

SWAMI RAMANAND TEERTH MARATHAWADA UNIVERSITY, NANDED
PET SYLLABUS AND FORMAT OF ENTRANCE TEST IN
ECONOMICS

SECTION -B

I) Micro Economics :-

Definitions - Nature of scope - Micro and Macro Economics - Demand and supply Theory - Elasticity of Demand - Measurement of elasticity of demand, Indifference curve, Theory of Production and cost - Market structure - perfect competition - Monopoly and Monopolistic competition - Theory of Distribution – Rent, wages, Interest and profit , Welfare Economics – Pigou’s and Amartya Sen’s Views.

II) Macro Economic :-

Concepts of National Income – GDP, GNP, NNP, per capita income - Measurement of National Income - Theory of Money – Quantity theory of Money – Fisher’s and Cambridge Approaches – Theories of demand for Money - Consumption analysis, Investment Function - Theories of income, output determination IS-LM Model - Multiplier and Accelerations – Aggregate supply – demand model, Phillips Curve and its Collapse, Rational expectations theory.

III) Theories of Economic Development :-

Classical Theories – Adam Smith - Ricardo - Malthus, Karl Marks theory of economic Development - Rostow's stages of Economic Growth - Lewis theory of unlimited supplies of labour - Balanced and unbalanced growth, Prebisch – Singer hypothesis, theory of circular causation, Harrod model, slow's growth theory.

IV) Economic Thoughts :-

Mercantilism - physiocracy - Neo-classical period – Marshall - Pigou, Economic thoughts of – Koutilya - Mahatma Phule - Rajarshi Shahu - Dadabhai Naoroji - M G Ranade - Mahatma Gandhi - Dr. Babasaheb Ambedkar - Y. B. Chavan and Amartya Sen.

V) Indian Economy -

Characteristics of Indian Economy - Agricultural sector in India – Sources of Agricultural Finance – Issues in Agricultural Marketing - Green Revolution, Agricultural Performance Since 1991- New Agricultural Strategy – Industrial policies since 1991 – Performance of international trade – Export – Import Policies - planning in India – 12th Five Year Plan - WTO and its effects on Indian economy.

VI) Quantitative Techniques :-

Primary and Secondary Data (census and sampling) Measures of Central Tendency – Mean, Median, Mode, Measures of Dispersion – Range , Quartile Deviation, mean deviation, standard deviation, components of time series, measurement of trend – Least squares Method - Correlation, Regression, Index Numbers - Hypothesis testing - t test.

Unit- I

Micro-Economics

- A) **Revealed preference theory** – Slutsky Theorem - Compensated demand curve and Empirical demand function
- B) **Modern theory of Production and cost-** Cobb Douglas production function, Short run and Long run Average and Marginal cost curves ‘L’ shaped cost curve
- C) **Market Structure :-** Oligopoly Monopolistic Competition, Collusive and non collusive oligopoly.
- D) Managerial Theories :-**
Baumol’s sales revenue maximization model – Williamson’s model of managerial Discretion Morris model of managerial enterprise, Full cost pricing Principle, Bain’s limit pricing theory, Game theory
- E) Distribution :-**
Marginal Productivity theory of distribution , Modern theory of Rent, Modern theory of wages, Liquidity preference, Dynamic and innovation theory of profit – Eulers Theorem.
- F) Welfare Economics :**
Pareto’s optional conditions, -Value judgments - Social Welfare Function, Compensation Principle - Arrow’s Impossibility Theorem

Suggested Readings:

- 1) Koutsoyiannis, A. : Modern Micro Economics, Macmillan Press, London.
- 2) Ahuja H. L. : Advanced Economic Theory, S. Chand and Company, Delhi.

Unit- II

Macro-Economics

A) Post Keynesian Demand for money :-

Approaches of Baumol Tobin, Friedman and Modern quantity theory - crisis of Keynesian Economics and the rise of monetarism

B) Supply of Money :-

Concept of money supply- RBI's approaches to money supply - High powered money and money multiplier, Controls of money supply.

