

M.A. –ECONOMICS (Prev.) - 2013

Paper - I- MICROECONOMIC ANALYSIS

Duration : 3 hours

Max. Marks – 100

Note : The question paper will contain three sections as under –

Section-A : One compulsory question with 10 parts, having 2 parts from each unit, short answer in 20 words for each part. Total marks : 10

Section-B : 10 questions, 2 questions from each unit, 5 questions to be attempted, taking one from each unit, answer approximately in 250 words. Total marks : 50

Section-C : 04 questions (question may have sub division) covering all units but not more than one question from each unit, descriptive type, answer in about 500 words, 2 questions to be attempted. Total marks : 40

Unit I

Basic Concepts:

Basic Economic Problems- Choice and Scarcity; Deductive and Inductive methods of Analysis; Positive and Normative Economics; Static & Dynamic Analysis; Economic Models; Characteristics of Equilibrium and Disequilibrium Systems.

Demand Analysis:

Theories of demand - utility; indifference curve (income and substitution effects, Slutsky theorem, ordinary and compensated demand curve), Revealed preference theory; Uncertainty Theory ; Revision of demand theory by Hicks; Elasticities (price, cross and income) of demand, elasticity of supply; Cobweb theorem; lagged adjustment in interrelated markets.

Unit II

Theory of Production and Costs:

Production function- short run and long run; law of variable proportions and returns to scale; Isoquants - Least cost combination; Economies of scale; Elasticity of substitution; Euler's theorem; Technical progress and production function; Cobb-Douglas function and its properties; Traditional and modern theories of costs.

Unit III

Price and Output Determination:

Price and output determination under different markets : perfect competition-short run and long run equilibrium of the firm and Industry, supply curve; Monopoly - short run and long run equilibrium, price discrimination, monopoly control and regulation; Monopolistic competition-General and Chamberlin approaches to equilibrium, equilibrium of the firm and the group with product differentiation and selling costs, excess capacity under monopolistic competition, Oligopoly-Non collusive (Cournot, Bertrand, Edge worth, Chamberlin, kinked demand curve and Stackelberg's solution) and collusive (Cartels and price leadership) models.

Unit IV

Distribution:

Neo-classical approach-Marginal productivity theory; Euler's Theorem, Product exhaustion theorem; Elasticity of technical substitution, technical progress and factor shares; Theory of distribution in perfect and imperfect product and factor markets: Determination of rent, wages, interest and profit; Macro theories of distribution - Ricardian, Marxian, Kalecki and Kaldor's.

Unit V

Welfare Economics:

Pigovian welfare economics; Pareto optimal conditions; Value judgement; Social welfare function; Compensation principle; obstacles to obtain optimum welfare- imperfections, market failure, decreasing costs, uncertainty and non-existent and incomplete markets. Theory of Second Best - Arrow's possibility theorem; Rawl's theory of justice, equity-efficiency trade off.

Suggested Readings:

- * Kreps, David M.(1990), A course in Microeconomic Theory, Princeton University Press, Princeton.
- * Koutsoyiannis, A. (1979), Modern Microeconomics, (2nd Edition), Macmillan Press, London.
- * Sen, A. (1999), Microeconomics: Theory and Application, Oxford University Press, New Delhi.
- * Varian, H.(2000), Intermediate Microeconomics.
- * H.L.Ahuja Advanced Economic Theory
- * एच.एल.आहूजा. उच्चतर आर्थिक सिद्धान्त
- * J.M. Joshi and Rajendra Joshi, Microeconomic Theory - An Analytical Approach, New Age Publishers, New Delhi.
- * M.L. Jhingan : Microeconomic Theory (Hindi & English version)

Paper II-MACROECONOMIC ANALYSIS

Duration : 3 hours

Max. Marks – 100

Note : The question paper will contain three sections as under –

Section-A : One compulsory question with 10 parts, having 2 parts from each unit, short answer in 20 words for each part. Total marks : 10

Section-B : 10 questions, 2 questions from each unit, 5 questions to be attempted, taking one from each unit, answer approximately in 250 words. Total marks : 50

Section-C : 04 questions (question may have sub division) covering all units but not more than one question from each unit, descriptive type, answer in about 500 words, 2 questions to be attempted. Total marks : 40

Unit I

National Income and Accounts:

Definition of national income, different concepts used in national income Accounting, national income deflator; relationship between per capita income and economic welfare.

Consumption Function:

Keynes' psychological law of consumption- short run and long-run consumption function: Empirical evidence on Consumption function; Income - consumption relationship-absolute income, relative income life cycle and permanent income hypotheses.

Unit II

Investment Function:

Marginal efficiency of investment and level of investment; Marginal efficiency of capital and investment- long run and short run; The accelerator and investment behavior-impact of inflation; Influence of policy measures on investment-empirical evidence.

Supply of Money:

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.

Unit III

Demand for Money

Classical approach to demand for money- Quantity theory approach, Fisher's equation, Cambridge quantity theory, Keynes's liquidity preference approach-transaction, precautionary and speculative demand for money-aggregate demand for money; Derivation of LM curve.

