

# ECONOMICS

## PART – A : RESEARCH METHODOLOGY

1. **Meaning and Types of Research** : Objectives of Research, Research Methods Vs Methodology, Research Problem, Meaning and Types of Research hypothesis, Research Design: Meaning and Types.
2. **Problem of Measurement** : Methods of Data Collection, Primary and Secondary Data, Sources of Secondary Data in India, Questionnaire Method, Observation, Interview Method, Case study Method.
3. **Sampling** : Meaning, Need and Types of Sampling.
4. **Analysis of Data** : Graphical and Diagrammatic Presentation of Data: Histogram, Frequency Polygon, Ogives, Bar Diagramme, Circular or Pie Diagramme, Mean, Median Mode, Standard Deviation, Coefficient of Variation, Correlation and Regression Analysis, Time Series: Components & Measurement of Trend, Index Numbers: Importance, Weighed Index Numbers, WPI, CPI.

## PART – B : ECONOMICS

1. **Advanced Economic Theory** : *Equilibrium Analysis*: Types and Stability of Equilibrium, Cobweb Theorem, Demand Function, Elasticity of Demand. *Theory of Consumer's Behaviour*: Marginal Utility Theory, Indifference Curve Technique; The Revealed Preference Theory. *Theory of production*: Production Function -- Cobb-Douglas and CES Production Function, Laws of Production, Producer's Equilibrium. *Theory of Pricing*: Perfect Competition, Monopoly, Monopolistic Competition and Oligopoly. *Alternative Theories of Firm* : Baumol, Williamson and Marris Models, Bain's Limit Pricing Theory. *Theory of Games* : Two person Zero sum Game, Game under pure and Mixed Strategies, Non-Cooperative Games. Input-output Analysis, Linear Programming. *Theory of Distribution*: Theory of factor pricing, Classical and Modern Theories of Rent, Theory of Profit Knight and Shackles, Modern Theory of Interest ( IS-LM model), Adding-up problem. *Theory of Trade Cycle*: Samuelson and Hicks Models. *Welfare Economics*: Pigou, Pareto, Kaldor-Hicks, Social Welfare Function and Arrow.
2. **Fiscal Economics and Federal Finance** : *Public Revenue*: Principles of taxation, Theories of incidence; Excess burden. Effects of taxation, Double taxation, Taxation and Incentives, Theory of Tax Structure change during economic development. *Public Expenditure*: Structure and Growth of Public Expenditure - Wagner's Law of Increasing State Activities, Wiseman- Peacock hypothesis. Public Expenditure in Relation to Economic Activity, Employment and Income Distribution. *Public Debt*: Nature and Management, Burden of Public debt, Methods of Redemption. The Budget, Budget Making and the Budgetary Process, Theory of Optimum Budget. Zero-base Budgeting system; Alternative concepts of deficits and their implications, Concepts of Public Goods, Private Goods and Merit Goods; Causes of Market Failure -- Imperfections, Decreasing costs, Externalities and nature of public goods. Theory of Social Goods, Musgrave's Budget Model, Political Process of Voting and the Provision of Public Goods. *Fiscal Policy*: Objectives and Instruments, Compensatory Finance, Functional Finance, Interdependence of fiscal and monetary policies, Fiscal policy for developing economies. *Fiscal Federalism*: Fiscal federalism in India, Vertical and Horizontal fiscal imbalance. Fiscal Federalism: Principles & Problems, Union-/State Financial Relations in India. Reports of Finance Commission in India; Problems of states' resources and indebtedness, Problems of Local Finance.
3. **Indian Economy** : *National Income*: Trends, Composition and Structural change, Income Distribution and Income Inequality, Regional Disparities. *Poverty in India*: Unemployment in India, Population and Population Policy. *Planning in India*:

Objectives and Strategy of Planning; Achievements of Plans, Plan Models in India. **Infrastructure**: Energy; Social infrastructure - Education, Health and Environment, Sustainable Development, **Agriculture Sector**: Role of Agriculture, Growth of Indian agriculture. Institutional aspects - Land reforms, Green Revolution, Technological Change in Agriculture, Agriculture Price Policy of India, Agricultural Finance, Agricultural Marketing. **Industrial Sector**: Growth and Structure of Indian industries; Industrial productivity - measurement, Industrial policy of India; Policies towards public sector enterprises - Privatisation and Disinvestment issue; Policy towards cottage and small-scale industries; Industrial sickness and problem of underutilisation of capacity; Industrial labour and industrial relation, issues in labour market reforms, Exit policy; **External Sector**: Composition and direction of foreign trade of India; Balance of payments situation; Trade and exchange rate policies, FEMA; Inflow and outflow of foreign capital and MNCs in India. **Economic Reforms**: Fiscal sector reforms, Financial sector reform; Globalisation of Indian economy, WTO and its impact on Indian economy; Issues in competition and safety nets in Indian economy.

