SYLLABUS: ECONOMICS

Unit-I: Elasticity's of demand - theoretical aspects and empirical estimation; elasticity of supply; Theories of demand Revealed preference theory; Revision of demand theory by Hicks. Indirect utility functions; Recent developments in demand analysis Consumer's surplus; Inter-temporal consumption; Recent developments in demand. Elementary theory of price formation- demand and supply equilibrium; Cobweb theorem. Production function Isoquants - Least cost combination of inputs; Elasticity y of substitution; Euler's theorem; Technical progress and production function; Empirical work on production functions; Traditional and modern theories of costs - Empirical evidence; Derivation of cost functions from production function; derived demand for factors. Price and output determination: Perfect competition; Monopoly - short run and long run equilibrium, price discrimination, welfare aspects, monopoly control and regulation.

Unit-II: Critical evaluation of marginal analysis; Baumol's sales revenue maximization model; Wiliamson's model of managerial discretion; Marris model of managerial enterprise. Marginal productivity theory; Theory of distribution in imperfect product and factor markets; Determination of rent, wages, interest and profit; Macro theories of distribution - Ricardian, Marxian, and Kaldor's. Pigovian welfare economics; pareto optimal conditions; Social welfare function; Compensation principle; Inability to obtain optimum welfare - Imperfections, market failure, decreasing costs, uncertainty and non-existent and incomplete markets; Theory of Second Best - Arrow's impossibility theorem. Partial and general equilibrium, Walrasian excess demand and input -output approaches to general equilibrium, existence, stability and uniqueness of equilibrium and general equilibrium, Stolper-Samuelson theorem, relationship between output mix and real factor prices.

Unit-III: Circular Flow of Income in two,-three-and four-sector economy; different forms of national income accounting - Social accounting, input-output accounting, flow of funds accounting and balance of payments accounting. Keynes psychological law of consumption - implications of the law; short-run and long-run consumption function; Empirical evidence on consumption function; Income consumption relationship. Marginal efficiency of investment and level of investment; Marginal efficienc y of capital and investment - long run and short run; The accelerator and investment behaviour - impact of inflation; Influence of policy measures on investment - empirical evidence. RBI approach to money supply; High powered money and money multiplier; budget deficits and money supply; money supply and open economy; control of money supply. Classical approach to demand for money - Quantity theory approach, Fisher's equation, Cambridge quantity theory, Keynes's liquidit y preference approach, transaction, precautionary and speculative demand for money - aggregate demand for money; Derivation of LM curve. Neo-Classical and Keynesian views on interest; The IS -LM model; Extension o f IS-LM model with Government sector; Relative effectiveness of monetary and fiscal policies;

Extension of IS-LM models with labour market and flexible prices. Post-Keynesian approaches to demand for money - Patinkin and the Real Balance Effect, approaches of Baumol and To bin; Friedman and the modern quantity theory; Crisis in Keynesian economics and the revival of monetarism. Classical Keynesian and Monetarist approaches to inflation; Structuralist theor y of inflation; Philips curve analysis - Short run and long run Philips curve; Samuelson and Solow - the natural rate of unemployment hypothesis; Tobin's modified Philips curve; Adaptive expectations and rational expectations; Policies to control inflation. Theories of Schumpeter, Kaldor, Samuelson and Hicks, Goodwin's model; Control of business cycles - relative efficacy of monetary and fiscal policies.

