#### M.A. Economics (ODL Mode) M.A. Semester – I

# EC1001-I MICRO ECONOMIC ANALYSIS – I

- 1. Introduction
- 1.1 The Basic Principles of Microeconomics
- 2. Consumer Theory
- 2.1 The Market forces of Demand and Supply
- 2.2 The Theory of Consumer Choice: Preference Ordering, Marginal Utility Theory, Indifference Curve Approach, Income and Price Expansion Paths, Income and Substitution Effects: Slutskey and Hicksian Approach.
- 2.3 Theory of Revealed Preference
- 2.4 Concept of Total Revenue, Average Revenue and Marginal Revenue-Mathematical Applications; Concept of Elasticity: Price, Income and Cross Elasticity-Mathematical Applications
- 2.5 The Concept of Consumers' Surplus.
- 2.6 Modern Demand Theory Introduction to Choice under Uncertainty (Von Newman-Morgenstern Expected Utility Theory); Pragmatic Approach to Demand Analysis
- 3. Production Theory
- 3.1 Production Function One Input, Two Inputs: Isoquants.
- 3.2 Law of Variable Proportions, Returns to the Variable Factor, Returns to Scale, Cobb- Douglas Production Function.
- 3.3 Producer's Equilibrium with one and two inputs.
- 3.4 Cost Curves, Total, Average and Marginal Cost, Short Run and Long Run Costs, Concept of Economic Cost, Mathematical Applications
- 3.5 Derivation of Supply curve, Firm and Industry, Short and Long Run.
- 3.6 Concept of Producers' Surplus
- 4. Introduction to Welfare Economics
- 4.1 Concept of Social Welfare
- 4.2 Pigou's Contribution to Welfare Economics
- 4.3 Pareto Optimality; Product Exhaustion Theorem (Euler's Theorem)
- 4.4 Social Welfare Function, Compensation Criteria
- 4.5 Amartya Sen- Social Choice and Welfare

# 5. Market Structures

- 5.1 Perfect Competition Short Run and Long Run Equilibrium
- 5.2 Equilibrium of a Firm and Industry

#### EC1002-I PUBLIC ECONOMICS – I

## 1. Introduction

- 1.1 Changing Role of Government Fiscal Functions of Modern Governments The Allocation Function, The Distribution Function, The Stabilization Function, (Case Study: The Great Depression- From Police to Welfare State)
- 1.2 Private Goods, Public Goods, Social Goods, Merit Goods, Club Goods

### 2. Rationale for Public Policy

- 2.1 Allocation of Resources- Provision of Public Goods.
- 2.2 Voluntary Exchange Models- Lindahl, Johansen and Samuelson
- 2.3 Impossibility of Decentralized Provision of Public Goods
- 2.4 Contributions of Paul Samuelson, Robert Musgrave, Hugh Dalton- Demand Revealing Schemes for Public goods
- 2.5 The Clarke Tax, The Tiebout Hypothesis

## 3. Taxation

- 3.1 Principles of Taxation- Benefit and Ability to Pay Approaches
- 3.2 Theory of Incidence; Alternative concepts of Incidence
- 3.3 Allocative and equity aspects of Individual Taxes;
- 3.4 Theory of Optimal Taxation; Excess Burden of Taxes;
- 3.5 The problem of Double Taxation.
- 3.6 Shifting of Tax Burden
- 3.7 Incidence under Market Structures

#### 4. Public Expenditure

- 4.1 Wagner's Law of Increasing State Activities
- 4.2 Pattern of Public Expenditure- Wiseman-Peacock Hypothesis; Pure Theory of Public Expenditure- Samuelson (Collective Consumption Goods); Crowding-out Hypothesis
- 4.3 Structure and Growth of Public Expenditure
- 4.4 Criteria for Public Investment; Social Cost-Benefit Analysis, Project Evaluation, Estimation of Costs, Discount Rate,

#### EC1003-I INTERNATIONAL TRADE

#### 1. Overview of Classical and Modern Trade Theories

- 1.1 The Theory of Comparative Cost- David Ricardo
- 1.2 The Heckscher-Ohlin Theorem- The Opportunity Cost Approach
- 1.3 Verification of Physical Criterion and Price Criterion,
- 1.4 Leontief Paradox Factor Price Equalization [Edgeworth Box Diagram]
- 1.5 New Theories of Trade, Product Life Cycle and Technology Gap Models,
- 1.6 Preference Similarity and Intra-Industry Trade,
- 1.7 Economies of Scale and Monopolistic Competition
- 1.8 Krugman- Theory of Economic Geography
- 1.9 Neo-Heckscher Ohlin Theorem
- 2. Terms of Trade
- 2.1 Concepts of Terms of Trade, Factors affecting Terms of Trade
- 2.2 Gross & Net Barter Terms of Trade
- 2.3 Terms of Trade and Economic Development
- 3. Trade Policy
- 3.1 Free Trade vs. Controlled Trade,
- 3.2 Tariffs and Non-Tariff Barriers on Trade,
- 3.3 Effects of Tariffs under Partial Equilibrium. (Price Effect, Terms of Trade Effect, Competitive Effect, Income Effect, Revenue Effect)
- 3.4 Effects under General Equilibrium, Stolper-Samuelson Theorem

#### 4. Trade Agreements and Organization

- Introduction to International Trade Agreements- Dunkel Proposal and WTO, Important Agreements,
- 4.2 Major developments since 1995, Effects on the Indian Economy.
- 4.3 Composition of the Global Trade Growth, Developing Countries and participation in Global Trade, Growth of Trade in Services,

#### EC1005-I RURAL ECONOMICS

1. Rural Developmen
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- 1.1 Rural Development- Need and Issues
- 1.2 Approaches to Rural Development-Gandhian & Neo-Approach (PURA)
- 1.3 Structure of Rural Economy of India
- 1.4 Rural Economy and Globalization Impact and Challenges
- 1.5 Contract Farming, Corporate Farming, SEZs and Agriculture
- 1.6 Rural Development and Sustainable Livelihoods- Technology, Environment and Community

### 2. Rural Infrastructure

- 2.1 Status of Rural Infrastructure in India-
  - 2.2.1 Transport and Communication, Electricity, Irrigation,
  - 2.2.2 Housing, Education, Sanitation, Health
  - 2.2.3 HDI in Rural India
- 2.2 Agriculture and Rural Development in India- Land Use, Cropping pattern, Farm Labour
- 2.3 Farm Sector vs. Non-Farm Sector Issues and Challenges
- 2.4 Rural Industrialization- Agri-Business, Agro-based & Cottage Industries
- 2.8 Development of Rural Entrepreneurship -Approach and Policy Direction
- 3. Rural Credit
- 3.1 Role and Relevance of Source of Rural Credit- Non-Institutional and Institutional Sector- (NABARD, Commercial Bank and Cooperative Banks)
- 3.2 Indebtedness in Rural Sector in India- Magnitude, Causes and Measures
- 3.3 Rural Credit and Role of Microfinance in India 3.4 Imperfections and Challenges of Rural Credit

# 4. Rural Employment

- 4.1 Rural Employment and Unemployment
- 4.2 Agriculture and Unemployment-Magnitude, Causes and Measures
- 4.3 Labour Market Segmentation, Gender Differences
- 4.4 Unemployment and Migration- Causes and Policy Intervention
- 4.5 Rural Poverty and Inequality- Measurements, Causes and Policy Measures
- 4.6 Need for Inclusive Growth in Rural Sector