C) Inflation :-

Classical , Keynesian and monetarist approaches to inflation - structuralist theory of inflation, Money neutrality, policies to control inflation – gradualism Vs gold turkey, hyperinflation

D) Business cycles :-

Theories of Schumpeter, Kaldor, Samuelson and Hicks, Goodwin's model, control of business cycles.

Suggested Readings:

- 1) Gupta S. B., Monetary Economics, Institutions, Theory and Policy, S. Chand & Company Ltd., New Delhi.
- 2) Rudiger Dornbusch, Stanley Fisher, Macroeconomics, Tata Mc Graw– Hill Publishing Co. Ltd., New Delhi.

UNIT –III
INDIAN ECONOMY

A) Introduction to Indian Economy :-

Nature of Indian Economy- Major issues in Indian economy; - population - poverty Unemployment - Regional imbalances and economic inequality

B) Agriculture :- Trends in agricultural production, food security, Agricultural finance and marketing.

C) Industrial and service Sector :- Industrial policy since 2002 and onwards, problems of large scale industries , small scale industries – Role, performance and problems.

Growth of service sector during post economic reforms period.

D) Infrastructure Development in India :- Role of infrastructure in economic development - Economic infrastructure - transport and communication - Irrigation and energy and social infrastructure – Education Health and Environment.

E) Indian Planning :- Achievements and failure India's five year plans, and 12th five year plan.

F) Economic Reforms and Banking Sector Reforms :- New economic policy of 1991 and its impact on financial sector, Disinvestment concept-Types and problems , Banking Sector Reforms- Narsimham Committee

G) Indian Foreign Trade :- Composition and direction of India's Foreign Trade, EXIM policy, FEMA, WTO and India, Role of foreign capital and MNCs in India.

Suggested Readings:

- 1) Kaushik Basu (2007) : “The Oxford companion in India”, Oxford University Press, New Delhi.
- 2) S.Sivasubramanian (2000), “The Nation Income of India in the Twentieth Century”, Oxford University Press, New Delhi.
- 3) UNDP, “Human Development report (2007)”, Polgrave Macmillan
- 4) K. Sundaram (2000), “Employment and Poverty in 1990's”, Himalaya Publishing House, Nagpur.
- 5) Vasant Desai (2005), “A Challenge in the Crisis”, Himalaya Publication House Pvt. Ltd., Nagpur.
- 6) Vasant Desai (2009), “Rural Development in India”, III (Ed.) Himalaya Publishing House, Nagpur.

- 7) Mishra & Puri (2010), "Indian Economy", Himalaya Publishing House Gettanjali Press Pub. Ltd. Nagpur.

Unit -IV

Public Economics

- A) Introduction :-** Meaning , scope and importance of public Economics, Role of Government in Mixed economy, concept of public, private and merit goods, Theories of Public goods, voluntary exchange model, contribution of Samuelson and Musgrave.
- B) Taxation :-** Principles of taxation , contribution of Samuelson, Bowen and Lindhal models - Taxable capacity, impact and incidence, Types of incidence, Theories of shifting of incidence, Theories of optimal taxation.
- C) Public expenditure and debt :-** Wagner's law, Wiseman / peacock hypothesis, pure theory of public expenditure, cost - benefit Analysis, Growth of public expenditure in India - Classical , Keynesian and post – Keynesian approaches of public debt, public debt, Types, Burden , Sources , Management and repayment.
- D) Government Budgeting :-** Budget meaning , components , preparation, presentation, Types and execution of budget , Deficit financing – meaning and types , causes of growing fiscal deficit fiscal policies since 1991.
- E) Fiscal Federalism :-** Centre- State Finance relations , 13th Finance commission
- F) Indian Tax System :-** Major taxes in India, Reforms in Direct and indirect taxation, service taxes –VAT and other recent development

Suggested Readings:

1. Batina and Ihori (2005), "Public Goods : Theories and Evidence", Springer, New York
2. Buchanan J.M. (1958), "Public Principles of Public Debt : A Defense and Restatement", Richard D Irwin, The Collected Works of J M Buchanan, Vol. 2
3. Buchanan J.M. (1970), "The Public Finances", Richard D. Irwin, Homewood, Illinois.