Unit-IV: Economic growth and development - Factors affecting economic growth : capital, labour and technology; Growth models - Harrod and Domar, instabilit y of equilibrium; Neo-classical growth models - Solow and Meade, Mrs. Joan Robinson's growth model; Cambridge criticism of Neo -classical analysis of growth. Technological progress - embodied and disembodied technical progress; Hicks, Harrod; lesrning by doing, production function approach to the economic growth; Total factor productivity and growth accounting: Growth models of Kaldor. Development and underdevelopment - Perpetuation of underdevelopment; Poverty - Absolute and relative; Measuring development and developme nt gap - Per capita income, inequality of income, Human development index and other indices of development and qualit y of life - Food security, education, health and nutrition; Human resource development; Population problem and growth pattern of Population - Economic development and institutions. Classical Theory of development - contributions of Adam Smith, Ricardo, Malthus and James Mill, Kari Marx and development of capitalistic economy - theory of social change, surplus value and profit; Immutable laws of capitalist development; Role of credit, profit and degeneration of capitalism; Structural analysis of development. Partial theories of growth and development - vicious circle of poverty, circular causation, unlimited supply of labour, big push, balanced growth, unbalanced growth, critical minimum effort thesis, low-income equilibrium trap; Dualismtechnical behavioral and social; Ranis and Fei model; Dixit and Marglin model, Kelly et. al. Model; Dependency theory of development; Structural view development. International trade as engine of growth; Static and dynamic gains from trade; prebisch, Singer and Myrdal thesis vs. free trade; Export -led growth; Dual gap analysis; Balance of payments; Tariffs and effective protection; Post -GATT international economic order; WTO and developing countries. Role of monetary and fiscal policies in developing countries - Prior savings, inflation and growth - Empirical evidence; External resources - FDI, aid vs. trade, technology inflow; MNC activity in developing countr ies; Barrowings - domestic and external; Burden of borrowing - IMF and World Bank policies in developing countries. Need for investment criteria in developing countries - present vs., future, Alternative investment criteria; Cost-benefit analysis, Shadow prices, Project evaluation and UNIDO guidelines. Need for planning - democratic, decentralized and indicative planning, micro - level planning Review of Indian plan models and planning.

Unit-V: Role of Government in organized society; Changing perspective - government in a mixed economy: public and private sector, cooperation or competition; Government as an agent for economic planning and development; Government as a tool for operationalizing the planning process. Private and public mechanism for allocating r esources; Problems for allocating resources; Problems of preference revelation and aggregation of preferences; Voting systems; Arrow impossibility theorem; An economic theory of democracy; Politico-economic-bureaucracy. Poverty alleviation; Provision of in frastructural facilities, removing distributional inequalities and regional imbalances. Wagner's law of increasing state activities; Wiesman - peacock hypothesis; Pure theory of public expenditure; Structure and growth of public expenditure; Criteria for p ublic investment; Social cost-benefit analysis - project evaluation, Estimation of costs, discount rate; Reforms in expenditure budgeting; Programme budgeting and zero base budgeting. Theory of incidence; Alternative concepts of incidence - Allocative and equity aspects of individual taxes; Benefit and ability to pay approaches; Theory of optimal taxation; Excess burden of taxes; Trade -off between equity and efficiency; The problem of double taxation. Classical view of public debt; Compensatory aspect of de bt policy; Burden o f public debt; Sources of public debt; Debt through created money; public borrowings and price level; Crowding out of private investment and activity; principles of debt management and repayment. Objectives of fiscal policy - full employment, anti-inflation, economic growth, redistribution of income and wealth; Interdependence of fiscal and monetar y policies; Budgetary deficits and its implications; Fiscal policy for stabilization - automatic vs. discretionary stabilization; Alternative measures of resource mobilization and their impact on growth, distribution and prices; Balanced budget multiplier. Principles of multi-unit finance; Fiscal federalism in India; Vertical and horizontal imbalance; Assignment of function and sources of revenue; Constitutional provisions; Finance Commission and Planning Commission; Devolution of resources and grants; Theory of grants; Resource transfer from Union to States - Criteria for transfer of resources; Centre -State financial relations in India; problems of states' resources and indebtedness; Transfer of resources from Union and States to local bodies. Indian tax system; Revenue of the Union, States and local bodies; Major taxes in India: base of taxes, direct and indirect taxes, taxation of agriculture, expenditure tax, reforms in direct and indirect taxes, taxes on services; Non -tax revenue of Centre, State and local bodies; Analysis of Centre and State Government budgets; Lack of flexibility in Centre and State budgets, shrinking size of development finance through budgets; Trends in public expenditure and public debt; Fiscal crisis and fiscal sector reforms in India; Reports of Finance Commissions in India.

