

**Syllabus for Recruitment Examination of Post Graduate Teacher**  
**SUBJECT: ECONOMICS**

**MICRO & MACRO ECONOMICS**

**1. Introduction**

Definition of Economics. Central Problems of an Economy what? How? For whom to produce? Concept of Consumption, Production and Distribution. Possibility Frontier and Opportunity Cost. Distinction between Normative and Positive Economics, Planned and Market Economy, Micro and Macro Economics. Inter-dependence of Micro and Marco Economics.

**2. Consumer Behaviour and Demand**

Meaning and Determination of Equilibrium through Utility and Indifference Curve approach. Meaning of Utility – Average, Marginal and Total Utility. Law of Diminishing, Marginal Utility. Condition of Consumer Equilibrium using Marginal Utility analysis and Law of Substitution–its limitations. Implications and practical importance of Utility Analysis. Properties of Indifference Curve. Indifference Curve analysis of consumer (Indifference curve and Indifference Map) and condition of Consumer Equilibrium.

**3. Producer Behaviour and Supply**

Production Function: Total, Average and Marginal Product. Concept of Isoquant. Short run and long run costs, Fixed Costs and Variable Costs, Total, Average and Marginal Costs\_ Meaning and relationship. Total, Average and Marginal Revenue. Concept of Production – Return to Factor and Return to Scale. Producer's Equilibrium\_ Meaning and its condition in short run and long run through-(a) Total Revenue and Total Cost approach (b) Marginal Revenue and Marginal Cost approach. Supply\_ Determinants of Supply. Changes in Supply. Movements and Shift in Supply Curve. Price Elasticity of Supply\_ Methods of Measurement of Price Elasticity of Supply.

**4. Simple Application of Tools of Demand and Supply**

Scientific tools for analysis of Economic Theory. Induction and Deduction Method. Some basic Concepts: Economic Goods, Consumption Goods, Capital Goods, Final Goods & Intermediate Goods. Stock and Flows. Gross Investment and Depreciation.

**5. Forms of Market and Price Determination**

Perfect Competition: Meaning and Features. Market Equilibrium under Perfect Competition. Equilibrium Price and Quantity. Situations of Excess Demand and Excess Supply on Market Equilibrium Price and Quantity. Non -Competitive Market: Monopoly, Monopolistic Competition, Duopoly and Oligopoly.

## **6. Factor Price Determination**

Factor Demand. Marginal Productivity Theory of Distribution. Total Factor Demand and Factor Supply. Factor Price Determination. Role of Trade Unions. Competitive advantages of International Trade and Factor Mobility.

## **7. Structure of Macro Economy & National Income Accounting**

National Income Accounting: Uses and its importance. Circular flow of income. Main Sectors in an Economy. Flow of income into; two, three and four sector economy. Money flow, Real flow and Deposition flow.

## **8. National Income and related Aggregates**

Concept of Economic Territory. Resident, Non- Resident and Normal Residents. Concept of GDP, NDP, GNP, and NNP at Factor Cost and Market Price. Methods of calculating National Income – Produce Method, Income Method and Expenditure Method –Precautions. Private Income, Personal Income and Personal Disposable Income. Real and National GNP, GDP and welfare along with its limitations.

## **9. Determination of Income and Employment**

Say's law of Market. Keynesian Approach- Aggregate Demand and Aggregate Supply. Meaning and Components of Aggregates Demand. Consumption and Saving function. Propensity to Consume and Propensity to Save- Average and Marginal Propensity to Save. Short Run Fixed Price in Product Market. Equilibrium Page 2 Multiplier and Multiplier Mechanism. Meaning of Full Employment and Involuntary Unemployment. Problem of Excess Demand and Deficit Demand. Measures to correct through Fiscal and Monetary policies.

## **10. Money and Banking**

Barter System and its problems. Evolution of Money. Meaning and Functions of Money- Primary, Secondary and Development function. Demand for money and its different approaches. Banking–Commercial Banks and Central bank. Mechanism of Credit Creation. Financial Institutions NABARD, IDBI, ICICI, Regional Rural Banks. Non Banking Financial Institutions - Insurance & Mutual Funds etc.

## **11. Foreign Trade and International Monetary Institutions**

Foreign Exchange Rate – Meaning and its Determination. Demand and Supply of Foreign Exchange. Equilibrium in Foreign Exchange Market. Types of Foreign Exchange Rate. Fixed and Variable Foreign Exchange Rate system. Operation of Foreign Exchange Market. Spot and Capital Accounts, Autonomous and Accommodation items. Factors responsible for disequilibrium in Balance of Payments. International Monetary Institutions IMF, IBRD, ADB. Trade Policy. Tariff, Theory of Regional Blocks. Customs Union. European Common Market: GATT, WTO.

## **12. Govt. Budget and its Economic Implications**

Govt Budget-Meaning, Objectives and Components. Classification of Receipt: Tax Revenue Receipt, Non-Tax Revenue Receipt and Capital Receipt. Borrowing and Disinvestments. Classification of Expenditure—Revenue Expenditure and Capital Expenditure, Plan and Non- Plan

Expenditure, Development and Non-Development Expenditure. Various Measures of Govt.-Deficit:Revenue Fiscal and Primary Deficits- Meaning and Implications.

## **STATISTICS AND INDIAN ECONOMIC DEVELOPMENT**

### **Statistics**

#### **13. Introduction**

Origin and growth of Statistics: Statistics in singular and plural sense. Feature and limitation of Statistics. Importance of Statistics in Economics. Functions of Statistics. Subject Matter of Statistics—Statistical Method and Applied Statistics (Descriptive and Scientific). Nature of Statistics: (Science or Art). Scope of Statistic. Distrusts of Statistics.

