

The successful completion of the compulsory Seminar presentations and the Thesis as well as the successful oral defense of the Thesis will lead to the award of the Ph.D. Degree.

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THE Ph.D. DEGREE IN ECONOMICS

FOREWORD

The teaching of Economics began in the mid 1960s within the Division of Survey Courses and Social Sciences (later renamed the Division of General Studies and Social Sciences) when the Barbados Campus of the University of the West Indies (UWI) was situated at the Harbour Site. When the Campus moved to its current location at Cave Hill in September 1967, Economics teaching and research continued within the Division until it was abolished in 1972. On August 1, 1972, the Department of Economics was formed within the Faculty of Arts and General Studies. When the Faculty of Social Sciences was established in 1975 at Cave Hill, the Department became a unit within the Faculty.

The Department of Economics is responsible for the teaching of undergraduate and postgraduate courses within the Faculty of Social Sciences. This Handbook outlines the graduate programmes offered by the Department.

ADMISSION REQUIREMENTS

Minimum Requirements: Candidates require at least an M.Phil degree in Economics or its equivalent.

Availability of Expertise and Resources: Admission is contingent upon whether candidates have a thesis proposal compatible with the expertise and resources available in the Department of Economics.

PROGRAMME OF STUDY

Thesis Proposal: Candidates are required to present and defend a Thesis Proposal of acceptable scope and quality for the Ph.D degree. The Thesis must follow the guidelines set out in the documentation provided by the School for Graduate Studies and Research.

Compulsory Seminar Presentations: Candidates must present **three (3)** seminars before a panel consisting of members of the Department and other interested parties. For each seminar, candidates are required to write and present a paper to be photocopied and distributed before hand on a topic arising out of their research as well as to field questions put to them afterwards.

Time Limits: Full time candidates are expected to complete the thesis within **three (3)** calendar years of the start of the programme. Part-time candidates have up to **five (5)** years to complete the programme.

CONFERMENT OF THE Ph.D. DEGREE

- a Table of Contents for the proposed thesis.
- a Bibliography of key primary and secondary texts (author and title only). This is subject to suggested additional entries based upon the panel's perception of the adequacy (or otherwise) of the list for covering the proposed area(s) of research.

PERSONNEL

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ACADEMIC STAFF

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 Professor of Economics
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 Research Interests: Financial Economics; Monetary Economics; Applied Econometrics.

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Research Interests: Agricultural Export Diversification; Applied Econometrics; Economic Growth and Development in Small Economies; International Trade Policy; Tourism Economics; Transportation Policy; International Economics.

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Research Interests: Facility Location; Revenue Management; Transportation Planning.

Professor Michael Howard, BA, M.Sc., Ph.D (UWI)

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Research Interests: Economic Development with special emphasis on the Development of Small Islands; Financial Institutions and Banking; Public Finance.

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Research Interests: Applied Econometrics; Public Finance;

CONFERMENT OF THE M.Phil DEGREE

The successful completion of the compulsory Seminar presentations and the Thesis will lead to the award of the M.Phil Degree.

M.Phil/Ph.D UPGRADE SEMINAR

Candidates for the M.Phil degree who have:

- successfully defended a Thesis Proposal of a scope and depth deemed worth of an upgrade, and
- consistently produced work of a standard, in the opinion of their Supervisor, to merit an upgrade, may be allowed to transfer to the Ph.D programme.

To this end, candidates must present an Upgrade Seminar before a panel consisting of members of the Department and other interested parties. For the Seminar, candidates are required to write and present a paper to be photocopied and distributed beforehand on a topic arising out of their research as well as to field questions put to them afterwards. The presentation must include the following:

- a written paper (10-15 pages in length, approximately 30 to 45 minutes speaking time) representing an aspect of one's research.
- a descriptive abstract of the thesis (about 100 words) indicating the specific methodology and the theoretical approach to be employed; the primary material to be addressed; and a detailed overview of the argument to be advanced in the form of chapter synopses.

THE M.Phil DEGREE IN ECONOMICS

Economic Growth; Financial Development; Monetary and Fiscal Policy.

ADMISSION REQUIREMENTS

Minimum Requirements: Candidates require at least an Upper Second Class Honours degree with a strong background in Economics.

