

SYLLABUS

Subject: ECONOMICS

Note:

There are two Papers for each of the subjects. Paper – I on Teaching and Research aptitude, Paper – II based on the syllabus of concerned subjects. Details are furnished below:

PAPER – I

Subject : General Paper on Teaching & Research Aptitude

The Test is intended to assess the teaching/research aptitude of the candidate. They are supposed to possess and exhibit cognitive abilities like comprehension, analysis, evaluation, understanding the structure of arguments, evaluating and distinguishing deductive and inductive reasoning, weighing the evidence with special reference to analogical arguments and inductive generalization, evaluating, classification and definition, avoiding logical inconsistency rising out of failure to see logical relevance due to ambiguity and vagueness in language. The candidates are also supposed to have a general acquaintance with the nature of a concept, meaning and criteria of truth, and the source of knowledge. There will be 50 questions for Paper – I.

1. The Test will be conducted in objective mode. The Test will consist of two Papers. All the two Papers will consist of only objective type questions and will be held on the day of Test in two separate sessions as under :

Session	Paper	Number of Questions	Marks	Duration
First	I	50 question	$50 \times 2 = 100$	1 Hours
Second	II	100 questions	$100 \times 2 = 200$	2 Hours

2. Candidates who appear in two Papers and secure at least 40% aggregate marks for candidates belonging to General Category and at least 35% aggregate marks for candidates belonging to reserved categories will be declared qualifies for Eligibility for Assistant Professor by following the reservation policy of the State Government.
3. The Syllabus of Paper – II and Paper – III will be combined for Paper – II of each subject.

ECONOMICS

PAPER - II

1. Micro-economic Analysis

Demand analysis – Marshallian, Hicksian and Revealed preference approaches
 Theory of Production and Costs
 Pricing and output under different forms of market structure
 Factor Pricing analysis
 Elements of general equilibrium and new welfare economics

2. Macro-economic Analysis

Determination of output and employment–Classical approach. Keynesian approach, Consumption hypotheses
 Demand for Money–Fisher and Cambridge versions.
 Approaches of Keynesian, Friedman, Patinkin, Baumol and Tobin
 Supply of Money, Determinants of money supply, High-powered money, Money multiplier
 Phillips curve analysis
 Business cycles–Models of Samuelson, Hicks and Kaldor
 Macro-economic Equilibrium–Relative roles of monetary and fiscal policies.

3. Development and Planning

Economic Growth. Economic Development and sustainable Development–Importance of institutions–Government and markets–Perpetuation of underdevelopment–Vicious circle of poverty, circular causation, structural view of under-development–Measurement of development conventional, HDI and

quality of life indices.

Theories of Development–Classical, Marx and Schumpeter : Economic Growth–Harrod–Domar model, instability of equilibrium, Neoclassical growth–Solow’s model, steady state growth. Approaches to development : Balanced growth, critical minimum effort, big push, unlimited supply of labour, unbalanced growth, low income equilibrium trap

Indicators and measurement of poverty.

Importance of agriculture and industry in economic development–choice of techniques and appropriate technology–Investment criteria–Elementary idea of cost–benefit analysis

Trade and Aid–International trade as ‘engine of growth’–Globalization and LDC’s

Objectives and role of monetary and fiscal policies in economic development Techniques of planning; Plan models in India; planning in a market-oriented economy

4. Public Finance

Role of the Government in Economic activity–Allocation, distribution and stabilization function; Private, Public and Merit goods

The public Budgets–Kinds of Budgets, Zero-base budgeting, different concepts of budget deficits; Budgets of the Union Government of India

Public expenditure–hypotheses; effects and evaluation
 Public Revenue–Different approaches to the division of tax burden, incidence and effects of taxation; elasticity and buoyancy; taxable capacity.

Public Debt – Sources, effects, burden and its management
 Fiscal Federalism – Theory and problems; Problems of Centre – State Financial relation in India.

