**SUBJECT: ECONOMICS**

Unit-1: Micro Economics

• Theory of Consumer Behaviour • Theory of Production and Costs • Decision making under uncertainty Attitude towards Risk • Game Theory – Non Cooperative games • Market Structures, competitive and non-competitive equilibria and their efficiency properties • Factor Pricing • General Equilibrium Analysis • Efficiency Criteria: Pareto-Optimality, Kaldor – Hicks and Wealth Maximization • Welfare Economics: Fundamental Theorems, Social Welfare Function • Asymmetric Information: Adverse Selection and Moral Hazard

Unit-2:

Macro Economics • National Income: Concepts and Measurement • Determination of output and employment: Classical & Keynesian Approach • Consumption Function • Investment Function • Multiplier and Accelerator • Demand for Money • Supply of Money • IS – LM Model Approach -2- • Inflation and Phillips Curve Analysis • Business Cycles • Monetary and Fiscal Policy • Rational Expectation Hypothesis and its critique •

Unit- 3:

Statistics and Econometrics • Probability Theory: Concepts of probability, Distributions, Moments, Central Limit theorem • Descriptive Statistics – Measures of Central tendency & dispersions, Correlation, Index Numbers • Sampling methods & Sampling Distribution • Statistical Inferences, Hypothesis testing • Linear Regression Models and their properties – BLUE • Identification Problem • Simultaneous Equation Models – recursive and non-recursive • Discrete choice models • Time Series Analysis

Unit-4:

Mathematical Economics • Sets, functions and continuity, sequence, series • Differential Calculus and its Applications • Linear Algebra – Matrices, Vector Spaces • Static Optimization Problems and their applications • Input-Output Model, Linear Programming • Difference and Differential equations with applications

Unit-5:

International Economics • International Trade: Basic concepts and analytical tools • Theories of International Trade • International Trade under imperfect competition • Balance of Payments: Composition, Equilibrium and Disequilibrium and Adjustment Mechanisms • Exchange Rate: Concepts and Theories • Foreign Exchange Market and Arbitrage • Gains from Trade, Terms of Trade, Trade Multiplier -3- • Tariff and Non-Tariff barriers to trade; Dumping • GATT, WTO and Regional Trade Blocks; Trade Policy Issues • IMF & World Bank

Unit-6:

Public Economics • Market Failure and Remedial Measures: Asymmetric Information, Public Goods, Externality • Regulation of Market – Collusion and Consumers’ Welfare • Public Revenue: Tax & Non-Tax Revenue, Direct & Indirect Taxes, Progressive and non-Progressive Taxation, Incidence and Effects o

f Taxation • Public expenditure • Public Debt and its management • Public Budget and Budget Multiplier • Fiscal Policy and its implications

Unit-7:

Money and Banking • Components of Money Supply • Central Bank • Commercial Banking • Instruments and Working of Monetary Policy • Non-banking Financial Institutions • Capital Market and its Regulation

Unit-8:

Growth and Development Economics • Economic Growth and Economic Development • Theories of Economic Development: Adam Smith, Ricardo, Marx, Schumpeter, Rostow, Balanced & Unbalanced growth, Big Push approach. • Models of Economic Growth: Harrod-Domar, Solow, Robinson, Kaldor • Technical progress – Disembodied & embodied; endogenous growth • Indicators of Economic Development: PQLI, HDI, SDGs • Poverty and Inequalities – Concepts and Measurement • Social Sector Development: Health, Education, Gender -4-

Unit-9:

Environmental Economics and Demography • Environment as a Public Good • Market Failure • Coase Theorem • Cost-Benefit Analysis and Compensation Criteria • Valuation of Environmental Goods • Theories of Population • Concepts and Measures: Fertility, Morbidity, Mortality • Age Structure, Demographic Dividend • Life Table • Migration

Unit-10:

Indian Economy • Economic Growth in India: Pattern and Structure • Agriculture: Pattern & Structure of Growth, Major Challenges, Policy Responses • Industry: Pattern & Structure of Growth, Major Challenges, Policy Responses • Services: Pattern & Structure of Growth, Major Challenges, Policy Responses • Rural Development – Issues, Challenges & Policy Responses • Urban Development – Issues, Challenges and Policy Responses. • Foreign Trade: Structure and Direction, BOP, Flow of Foreign Capital, Trade Policies • Infrastructure Development: Physical and Social; Public-Private Partnerships • Reforms in Land, Labour and Capital Markets • Centre-State Financial Relations and Finance Commissions of India; FRBM • Poverty, Inequality & Unemployment