Availability of Expertise and Resources: Admission is contingent upon whether candidates have a thesis proposal compatible with the expertise and resources available in the Department of Economics.

PROGRAMME OF STUDY

Thesis Proposal: Candidates are required to present and defend a Thesis Proposal of acceptable scope and quality for the M.Phil degree. The Thesis must follow the guidelines set out in the documentation provided by the School for Graduate Studies and Research.

Compulsory Seminar Presentations: Candidates must present **two(2)** seminars before a panel consisting of members of the Department and other interested parties. For each seminar, candidates are required to write and present a paper to be photocopied and distributed before hand on a topic arising out of their research as well as to field questions put to them afterwards.

Time Limits: Full time candidates are expected to complete the thesis within **three (3)** calendar years of the start of the programme. Part-time candidates have up to **five (5)** years to complete the programme.

Professor Nlandu Mamingi, Lic UNAZA (Kinshasa), M.A. (ISS–The Hague), M.A. (SUNY), Ph.D. (SUNY) *

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Research Interests: Econometrics: Temporal Aggregation and Cointegration, Econometrics of Interaction Effects, Bayesian Econometrics. Environmental Economics: Valuation Methods, Valuation of Heritage Sites, Pollution, Pesticides, Trade and Environment. Economic Growth: Growth Theory, Testing for Economic Convergence. International Economics: FDI. Financial Economics: Volatility.

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Research Interests: Cumulative Causation and International Inequality; International Trade and Economic Growth; Productivity/Innovation and Growth Production; Cost Functions and Technology Choice; Regional Economic Integration; Trade and Competitiveness; Trade and Environment.

- **On Sabbatical**

Re–submission is subject to the following conditions:

1. Failed Research Papers are allowed one re–submission within two months of notification, or four months in the case of extenuating circumstances.
2. Research Papers which have been re–submitted because of a marginal failing grade shall be awarded no more than the minimum pass mark; in the case of re–submissions because of extenuating circumstances, the full range of marks shall be available to examiners.

minimum pass mark for the Research Paper.

Mr. Anthony Wood, B.Sc. (UWI), M.Sc. (UWI), M.Phil (Cambridge)

Lecturer in Economics

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Research Interests: Corporate Finance; Financial Institutions and Markets; Financial Aspects of Economic Development; Investment Behaviour in Developing Countries; Caribbean Energy Sector.

GRADUATE DEGREES OFFERED

The Department of Economics offers the M.Sc. Financial and Business Economics degree by coursework on a full time or part time basis.

The Department also offers supervised research leading to the M.Phil (Economics) and the Ph.D. (Economics) degrees.

Students should note that admission to the M.Phil or Ph.D. Programmes depends upon whether candidates submit a proposal compatible with the expertise and resources available within the Department.

REGULATIONS

It is the responsibility of students to familiarise themselves with the regulations governing the graduate degrees. These regulations are available from the School for Graduate Studies and Research.

APPLICATION PROCEDURE

Applications for entry may be obtained from the School for Graduate Studies & Research or from Admissions.

COST OF GRADUATE PROGRAMMES

Information on the cost of undertaking a graduate programme in the Department of Economics may be obtained from the School for Graduate Studies & Research or from Admissions.

F. SUBMISSION

1. Four copies of the completed Research Paper must be submitted to the School for Graduate Studies and Research by **August 31** of the intended year of graduation. The final version of the Research Paper should be completed at least one full week before the deadline to allow for last minute delays in printing, and other potential problems. Research Papers **MUST** not be submitted by email. Your Research Paper will not be accepted after the deadline unless the Head of the Economics Department approves an extension.
2. Extensions to the deadline can be granted by the Head of the Economics Department, and will be allowed only for properly documented circumstances of an acute medical nature. Extensions will not be granted because of any form of computer failure (for example, disk corruption or printer breakdown) or because of congestion of the University's central computing facilities.
3. Submitted Research Papers are not returned to students. You are strongly advised to keep a separate copy of the final version of the Research Paper.

G. RE-SUBMISSION OF RESEARCH PAPERS

Re-submission of Research Papers is **NOT** normally permitted **EXCEPT** in the following circumstances:

1. Substantiated extenuating circumstances accepted at the discretion of the Head of the Economics Department.
2. Where the original mark awarded is within 2% of the

been understood. The number of words in the Research Paper should also be noted on the cover sheet.

