

Approved Syllabus for PG Entrance in Economics for the session 2021 & onwards

Note: *The syllabus prescribed for the entrance test has been devised into fifteen (15) units. Each unit carries a weightage of four (4) marks. Paper setters are requested to set four (4) Multiple Choice Questions (MCQs) from each unit keeping in line with the references provided with this syllabus.*

Unit I: Introduction to Microeconomics

Problem of scarcity and choice: scarcity, choice and opportunity cost; production possibility frontier; economic systems. Demand and supply: law of demand, determinants of demand, shifts of demand curve versus movements along a demand curve, market demand, law of supply, determinants of supply, shifts of supply curve versus movements along a supply curve, market supply, and Market equilibrium. Applications of demand and supply: consumer Surplus, producer surplus. Elasticity of demand: price, income and cross, degrees of elasticity, determinants of price elasticity.

Unit II: Consumer Theory

Utility-concept, diminishing marginal utility, consumer choice: indifference curves, properties, Budget Constraint, Consumer's equilibrium, derivation of demand curve from indifference curve and budget constraint.

Unit III: Production and Costs

Production functions- properties; law of variable proportions, returns to scale, isoquant and iso-cost lines, cost minimizing equilibrium condition –single product firm.

Costs: costs in the short run, costs in the long run, revenue-concept and relation, revenue and profit maximization, minimizing losses, economies and diseconomies of scale

Unit IV: Market Structure

Assumptions: theory of a firm under perfect competition, demand and revenue; equilibrium of the firm in the short run and long run; long run industry supply curve: increasing, decreasing and constant cost industries.

Unit V: Imperfect Competition

Market Structure-Concept of imperfect competition; Monopoly-characteristics; short run and long run price and output decisions of a monopoly firm; concept of a supply curve under monopoly; comparison of perfect competition and monopoly; Types of

monopoly; economic and social cost of monopoly; price discrimination-concept. Monopolistic competition: characteristics; Short Run and Long Run Price and output determinations under monopolistic competition; oligopoly: concept and characteristics of oligopolistic markets; oligopoly models: Cournot, Chamberlin and Kinked Demand curve.

Unit VI: Consumer and Producer Theory

Externalities, Marginal costs pricing, internalizing externalities; public goods, imperfect information, moral hazard, social choice, government inefficiency; Market adjustment to changes in demand; efficiency of perfect competition; sources of market failure.

Unit VII: Income Distribution and Factor pricing

Distribution-concept, Marginal productivity theory of distribution; Wages-Modern theory of wages; Rent-Ricardian theory of Rent; Profit-innovation theory; Interest Keynesian theory.

Unit VIII: International Trade

Theories of Absolute and comparative advantage, terms of trade-concept and types; sources of comparative advantage; trade barriers; free trade/ protectionism.

Unit IX: Introduction to Macroeconomics

Macroeconomics-Concept; Macroeconomic issues- an overview; concepts of GDP and National Income; measurement of national income and related aggregates; nominal and real income; limitations of the GDP

Unit X: Determination of GDP

Actual and potential GDP; aggregate expenditure; consumption function; investment Function; equilibrium GDP; concepts of MPS, APS, MPC, APC; autonomous expenditure; Concept of multiplier.

Unit XI: National Income Determination in an Open Economy

Fiscal Policy: impact of changes in government expenditure and taxes; net exports function; net exports and equilibrium national income.

Unit XII: Money in a Modern Economy

Concept of money in a modern economy; monetary aggregates; demand for money; Quantity theory of money; liquidity preference and rate of interest; money supply and credit creation; monetary policy

Unit XIII: IS-LM Analysis

Derivations of the IS and LM functions; IS-LM and aggregate demand; shifts in the AD curve.

Unit XIV: GDP and Price Level in Short Run and Long Run

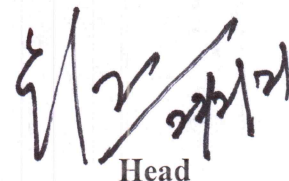
Aggregate demand and aggregate supply; multiplier Analysis with AD curve and Changes in price levels; aggregate supply in the SR and LR.

Unit XV: Inflation, Unemployment & BoP

Inflation-Concept and types; determinants of inflation; relationship between inflation and Unemployment: Phillips Curve in short run and long run. Balance of payments: current account and capital account; market for foreign Exchange; determination of exchange rate.

References:

1. Case, Karl E. & Ray C. Fair, Principles of Economics, Pearson Education, Inc., 8th Edition, 2007.
2. H.L.Ahuja (Latest Edition) Advanced Economic Theory –Microeconomic Analysis ; S Chand Company, New Delhi
3. D.N.Devidi (Latest Edition) Microeconomics Tata McGraw Hill ,New Delhi
4. Dominick Salvatore (Latest Edition) Microeconomics –Theory and Application, Oxford University Press, New Delhi.
5. Robert J. Carbaugh (2004) International Economics, Thompson Publishing Company, New York
6. Edward Shapiro, (2005): Macroeconomic Analysis, 5th Edition, Galgotia Publications, New Delhi
7. Sikder, Snoryen, Principles of Macroeconomics, 2nd addition Oxford University Press, India



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