4. Carnes and Sandler (1996), The Theory of Externalities, Cambridge University Press

Unit- V

International Economics

A) **Theories of Trade :-** Absolute and comparative advantage theory , modern theory of international trade, Heckscher Ohlin theory , Edgeworth box diagram, Leontief Paradox, Terms of trade and commercial policy-concept of terms of trade- Net Barter and gross Barter terms of Trade, free trade and controls of trade, tariffs and non-tariff barriers, Stolper Samuelson theorem - International trade - composition and direction of trade - BOP, causes of disequilibrium in BOP, The process of adjustment under gold standard, fixed and flexible exchange rates, Bretton Woods System, SDR'S, Marshall learner elasticity approach, Absorption approach, monetary approach , internal and external balance, swan model.

Regional Trading Blocks :- European Union –ASEAN, NAFTA, SAFTA, SAARC

C) **Trade Policies in India :-** Convertibility of rupees on current account, Regulation of MNC'S in India.

Suggested Readings:

1. Apte P. G. (2003), “International Finance: A Business Perspective”, Tata McGraw Hill, New Delhi.
2. Bhagwati, J (Ed) (1981), “International Trade: Selected Readings”, Cambridge, University Press, Massachusetts.
3. Chacholiades, M (1990), “International Trade; Theory and Policy”, McGraw Hill, Kogakusha, Japan.
4. Goldstein, M. (1998), “The Asian Financial Crisis; Causes, Cure and Systemic Implications”, Institute for International Economics, Washington. D.C.
5. Solvator, International Economics. -

Unit –VI

Economics of Growth and Development

- A) Growth Models :-** Harrold and Domar model , Solow’s model, Mrs. John Robinson’s Growth model, Growth models of Kaldor and Pasinetti, Ramsay’s rule,
- B) Social and Institutional aspects of growth :-** Quality of life , food security, education, health and nutrition, HRD, Theories of population- Demographic transition.
- C) Approaches of Development :-** Critical minimum effort thesis, low level equilibrium trap, Dualism, Ranis and Fei model, Dixit and Marglin models.
- D) Macroeconomic policies and Development :-** Role of monetary and fiscal policies in developing countries, external resources. FDI, Aids, Grants and external commercial borrowing.

Suggested Readings:

- 1) Thirlwall A.P. (1999) (6th Edition) “Growth and Development”, Macmillan, U.K.
- 2) Jones H.G. “An Introduction to Modern Theories of Economic Growth”, Economic Hanel Bank Series, Thomas Nelson and Sons, UK.
- 3) Basu, Kaushik, 1998, “Analytical Development Economics”, OUP, New Delhi.

Unit – VII

Agricultural Economics

- A) Introduction :-** Role of Agriculture in Indian Economy, Agricultural development under five year plan, food grains and major commercial crops production in India, Indian Agriculture in the context of WTO regime.
- B) Agriculture credit :-** Co-operative credit system , NABARD, Commercial Banks and Vaidynathan Committee , Kisan Credit Cards, SHG and Agriculture.
- C) Agricultural Marketing and price policy :-** Agricultural marketing, problems of marketing, MSP, PDS.

D) Sustainable Agricultural Development :- Bio-Technology-meaning and scope, Horticulture, Second Green Revolution, organic farming- Contract farming, dry land farming.