3. A bibliography in the form of a list of references must be included at the end of the Research Paper. Every entry in the bibliography should be referred to at some point in the Research Paper, and every citation in the Research Paper must be included in the bibliography. The bibliography should be formatted in accordance with the latest edition of the Chicago Manual of Style.
4. For other information on the precise requirements for the presentation of Research Papers, you should consult the UWI Thesis Guide available from the School for Graduate Studies and Research. This Guide may be found online at <http://mainlibrary.uwichill.edu.bb> . Research papers which are not presented in accordance with the provisions of the Guide will not be accepted for examination.
5. Make sure you comply with University Regulations regarding plagiarism and all other issues of relevance to good scholarly conduct.

CONTACT INFORMATION

School for Graduate Studies and Research

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Admissions

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Website: www.cavehill.uwi.edu

GRADUATE FUNDING

POSTGRADUATE SCHOLARSHIPS AND BURSARIES

A number of postgraduate scholarships and bursaries are available from the School for Graduate Studies and Research.

POSTGRADUATE RESEARCH AWARDS

A number of postgraduate research awards are available from the School for Graduate Studies and Research.

DEPARTMENTAL FUNDS

The Department of Economics has small sums of money available to assist postgraduate students with their research and to participate in conferences and to publish their research.

PART-TIME TUTORSHIPS

The Department employs postgraduate students and others to act as Tutors in large courses at rates of pay that depend upon qualifications and experience. Candidates for a higher degree are encouraged to signal their availability for part-time teaching to the Department well in advance of each academic year.

RESEARCH ASSISTANTSHIPS

The Faculty provides some research assistantships for M.Phil and Ph.D students. These assistantships are based on specific needs within the Department. Lecturers will normally submit requests for assistantships to the Dean of the Faculty through the Head of the Department. Students should indicate their availability for these assistantships to the Department's Coordinator for Postgraduate Studies.

GRADUATE FACILITIES

At present there are no official postgraduate facilities available in the Faculty of Social Sciences. However the Department will allow students access to a computer and printer in the Departmental office during office hours. Where possible the Department will allow students access to an office specially designated for its part-time staff. Otherwise, students are advised to avail themselves of the postgraduate carrels and computers in the Main Library as well as the computers and printers in the Computer Centre.

THE M. Sc. FINANCIAL AND BUSINESS ECONOMICS DEGREE

INTRODUCTION

supervision by Lecturers other than the designated Supervisor(s). Nonetheless, students are free to consult any Lecturer for assistance, the granting of which remains exclusively with the Lecturer.

3. Students could contact their Supervisor(s) as early as possible to begin discussions on the direction of the Research Paper. Furthermore, students should contact their Supervisor(s) no later than the middle of Semester II of the year in which they intend to graduate to discuss their Research Papers' topics. Further meetings should take place shortly after notification of the examination results in order to finalise the titles of the Research Papers, and agree with the Supervisor(s) on a plan of the Research Paper.
4. Students should expect to see their Supervisor(s) for about four hours spread throughout the Summer Term and Summer Vacation. It is recognised that Supervisor(s) will not be available continuously throughout the vacation, and it is therefore the students' responsibility to ensure that the availability of the Supervisor(s) is taken into account in planning the schedule of the Research.

E. PRESENTATION AND LENGTH

1. The Research Paper carries twelve (12) credits and should not contain more than 15,000 words inclusive of footnotes/endnotes, bibliography/references, and tables and appendices. It is recognised that there may be some small variations according to the number of diagrams, graphs, and technical appendices included. Examiners have the discretion to penalise excessively long Research Papers and over what penalty to exact.
2. Each Research Paper must be accompanied by a signed cover sheet, which acknowledges that the regulations have

edge piece of research, you should strive for originality in your work. The higher the degree of originality in the work done, the higher the mark awarded.