Neo-classical and Keynesian Synthesis:

Neo-classical and Keynesian views on interest; The IS-LM model; Extension of IS-LM model with government sector; relative effectiveness of monetary and fiscal policies; Extension of IS-LM models with labour market and flexible prices.

Unit IV

Post-Keynesian Demand for Money:

Post- keynesian approaches to demand for money- Patinkin and the Real Balance Effect, Approaches of Baumol and Tobin; Friedman and the modern quantity theory; Crisis in Keynesian economics and the revival of monetarism. Macroeconomics in an Open Economy: Mundell-Fleming model- Asset markets, expectations and exchange rates; Monetary approach to balance of payments.

Unit V

Theory of Inflation:

Classical, Keynesian and Monetarist approaches to inflation; Structuralist theory of inflation; Philips curve analysis-Short run and long run; Samuelson and Solow- the natural rate of unemployment hypothesis; Tobin's modified Philips curve; Adaptive expectations and rational expectations; Policies to control inflation.

Business Cycles:

Theories of Schumpeter, Kaldor, Samuelson and Hicks, Goodwin's model; Control of business cycles-relative efficacy of monetary and fiscal policies.

New Classical macroeconomics:

The new classical critique of micro foundations, the new classical approach; Policy implications of new classical approach-empirical evidence.

Basic Reading List:

- * Ackley, G.(1978), Macroeconomics: Theory and Policy, Macmillan, New York.
- * Branson, W.A. (1989), Macroeconomic Theory and Policy, (3rd Edition), Harper and Row, New York.
- * Dornbusch, R. and F. Stanley (1997), Macroeconomics, Mc Graw Hill, Inc., New York.,
- * Romer, D.L. (1996), Advanced Macroeconomics, Mc Graw Hill Company Ltd. New York.
- * Shapiro, E. (1996), Macroeconomic Analysis, Galgotia Publications, New Delhi.
- * एच एल आहूजा, समष्टि अर्थशास्त्र
- * एम.सी.वैश्य, समष्टि अर्थशास्त्र
- * M.C. Vaish, Macroeconomics
- * Rana and Verma , Macroeconomics (Hindi & English)
- * M.L. Jhingan : Microeconomics
- * एम.एल. झिंगन : समष्टि अर्थशास्त्र

Paper III- QUANTITATIVE METHODS

Duration : 3 hours

Max. Marks – 100

Note : The question paper will contain three sections as under –

Section-A : One compulsory question with 10 parts, having 2 parts from each unit, short answer in 20 words for each part. Total marks : 10

Section-B : 10 questions, 2 questions from each unit, 5 questions to be attempted, taking one from each unit, answer approximately in 250 words.

Total marks : 50

Section-C : 04 questions (question may have sub division) covering all units but not more than one question from each unit, descriptive type, answer in about 500 words, 2 questions to be attempted. Total marks : 40

Unit I

Mathematical Methods:

Concept and types of functions, Rules of differentiation, Interpretation of revenue, cost, demand, supply functions, Elasticities and their types, Multivariable functions, concept and types of production functions, Rules of partial differentiation and interpretation of partial derivatives, Problems of maxima and minima in single and multivariable functions, Unconstrained and constrained optimization in simple economic problems, Simple problems in market equilibrium, Concept of integration,

Simple rules of integration, Application to consumer's surplus and producer's surplus.

Determinants and their basic properties, Solution of simultaneous equations through Cramer's rule, Concept of matrix - their types, simple operations on matrices, matrix inversion, Solution of simultaneous equations.

Unit II

Introduction to input-output analysis, Difference equation- Solution of first order difference equation, Application in lagged market equilibrium model. (Cobweb Model).

Linear programming - Basic concept, formulation of linear programming problem - Its structure and variables, Nature of feasible, basic and optimal Solution, Solution of linear programming through graphical and simplex method, Formulation of the dual of a programme, Concept of game, Strategies - simple and mixed, Value of a game, Saddle point solution.

Unit III

Statistical Methods :

Measurement of Central Tendency, Dispersion and Skewness:

Meaning, assumptions and limitations of simple correlation and regression analysis, Pearson's product moment and Spearman's rank correlation coefficients and their properties, Concepts of the least squares and The lines of regression.

Unit IV

Classical and empirical definitions of probability, Laws of addition and multiplication conditional probability and concept of interdependence, Bay's theorem and its application. Binomial, Poisson and Normal distributions. Analysis of Time series and Index number.

Unit V

Basic Concepts of Sampling - random and non- random sampling, Simple random, stratified random and p.p.s. sampling, Concept of an estimator and its sampling distribution, Desirable properties of an estimator Formulation of statistical hypotheses - Null and alternative, Goodness of fit, Confidence intervals and Level of significance, Hypothesis testing based on Z,t, X^2 (Chi-square) and F tests, Type 1 and Type 2 errors.

