

SUBJECT : ECONOMICS

SYLLABUS

UNIT I MICRO ECONOMICS

- Theory of Consumer Behaviour – Cardinal and Ordinal approaches – Revealed Preference hypothesis – Hicks Revision of demand theory – The Modern Utility analysis of Choices involving risk or uncertainty – Elasticity of demand – The concept of Consumers Surplus.
- Theory of Producer Behaviour: Production Function – Law of Variable Proportions and Return to scale – Production Function: Cobb-Douglas, CES – Technical progress – Least Cost Combination – The Theory of Costs.
- Theory of Markets: Market structure – Concept of equilibria – Perfect Competition – Monopoly and Price Discrimination – Monopolistic Competition – Oligopoly – Duopoly – Game theory – Non-cooperative games.
- Factor Pricing: Marginal Productivity Theory – Product Exhaustion Theorem – Theories of Rent, Wages, Interest and Profits – General Equilibrium Analysis – Efficiency criteria: Pareto – Hicks and Kaldor – Welfare Economics: old and new – Economics of information.

UNIT II MACRO ECONOMICS

- National Income and Social Accounting: Concepts and Measurements – Determination of Output and Employment: Classical and Keynesian, Post Keynesian.
- Consumption and Investment Functions: Theories of Consumption Function – The Principles of Multiplier and Accelerator – Interaction of Multiplier and Accelerator – Theories of Investment Function – New Theories of Investment: Financial, Jorgenson and Tobin.
- Macro theories of Distribution: Ricardo, Marx, Keynes, Kalecki and Kaldor.

UNIT III MONEY BANKING

- Theories of demand for and supply of money: Classical, Keynesian and Post-Keynesian approaches – Components of Money Supply – High Powered Money – The Money Multiplier – Theories of Inflation – Theories of Business Cycles – Controls of Business Cycles – Inflation and Phillips Curve Analysis.

- Functions of Central Banking and Credit Control – Instruments and Workings of Monetary Policy – Different Currency Standards – Rational Expectations Hypothesis and its critique – capital market and its regulations – Role and Functions of Commercial Banks and Non-Banking Financial Institutions.

UNIT IV INTERNATIONAL ECONOMICS

- International Trade and Economic Development – Theories of International Trade: Smith, Ricardo, Hecksher-Ohlin and Krugman.
- Factor Price Equalization Theorem by Rybczynski – Balance of Payments: Concept, Composition, Equilibrium and Disequilibrium – Terms of Trade – Trade Multiplier.
- Theories of Exchange Rate – Exchange Rate Policies – Foreign exchange market – Optimum Currency Area – International Capital Movements – Free trade vs Protectionism – Qualitative and Quantitative Restrictions – Trade policy for developing countries – GATT and WTO – Regional Trade Blocks: EU, ASEAN, SAARC, NAFTA, BRICS etc. – IMF and World.

UNIT V PUBLIC ECONOMICS

- Role of Public Finance – Canons of Taxation – Principles of Taxation – Taxable Capacity – Direct and Indirect Taxes – GST design – Implementation and impact of GST.
- Theories of Public Expenditure: Musgrave, Wagner, Peacock and Wiseman – Public Debt: Meaning, Theories and Methods of Repayment.
- Budget: Procedures and types – Objectives and Instruments of Fiscal Policy – Deficit Financing and Methods – Effectiveness of Monetary and Fiscal policy.
- Principles of Federal Finance – Problems of Allocation of Resources of the Centre and State – Fiscal Responsibility of the Centre and State – Finance Commission in India – Local Finance in India – Sources of Local Finance – Functions and Their Defects – Fiscal Correction and Additional Stimulus.

UNIT VI ECONOMIC GROWTH AND DEVELOPMENT

- Indicators of Economic Development: GDP, Per Capita Income, PQLI, HDI and GDI.
- Theories of Economic Development: Smith, Ricardo, Mark, Schumpeter and Rostow – Balanced and Unbalanced, Amartya Sen – Technical Progress: Embodied and Disembodied – Endogeneous Growth – Models of Economic Growth: Harrod – Domar, Robinson, Kaldor, Solow and Mahalanobis.
- Concepts and Measurement: Sustainable Development Goals, Poverty and Inequalities.

UNIT VII ENVIRONMENTAL ECONOMICS AND DEMOGRAPHY

- Environment as a public good – Market failures – Coase Theorem – Cost Benefit Analysis and Compensation Criteria – Validation of Environmental Goals.
- Theories of Population – Concept, Measures and Features: Population Pyramid, Fertility, Morbidity, Mortality, Aging, Demographic dividend, Life Table, Migration, Urbanization.

UNIT VIII INDIAN ECONOMY-I

- Features of Indian Economy – National Income in India: Measurement, Growth and Structure – Economic reformation in India: Fiscal, Financial and Trade – Challenges facing in chain Economy: Human capital formation, Unbalanced regional development, Unemployment, Poverty and Inequality.
- Agriculture in India – Land reforms – Green revolution – Agricultural credit and marketing – Food Security – Reformation in agriculture – Major Issues in Agriculture: Agrarian crisis, farm subsidies, food security, doubling farmers income and farmers' suicide – WTO and agriculture.
- Industries in India – Industrialization: Role, Growth, Pattern, Features and Performance – Industrial Policies in the post independence era – Performance of Public Sector – Disinvestment policy – Large Scale Industries and MSMEs in the transformative era (2014-15) – Make in India, Startup India, Skill India – Special Economic Zones – Industrial Labour reforms in India – Impact of GST and Demonetization on Unorganized and Informal industries.
- Services in India: Foreign Trade: Composition, Direction, Balance of Payment Problems and Policies – Financial Services in India: Commercial Banks, Money and Capital Markets – Infrastructure: Transport, Energy, Telecommunication, Health and Education – Fiscal System in India.

UNIT IX INDIAN ECONOMY-II

- New Economic Policy: Liberalisation, Privatisation and Globalisation – critical appraisal of pre and post liberalisation.
- Planning Commission in India: Five Year Plans, Strategies, Achievements and performance – Planning Commission vs NITI Aayog.
- Rural Economy in India: Features, Problems and Challenges – Rural Development: Meaning, Need and Policies – Rural poverty and unemployment: causes and remedies – Rural indebtedness: features, causes and remedies – Rural infrastructure.
- Tamil Nadu Economy: Features, Growth, Structure, Performance and Models of development – Major Challenges in Tamil Nadu Economy – Dravidian Model of development.

UNIT X**QUANTITATIVE METHODS**

- Collection of Data – Sampling methods – Organisation and Presentation of Data – Measures: Central tendency, Dispersion and Distribution – Correlation – Regression – Index Numbers – Time series and Analysis – Sampling distributions – Theories of estimation – Testing of hypothesis – Linear Regression models: Simple and Multiple – Violations of assumptions of Linear Regression model: Autocorrelation, Heteroscedasticity, Multicollinearity and Misspecification.
- Mathematical Economics: Sets – Functions and Continuity, Sequence, Series – Differential Calculus and its applications – Integral calculus (Basic Techniques) – Differential and difference equations with applications – Linear Algebra – Matrices and their application in Economics – Input-Output Model – Linear Programming Problems.