D. SUPERVISION

1. Students are asked by the Graduate Coordinator for the MSc in Business and Financial Economics to provide proposed areas of Research or titles for their Research Papers, **which they must submit to the Graduate Coordinator in writing early in Semester I of the first year, if full-time; or early in Semester I of the second year, if part-time.** Please be as detailed as possible regarding your proposed area of research. Each student will then be allocated a Provisional Supervisor selected by the Head of the Economics Department and the Graduate Coordinator for the MSc in Business and Financial Economics. Where possible, every effort will be made to involve students in the initial process of choosing a Supervisor.
2. Each student will then be given an opportunity to change his/her Supervisor, if necessary. A request for a change of Supervisor must be made in writing to the Graduate Coordinator for the MSc in Business and Financial Economics, who will inform the student in writing of his decision. Should a student wish to have more than one Supervisor, that request can also be made in writing to the Graduate Coordinator for the MSc in Business and Financial Economics. Every effort will be made to accommodate the student's wish. An appeal against the decision of the Graduate Coordinator for the MSc in Business and Financial Economics may be made to the Head of the Economics Department, whose **ruling is final**. Please note that students should not expect to receive

The M.Sc. Financial and Business Economics is designed to produce Economists who can function effectively in both the public and private sectors. The programme is a blend of economic theory and financial and business issues. The Department also sees this degree as an opportunity to provide students with the incentive to further their studies at the Ph.D. level.

OBJECTIVES OF THE DEGREE PROGRAMME

The programme is designed to:

- (i) enable students to develop analytical and practical skills in economics useful to work in institutions such as financial institutions or to undertake a career in industry or businesses which require advanced analytical skills;
- (ii) provide an understanding of economic theory and its applications to finance and business, and position students to effectively compete internationally, and understand the problems of globalization.
- (iii) develop research skill in quantitative techniques necessary to undertake policy analysis and forecasting, particularly as applied to financial and business issues.

ENTRY REQUIREMENTS

To be admitted to the program, a candidate must normally have completed a bachelor's degree in or equivalent with at least Lower Second Class Honours in Economics or related subjects. You should have completed ECON 3049 Econometrics I or its equivalent at the undergraduate level otherwise you will be required to take this course if your application is successful.

Candidates with insufficient economics background will be required to pass a qualifying examination in courses specified by the Department before final admission is made.

Applicants will be selected on the basis of their capability to undertake the course of study leading to the award of the M.Sc. degree.

which is standard for journal articles and theses:

- Introduction
 - Problematic situation and Statement of the Problem
 - Review of the Literature
 - Theoretical and Empirical Frameworks
 - Research Methodology
 - Empirical Results
 - Summary, Conclusions and Considerations for Further Research
6. If you plan to do econometrics work for your Research Paper, you will need to run regressions using a statistical package such as EVIEWS. This package is available in the University PC Laboratories. Information on how to use it is also available. Other good software include GVASS and TSP, both of which handle panel data analysis well.
 7. As a general rule, the clearer the motivation for the Research Paper, the deeper the understanding, the more successful the application or use of economic ideas and methods, and the more competent the analysis, the higher the mark awarded.
 8. Research Papers that are mere literature surveys do not usually get high marks. If you decide to write a Research Paper of this type, it may be preferable to survey both theory and evidence and compare the two. In any case, it is not enough just to describe and list previous work. This type of Research Paper should integrate and synthesise existing theoretical models and empirical evidence, demonstrate the relationships between them, and assess their significance; and, it should demonstrate a considerable degree of originality in doing this.
 9. Although the MSc Research Paper need not be a cutting-

2. Be realistic about what can be achieved within your time frame. If your work has shortcomings, it is better to acknowledge and discuss these shortcomings in your final section rather than pretend to ignore them.
3. Your Research Paper should include an abstract, of about 100–200 words, to summarise what your topic and your results are.
4. Your Research Paper should include:

An Introduction, where you can (a) explain what you do and why it is interesting, and (b) briefly list what is contained in each of the remaining sections of the Research Paper.

A (Critical) Literature Review Section where you will highlight what has already been done and found, the methodological approach and the limitations of the studies.

A Methodological Section which explains your method of enquiry and why it was chosen.

A Concluding Section, where you can summarise your results, make inferences based on your major findings and discuss areas for further research on your topic.

5. If you plan to do empirical work, it is a good idea to check for data availability at a relatively early stage. For some topics data are easily available while for others data may be difficult or expensive to obtain. It may take some time for suitable data to be found and/or obtained. This should always be considered in the conceptualisation of your research idea.