Fiscal Policy – Neutral and compensatory and functional finance; balanced budget multiplier

5. International Economics

Theories of International Trade ; Empirical verification and Relevance
 International Trade under Imperfect competition
 Terms of Trade and Economic Growth – Secular
 Deterioration of Terms of Trade Hypothesis – a critical review
 Equilibrium/disequilibrium in balance of payment – Traditional, Absorption and Monetary approaches for adjustment in the Balance of Payment, Foreign Trade multiplier
 Impact of Tariffs, partial and general equilibrium analysis;
 Political economy of Non – Tariff Barriers
 Theory of regionalism at Global level – Collapse of Bretton – Wood System – Recent Monetary reforms
 Trade Policy and Reforms in India

6. Indian Economy

Basic Economic indicators – national income, performance of different sectors
 Trends in prices and money supply
 Agriculture – Institutional and technological aspects, new agricultural policy
 Industry – New industrial policy and liberalization
 Money and banking – Concepts of money supply, inflation, monetary policy and financial sector reforms
 Public finance – Trends in revenue and expenditures of the Central and State Governments, Public debt; analysis of the Union Budget
 Foreign trade – Trends, Balance of payments and trade reforms Poverty, unemployment, migration and environment

7. Statistical Methods

Measures of Central tendency, dispersion, skewness and kurtosis
 Elementary theory of probability – Binomial Poisson and

Normal distributions
 Simple correlation and regression analysis
 Statistical inferences – Applications, sampling distributions (t, y^2 and F tests), sampling of attributes, testing of Hypothesis
 Index numbers and time series analysis
 Sampling and census methods, types of sampling and errors

PAPER - III (A)
(CORE GROUP)

Unit - I

Theory of Demand - Axiomatic approach, Demand functions, Consumer behavior under conditions of uncertainty
 Theory of production
 Collusive and non-collusive oligopolies
 Different models of objectives of the firm - Baumol, Morris and Williamson
 Factor pricing
 General equilibrium and Welfare Economics

Unit - II

Keynesian and post Keynesian approaches to theory of output and employment : concept of investment multiplier; consumption hypotheses
 Theories of investment and accelerator
 Theories of demand for money - Keynesian and post - Keynesian
 Different approaches to money supply; money supply; components and determinants; money multiplier
 Output - price determination (aggregate supply and aggregate demand curve analysis)
 Fleming - Mundell open economy model

Unit - III

Development and Growth - Role of institutions
 Theories of growth and development - Models of growth

of Joan Robinson and Kaldor; Technical Progress - Hicks, Harrod and learning by doing, production function approach to the determinates of growth : Endogenous growth : role of education, research and knowledge - explanation of cross country differentials in economics development and growth.

Theories of development - Classical, Marx, Schumpeter and structure analysis of development - Imperfect market paradigm, Lewis model of development, Ranis-Fei model, Dependency theory of development

Factors in economy development-natural resources, population, capital, Human Resource Development and infrastructure.

Trade and development - trade as engine of growth, two - gap analysis, Prebisch, Singer and Myrdal views; gains from trade and LDCs

Unit - IV

Theories of taxation, types, incidence and effects

Theories of public expenditure - effects on savings, investment and growth

Burden of public debt

Union Finance - Trends in Revenue and Expenditure of the Government of India

State finance - Trends in revenue and Expenditure of the State Governments

Public Debt - India's Public debt since 1951 - growth composition, ownership pattern and debt management

Union - State Financial Relations - Horizontal and vertical imbalances: the finance Commissions

Fiscal Policy and Fiscal Reforms in India

Unit - V

'Monetary approach' and adjustment in the balance of payments Regional blocs - multilateralism and world trading system

The Political Economy of imposition of non-tariff barriers International trade under conditions of imperfect

competition in goods market

Theory of international reserves

Optimum Currency Areas - Theory and impact in the developed and developing countries

WTO and its impact on the different sectors of the economy

Unit - VI

Components of money supply

Role, constituents and functions of money and capital markets

RBI - recent monetary and credit policies

Commercial banks and cooperative banks

Specialized financial and investment institutions

Non-Bank financial institutions and regional Rural Banks

Unit - VII

Industrial structure and economic growth

Pattern of industrialization - Public and Private; large and small industries

Theories of Industrial location - Indian experience

Industrial productivity - measurement, partial and total trends

Industrial Finance in India

Industrial labour - Problems, policies and reforms in India

Economic Reforms and industrial growth

Unit - VIII

Population and Economic development - interrelation between population, development and environment, sustainable development

