

Syllabus for MSS in Economics

Econ 5205 **Economics of Industry**
Optional **Contact Hour 3** **Credit 3**

Section A

Introduction: Scope of industrial economics; Firm versus Industry; Classification of firms; Firm size; Market structure, conduct and performance - SCP paradigm; Industrial sector's contribution to economy - developed and underdeveloped country perspective.

Historical Pattern of Industrial Development: Capital versus labour intensive industrial expansion; Industrial development pattern in developed and developing countries; Structural changes over time.

Concepts and Basic Theories of Industrial Economics: Absolute vs. comparative advantage; Flying-guess; Industrial cluster; Porter's theory; Weber's theory; Supply chain management; Sick industry.

Industrial Efficiency: Concept of efficiency; Determinants of efficiency; Measurement of efficiency; Constrained output maximization; Constrained cost minimization; Profit maximization; Revenue maximization; Efficiency and decision making process; Market structure for firm and industry.

Industrial Finance: Sources of industrial finance; Need for finance; Types of finance; Short-run versus long-run finance; Internal versus external finance; Industrial finance - Bangladesh perspective.

Section B

Integration and Diversification: Concepts of diversification, integration, merger and acquisition; Horizontal versus vertical perspectives; Backward versus forward linkage integration; Specialization versus full package supply of industrial goods; Product and market diversification; Diversification and competitiveness; Role of multinational companies.

Technology and Trade: Transfer and adaptation of technology; Research and development for technological advancement; Innovation; Preferential trading agreements; Free trade arrangements; Quota and duty structure; Bilateral and multi-lateral agreements.

Industrial Process: Production process; Just-in-time technique; Inventory management; Supplier-producer-buyer relationship.

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Industry Sector of Bangladesh: Leading industries; Production, employment and export status of industrial sector; Changes in internal composition of Bangladesh industrial sector - causes and consequences; Locational position of industries in Bangladesh; Industrial policy; Incentives for domestic / foreign investment accumulation.

Social Dimension of Industry Sector: Wage discrimination; Minimum wage; Women empowerment; Exploitation of workers; Socio-economic condition of industrial workers; Factory environment; Code of conduct; Trade union activities.

List of References:

- Singh, B. (1996). *Managing Industrial Economy*, Anmol Pub., India.
- Carlton, D.W. and Perloff, J.M. (2000). *Modern Industrial Organization*, 3rd edition, Addison Wesley Longman, Inc., New York.
- Huq, M. and Love J. (2001). *Strategies for Industrialization: The Case of Bangladesh*, (ed.), University Press Limited, Dhaka.
- Haider, M.Z. and Hasan, K.M. (2010). Investment Climate in South-West region of Bangladesh: A Study of the Manufacturing Sector, Working Paper 4/2010, Investment Climate Series, Economic Research Group, Dhaka.
- Hoque, M.Z. (2004). *Industrial Loan Default: The Case of Bangladesh*, University Press Limited, Dhaka.
- OECP (1989). *Technology and Global Competition - The Challenge for Newly Industrializing Economies*, Oxford and IBH, India.
- Barthwal, R.R. (2004). *Industrial Economics: An Introductory Text Book*, 2nd edition, New Age International (P) Ltd., New Delhi.