

# **Savitribai Phule Pune University**

**Department of Economics**

**M.A. Economics Entrance Examination Syllabus 2021**

## **SECTION B ECONOMICS**

<b>Code No.</b>	<b>Title of the Paper</b>
Unit – 1	Micro Economics
Unit - 2	Macro Economics
Unit – 3	International Economics
Unit – 4	Economic Development & Planning

**Savitribai Phule Pune University**  
**Unit - 1 Micro Economics**

**PREAMBLE**

As a foundation course, in this Paper, the student is expected to understand the behavior of an economic agent, namely, a consumer, a producer, a factor owner and the price fluctuations in a market. The chapters incorporated in this paper deal with the nature and scope of Microeconomics, the theory of consumer behavior, analysis of production function and equilibrium of a producer, the price formation in different markets structures and the equilibrium of a firm and industry. In addition, the principles of factor pricing and commodity pricing as also the problems of investment and welfare economics have been included.

**Section I**

Chapter No.	Title of the Chapter	
<b>1</b>	<b>Introduction</b> 1.1 Micro Economics – Meaning, Nature Scope, importance & limitations. 1.2 Basic Economic Problems. 1.3 Tools of Economic Analysis – Functional relationships, Schedules, Graphs & Equations. 1.4 Variable – Dependent and Independent variable- Exogenous & Endogenous.	
<b>2</b>	<b>Demand Analysis</b> 2.1 Utility – Meaning, Concept & Assumptions 2.2 Cardinal Utility- Law of Diminishing Marginal Utility. 2.3 Ordinal Utility – Indifference curve - Concept and Properties, Consumer Equilibrium 2.4 Demand- concept & law 2.5 Elasticity of Demand 2.5.1 Price Elasticity-Definition, Types, Determinants, Importance. 2.5.2 Income Elasticity - Types & Importance, 2.5.3 Cross Elasticity- concept	
<b>3</b>	<b>Supply Analysis</b> 3.1 Meaning, Concept & Determinates. 3.2 Law of Supply. 3.3 Elasticity of Supply.	
<b>4</b>	<b>Theory of Production</b> 4.1 Production function. 4.2 The law of Variable Proportions.	

	4.3 Law of returns to scale.	
	4.4 Revenue concept-Total, Average & Marginal Revenue	
	4.5 Cost concepts: Fixed & Variable Cost, Opportunity cost, Average & Marginal cost, Total cost.	

## Section II

<b>5</b>	<b>Market Structure</b> 5.1 Meaning & Classification 5.2 Perfect Competition: Concept- Characteristics, price determination in short run and long run, equilibrium of the firm and industry 5.3 Monopoly- Concept, Characteristics and short and long run Equilibrium. Price discrimination 5.4 Monopolistic Competition: Concept, Characteristics, short & long run Equilibrium, Selling cost- concept 5.5 Oligopoly – Concept, Characteristics 5.6 Duopoly – Concept, Characteristics	
<b>6</b>	<b>Factor Pricing</b> 6.1 The Marginal Productivity Theory of Distribution. 6.2 Rent – Ricardian Theory of Rent, Modern Theory of Rent, Quasi Rent 6.3 Wages –Modern Theory of Wages, Collective Bargaining , Supply curve of Labour 6.4 Interest- Loanable Funds Theory, Keynesian Liquidity preference theory 6.5 Profit – Risk and Uncertainty Theory, Innovation Theory	
<b>7</b>	<b>Welfare Economics</b> 7.1 Definition and meaning 7.2 Social Welfare Function. 7.3 Pigovian Welfare Economics 7.4 Thought of Amartya Sen on Welfare Economics.	

### Suggested Reading List

- Ahuja H.L. (2016): Principles of Microeconomics, S. Chand Publishing, Delhi.
- Bach. G.L. (1977): Economics, Prentice Hall of India, New Delhi.
- Datir R K and Other, Sukshma Arthashastra, Nirali Prakashan, Pune.
- Dwivedi D N (2012), Micro Economic Theory and Applications, Pearson education.

- Gault. J.P. and Edward P.L. (1996), Microeconomic Theory, Richard. Irwin, Homewood.
  - Koutsoyiannis, A. (1990): Modern Microeconomics, Macmillan.
  - Lipsey, R.G. and K.A. Chrystal (1999) Principles of Economics (9<sup>th</sup> Edition), Oxford University Press, Oxford.
- Maddala G Sand Ellen: Micro Economics Theory and Application, Tata McGraw Hill.
- Mansfield, E. (1997): Microeconomics (9<sup>th</sup> Edition), W.W. Norton and Company, New York.
  - Pindyck, Robert and Daniel Rubinfeld (2017): Microeconomics, Pearsons Education.
  - Ray, N.C. (1975): An Introduction to Microeconomics, Macmillan Company of India Ltd., Delhi.
  - Salvatore, Dominick: Principles of Microeconomics, Oxford University Press.
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**Savitribai Phule Pune University**  
**Unit - 2 Macro Economics**

