

**Syllabus for P.G. Entrance in Economics (2020) University of Kashmir, Srinagar**  
**(based on UG Syllabus Operational for semester System under CBCS)**

**1. Demand and Supply**

Determinants of demand and supply; extension and contraction in demand; increase and decrease in demand; Laws of Demand and Supply; Elasticity of Demand – types and determinants; price, income and cross elasticity. Consumer and Producers surplus.

**2. Consumer Behavior**

Cardinal utility-Analysis and consumer's equilibrium; ordinal utility –Assumptions, laws of utility indifference curves- concepts and properties, marginal rate of substitution, Budget line, Consumer's equilibrium. Derivation of demand curve from Indifference curve and budget constraint.

**3. Theory of Production**

Production function— Properties, Homogeneous and linear homogeneous production functions; Law of variable proportions; Iso-quants, Marginal rate of technical substitution, Properties of Iso-quants, Iso-cost line, Equilibrium of a firm, Expansion path; Concepts of Costs; Short run and Long run Costs; Concept of Revenue; average, marginal and total revenue.

**4. Market Structure and Factor pricing**

Forms of market structure; Perfect and imperfect market; Short-run and long-run equilibrium of a firm and industry under perfect competition and monopoly; Features of Monopolistic competition, duopoly and oligopoly; Marginal Productivity theory of distribution, Ricardian theory of rent; Modern theory of wages

**5. National Income Determination**

National Income- Concept and Measurements; Nominal and Real GDP; Actual and Potential GDP; Aggregate expenditure; Consumption and Investment Functions; Concepts of MPS, APS, MPC, APC; Concept of Multiplier and Acceleration Principle.

**6. Aggregate Demand - Aggregate supply Analysis**

Aggregate Demand and Supply Curves- Shift and Slope Factors; Components of Aggregate demand; Aggregate Supply in Short-run and Long-run; Determination of equilibrium level of income; IS-LM Analysis - Derivation of IS and LM curves; Slope and Shift Factors.

**7. Inflation**

Inflation – concept and types, causes and consequences. Theories of demand pull and cost push inflation. Philip's curve in short-run and Long-run. Price stabilization- Monetary and Fiscal policies.

**8. Money & Banking**

Money— kinds, functions; Gresham's law; Demand for money, Quantity theory of money; Cash balance and Cambridge approach; Liquidity preference and interest rates; Supply of money—concepts and measurement, Money multiplier; H- theory of money.

## **9. Interest rates and Financial Institutions**

Interest rate differentials- Sources; Theories of term structure of Interest rates; Money and Capital Markets- Instruments and Portfolio management; Commercial banks; functions, credit creation mechanism, Central Bank— functions, qualitative and quantitative methods of credit control; Monetary Policy- Objectives , Instruments and operation in India.

## **10. Economic Development and Policy In India**

Development vs. Growth; Characteristics of an under-developed country; Unemployment- types; Agriculture Marketing and Credit- Recent Trends; Small Scale Industries- Definitions and issues; Public sector undertakings- Classification and disinvestment; Foreign Investment and its types.

## **11. International Trade and Balance of Payments**

Theories of absolute and comparative advantage; Terms of Trade- Concept and Types; Sources of Comparative advantage; Trade Barriers; Tariffs and Quotas; Free Trade vs Protectionism. Balance of Payments; Current Account and Capital Account; Foreign Exchange Market; Exchange rate determination in short-run and Long-run.

## **12. Public Finance**

Public goods *versus* private goods, externalities and free rider problem; Taxation- Concept and types; Canons of Taxation; Impact and Incidence of a tax; Major highlights of Union budget- 2019; Current Issues of Indian Tax system. Indian Fiscal federalism; Vertical and Horizontal transfers.

## **13. Environmental Economics**

Sustainable Development; Concept and Indicators; Pareto efficiency; Market Failure and environmental degradation; Rationale for Regulation- Coasian Approach; Pigovian Taxes; Effluent and emission fee; Tradable permits; Valuation of Non- Market goods and services; Cost-benefit analysis of environmental policies and regulations.

## **14. Economic History of India 1857-1947**

Overview of Colonial Economy; Famines in India; De-industrialization debate; Labour relations; Drain of wealth; Trade and capital flows in colonial period.

## **15. Indian Agriculture and Industry**

Agricultural land reforms and land tenure system; Green revolution - impact and issues; Sustainability of agriculture and food security in India. Industrial policy of 1948, 1956 and 1991, Disinvestments of Public Sector undertakings, Post reform employment schemes and their impact

### **Suggested Reading List:**

1. H.L.Ahuja (2016) Advanced Economic Theory – Microeconomic Analysis, S. Chand & Company, New Delhi
2. D. N. Devidi (2017), Microeconomics Tata McGraw Hill ,New Delhi
3. Dominick Salvatore (2009) Microeconomics –Theory and Application, Oxford University Press, New Delhi.
4. Edward Shapiro, (2005): Macroeconomic Analysis, 5<sup>th</sup> Edition, Galgotia Publications, New Delhi
5. H.L Ahuja, (2007) ‘Macroeconomics: Theory and Policy’, S. Chand & Company New Delhi.
6. M. P Todaro and Stephen Smith. (2011) *Economic Development*, Pearson,
7. A.P. Thirlwal (2005), Growth and Development, Macmillan Press Ltd., U.K.
8. J. Gruber, (2016), Public Finance and Public Policy, MIT.
9. Lekhi, R.K & J. Singh, (2016) Public Finance, 11<sup>th</sup> Edition, Kalyani publishers, Ludhiana, New Delhi..
10. Musgrave, R.A. and P.B. Musgrave, *Public Finance in Theory and Practice*, Mc-Graw Hill, 1989.
11. *Economic Survey* (2016-17 & 2017 - 18) Government of India.
12. F. S. Mishkin and S. G. Eakins, 2009.*Financial Markets and Institutions*, Pearson Education, 6<sup>th</sup>edition,
13. L. M. Bhole and J. Mahukud, 2011.*Financial Institutions and Markets*, Tata McGraw Hill, 5<sup>th</sup>edition,
14. M. Y. Khan, *Indian Financial System*, Tata McGraw Hill, 7th edition, 2011.
15. Robert J. Carbaugh (2004) International Economics, Thompson Publishing Company, New York.
16. Salvatore D. (2011), International Economics, Wiley India, New Delhi.
17. Hussain, A.M. (1999), Principals of Environmental Economics, Rutledge, London.
18. Kolstad, C.D. (1999), Environmental Economics, Oxford University Press, New Delhi.
19. Misra & Puri, (2016) Indian Economy, Himalaya Publishing House, New Delhi.
20. Datt, R. and K.P.M. Sundharam, (2001), Indian Economy, Chand & Company Ltd., New Delhi.

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