Empirically oriented papers should follow the following format

COURSE OF STUDY

The degree programme will extend over a twelve (12) month period for full time and a twenty-four (24) month period for part-time students. That is, it will run from September to August with the period of April to August devoted to the writing up of the Research Paper.

The degree requirements are satisfied by the completion of

- A. Six (6) compulsory courses
- B. Two (2) approved electives
- C. Research Paper

Each course will carry three (3) credits and the research paper will account for twelve (12) credits.

SCHEDULING OF CLASSES

Lectures will be held Mondays to Fridays from 5 p.m. to 10 p.m. **and/or** on Saturdays from 9 a.m. to 5 p.m.

PROGRAMME STRUCTURE

A. Compulsory Courses

ECON 6030 Microeconomic Theory
ECON 6031 Macroeconomic Theory
ECON 6033 Econometric Methods
ECON 6036 International Business Economics
ECON 6043 Financial Economics
ECON 6044 Financial Markets and Institutions

B. Electives

Two (2) approved electives from the list below. The Department will determine the combination of electives offered each year.

ECON 6032 Economic Development
ECON 6034 Operations Research
ECON 6035 Monetary Economics
ECON 6037 International Finance
ECON 6038 Bank Financial Management
ECON 6039 Public Finance
ECON 6040 Economics of Personnel
ECON 6041 Industrial Organization
ECON 6042 Environmental Economics
ECON 6045 Corporate Finance

C. ECON 6046 Research Paper

The Research Paper which carries twelve (12) credits should not contain more than 15,000 words inclusive of footnotes/endnotes, bibliography/references, tables and appendices. A supervisor will be appointed to guide the candidate's research paper. The Research Paper must be submitted by August 31, of the intended year of graduation.

successfully submitted in the past at the University of the West Indies and other Universities worldwide. For instance, one can:

Test existing economic theories using original empirical work (preferably econometrics, but possibly also case studies where appropriate);

Apply an econometric methodology developed by others (making any necessary modifications) to a dataset not previously used for that purpose;

Use an existing dataset to answer a different empirical question than the one the dataset was originally used for, or examine the robustness of an existing empirical analysis to changes in methodology or empirical specification or to using different years, countries, industries, or individuals, with a clear motivation for doing so;

Develop a formal theoretical model to analyse an economic issue;

Extend an existing theoretical model, or examine the robustness of an existing model to changes in its underlying assumptions, with a clear motivation for doing so.

Please note that this is not an exhaustive list, and it is not meant to be restrictive.

C. WRITING YOUR RESEARCH PAPER: GENERAL REMARKS

1. Make sure your Research Paper is well focused; that is, it is directed to addressing **ONE** broad or overall question or objective. Of course, there could be more than one specific objective. Emphasise in your work the application or use of economic ideas and methods.

THE M.Sc. RESEARCH PAPER

A. AIMS AND OBJECTIVES OF THE RESEARCH PAPER

The Research Paper enables students to undertake a Research Paper that involves the study in depth of a specific economic problem or set of problems or issues. The Research Paper allows students to gain experience of original, independent but supervised research. In addition, the Research Paper provides the opportunity to make use of skills acquired in the MSc courses, either specific to a particular subject or field, or in the use of mathematical and econometric techniques.

A successful Research Paper will involve one or more of the following:

1. Describing, analysing and demonstrating an understanding of the development and results of economic events and policies using economic ideas and methods; forming relevant hypotheses based on theory and testing them.
2. Collecting and organising data in a meaningful way, making use of computer software packages, as appropriate, for estimation and testing; and assessing the results obtained.
3. Developing a new analytical argument based on properly articulated economic theory or a synthesis of existing theories tailored to address one or more issues relevant for the topic of the Research Paper.

B. TYPES OF RESEARCH PAPERS

There are various types of Research Papers that students have

COURSE ASSESSMENT AND GRADING

Candidates taking courses for the degree will be examined by means of written examination and coursework. Oral examination, if recommended by the examiners of written examinations or coursework, is subject to the approval of the Chairman of the Campus Committee of Graduate Studies and Research.

A candidate who fails more than two (2) courses in any semester as a full-time student or more than one (1) course as a part-time student will be required to withdraw from the program. Candidates who fail a course may be allowed by the Board of Graduate Studies and Research to repeat the examination if the examiners so require. Candidates will not be allowed to repeat the examination in a course on more than one occasion.