Unit-VI: The pure theory of international trade - Theories of absolute advantage, comparative advantage and opportunity costs, modern theory of international trade; Theorem of factor price equalization; Empirical testing of theory of absolute cost and comparative cost -Heckscher-Ohlin theory of trade. Measurement of gains from trade and their distribution; Concepts of terms of trade, their uses and limitations; Hypothesis of secular deterioration of terms of trade, its empirical relevance and policy implications for less developed countries; The Theory of Interventions; Economic effects of tariffs and quotas on national income, output emplo yment, terms of trade, income distribution; Balance of payments on trading partners both in partial and general equilibrium analysis. The political economy of non-tariff barriers and their implications; nominal, effective and optimum rates of tariffs-their measurement, impact and welfare implications; Trade under imperfectly competitive market. Meaning and components of balance of payments; Equilibrium and disequilibrium in the balance of payments; The process of adjustment under systems of gold standard, fixed exchange rates and flexible exchange rates; Expenditure-reducing and expenditure-switching policies and direct controls for adjustment; policies for achieving internal and external equilibriu m simultaneously under alternative exchange rate regimes; A critical review of the monetary approach to the theory of balance of payments adjustment; Foreign trade multiplier with and without foreign repercussions and determination of national income and output; Relative merits and demerits of fixed and flexible exchange rates in the context of growth and development in developing countries. Forms of economic cooperation; Reforms for the emergence of trading blocks at the global level; Static and Dynamic effects of a cust oms union and free trade areas; Rationale and economic progress of SAARC/SAPTA and ASEAN regions. Problems and prospects of forming a customs union in the Asian region. Regionalism (EU,NAFTA); Multilateralism and WTO; Rise and fall of gold standard and Bretton-woods system; Need, adequacy and determinants of international reserves; Conditionality clause of IMF; Emerging International Monetary System with special reference to Post-Maastrishit developments and developing countries; Reform of the International Monetary System. India and developing countries; Theory of short-term capital movements and East-Asian Crisis and lessons for developing countries; International trade and financial institutions-Functions of GATT/WTO (TRIPS. TRIMS), UNCTAD, IMF, World Bank and Asian Development Bank; WTO and World Bank from the point of view of India. Trade problems and trade policies in India during the last five decades; Recent changes in the direction and composition of trade and their implications; Rationale and impact of trade reforms since 1991 on balance of payments, employment and growth, problems of India's international debt; Working and regulations of MNCs in India; Instruments of export promotion and recent import and export policies and agenda for future.

Unit-VII: Objectives and strategy of planning; Failures and achievements of Plans; Developing grass-root organizations for development - Panchayats, NGOs and pressure groups. Broad demographic features of Indian population, Rural-urban migrations; Urbanization and civic ameneties; Poverty and Inequality. Energy; Social infrastructure - education and health; Environment; Regiona l imbalance; Issues and policies in financing infrastructure development. Institutional Structure - land reforms in India; Technological change in agriculture - pricing of agricultural inputs and output; Terms of trade between agriculture and industry; Agricultural finance policy; Agricultural Marketing and Warehousing; Issues in food security - policies for sustainable agriculture Industrial policy; Public Sector enterprises and their performance; Problem o f sick units in India; Privatisation and disinvestment debate; Growth and pattern of industrialisation; Small-scale sector; Productivity in industrial sector; Exit policy - issues in labour market reforms; Approaches for employment generation. Analysis of price behaviour in

India; Financial sector reforms; Interest rate policy; Review of monetary policy of RBI; Money and capital markets; Working of SEBI in India. Structure and direction o f foreign trade; Balance of payments; Issues in exportimport policy and FEMA; Exchange rate policy; Foreign capital and MNCs in India; The progress of trade reforms in India. Rationale of internal and external reforms; Globalisation of Indian economy; W.T.O. and its impact on the different sectors of the economy; Need for and issues in good governance; Issues in competition and Safety nets in Indian economy.