Suggested Readings:

- 1) Bhaduri A. (1984), The Economics of Backward Agriculture, Macmillan, Delhi.
- 2) Bhalla G.S. (1994) , Economic Liberalization and Indian Agricultural, Institute for studies in Industrial Development, New Delhi.
- 3) Bilgrami, S.A.R. (1996), Agricultural Economics, Himalaya Publishing House, Delhi.
- 4) Choudhary P. (1972), Reading in Indian Agriculture Development, George Allen & Unwin, Landon.
- 5) Desai R. G. (2006), Agricultural Economics(Models, Problems and Policy Issues), Himalaya Publishing House, Delhi

Unit-VIII
Statistical Methods

- A) **Introduction and Data collection :-** Meaning, scope, importance and limitations of statistics, Data – meaning and types, methods of data collection, census and sample survey, types of sampling.
- B) **Presentation and Analysis of Data :-** Classification, tabulation, presentation of data through graphs, bar diagram, pie diagram.
- C) **Correlation and Regression:-** Spearman’s rank correlation. Regression – Simple and multiple regression.
- D) **Probability Theory :-** Concept of Probability, Types of events, law of addition and multiplication.
- E) **Theoretical Distribution :-** Discrete theoretical distributions - Binomial Distribution, poisson distribution.
- F) **Hypothesis Testing :-** Meaning and types , test of significance- t test, Z test , F test and chi - square test.

Suggested Readings

1. Gupta S.P(1988) –Statistical Methods- Sultan Chand & Sons , Delhi ,

2. Gupta, S. C. (1993), Fundamentals of Applied Statistics, S. Chand & Sons, New Delhi.

Unit IX

Econometrics

- A) Introduction:-** Definition , Scope, relationship with statistics, mathematics, mathematical economics and economics.
- B) Regression Analysis :-** Simple regression, multiple regression and regression with qualitative independent variables, Auto regressive and distributed lag models.
- C) Simultaneous - equation models :-** Nature , General simultaneous - equation model: examples, structural form and reduced – form, Estimation of simultaneous - equation models - Indirect Least - squares method (ILS), Two - Stage Least - squares method (2SLS), Full information maximum Likelihood estimation (FIML)
- D) Time Series Analysis :-** Unit root test, spurious regression, Box - Jenkins methodology.

Suggested Readings:

1. Gujarati, D.N. (2005), Basic Econometrics, McGraw Hill, New Delhi.
2. Koutsoyiannis, A. (1977), Theory of Econometrics (2nd Edition), The Macmillan Press Ltd. London.
3. Johnston, J. (1991), Econometrics Methods, McGraw Hill Book Co., London.

Unit X

Mathematical Economics

- A) Simple Calculus and its Applications :-** Concept of functions, types of functions, concepts of derivatives, rules of differentiation, partial derivatives, rules of partial differentiation, maxima and minima in single and multi - variable functions.
- B) Theory of Consumer Behaviour :-** Demand function, ordinal utility Maximization, Slutsky equation, income, substitution and price effects, concept of elasticity and its applications . Additive utility function, indirect utility function, consumers surplus, linear expenditure system.

- C) Theory of Production and Cost :-** Homogenous and non-homogenous production functions, short and long term production functions, Cobb-Douglas production function, CES production function and its properties. Cost function , simple derivation of short run cost function.
- D) Input-Output Analysis :-** Open and closed system , Leontief's dynamic model, Static model, applications of input – output analysis.
- E) Game Theory :-** Concept of a game , Two - person – Zero - Sum game, pure and mixed strategies. Pay off matrix, saddle point solution.
- F) Consumption Function :-** Consumption Function , Static and dynamic multiplier, Acceleration principle.

Suggested Readings:

1. Chiang, A. C. (1986), *Fundamental Methods of Mathematical Economics*, McGraw Hill, New York.
2. Dowling . E. T., *Introduction to Mathematical Economics (2ndEdition),(Schaum's Outline Series of Theory and Problems)*, McGraw-Hill, USA, 1992
3. Aggarwal B.M.(2010) ,*Business Mathematics & Statistics* , Ane Books Pvt. Ltd, New Delhi