Use of Statistical tools in Economic analysis. Stages in Statistical investigation. Primary Data and Secondary Data- Methods and Sources, Questionnaire and Schedule. Census and Sampling Methods: Random and Non-Random Sampling. Organization of Data. Statistical Table. Classification and Presentation of Data: Graphical and Diagrammatic presentation. Simple bar, Sub-divided bar, Multi bar, Broken bar, Pie Diagram, Histogram, Polygon, Cumulative Frequency Curve (Ogive).

#### **14. Measures of Central Tendency**

Meaning and Definition-Kinds of Statistical Averages (Mean, Median and Mode). Arithmetic and Weighted Arithmetic Mean. Algebraic Properties, Advantages and Disadvantages of Mean. Median—Meaning, Merits and Demerits of Median. Partition Values- Quartiles, Deciles and Percentile. Mode – meaning, merits and demerits of Mode. Methods of calculation of Mode- Grouping Method, Mean and Median method.

#### **15. Measures of Dispersion;**

Meaning and definition. Need and objectives of Dispersion. Properties of a good measure of Dispersion. Types of dispersion – Absolute measures and Relative measures.

Method of measuring Dispersion- Range, Inter Quartile Range, Quartile Deviation, Mean Deviation and Standard Deviation. Merits and limitation of Standard Deviation. Variance, Meaning and its co-efficient. Lorenzo Curve – meaning and construction techniques.

## **16. Measures of Correlation.**

Correlation: Meaning and importance. Type of Correlation: Positive and Negative Correlation. Simple, Partial and Multiple Correlation, Linear and Non-linear Correlation. Degree of Correlation-Low Correlation, Moderate Correlation and High Correlation. Methods of Correlation: Scatter Diagram, Karl Pearson's Co-efficient of Correlation, Rank Correlation (Spearman's Rank Difference Method).

## **17. Index Numbers**

Meaning and Definition. Characterises of Index Number, Uses of Index Number. Construction-Weighted and Unweighted Index number. Method – Laspayer's method, Pearson's method, Fisher's Method, Marshall's Method, Kelly's Method. Time Reversal and Factor Reversal Test.

## **Indian Economic Development**

### **18. Introduction**

A brief introduction of the state of Indian economy on the eve of independence –poor, stagnant, backward economy, depleted economy, dependent economy, semi-feudal economy, and disintegrated economy.

Common development goals of Five Year Plans. Meaning of Economic Planning. Origin and growth of planning in India. The Planning Commission and Development Council. Main features of economic policies. Achievements of Economic Planning. Major controversies on Planning in India. Main problems and policies of Agriculture, Industry and Foreign Trade.

### **19. Indian Economy in Pre-Independence Period**

Village Economy\_ Isolated, Self sufficient and independent unit. Indian Economy on the eve of the ind Page 5 limited Specialization, Immobility of labour, Barter System. Indian Economy during the British rule. Land tenure system, Commercialization of Indian Agriculture and exploitation under the British Rule. Brain Drain theory, Laissez Fair Theory\_ positive and negative aspects. Structural changes –transport and communication.

### **20. Indian Economy after Independence**

Emergence and growth of Indian Capitalist Enterprise. Open and Planned Economy. Agriculture –nature of Indian Agriculture, Land Tenure system, land Reform. Green Revolution –components and its impact on commercialization of Indian Agriculture. Industry – Meaning, Classification and significance of industrialization. Role of Cottage, Small Scale and Large Scale Industries. Industrial Policies from 1951 to 1991.

Foreign Trade-Components of Foreign Trade, Balance of Trade and Balance of Payments. Direction and components of foreign trade. India and World Trade organization.

## **21. Economic Reforms Since 1991**

Meaning of Economic Reform: Its need for India. Liberalization.- features, merits and demerits. Privatization- features, merits and demerits. Globalization- features, merits and demerits. Measures and other Economic Reforms- Taxation, Fiscal and Monetary Policies. Reform arguments against new Economic Policy. An appraisal of LPG Policies.

## **22. Current Challenges facing Indian Economy**

Population – Size and Growth of India's Population. Population explosion –causes and its imp Page-6 of high birth rate- measures for correction. Causes of slow decline in death rate- measures for correction. Theory of Demographic Transition in India. Poverty –Meaning, Classification (relative and absolute poverty). Causes of poverty in India. Measures adopted by the Govt. under Poverty alleviation programmes. Unemployment – meaning, classification and main causes of unemployment in India. Economic and social consequences of unemployment. Suggestions to solve the problem of unemployment in India.

Infrastructure–Meaning of Social and Economic Infrastructure- Causes and its impact on development economy like India. Social infrastructure-Health, Education and Housing Economic Infrastructure- Power, Transport and Communication–Postal and Mass Media.

## **23. Development Experience of India .**

Economic Growth and Development. Sustainable Economic Development: Meaning and its effect on resources and environment. Causes of environmental degradation and measures for its protection. Migration – causes and its significance. A comparison with neighbouring countries - India and China, India and Pakistan –Issues and Differences in growth of population and development.

## **24. The Economy of the North East India with Special Reference to Arunachal Pradesh**

Basic features. Comparative feature with the Indian economy. Sectoral composition of state income and sectoral contribution to the growth of income with special reference to Arunachal Pradesh. Resources: Status of Human resources in the North- East Economy with special reference to Arunachal Pradesh. Opening of the North East Economy and Look East' Policy of the Govt.