Unit-VIII: Concept and organization of a firm - ownership, control and objectives of the firm; Passive and active behaviour of the firm. Seller's concentration; Product differentiation; Entry conditions; Economiec of scale; Market structure and profitability; Market structure and innovation; Theories of industrial location - Weber and Sargent Florence; Factors affecting location. Product pricing - Theories and evidence; investment expenditure - Methods of evaluating investment expenditure; Theories and empirical evi dence on Mergers and acquisitions (M & As) and diversification. Growth of the firm - Size and growth of a firm; Growth and profitability of the firm; Constraints on growth; productivity, efficiency and capacity utilization - Concept and measurement, Indian situation. Classification of industries; Industrial policy in India -Role of Public and private sectors; Recent trends in Indian industrial growth; MNCs and transfer fo technology; Liberalization and privatization; Regional industrial growth in India; Industrial economic concentration and remedial measures; Issues in industrial proliferation and environmental preservation; Pollution control policies. Owned, external and other components of funds; Role, nature, volume and types of institutional finance - IDBI, IFCI, SFCs, SIDC, commercial banks, etc.; Financial statement - Balance sheet, Profit and loss account; assessment of financial soundness, ratio analysis. Structure of industrial labour; Employment dimensions of Indian industry; Industrial legislation; Industrial relations; Exit policy and social security; Wages and problem of bonus - labour market reforms. Iron and Steel;Cotton testiles;Jute;Sugar;Coal;Cement and engineering goods; Development of small-scale and cottage industries in India.

Unit-IX: Nature and scope of agricultural and rural economics; Traditional agriculture and its modernization; Role of agriculture in economic development; Interdependence between agriculture and industry - some empirical evidence; Agricultrual development, poverty and environment. Livestock economics - Livestock resources and their productivity; problems of marketing; White revolution; fisher y and poultry development; Forestry, Issues and problems in rural industrialization and development of agro -based industries. Use of land, water and energy; Rural transport, communication, banking, extension services, role,modes and problems of rural electrification; Rural social infrastructure,- education and health and information dissemination. Principles of land utilization, land distribution-structure and trends, land tenures, Tenaney and Crop sharing, Problems of marginal and small farmers, Land reforms mearsures and performance. Agricultural peoduction - Resource use and efficiency; Production function analysis in agriculture; Factor combination and resource substitution; Cost and supply curves;

Size of farm and laws of returns - Theoretical and empirical findings; Farm budgeting and cost concepts; Supply response of individual crops and aggregate supply; Resource use efficiency in traditional agriculture; Technical change, labour absorption and gender issues in agricultural services. Rural labour supply; Interlocking of factor markets; Mobilit y of labour and segmentation in labour markets; marginalisation of rural labour; Na ture, extent and trends in rural unemployment; Agricultural wages in India; Male -female wage differences; Non-agricultural rural emplo yment - Trends and determinants. Marketing and state policy; Agricultural markets and marketing efficiency - Marketing functions and costs; Market structure and imperfections; Regulated markets; Marketed and marketable surplus; Behaviour of agricultural prices - Cobweb model; Price and income stabilit y; State policy with respect to agricultural marketing; Warehousing; Prices; Need for state intervention; Objectives of agricultural price policy - Instruments and evaluation; Food securit y in India and public distribution system. Recent trends in agricultural growth in India; Inter-regional variations in growth of output and productivity; Cropping pattern shifts; Supply of inputs - Irrigation, power, seed and fertilizers; Pricing of input and role of subsidies; Distribution of gains from technological change; Role of Public investment and capital formation in Indian agriculture; Strategy of agricultural development and technological progress; International trade in agricultural commodities; Commodity agreements - Role of World Trade Organization; Issues in liberalization of domestic and international trade in agriculture - Nature and features of agri-business; Role of MNCs; Globalization of Indian economy and problems and prospects of Indian agriculture; Impact of World Trade Organisation on Indian agriculture.