Candidates permitted a second attempt at a course, having failed either the course work or the written examination at the first attempt, will be required to write only that component failed. Marks allowed to the component passed at the first attempt will be credited to the candidate at his or her second attempt at the course.

GRADUATE MARK SCHEME

The marking scheme used in the Faculty of Social Sciences in the assessment of oral presentations, term papers, and examinations is set out below:

Passing Grades

A	70 – 100%
B+	60 – 69%
B	50 – 59%

Failing Grade

F	0 – 49%
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CONFERMENT OF THE M.Sc. DEGREE

In order to be awarded the M.Sc. Degree, candidates must accumulate a total of thirty six (36) credits. Candidates who achieve at least a passing grade of 50% in all eight courses as well as the Research Paper will be awarded the M.Sc. Degree. A candidate whose average mark in all eight courses as well as the Research Paper does not fall below 70% will be awarded the M.Sc. with Distinction.

- Dividend Policy
- Mergers and Take-overs
- Management Buyouts
- Financial Distress
- Privatization
- Leasing and Warrants
- Pricing of Public Offerings.

- Environmental Impact Assessment
- Optimal Use of Natural Resources
- Acid Rain
- Air and Water Pollution
- Global Warming
- Fisheries
- Development, Poverty and the Environment
- The Quest for Sustainable Development.

ECON 6045 CORPORATE FINANCE

Objectives: This course brings together the relevant theory and practice of finance (investment and financing decisions particularly) appropriate to the behavior of firms or corporations. In other words, it provides an insight in understanding the key financial management decisions confronting organizations and the analytical frame work typically applied to these decisions.

Content: Topics include:

- Corporate Financial Structure and Governance
- Financing and Capital Structure and Advanced Cost of Capital Problems
- Capital Budgeting

COURSE DESCRIPTIONS

REQUIRED COURSES

ECON 6030 MICROECONOMIC THEORY

Objectives: This course is designed for the M.Sc. students in Financial and Business Economics as an extension to Intermediate Microeconomic Theories I and II. A good understanding of basic demand and production analysis will be presumed as we study the theory of the consumer and the firm and then delve into the economy as a whole.

In the first part of the course emphasis will be placed on utility theory, demand analysis, and production theory. The second part of the course sets up a framework for analysis, examines the properties of competitive market equilibrium, and evaluates situations that can lead to market failure (externalities, market power, and asymmetric information). The third part of the course consists of an overview of general equilibrium theory, welfare, and trade theory.

Contents: Topics include:

- Preferences and Utility
- Optimization Theory
- Demand Analysis
- Cost Minimization and Duality

- Revealed Preference
- Consumer Surplus and Welfare
- Special Assumptions
- Aggregate Demand
- Production Theory
- Profit Maximization
- Markets and Market Failure
- Information Economics
- Trade Theory
- Welfare Economics
- General Equilibrium Theory
- Applied General Equilibrium Analysis

ECON 6031 MACROECONOMIC THEORY

Objectives: This course aims to enhance knowledge of economic theory dealing with aggregate economic problems of inflation employment, balance of payments and growth with special reference to open economies.

Objectives: To identify and analyze the main issues in industrial organization.

Context: Topics include:

- Market structure
- Market concentration
- Pricing Theory and Strategy
- Theories of the Managerial Firm
- Multinational Firm and Transfer Pricing
- Vertical Integration
- Technology Choice
- Structure and Performance of Industry in the Caribbean.

ECON 6042 ENVIRONMENTAL ECONOMICS

Objectives: To give students an insight in environmental and natural resources issues.

Content: Topics include:

- Market Failures in the Allocation of Environmental and Natural Resources
- Efficiency and Equity Implications of Environmental Policies
- Valuation Techniques for Non-market Goods

- Structure and Management of Various Taxes: Income tax, VAT, land tax, other indirect taxes.
- Tax administration: Includes scope of tax administration, tax evasion, compliance costs of taxation, administrative tax reform.
- International Tax Policies and Management: Fiscal harmonization, double taxation and tax treaties, tax incentive programmes.

ECON 6040 ECONOMICS OF PERSONNEL

Objectives: To acquaint students with the major issues in personnel economics.

