

Approved Syllabus for PG Entrance in Economics for the session 2023 & onwards

Note: The syllabus prescribed for the entrance test has been devised into fifteen (15) units. Each unit carries a weightage of four (04) marks. Paper setters are requested to set (04) Multiple Choice Questions (MCQ's) from the unit keeping in line with the references provided with this syllabus.

Unit-I: Introduction to Microeconomics

Problems of scarcity and choice: scarcity, choice and opportunity cost; production possibility frontier; economic system. demand and supply: law of demand, determinants of demand, shift of demand curve versus movements along a demand curve, market demand, law of supply, determinants of supply, shift 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, degree 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 of 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 SR and LR.

Unit-XV: Inflation, Unemployment and 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. Bernheim, B. Douglas, and Michael Dennis Whinston. 2014. *Microeconomics*. New York, NY: McGraw-Hill
3. Abel, Andrew B., Ben Bernanke, and Dean Croushore. 2021. *Macroeconomics*. Pearson Education Limited.
4. Robert J. Carbaugh (2004) International Economics, Thompson Publishing Company, New Delhi
5. Edward Shapiro, (2005): Macroeconomic Analysis, 5th Edition, Galgotia Publications, New Delhi
6. Sikder, Snoryen, Principles of Macroeconomics, 2nd addition Oxford University Press, India

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