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

**Unit 1:**

Budget constraint – properties of a Budget set, changes in a budget line; Consumer Preferences – assumptions and examples; Preferences and Properties; Cardinal utility – constructing a utility function, Consumer Equilibrium.

**Unit II:**

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 III:**

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 IV:**

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 V:**

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 VI:**

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 VII:**

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

**Unit VIII**:
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 IX:**
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 X:**
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.

**Unit XI:**
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 XII:**
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 XIII:**
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.

**Unit XIV:**
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 XV:**
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.

**References:**


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6. A.C. Chiang and Kevin Wainwright (2017). *Fundamental Methods of Mathematical Economics*. McGraw Hill Education; Fourth Edition.
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8. Gupta, S.C and V.K. Kapoor (2017). Fundamentals of Applied Statistics, Sultan Chand & sons.
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