

# C.G. STATE ELIGIBILITY TEST- 2013

(As per UGC Syllabus and Guidelines)

Code No.: 10

**Subject: ECONOMICS**

## SYLLABUS

### Note:

There shall be two question papers in the subject. Paper- II shall consist of 50 objective type compulsory questions based on the subject. Each question will carry 2 marks. Paper- III will consist of 75 objective type compulsory questions. Each question will carry 2 marks. All questions of Paper- II and Paper-III will be compulsory, covering entire syllabus (including all electives, without options). Candidates will have to mark the responses for questions of all the papers on the Optical Mark Reader (OMR) sheet provided along with the Test Booklet.

## PAPER - II

1. **Micro-economic Analysis**  
Demand analysis - Marshallian, Hicksian and Revealed preference approaches  
Theory of Production and Cost  
Pricing and out put under different forms of market structure  
Factor Pricing analysis  
Elements of general equilibrium and new welfare economics
2. **Micro-economic Analysis**  
Determination of output and employment - classical approach, Keynesian approach, Consumption hypothesizes  
Demand for money- Fisher and Cambridge version, Approaches of Keynesian, Friedman, Patinkin, Baumol and Tobin  
Supply of Money, Determinants of money supply, High-powered money, Money multiplier  
Phillips Curve analysis  
Business cycles- Models of Samuelson, Hicks and Kaldor  
Macro-economic Equilibrium- Relative roles of monetary and fiscal policies
3. **Development and Planning**  
Economic Growth, Economic Development and sustainable Development - Importance of institutions- Government and markets - Perpetuation of underdevelopment-Vicious circle of poverty, circular causation, structural view of underdevelopment-Measurement of development conventional, HDI and quality of life indices  
Theories of Development -Classical, Marx and Schumpeter: Economic Growth - Harrod-Domar model, instability of equilibrium, Neoclassical growth- Solow's model, steady state growth. Approaches to development: Balanced growth, critical



minimum effort, big push, unlimited supply of labour, unbalanced growth, low income equilibrium trap

Indicators and measurement of poverty

Importance of agriculture and industry in economic development — choice of techniques and appropriate technology — Investment criteria — Elementary idea of cost-benefit analysis

Trade and Aid — International trade as 'engine of growth' — Globalization and LDC's

Objectives and role of monetary and fiscal policies in economic development

Techniques of planning; Plan Models in India; planning in a market-oriented economy

#### 4. Public Finance

Role of the Government in Economic activity — Allocation, distribution and stabilization functions; Private, Public and Merit goods

The Public Budgets — Kinds of Budgets, Zero-base budgeting, different concepts of budget deficits; Budgets of the Union Government in India

Public Expenditure — Hypotheses; effects and evaluation

Public Revenue — Different approaches to the division of tax burden, incidence and effects of taxation; elasticity and buoyancy; taxable capacity

Public Debt — Sources, effects, burden and its management

Fiscal Federalism — Theory and problems; Problems of Centre-State Financial relations in India

Fiscal Policy — Neutral and compensatory and functional finance; balanced budget multiplier

#### 5. International Economics

Theories of International Trade : Empirical verification and Relevance

International Trade under Imperfect competition

Terms of Trade and Economic Growth — Secular

Deterioration of Terms of Trade Hypothesis — a critical review

Equilibrium/disequilibrium in Balance of Payment — Traditional, Absorption and Monetary approaches for adjustment in the Balance of Payments, Foreign Trade multiplier

Impact of Tariffs, Partial and general equilibrium analysis; Political economy of Non-Tariff Barriers

Theory of regionalism at Global level — Collapse of Bretton-Wood System — Recent Monetary reforms

Trade Policy and Reforms in India

#### 6. Indian Economy

Basic Economic indicators — National income, performance of different sectors

Trends in prices and money supply

Agriculture — Institutional and technological aspects, new agricultural policy

Industry — New industrial policy and liberalization

Money and banking — Concepts of money supply, inflation, monetary policy and financial sector reforms

Public finance — Trends in revenue and expenditures of the Central and State Governments, Public debt; analysis of the Union Budget

Foreign trade — Trends, Balance of payments and trade reforms

Poverty, unemployment, migration and environment

## 7. Statistical Methods

Measures of Central tendency, dispersion, skewness and kurtosis  
Elementary theory of probability — Binomial, Poisson and Normal distributions  
Simple correlation and regression analysis  
Statistical inferences — Applications, sampling distributions (t,  $\chi^2$  and F tests),  
sampling of attributes, testing of Hypothesis  
Index numbers and time series analysis  
Sampling and census methods, types of sampling and errors

## PAPER III (A)

[ Core group ]

### Unit-I

Theory of Demand — Axiomatic approach, Demand functions, Consumer behaviour under conditions of uncertainty  
Theory of production  
Collusive and non-collusive oligopolies  
Different models of objectives of the firm — Baumol, Morris and Williamson  
Factor pricing  
General equilibrium and Welfare Economics

