Approved Syllabus for Kashmir University PG Entrance in Economics for one year PG programme based on NEP-2020 for the year 2025 and Onwards

Unit 1:

Concept of Budget set and its properties,Consumer Preferences – assumptions and examples; Preferences and Properties; Cardinal utility –constructing a utility function, Consumer Equilibrium. Indifference Curve Analysis, Income-Consumption Curve and Price-consumption Curve, Effects of a Price Change –Income and Substitution Effects with a Normal/Inferior Good, Compensating Variation and Equivalent Variation, Slutsky Equation, Samuelson's revealed preference theory (Weak and Strong Axioms).

Unit 2:

Production functions - Cobb-Douglas and CES; Expansion path and Ridge Lines; Producer's Equilibrium - Profit maximization and Cost minimization; Costs –Traditional Theory of Cost - Short run and Long run; Modern Theory of Costs – Short Run and Long Run.

Unit 3:

Competitive Markets – Demand and Supply analysis; Short-run versus Long-run; Competitive Market Equilibrium; Monopoly- Market Equilibrium, Price discrimination – first, second and third degree; Natural Monopoly & Economies of Scale.

Unit 4:

National Income Identities– Concept and Measurement, Circular Flow of Income – Two, Three and Four Sector Models, Consumption and Saving Function, Psychological Law of Keynes. Kuznets Puzzle. Relative Income hypothesis. Investment: meaning and types, marginal efficiency of investment, concept of multiplier: Static and Dynamic, Accelerator: Concept and Theory.

Unit 5:

Classical Macroeconomics: Theory of equilibrium output and employment; Classical dichotomy and monetary neutrality; Say's Law of Markets; Classical theory of interest rate. Keynes theory of income determination: open and closed economy, macroeconomic multipliers.

Unit 6:

Concept and Approaches to Definition of Money. Principles of Note Issue, Measures of Money Supply, Concept of High-Powered Money and Money Multiplier, Monetary Policy: Objectives and Instruments.

Classical theory of demand for money; Keynesian theory of the interest rate and theory of demand for money; Tobin's portfolio balance approach to demand for money; Baumol's inventory approach to money demand.

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Unit 7:

Functions – Types and Properties – Constant, Polynomial and Rational Functions. Concept of Derivatives and their Applications in Economics (Numerical Examples on derivation of Marginal Revenue and Marginal Cost); Maxima and Minima Using First order Condition. Integration and their Applications in Economics—Consumer's and Producer's Surplus.

Unit 8:

Measures of Central Tendency; Measures of Dispersion. Sampling Methods: Probability & Non- Probability Sampling Methods. Correlation – Meaning and Scope; Karl Pearson's Coefficient of Correlation; Rank Correlation; Index Numbers: Concept and Types.

Unit 9:

International Trade - the Mercantilist views on trade; the theories of absolute and comparative cost advantage; Haberler's theory of opportunity cost; Mill's theory of reciprocal demand

Free trade and protection – arguments for and against; Instruments of trade policy— tariffs, quotas: Concept of Trade Creation and Diversion. Optimum tariff, effective rate of protection; GATT, WTO: Principles, functions and agreements.

Unit 10:

Basic features of Indian economy at the eve of independence; growth and development under different policy regimes- Nehruvian, early liberalization & new economic reforms; structural transformation in India. Green revolution and new agriculture strategy; agricultural price policy; industrial policy of 1956 and 1991.

Unit 11:

Concept of development; Alternative measures of development: HDI; A.K. Sen's concept of development- Capabilities approach; Concept of Inequality; Lorenz curve, Kuznets ratio and Gini coefficient; Poverty – concept and measurement – Headcount Ratio, Poverty Gap Ratio. Multi-dimensional poverty index.

Classical Theories of Development: Adam Smith, David Ricardo and Karl Marx. Low Level equilibrium trap–Nelson model. The theory of big push; Balanced and Unbalanced growth models.

Unit 12:

Concept and Approaches to Definition of Money. Principles of Note Issue: Currency and Banking Principle, Methods of Note Issue. Measures of Money Supply, Concept of High-Powered Money and Money Multiplier, Monetary Policy: Objectives and Instruments.

Unit 13:

Game Theory – Concept of game and its types - Prisoner's dilemma; dominant strategy, Nash equilibrium; Imperfect Markets – Models of oligopoly – Cournot and Betrand; monopolistic competition – key characteristics; equilibrium in short run and long run. Factor pricing in perfectly and imperfectly competitive markets; Pareto optimal allocations – concept; Market failure- concept, asymmetric information, adverse selection, principle-agent problem - moral hazard; uncertainty – assessing risk, attitudes towards risk – risk aversion and risk neutral.

Unit 14

Externality: Concept, Types and Solution- Private and Public; Optimal provisions of public goods; problems of allocating resources – preference revelation and aggregation; Structure of public budget; classification of taxes; tax incidence in competitive markets.

Unit 15

IS-LM Model for Closed Economy- Slope & shift factors; Monetary and Fiscal policy effectiveness in IS– LM model. IS-LM Model for Open Economy- IS- LM & BP schedules; slope & shift factors; policy effectiveness under perfect & imperfect capital mobility in flexible & fixed exchange rate regimes.

Unit 16

Economic growth: concept and measurement, factors affecting economic growth, technological progress: meaning, nature and classification, Harrod—Domar model: basic structure, problem of instability. Solow model: basic structure and concept of Steady state.

References:

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13. Thirwal, A.P. (1999). Growth and Development,Macmillan,U.K.
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Endorsed by Departmental Committee

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6. Gh. Mustafa
7. Rahul Kaul

Recommended and forwarded for further course of action please

09/12/25

Dean School of Business Studies