**PREAMBLE**

On account of the growing influence and involvement of the State in economic fields, macroeconomics has become a major area of economic analysis in terms of theoretical, empirical as well as policy-making issues. Macroeconomics has an extensive, substantive as well as methodological content. It deals with the functioning of the economy as a whole, the objective of the course is to familiarize the students the basic concept of Macro Economics and application. Macroeconomics has an extensive, substantive as well as methodological content. It deals with the functioning of the economy as a whole, including how the economy's total output of goods and services and employment of resources is determined and what causes these totals to fluctuate. The Paper entitled Macroeconomics is designed to make an undergraduate student aware of the basic theoretical framework underlying the field of macroeconomics.

**Section I**

<b>Chapter No.</b>	<b>Title of the Chapter</b>	<b>Lectures</b>
<b>1</b>	<b>Introduction</b> 1.1 Meaning, Nature, Scope, Importance and Limitation of Macroeconomics 1.2 Difference between Micro and Macro Economics	<b>8</b>
<b>2</b>	<b>National Income</b> 2.1 Concepts: National Income, Gross National Product, Net National Product, Per Capita Income, Disposable Income. 2.2 Importance of National Income. 2.3 Methods of National Income Measurement 2.4 Difficulties in Measurement of National Income 2.5 Circular Flow of National Income	<b>14</b>
<b>3</b>	<b>Theory of Employment</b> 3.1 Say's Law of Market 3.2 Classical Theory of Employment 3.3 Criticism by Keynes on Classical Theory 3.4 Keynesian Theory of Employment	<b>12</b>
<b>4</b>	<b>Consumption and Investment</b> 4.1 Meaning of Consumption Function 4.2 Average and Marginal Propensity to Consume 4.3 Psychological Law of Consumption 4.4 Factors influencing Consumption Function	<b>14</b>

	4.5 Saving- concept & Function 4.6 Investment- Meaning & Types	
	4.7 Investment Multiplier- Concept and Limitations 4.8 Principle of Acceleration - Concept	

### Section II

<b>5</b>	<b>Value of Money</b> 5.1 Money- Definition and Functions 5.2 Quantity Theory of Money 5.3 Cash balance approach	<b>12</b>
<b>6</b>	<b>Inflation and Deflation:</b> 6.1 Inflation - Meaning and Causes 6.2 Demand Pull and Cost Push Inflation 6.3 Effects of Inflation 6.4 Measures to control Inflation 6.5 Deflation- Meaning, Causes and Consequences	<b>12</b>
<b>7</b>	<b>Business Cycles</b> 7.1 Meaning and Features of Business Cycle 7.2 Phases of Business Cycle 7.3 Causes and Effects of Business Cycle. 7.4 Control of Business Cycles- Monetary and Fiscal Controls	<b>12</b>
<b>8</b>	<b>Macroeconomic Objectives and Policies</b> 8.1 Macroeconomic Objectives 8.2 Monetary Policy- Meaning and Definitions, Instruments, Advantages and Limitations 8.3 Fiscal Policy- Meaning and Definitions, Instruments and Advantages	<b>12</b>

#### Basic Reading List

- Ackey, G (1976) Macro Economics Theory and Policy, Macmillan Publishing Company, New York
- Ahuja H. L. (2002) Macroeconomics Theory and Policy, Chand and Co. Ltd New Delhi.
- D'souza Errol (2008) Macroeconomics : Person Publication, New Delhi.
- Gupta S.B. (1994) Monetary Economics, S. Chand and Co. Delhi
- Jingan M.L. (2002) Macro Economic Theory, Vrinda Publication, Delhi
- Vaish M. C. (2002) Macro Economic Theory, Vikas Publishing House, N. Delhi
- Shapiro E (1996) Macro Economic Analysis; Galgotia Publication, New Delhi

#### ADDITIONAL READING LIST

- Dillard, D. (1960), The Economics of John Maynard Keynes, Crosby Lockwood and Sons, London.
- Day A.C.L. (1960) Outline of Monetary Economics, Oxford University Press, Oxford
- Higgins, B. (1963), Economic Development: Principles, Problems and Policies, Central Book Depot, Allahabad.
- Keynes, J.M. (1936), The General Theory of Employment, Interest and Money, Macmillan, London.
- Kindleberger, C.P. (1958), Economic Development, McGraw-Hill Book Company, New York.
- Datir, Lomate, Ushir (2012), Sthul Arthashastra, Nirali Prakashan, Pune.
- Lucas, R. (1981), Studies in Business Cycle Theory, MIT Press, Cambridge, Massachusetts.