Unit-X Nature, meaning and scope of econometrics; Simple and general linear regression model-Assumptions, Estimation (through OLS approach) and properties of estimators; Gauss-Markov theorem; Concepts and derivation of Rs.2 and adjusted Rs.2 Concept and analysis of variance appeoach and its application in regression analysis; Estimation of non-linear equations-parabolic, exponential, geometric, hyperbolic. Nature, test, consequences and remedial steps of problems of heteroscedasticity; multicollinearity and auto -correlation; Problems of specification error; Errors of measurement. Dummy variable technique - Testing structural stabilit y of regression models comparing to regressions, interaction effects, seasonal analysis use of dummy variables, regression with dummy dependent variables. Autoregressive and distributed lag models - Koyak model, partial adjustment model, adaptive expectations; Instrumental variables; Problem of auto - correlation - Application; Almon approach to distributed -lag models; Error correlation mechanism. The simultaneous equation bias and inconsistency of OLS estimators; The identification problem; Rules of identification - order and rank conditions; Methods of estimating simultaneous equation system; Recursive methods and OLS; Indirect least squares (ILS); 2SLS, 3SLS and ML methods - Applications. Stationarity, unit roots, co-integration-squrious regression, Dickey-Fuller test, Engle-Granger test, Random walk model, Forecasting with ARIMA modelling; Box-Jenkins methodology.

Unit-XI: Meaning and scope of demography; Components of population growth and their inter-dependence; Measures of population change; Structure, distribution and sources of population data; Theories of population - Malthus, Optimum theor y of population; Theory of demographic transition - Views of Medows, Enke and Simon. Population trends in the twentieth century; Population explosion - Threatened or real, distant or imminent; International aspects of population growth and distribution; Pattern of age and sex structure in more developed and less developed countries; Determinants of age an d sex structure; Demographic effects of sex and age structure, economic and social implications; Age Pyramids and projections - Individual aging and population aging. Importance of study of fertily - Total fertility rate[Gross reproduction rate and net reproduction rate; Levels and trends of fertility in more and less developed countries; Factors affecting fertily - Socio-economic factors, economic status, health, education, nutrition, caste, religion, race, region, rural-urban and status of husband and wife. Mortality - Death rates, crude and age-specific; Mortalit y at birth and infant mortality rate; Levels and trends in more nad less developed countries; Sex and age pattern of mortality; Factors for decline in mortality in recent past; Life table - Construction and uses; Concepts of stable population; Methods of population projection. Concepts and types - Temporary, internal and International; International migration - Its effect on population growth and pattern; Factors affecting migration; Theories of migration related to internal migration; Urbanization - Growth and distribution of rural-urban population in developed and developing countries. Study of census in India - Methodology and characteristics of census; National Family Health Survey 1 and 2 and Rapid Household Survey; Changing characteristics of population in India; Population growth rates, tren ds and regional variations in sex ratio; Age structure of population, foetal, infant and child mortality rates; Maternal mortality rates; Life expectanc y; Appraisal o f Kerala model; Pattern of Migration and Urbanization in India. Population, economy and environment linkages - Population, health, nutrition productivity nexus; Population and human development issues; Culture and fertility, Education and fertility, Demography and household economic behaviour. Evolution of population policy in India - The shift in policy from population control to family welfare, to women empowernment; Family planning strategies and their outcomes; Reproductive health maternal nutrition and child health policies; Population and strategies for human development of different social groups; Social impact of new reproductive technologies and their regulation; The new population policy; Tasks before the National Population Commissio n.