Content: Topics include:

- Structure of Labour Markets: Factors influencing the hiring of labour and supply of labour
- Human Capital Theory
- Trade Union Behaviour and Collective Bargaining
- Payment Schemes
- Job Evaluation
- Human Resource Planning
- Productivity Issues.

ECON 6041 INDUSTRIAL ORGANIZATION

Content: Topics include:

- Review of Keynesian and New Classical paradigms;
- New Keynesian Macroeconomics
- Overlapping Generations Model
- Open Economy Macroeconomics
- Consumption
- Investment
- Real Business Cycle Models : Inflation and Monetary Policy; Stabilization policy for Developing Countries; Solow Model

ECON 6033 ECONOMETRIC METHODS

This course assumes knowledge of undergraduate econometrics. Students will be expected to use software programmes in estimating and forecasting models.

Objectives: This course provides students with a range of econometric and forecasting techniques with an emphasis on their applications to financial markets and business.

Content: The course is divided into two parts.

The first part is concerned with:

- Advanced Regression Theory

- Maximum Likelihood Estimation and Asymptotic Theory
- Time Series Analysis (including VAR, Cointegration and ARCH)
- Equilibrium Estimation Methods Under Rational Expectations
- Introduction to Bayesian Inference in Econometrics.

The second part deals with:

- The Econometrics of Real Business Cycle Models
- Forecasting with Quantitative Methods
- Policy Analysis with Econometric Models.

ECON 6036 INTERNATIONAL BUSINESS ECONOMICS

Objectives: To provide students with an understanding of the major trends in the global economy, and their impact on developing countries.

Content: Topics include:

- Foreign Trade: Overview of theories of foreign trade, the structure of world trade, trade and development, intra industry trade, commercial policy.
- Globalization: Concept and impact of globalization, the behaviour of the multinational firm, cross border mergers and acquisitions, research and development, technology transfer.

ECON 6039 PUBLIC FINANCE

- Objectives:**
- (1) To achieve an understanding of the broad structures, systems and process of public sector finance;
 - (2) To review major trends in public sector finance;
 - (3) To examine concepts and practices leading to improved government financial performance;
 - (4) To explore some contemporary issues and innovations in public resource management.

Content: Topics include:

- Functions and Role of Government: Review of major functions of government such as allocation, distribution, stabilization, regulation, theories of regulation.
- Public Goods Theory
- Public Expenditure Management: Determinants of public expenditure, public expenditure and economic growth, public expenditure controls.
- Public Budgeting: Types of budgeting, incremental, programming and performance budgeting, budgeting in the Caribbean.
- Poverty Alleviation and Income Distribution
- Taxation Theory

ECON 6038 BANK FINANCIAL MANAGEMENT

Objectives: To examine how modern techniques of finance can be applied to commercial banking.

Content: Topics include:

- Classifying Commercial Banks: Banks as financial intermediaries, commercial bank's income statement and balance sheet, commercial banks as creators of money, types and classes of commercial banks
- Modelling the Banking Firm
- Innovation in Banking: Technology in banking, electronic banking
- Theory and agencies of Bank Regulation: Principal-agent problems in bank regulation and supervision, deposit insurance and bank failures
- Asset and Liability Management: Gap management, interest rate forecasting, interest rate spreads.
- Management of Bank Portfolio Risks: Overview of risk management, management of credit risk
- Nature of Bank Lending: Business lending, consumer lending and real estate lending
- Capital Adequacy
- International Banking.

- Foreign Direct Investment (FDI): Determinants of FDI, causality between FDI and growth, global trends in FDI.
- International Competitiveness: Competitiveness of Caribbean industries, policies to improve competitiveness.
- Regional Integration: Caribbean integration, monetary unions, CSME and European Union, FTAA.
- International trade and Financial Institutions: IMF, World Bank and WTO. Discusses the impact and role of these institutions in the globalization process.

ECON 6043 FINANCIAL ECONOMICS

Objectives: This course provides an insight into investment decisions for business and households involving a knowledge of security market operations and investment theory. At the end of the course students should be able to demonstrate:

- (i) an understanding of security pricing techniques;
- (ii) an understanding of the analysis of the operation of financial markets using tools of economic analysis;
- (iii) an ability to relate financial markets to the rest of the economic system.