Malthusian theory of population, Optimum theory of population theory of demographic transition, population as 'Limits to Growth and as 'Ultimate Source'

Concepts of Demography - Vital rates, Life tables, composition and uses, Measurement of fertility - Total fertility rate, gross and net reproduction rate - Age pyramids, population projection stable, stationary and

quest - stationary population : characteristics of Indian population through recent census
 Poverty in India - Absolute and relative : analysis of poverty in India
 Environment as necessity - amenity and public good : causes of environmental and ecosystem degeneration - policies for controlling pollution - economic and persuasive : their relative effectiveness in LDCs: Relation between population, poverty and environmental degradation - micro planning for environment and eco-preservation-water sheds, joint forest management and self-help groups
 Role of State in environment preservation - Review of environmental legislation in India

Unit - IX

Role of Agriculture in Indian Economy - Share of Agriculture, interrelationship between agriculture and industry
 Institutional aspects - Land reforms, Green revolution
 Technological aspects - Agricultural inputs and shift in production function
 Capital formation in the rural sector-Savings, assets and credits
 Strategies for rural development
 Regional disparities in Indian agriculture
 Cooperative movement in India - Organization, structure and development of different types of cooperatives in India

Unit - X

Application of Differential and Integral Calculus in theories of consumer behavior, Production and pricing under different market conditions
 Input-output analysis and linear programming
 Application of Correlation and Regression
 Testing of Hypothesis in Regression Analysis

PAPER - III
(Elective/Optional)

Elective - I*Single Equation Linear Model :*

Assumption and properties of OLS
 Multiple Regression Model - estimation and Interpretation
 Multi-collinearity-Auto-correlation and heteroscedasticity - Causes, detection, consequences and remedy
 Dummy variables, distributed lags - Need, limitations and interpretation
 Application in Economics

Simultaneous Equation models :

Structural and reduced forms
 Endogenous and exogenous variables
 Identification problems and conditions
 Single equation methods of estimations - TSLS, indirect least squares and least variance ration
 Techniques of Forecasting
 ARMA, ARIMA
 Econometric properties of time series, Unit root, integrated series, random walk and white noise

Elective - II

Theory of Consumer Behavior and Theory of Firms
 Theory of Pricing - Monopoly, Monopolistic competition, Duopoly and Oligopoly
 Theory of Games - Two person, Zero-sum Game, Pure and Mixed strategy, saddle point solution, Linear programming and input and output analysis
 Static and Dynamic Multiplier and Accelerator, Samuelson Hicks trade cycle model. Growth Models - Harrod and Domar, Neoclassical Models - Solow, Meade, Kaldor's Model with technological progress, endogenous growth models

Employment and output determination with fixed and fixable prices (IS-LM, Aggregate demand and aggregate supply analysis)

Elective - III

The Rise and fall of Bretton - Wood and emerging International Monetary System
World Trading System - Evolution and distortions
Globalization - Developments in Exchange Markets, Euro-Currency Markets, and International Bond Markets, International Debt crisis
Theory of Foreign Exchange Markets - Exchange Trading, Arbitrage and market Hedging

Elective - IV

Growth and Productivity trends in Indian Agriculture
Development of distributive institutions - Costs and price policies
Agricultural marketing and credit
Trends in migration and labour markets. Minimum Wages Act
WTO and sustainable agricultural development
Reforms in Indian agriculture

Elective - V

Planning and Economic Development
Cost, Prices, WTO and Indian Agriculture
Globalization, Liberalization and the Indian Industrial Sector
Infrastructure and Economic Development
Social Sector, Poverty and Reforms in India
Women, Environment and Economic Development
Trade Reforms and Liberalization
Financial sector reforms
Fiscal policy and fiscal reforms
