

## ECONOMICS—CODE NO. (05)

### Part-I—General Economics

**1. Micro-Economics.**—(a) Production : Agents of Production; Costs and Supply; Isoquants; (b) Consumption and Demand: Elasticity concept; (c) Market Structures and concepts of equilibrium; (d) Determination of prices; (e) Components and Theories of Distribution; (f) Elementary concepts of Welfare economics : Pareto-optimality—Private and social products—consumers surplus.

**2. Macro-Economics.**—(a) National Income concepts; (b) Determinants of National Income Employment; (c) Determinants of consumption, savings and Investment; (d) Rate of Interest and its determination; (e) Interest and profit.

**3. Money, Banking and Public Finance.**—(a) Concepts of Money and measures of money supply; velocity of money; (b) Banks and credit creation: Banks and portfolio management; (c) Central Bank and control over money supply; (d) Determination of the price level; (e) Inflation, its causes and remedies; (f) Public Finance—Budget—Taxes and non-tax revenues—Types of Budget deficits.

**4. International Economics.**—(1) Theories of International Trade—comparative costs—Heckscher—Ohlin—Gains from Trade—Terms of Trade.

(2) Free Trade and Protection.

(3) Balance of Payments Accounts and Adjustment.

(4) Exchange rate under free exchange markets.

(5) Evolution of the International Monetary Systems and World Trading order—Gold Standard—the Bretton woods system—

IMF and the World Bank and their associates—

Floating rates—GATT and WTO

**5. Growth and Development.**—(1) Meaning and measurement of growth; Growth, distribution and Welfare ; (2) Characteristics of underdevelopment; (3) Stages of Development; (4) Sources of growth—capital, Human capital, population, productivity, Trade and aid, non-economic factors; growth Strategies, (5) Planning in a mixed economy—Indicative planning—Planning and growth.

**6. Economic Statistics.**—Types of averages—measures of dispersion—correlation—Index numbers; types, uses and limitations.

## **Part-II—Indian Economics**

1. Main features; Geographic size—Endowment of natural resources, Population; size, composition quality and growth trend—Occupational distribution—Effects of British Rule with reference to Drain theory and Laissez Faire policy.

2. Major problems, their dimensions, nature and broad causes; Mass poverty—Unemployment and its types—Economic effects of population pressure—Inequality and types thereof—Low productivity and low per capita income, Rural—urban disparities—Foreign Trade and payments imbalances. Balance of Payments and External Debt—Inflation, and parallel economy and its effects—Fiscal deficits.

3. Growth in income and employment since Independence—Rate, Pattern, Sectoral trends—Distributional Changes—Regional disparities.

4. Economic Planning in India : Major controversies on planning in India—Alternative strategies—goals and achievements, shortfalls of different plans—planning and the Market.

5. Broad Fiscal, monetary, industrial trade and agricultural policies—objectives, rationale, constraints and effects.