Content: Topics include:

- Financial Markets: This section discusses efficient–markets theory, complete and incomplete markets, and asset markets.
- Portfolio Theory: Choice under uncertainty, risk aversion, mean variance portfolio theory, event study analysis.
- Asset Pricing Theories: Capital Asset Pricing Model (CAPM), tests of CAPM, Multifactor Pricing Models and Arbitrage Pricing Theory (APT), Black–Scholes option and other contingent claims pricing models.
- Term Structure of Interest Rates.
- Derivatives and Interest Rate Hedging: The pricing of interest–linked and other derivative securities, hedging interest rate risks such as interest rate swaps, interest rate forecasting.

All the topics will be covered in a rigorous way paying attention to the empirical literature and making extensive use of mathematical techniques.

ECON 6044 FINANCIAL MARKETS AND INSTITUTIONS

Objectives: To acquaint students with the operation of financial markets and institutions with special reference to the Caribbean financial system.

Content: Topics include:

- Nature and Role of Financial Intermediation: Theories of Financial Intermediation; Gurley and Shaw, Patrick,

- Foreign Exposure and Risk
- The Optimum Currency Area

- Simulation.

Use of computer for solving decision models will be emphasized throughout.

ECON 6037 INTERNATIONAL FINANCE

Objectives: To deepen students' knowledge of the behaviour of markets for foreign exchange and global financial management. Course emphasizes balance of payments policy and exchange rate issues as well as the behaviour of international financial markets.

Content: Topics include:

- The World of Economic Finance
- The International Financial System – Past, Present and Future
- Exchange Rates: Forward Exchange Rates, Expected Future Spot Rates, Forward Quotations
- Determination of Exchange Rates: Demand and Supply View, Modern Theories
- The Fundamental International Parity Conditions: The Purchasing Power Parity Principle, Interest Parity
- Currency Futures and Options Markets
- Theories of Balance of Payments Adjustment
- International Investment and Financing

Financial Structure.

- Financial Markets: Debt and equity markets, money and capital markets, primary and secondary markets, money market instruments, capital market instruments.
- Special topics in Finance and Development: Financial liberalization, financial regulation, financial innovation, causality between finance and economic growth.
- Financial Institutions: Asset/liability management of selected financial institutions. Special emphasis on the Caribbean financial system.
- Capital Market Efficiency
- Derivative Securities
- International Banking

ELECTIVES

ECON 6032 ECONOMIC DEVELOPMENT

Objectives: To develop students' critical awareness of the main lines of thinking on the development process and to introduce them to the main issues and concepts employed in development economics. The course pays particular attention to the evolution of Caribbean development thought and the emergence of new paradigms such as globalization neoliberalism and structural adjustment. Students are introduced to the main policy issues emergent in the development process with a special emphasis on the role of finance foreign investment and poverty alleviation.

Content: Topics include:

- Explaining Gaps in Economic Development: Changing theories for changing times.
- Caribbean Development Theory: Discusses the works of Lewis, Best, Girvan, McIntyre and others as well as critiques by Bernal, Best and Witter and St. Cyr.
- Newer Paradigms: Globalization and Neoliberalism.
- Structural Adjustment: Case Studies of Jamaica, Barbados and Trinidad and Tobago.
- External Private Sources for Development Financing and Multinational Firm: Alternative private external sources, Foreign Direct Investment, Multinational Corporations –

role and problems.

- Trade and Investment Issues
- Finance Sector Development in the Caribbean: Caribbean Single Market and Economy (CSME), The Free Trade Area of the Americas (FTAA).
- Poverty Alleviation Strategies: Detailed treatments of targeting schemes, and social security. OECS economies.

ECON 6034 OPERATIONS RESEARCH

Objectives: This course is intended to equip students with the ability necessary for formulating, solving, and analysing formal models of decision situations in finance and business. Students will learn how to perceive the critical issues to be resolved, and to isolate the basic phenomena that comprise the key elements of real decision situations. When faced with actual decision problems, they would have learnt, through their grasp of the analytical fundamentals, how to achieve sound and incisive evaluations of important alternatives and how to attain the crucial insight.

Content: Topics include:

- Mathematical Optimization Models: Linear programming, quadratic programming, and stochastic programming
- Stochastic Processes
- Decision Analysis
- Game Theory