Savitribai Phule Pune University

**Unit - 3 International Economics**

**PREAMBLE**

This course provides the students a thorough understanding and deep knowledge about the basic principles that tend to govern the free flow of trade in goods and services at the global level. The contents of the Paper spread over various modules, lay stress both on theory and applied nature of the subject that have registered rapid changes during the last decade. Besides this, the contents prepare the students to know the impact of free trade and tariffs on the different sectors of the economy as well as at the macro level. The students would also be well trained about the rationale of recent changes in the export import policies of India. This paper has become relatively more relevant from the policy point of view under the present waves of globalization and liberalization both in the North and in the South.

**Section I**

<b>Chapter No.</b>	<b>Title of the Chapter</b>	<b>Lectures</b>
<b>1</b>	<b>Introduction</b> 1.1 International economics- meaning, Scope & Importance 1.2 Inter-regional and international trade 1.3 Importance of International Trade	12
<b>2</b>	<b>Theories of International Trade</b> 2.1 Theory of absolute cost advantage and comparative cost advantage 2.2 Heckscher-Ohlin theory 2.3 Leontief's paradox, Rybczynski theorem, Intra-Industry Trade	12
<b>3</b>	<b>Gains from Trade</b> 3.1 Measurement of gains, static and dynamic gains 3.2 Terms of trade – Importance, types and determinants 3.3 Causes of unfavorable terms of trade to developing countries.	12
<b>4</b>	<b>Balance of Payments</b> 4.1 Balance of trade and Balance of payments- Concepts and components 4.2 Equilibrium and disequilibrium in balance of payments; causes and consequences 4.3 Measures to correct deficit in the balance of payments	12

## Section II

<b>5</b>	<b>Trade policy &amp; Exchange Rate</b> 5.1 Free trade policy - case for and against 5.2 Protection Policy – case for and against 5.3 Types of tariffs and quotas 5.4 Exchange rates-Fixed and flexible	12
<b>6</b>	<b>India's Foreign Trade and Policy</b> 6.1 Growth of India's foreign trade 6.2 Changes in the composition and direction of foreign trade since 2000-2001 6.3 Foreign Trade policy 2015-2020. 6.4 India and WTO	12
<b>7</b>	<b>Export Promotion measures</b> 7.1 Export promotion - Contribution of SEZ 7.2 Role of multinational corporations in India. 7.3 FEMA-provisions and impact 7.4 Convertibility of Indian rupee	12
<b>8</b>	<b>Regional and International Co-operation</b> Nature and Functions of- 8.1 South Asian Association for Regional Co-operation (SAARC) 8.2 Brazil, Russia, India, China and South Africa (BRICS) 8.3 European Economic Community (EEC)	12

### BASIC READING LIST

1. Kenan, P.B. (1994), The International Economy, Cambridge University Press, London.
2. Kindleberger, C.P. (1973), International Economics, R.D. Irwin, Homewood.
3. Krugman, P.R. and M. Obstfeld (1994), International Economics : Theory and Policy, Glenview, Foresman.
4. Salvatore, D.L. (1997), International Economics, Prentice-Hall, Upper Saddle River, N.J.
5. Sodersten, Bo (1991), International Economics, Macmillan Press Ltd., London.
6. International Economics , M.L. Jhingan

### ADDITIONAL READING LIST

1. Bhagwati, J. (Ed.) (1981), International Trade, Selected Readings, Cambridge University Press, Mass.
2. Greenaway, D. (1983), International Trade Policy, Macmillan Publishers Ltd., London.
3. Joshi V. and I.M.D. Little (1998), India's Economic Reforms, 1999-2001, Oxford University Press, Delhi.

4. Panchmukhi, V.R. (1978), Trade Policies of India : A Quantitative Analysis, Concept Publishing Company, New Delhi.
5. Patel, S.J. (1995), Indian Economy Towards the 21st Century, University Press Ltd., India.
6. Misra and Puri, Indian Economy, Himalaya Publishing House
7. Dangat Nilesh (2015), 'International Economics' Success Publication, Pune.  
Gite T.G. (2015), 'International Economics' (Marathi Edition), Success Publication, Pune

## Unit - 4 Economic Development & Planning

### PREAMBLE:

The Study of Economic Development has gained importance because of staid interest of the developing countries in uplifting their economic conditions by restructuring their economics to acquire greater diversity, efficiency and equity in consonance with their priorities. While few success stories can be counted, many have grappled with chronic problems of narrow economic base, inefficiency and low standard of living. For this and other reasons, there have been many approaches to economic development. In recent times, besides hard core economic prescriptions to development, concern hitherto relegated to background, like education, health, sanitation and infrastructural development, have found place of pride in explaining the preference of various economies incorporated in this paper are devoted to the theories of economic development, approaches to economic development, social and institutional aspects of development, constraints on development process, macroeconomic policies, roll of foreign capital and economic planning etc. in developing countries.