### Unit-II

Keynesian and post-Keynesian approaches to theory of output and employment; concept of investment multiplier; consumption hypotheses  
Theories of investment and accelerator  
Theories of demand for money — Keynesian and post-Keynesian  
Different approaches to money supply; money supply; components and determinants; money multiplier  
Output — price determination (aggregate supply and aggregate demand curve analysis)  
Fleming-Mundell open economy model

### Unit-III

Development and Growth — Role of institutions  
Theories of growth and development — Models of growth of Joan Robinson and Kaldor; Technical Progress — Hicks, Harrod and learning by doing, production function approach to the determinants of growth : Endogenous growth : role of education, research and knowledge — explanation of cross country differentials in economic development and growth.  
Theories of development — Classical, Marx, Schumpeter and structural analysis of development — Imperfect market paradigm, Lewis model of development, Ranis-Fei model, Dependency theory of development  
Factors in economy development — natural resources, population, capital, Human Resource Development and infrastructure  
Trade and development — trade as engine of growth, two-gap analysis, Prebisch, Singer and Myrdal views; gains from trade and LDCs

#### Unit-IV

Theories of taxation, types, incidence and effects  
Theories of public expenditure — effects on savings, investment and growth  
Burden of public debt  
Union Finance — Trends in Revenue and Expenditure of the Government of India  
State finance — Trends in Revenue and Expenditure of the State Governments  
Public Debt — India's Public debt since 1951 — growth composition, ownership pattern and debt management  
Union-State Financial Relations — Horizontal and vertical imbalances; the Finance Commissions  
Fiscal Policy and Fiscal Reforms in India

#### Unit-V

'Monetary approach' and adjustment in the balance of payments  
Regional blocs — multilateralism and world trading system  
The Political Economy of imposition of non-tariff barriers  
International trade under conditions of imperfect competition in goods market  
Theory of International reserves  
Optimum Currency Areas — Theory and impact in the developed and developing countries  
WTO and its impact on the different sectors of the economy

#### Unit-VI

Components of money supply  
Role, constituents and functions of money and capital markets  
RBI — recent monetary and credit policies  
Commercial banks and co-operative banks  
Specialized financial and investment institutions  
Non-Bank financial institutions and Regional Rural Banks

#### Unit-VII

Industrial structure and economic growth  
Pattern of industrialization — Public and Private; large and small industries  
Theories of Industrial location — Indian experience  
Industrial productivity — measurement, partial and total trends  
Industrial Finance in India  
Industrial Labour — Problems, policies and reforms in India  
Economic Reforms and industrial growth



## Unit-VIII

Population and Economic development — interrelation between population, development and environment, sustainable development

Malthusian theory of population, Optimum theory of population, theory of demographic transition, population as 'Limits to Growth' and as 'Ultimate Source'

Concepts of Demography — Vital rates, Life tables, composition and uses, Measurement of fertility — Total fertility rate, gross and net reproduction rate — Age pyramids, population projection — stable, stationary and quasi-stationary population; characteristics of Indian population through recent census

Poverty in India — Absolute and relative; analysis of poverty in India

Environment as necessity — amenity and public goods; causes of environmental and ecosystem degeneration — policies for controlling pollution — economic and persuasive; their relative effectiveness in LDCs; Relation between population, poverty and environmental degradation — microplanning for environment and eco-preservation — water sheds, joint forest management and self-help groups

Role of State in environmental preservation — Review of environmental legislation in India

## Unit-IX

Role of Agriculture in Indian Economy — Share of Agriculture, interrelationship between agriculture and industry

Institutional aspects — Land reforms, Green revolution

Technological aspects — Agricultural inputs and shifts in production function

Capital formation in the rural sector — Savings, assets and credits

Strategies for rural development

Regional disparities in Indian agriculture

Cooperative movement in India — Organization, structure and development of different types of cooperatives in India

## Unit-X

Application of Differential and Integral Calculus in theories of consumer behaviour, Production and pricing under different market conditions

Input-output analysis and linear programming

Application of Correlation and Regression

Testing of Hypothesis in Regression Analysis



**PAPER-III (B)**  
**[ ELECTIVE/OPTIONAL ]**

**Elective-I**

Single Equation Linear Model :

Assumption and properties of OLS

Multiple Regression Model — Estimation and Interpretation

Multi-collinearity — Auto-correlation and heteroscedasticity — Causes, detection, consequences and remedy

Dummy variables, distributed lags — Need, limitations and interpretation

Applications in Economics

Simultaneous Equation models :

Structural and reduced forms

Endogenous and exogenous variables

Identification problems and conditions

Single equation methods of estimations — TSLS, indirect least squares and least variance ratio

Techniques of Forecasting :

ARMA, ARIMA

Econometric properties of time series, Unit root, integrated series, random walk and white noise

**Elective-II**

Theory of Consumer Behaviour and Theory of Firms

Theory of Pricing — Monopoly, Monopolistic competition, Duopoly and Oligopoly

Theory of Games — Two-person, Zero-sum Game, Pure and Mixed strategy, Saddle point solution, Linear programming and input output analysis

Static and Dynamic Multiplier and Accelerator, Samuelson-Hicks trade cycle model.