4. **Monetary Economics** : Concept and significance of money and liquidity; Neutrality and non - neutrality of money; Money in closed and open economy; Paper currency standard and principles of Note issue; Circular flow of Money. Demand for money; Classical approach to demand for money; Keynes' approach to demand for money; Post Keynesian approach to demand for money (Friedman, Buamol, Tobin); Keynesianism and Monetarism; Inflation-causes, types, effects and control Classical, Keynesian and Monetarist approach to inflation; Structural theory of inflation; Open and suppressed Inflation, demand pull and cost push inflation; wicksell's theory of Price fluctuations; Philips curve analysis; Samuelson and Solow's contribution- the natural rate of unemployment hypothesis; Tobin's modified Philips curve; Adaptive expectations and rational expectations; Deflation-causes ;types and control; Stagflation and Policies to control stagflation. Quantity Theory of Money, Liquidity Theory of Money, Patinkin's Real Balance Effect. Measurement of value of money, Monetary Theories of Business cycle, Theories of Interest rate determination. Monetary Institutions - Objectives of central banking; Function of Central Bank; The Reserve Bank of India; Function of Commercial Banks; Role of commercial bank in the economy; Different types of Commercial Banking Systems; policies and principles of commercial banking; process of credit creation of commercial banks; role of Non-banking companies in an Economy. Money Supply : Exogenous and endogenous Money supply; theoretical and empirical concepts of money supply; different money stocks in India (M0,M1,M2,M3, M4); The Reserve Bank of India approach to measure money supply; High-powered money and money multiplier theory; Budget deficit and money supply; Money supply in open economy; commercial banks and money supply. **Monetary Policy**: Meaning of monetary policy; Objectives of monetary policy; Types and tools of monetary policy; monetary policy and economic stabilization; Monetary policy and economic growth; Effectiveness of monetary policy and fiscal policy; Review of monetary policy of the Reserve Bank of India; Reforms: Banking and financial sector reforms; recent trends in banking sector International Monetary Institutions: Problem of International Liquidity; International Monetary Fund ;Role of SDRs and Euro; Exchange rate and money market.
5. **International Trade** : **Pure Theory**: Classical Theories (Ricardo and Mill); Evaluation of the Classical Theory, Neo-classical theories (Marshall and Haberler). General Equilibrium Theory (Ohlin), Derivation of Community Indifference Curve and Trade Indifference Curve, Factor Proportion Theory: H-O Theorem, Factor Price Equalisation, Leontief Paradox, Stopler - Samuelson Theorem, Rybezynski Theorem, Trade under Imperfact Competition; **Terms of trade** : Concepts, Measurements and Trends in Terms of Trade; Gains from Trade; Effects of change in demand pattern; Effects of growth in International Trade. **Commercial Policy**: Free trade vs Protection; arguments for and against the policy of protection; Theory of Tariff and Quota. Forms of Economic

Integration, Theories of Customs Union, Static and Dynamic Effects of Custom Union. Theories of Foreign Exchange Rate Determination, Fixed and freely fluctuating rates of exchange; Foreign Trade Multiplier, Exchange Control and Exchange Management. The Balance of Payments Accounts; Alternative mechanism of adjustments in Balance of Payments; Devaluation and Absorption approach for adjustment in BOP. GATT and WTO., Emerging International Monetary systems. Problems of International Liquidity, Euro-currency market and International Debt Crisis.

6. **Environmental Economics** : Meaning and Scope, Environment and Economy: Neo-classical and Ecological Perspectives, Interlink ages, Material Balance Model, Environment and Development Trade-off. Deviation from economic efficiency, Pollution and Externality, Environmental Quality as Public Good, Case of Market failure, optimal level of pollution and Changes. **Economics of Environmental Regulations**: Liability Laws, Allocation of Property Rights, Emission Standards, Pollution Tax and Transferable Pollution Permit. **Limits to Growth**: Malthusian, Neo-classical and Ecological Economics Perspectives. Sustainable Development: Concept, Rules, Approaches to sustainability and indicators. **Global Environmental Problems and International Policy**: Conventions and Treaties. **Assessment of Worthiness of Environmental Projects**: Social Cost - Benefit Analysis and Environment Impact Assessment, Tourism and Environment: Responsible Tourism. Issues of Trade and Environment, Environmental Accounting, Population, Poverty and Environmental Degradation in Developing Countries.
7. **Demography** : **Demographic Analysis**: Subject Matter, Importance and Tools. **Population Theories**: Malthus, Optimum Theory, Herbest Spencer Logistic Curve Theory, Libenstien, Demographic Transition. Demographic Measurements. **Mortality and Morbidity**: Concepts and Measurement, Life Table Construction, Types, Uses in Demography. Demography in India, Sources of population data. Measurement of population growth, Population Projection. Fertility Patterns in India. Migration and Urbanisation, Population and Environment, Human Resources Development and Economic Development. Demographic Trends in selected countries: USA, UK, Japan and China, World's Population Trends.