### Section I

Chapter No.	Title of the Chapter	Lectures
<b>1</b>	<b>Economic Development and Growth</b> 1.1 Meaning of Economic Development and Growth 1.2 Indicators of Economic Growth 1.3 Indicators of Economic Development 1.4 Differences between Economic Development & Growth	10
<b>2</b>	<b>Developing Countries</b> 2.1 Concept- Developed, Developing Countries 2.2 Characteristics of Developing Countries 2.2.1 Economic Characteristics 2.2.2 Demographic Characteristics 2.2.3 Technological Characteristics 2.2.4 Socio - Cultural Characteristics 2.2.5 Other Characteristics	14
<b>3</b>	<b>Constraints on Development Process</b> 3.1 Vicious Circle of Poverty 3.2 Population Explosion 3.3 Low Productivity of Agriculture 3.4 Scarcity of Capital 3.5 Inappropriate Technology 3.6 Socio- Cultural Constraints	12

	3.7 Political and Administrative Constraints 3.8 External Bottleneck	
<b>4</b>	<b>Theories of Economic Development</b> 4.1 Classical Theories- Adam Smith, Ricardo & Malthus 4.2 Karl Mark's Theory of Economic Development 4.3 Schumpeterian Theory of Economic Development	12

## Section II

<b>5</b>	<b>Approaches to Economic Development</b> 5.1 Big Push Theory 5.2 Balanced Growth 5.3 Imbalanced Growth	10
<b>6</b>	<b>Foreign Capital and Development</b> 6.1 Meaning & Role of Foreign Capital in Economic Development 6.2 Problems of Foreign Capital 6.3 Private Foreign Investment- Types & Role 6.4 Public Foreign Investment-Types 6.5 Foreign Aid- Tide and Untied	14
<b>7</b>	<b>Macro Economic Policy</b> 7.1 Monetary Policy- Objectives, Instruments and Limitations 7.2 Fiscal Policy- Objectives, Instruments and Limitations 7.3 Fiscal Policy in Cyclical Fluctuations	12
<b>8</b>	<b>Economic Planning</b>  8.1 Meaning & Definition 8.2 Need of Planning 8.3 Objective of Economic Planning- Economic, Social and Political 8.4 Inclusive Growth Approach & 11 <sup>th</sup> five year plan 8.5 National Institution for Transforming India Aayog (NITI AYOOG)	

### Basic Reading List

- Adelman, I. (1961) Theories of Economic Growth and Development, Stanford University Press, Stanford.
- Behrman, S. and T.N Srinivasan,(1995) Handbook of Development Economic, Vol. 1 to 3, Elsevire, Amsterdam,

- Chenery H. and T.N.Shrinivasan, (1989) Handbook of Development Economics Vo1&2, Elsevier. Amsterdam.
- Dasgupta p. (1993) An Enquiry into Well Being and Destitution.
- Ghatak,S.(1986) An Introduction to Development Economics, Allen and Unwin, London,
- Grillis M., D H. Perkins, M.Romer and D.R.Snodgrass (1992) Economic of Development (3<sup>rd</sup>Edition) W.W.Norton, New York.
- Higgins, Benjamin. (1959) Economic Development, W.W.Norton , New York
- Meier, G.M. (1995) Leading Issue in Economic Development,6ed,Oxford University Press ,New Delhi,
- Todaro M.P. (1996) Economic Development (6<sup>th</sup> Edition) Longman, london.

### **Additional Reading List**

- Kindleberger C.P.(1977) Economic Development (3<sup>rd</sup> Edition ) MCGraw Hill, New York.
- Zhingam M.L.(1982) The Economics Of Development and Planning. Vrindo Publication (P) Ltd.
- Mahata J.K.(1964) Economic of Growth, Asia.
- Ghosh. B.N.(1982) Economic Development and Planning National Book House.
- Mishra & Puri, Development and Planning- Theory and Practice, Himalaya.
- Jagdish Bhagwati, The Economics Of Underdeveloped Countries.
- Ragnar Nurkse, Problem of Capital Formation in Underdeveloped Countries.
- Sen Amartya (1970) Growth Economics, Penguin.
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- Mehata J.K. (1971) Economic Development , Chaitanya.
- Avhad Suhas ( 2015), 'Economics of Growth and Development' (Marathi Edition) Success Prakashan, Pune
- Datir R.K.(2013) Vikas ani Paryavarniy Arthshastra, Nirali Prakashan, pune.
- World Bank, World Development Report -2001 to 2011