Growth Models — Harrod and Domar, Neoclassical models — Solow, Meade, Kaldor's Model with technological progress, endogenous growth models

Employment and output determination with fixed and flexible prices (IS-LM, Aggregate demand and aggregate supply analysis)



### Elective -III

The Rise and Fall of Bretton-Wood and emerging International Monetary System

World Trading System — Evolution and Distortions

Globalization — Developments in Exchange Markets, Euro-Currency Markets, and International Bond Markets, International Debt crisis

Theory of Foreign Exchange Markets — Exchange Trading, Arbitrage and Market Hedging

### Elective — IV

Growth and Productivity trends in Indian Agriculture

Development of distributive institutions — Costs and price policies

Agricultural marketing and credit

Trends in migration and labour markets. Minimum Wages Act

WTO and sustainable agricultural development

Reforms in Indian agriculture

### Elective — V

Planning and Economic Development

Costs, Prices, WTO and Indian Agriculture

Globalization, Liberalization and the Indian Industrial Sector

Infrastructure and Economic Development

Social Sector, Poverty and Reforms in India

Women, Environment and Economic Development

Trade Reforms and Liberalization

Financial sector reforms

Fiscal policy and fiscal reforms

## SAMPLE QUESTIONS

### Paper -II

1. During the year June 1980 to June 1981 money supply with the public (M1) in India has increased by
  - (A) above 30 percent
  - (B) above 20 percent but below 30 percent
  - (C) above 10 percent but below 20 percent
  - (D) below 10 percent

टिप्पणी :

विषय में दो प्रश्न-पत्र होंगे। प्रश्न पत्र-2 में विषय पर आधारित 50 वस्तुनिष्ठ अनिवार्य प्रश्न होंगे। प्रत्येक प्रश्न दो अंक के होंगे। प्रश्न पत्र-3 में 75 वस्तुनिष्ठ अनिवार्य प्रश्न होंगे। प्रत्येक प्रश्न दो अंक के होंगे। प्रश्न पत्र-2 एवं प्रश्न पत्र-3 में सभी प्रश्न अनिवार्य होंगे, जो पूर्ण पाठ्यक्रम पर आधारित होंगे (सभी ऐच्छिक विषय सहित, विकल्प के बिना)। अभ्यर्थियों को सभी प्रश्न पत्रों के उत्तर को ओएमआर शीट में अंकित करना होगा, जिसे कि प्रश्न पुस्तिका के साथ प्रदत्त किया जावेगा।

## प्रश्न-पत्र-II

### 1. व्यक्ति आर्थिक विश्लेषण

मॉग विश्लेषण – मार्शल, हिक्स तथा प्रकटित अधिमान उपागम

उत्पादन तथा लागत के सिद्धान्त

विभिन्न प्रकार के बाजार ढाँचों में कीमत निर्धारण तथा उत्पादन

साधन कीमत विश्लेषण

सामान्य सन्तुलन विश्लेषण तथा नवीन कल्याण अर्थशास्त्र

### 2. समष्टि आय विश्लेषण

रोजगार तथा उत्पादन का निर्धारण – क्लासिकीय उपागम, कैन्स का उपागम, उपभोग परिकल्पनाएँ

मुद्रा की माँग-फिशर तथा कैम्ब्रिज उपागम, केन्स, फ्रीडमैन, पॅटिन्किन, बामल तथा टोबिन के उपागम मुद्रा की पूर्ति, मुद्रा पूर्ति के निर्धारक, प्रबल मुद्रा, मुद्रा गुणक

फिलिप्स वक्र विश्लेषण

व्यापार चक्र – सैम्युल्सन, हिक्स तथा काल्डर के मॉडल

समष्टि आर्थिक सन्तुलन – मौद्रिक नीति तथा राजकोषीय नीति की सापेक्ष भूमिका।

### 3. विकास एवं नियोजन

आर्थिक संवृद्धि, आर्थिक विकास तथा धारणीय विकास- संस्थाओं का महत्व-सरकार तथा बाजार – अल्पविकास का टिकाउपन – गरीबी का दुश्चक्र, चक्रीय कार्यकारण, अल्पविकास का संरचनात्मक दृष्टिकोण – विकास का मापन

विकास का सिद्धान्त – क्लासिकल, मार्क्स तथा शुम्पीटर, आर्थिक संवृद्धि – हैरड-डोमर मॉडल, संतुलन का अस्थायित्व नवक्लासिकीय संवृद्धि – सोलो मॉडल, स्थायी दशा संवृद्धि, विकास के उपागम – संतुलित संवृद्धि, क्रान्तिक न्यूनतम प्रयास, प्रबल प्रयास, असीमित श्रम पूर्ति, असंतुलित संवृद्धि, न्यूनतम आय संतुलन पाश

गरीबी के संकेतक तथा प्रमाप

आर्थिक विकास में कृषि तथा उद्योग को महत्व – तकनीक का चुनाव तथा उपयुक्त तकनीक – विनियोग कसौटी – लागत-लाभ विश्लेषण का प्रारम्भिक विचार