Basic Reading List :

- * Allen, R.G.D. (1974), Mathematical Analysis for Economists, Macmillan Press and ELBS, London.
- * Chiang, A.C. (1986), Fundamental Methods of Mathematical Economics, McGraw Hill, New York.
- * Gupta, S.C. (1993), Fundamentals of Applied Statistics, S.Chand & Sons, New Delhi.
- * Handry, A.T. (1999), Operations Research, Prentice Hall of India, New Delhi.

- * Speigal M.G. (1992), Theory and Problems of Statistics, McGraw Hill Book Co., London.
- * Taha, H.A. (1997), Operations Research : An Introduction (6th Edition) Prentice Hall of India Pvt. Ltd., New Delhi.
- * Yamgne, Taro (1975), Mathematics for Economist, Prentice Hall of India, New Delhi.
- * कैलाशनाथ नागर, सांख्यिकी के मूल तत्व (एम.ए. संस्करण), मीनाक्षी प्रकाशन मेरठ
- * Mehta, B.C. and G.M.K. Madnani, Mathematics for Economists.
- * Gupta, S.P. (2011), Statistical Methods
- * लक्ष्मीनारायण नाथूरामका, अर्थशास्त्र में गणित के प्रयोग, कॉलेज बुक हाउस, जयपुर

Paper IV

INDIAN ECONOMIC POLICY

Duration : 3 hours

Max. Marks – 100

Note : The question paper will contain three sections as under –

Section-A : One compulsory question with 10 parts, having 2 parts from each unit, short answer in 20 words for each part. Total marks : 10

Section-B : 10 questions, 2 questions from each unit, 5 questions to be attempted, taking one from each unit, answer approximately in 250 words.

Total marks : 50

Section-C : 04 questions (question may have sub division) covering all units but not more than one question from each unit, descriptive type, answer in about 500 words, 2 questions to be attempted. Total marks : 40

Unit I

Economic Development and its Determinants :

Approaches to economic Development and its measurement- sustainable development, Role of State, market and other institutions, Indicators of development- PQLI, Human Developments Index (HDI), Gender development indices.

Planning in India :

Objectives and strategy of planning, Failures and achievements of Plans, Developing grass-root organizations for development-Panchayats, NGOs and Pressure groups.

Unit II

Demographic Features, Poverty, Unemployment and Inequality :

Broad demographic features of Indian Population: Rural- urban migration, Urbanization and civic amenities, Poverty, Unemployment and Inequality, Problems of black money.

Infrastructure:

Economic infrastructure- Irrigation, Power, Transport, Social infrastructure - Education and Health, Regional imbalance, Issues and Policies in financing infrastructure development.

Unit III**The Agricultural Sector:**

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.

The Industrial Sector:

Industrial Policy; Public Sector enterprises and their performance, Problems of sick units in India, Privatization and disinvestment debate, Growth and pattern of industrialization, Small-sector Industries, Productivity in industrial sector, Exit policy- issues in labour market reforms. Approaches for employment generation.

Unit IV**Public Finance :**

Fiscal Federalism - Centre-state financial relations, Finances of central government, Finances of state governments, Parallel economy, Problems relating of fiscal policy, Fiscal sector reforms in India.

Money, Banking and Prices:

Analysis of price behaviour in India, Financial sector reforms, Review of monetary policy of RBI, Money and capital markets, Working of SEBI in India.

Unit V**External Sector :**

Structure and direction of foreign trade, Balance of payments, Issues in export-import policy and FEMA, Exchange rate policy, Foreign capital and MNCs in India, The progress of trade reforms in India.

Economic Reforms:

Rationale of internal and external reforms, Globalization 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.

Basic Reading List :

- * Ahluwalia, I.J. and I. M.D. Little (Eds.) (1999), India's Economic Reforms and Development (Essays in honour of Mahmoan Singh, Oxford University Press, New Delhi.
- * Bardhan, P.K. (9th Edition) 1999, The Political Economy of Development in India, Oxford University Press New Delhi
- * Bawa, R.S. and P.S. Raikh (Ed.) (1997) Structural Changes in Indian Economy, Guru Nanak Dev University Press Amritsar.
- * Datt, R.(Ed.) (2001), Second Generation Economic Reforms in India, Deep & Deep Publications, New Delhi.

- * Government of India, Economic Survey, (Annual), Ministry of Finance, New Delhi.
- * Jalan. B. (1996), India's Economic Policy - Preparing for the Twenty first Century, Viking, New Delhi.
- * Joshi, V. and I.M.D. Little (1999) India Macro Economics and Political Economy, 1964-1991, Oxford University Press, New Delhi.
- * लक्ष्मीनारायण नाथूरामका, भारतीय अर्थव्यवस्था, कॉलेज बुक हाउस, चौड़ा रास्ता जयपुर।
- * Dutt R. and KPM sundharm, Indian Economy, S. Chand and Company New- Delhi (Hindi and English edition) Recent Edition.
- * Misra & Puri : Indian Economy.(2012) Recent Edition