**

EC 517 Economic Development and Planning


Indicative Reading:

**EC 518 – Analysis of Financial Statement** (Prerequisite: Financial Accounting)

Financial statements, their structure, importance and their limitations. Analysis and interpretation of financial statements. Comparative financial statements, current position analysis, stability analysis, profitability analysis and market valuation analysis. Emphasis is placed on the interpretation of financial data by means of comparative statements, trend percentages, detailed analysis of working capital and extensive use of various generally accepted ratios, special problems resulting from current accounting practices in Pakistan and to limitations of statement analysis.

**Indicative Reading:**


EC 519 - Corporate Finance


Indicative Reading:

- J F Weston and T E Copeland ‘Managerial Finance’ (Latest Edition), Blackwell Publishers,
**EC 520 - Corporate Planning and Performance**


*Indicative Reading:*

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<th>EC 521 - Islamic Banking and Finance</th>
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<tr>
<td>Nature and methodology of Islamic economics, Islamic banking and public finances in Islamic perspective. Prohibition of riba, rationale of Islamic banking, alternative models of Islamic banking, liquidity problems in Islamic banking, deposit and credit creation. Central banking, monetary management, tradeable financial instruments, international transactions, riba-free micro financing, consequences of profit-sharing, the problems of moral hazards and adverse selection in Islam.</td>
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</table>

**Indicative Reading:**
- Asma siddqui (edited) Anthology of Islamic Banking and Insurance, IIBI London
- Accounting Issues in Islamic Banking published by IIBI London
- IIIE’s Blueprint on Islamic Financial System’ and Selective Readings.
**EC 522 - Business Management**

Motives and functions of a business, business ethics and social responsibility, selecting a form of business ownership. Management, levels of management, functions of manager, managerial skills, human resource management. Marketing, creating, maintaining and strengthening marketing, Improving productivity and quality, resources used for production process, production process and control. Entrepreneurship, developing a business plan, risk management by entrepreneurs.

**Indicative Reading:**

EC 523 – Entrepreneurship


Indicative Reading:

- Burns Paul and Hurst Jim Dew, Small Business and Entrepreneurship, McMillan, 1997
EC 524 - Research Methodology


Indicative Reading:

- Research Methodology by R. Panneerselvam Prentice Hall of India Pvt. Ltd. 2004
- Social Research Methods – Qualitative and Quantitative approaches (7th edition) by W. Lawrence Neuman, Pearson Education. 2009
Course Description for Customized Courses

**EC 401 - Principles of Economics**

Economic Issues, scarcity and the competing use of resources, the role of the market, the scope of economics, microeconomics and macroeconomics, diversity of economics, the three problems of economic organization: market, command and mixed economies, the methods of economics, positive economics, normative economics, issues and applications, theories and models, theory of consumer behavior, theory of firm, profit maximization, market structures, general equilibrium, The role of national income accounting, short-run macroeconomic models and policy multipliers, The aggregate supply curve in the new Keynesian and the new Classical models, Equilibrium in the open economy, business cycle theories.

**Indicative Reading:**

- *Dornbusch and Fischer ‘Macroeconomics (Latest Edition), McGraw-Hill*
<table>
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<th>EC 402 - Mathematical Economics</th>
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<tr>
<td>Economic models, equilibrium analysis, sets, relations and functions and graphic representation. Linear equations and inequalities, system of linear equations, linear functions and its application, simultaneous equations, break – even models, matrix algebra, Introduction to Matrices, Types of Matrices, Matrix Operations and Determinant limit, continuity and derivatives, differentiation, rules of differentiation, average rate of change instantaneous rate of change. Integral calculus, the antiderivative concept, rules of integration, differential equations, optimization, and applications in economics.</td>
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**Indicative Reading:**

# EC 403 - Introduction to Accounting

This course basically deals with the fundamentals of accounting. The objectives of this course is to provide the students with an applied knowledge of accounting concepts, principles, procedures, systems for preparation of financial statements, accounting treatment of current assets and liabilities, tangible and intangible assets, inventory valuation. Students should become adept at classifying problems, situations and applying the required accounting principles.

## Indicative Reading:

- **John R. Dyson, Accounting for Non Accounting Student (latest Edition), Prentice Hall**