

## ECONOMICS (HONOURS) PAPER-I

Answer five questions out of Ten.

B.A-I

### MICRO ECONOMICS

#### Module 1. Introduction :

Nature and scope of economics, Choice as an economic problem, Role of price mechanism, Demand and supply, Basic framework of Market equilibrium, Socialism as an alternative economic system, Mixed Economy.



**Module 2. Consumer's Behaviour :**

**Utility** – Cardinal and Ordinal approaches, Indifference curve, Consumer's equilibrium (Hicks and Slutsky), Giffen goods, Compensated demand, Elasticity of demand-price, income and cross, Consumer's surplus, Engle curve.

**Module 3. Production and Costs :**

**Production Theory** – Relating inputs to outputs, production with one variable input-total, average and marginal product, average and marginal cost curves. Law of diminishing Return, production with two variable inputs—Isoquant and its features, constant, increasing and Decreasing Returns, Technological progress and competitiveness

**Cost of Production** – Nature of production cost. Cost in the short Run—Total Cost and Average Cost. Cost in the Long Run—Isocost Line, Least Cost Combination, Cost minimization in the Long Run and Short Run. Expansion path and Long Run Cost Curve.

**Module 4. Market Structure :**

Market forms—Perfect and imperfect markets, price and output Determination Under Perfect competition, Monopoly, Discriminating Monopoly, Monopolistic Competition, Oligopoly-Kinked Demand Curve and Collusion.

**Module 5. Input Market :**

Input price and Employment under Perfect Competition—Demand curve of a Firm for an input, Market Demand curve for an input and its Elasticity. Supply Curve of an Input, Pricing and Employment of an Input, the Concept of Economic Rent as an Unnecessary Payment. Input Price and Employment Imperfect Competition—Demand Curve of Firm for an Input, Market Demand Curve, Market Supply Curve Input Price and Employment, Effect of Labour Union on wages, Monopsony and Input Price, International Migration and Brain Drain.

**Module 6. Fundamentals of Welfare Economics :**

The Invisible Hand of the Competitive Markets. Welfare Economics and Pareto Efficiency. Analysing Economic Efficiency, Market Failure and the Role of Government, Redistribution and Merit Goods, Efficiency and Distribution Trade-offs, Analysing Social Choices; Three Approaches to Social Choices.

**Basic Reading List :**

1. Micro economics (7th Edition), Robert Pindyck and Daniel Rubinfeld, Prentice Hall.

**Help Book** – *Rekha Guess Paper Economics-I*

**PAPER-II**

Four questions from Group A and Group B each, and two questions from Group C will be answered from which candidates will be required any two questions from each of the Group-A and Group-B and questions from Group-C.



**Indian Economy and Contemporary Bihar****Group-A (Indian Economy Prior to Economic Reforms)****Module 1. Indian Economy at the time of Independence**

Features of the Indian Economy around 1947-1950.

**Module 2. Planning : Evolution of Indian's development goals and strategies :**

Background and structure of planning. Structural constraints and Indian development strategy, Debates between Public sector vs Private sector, Consumer goods vs. Capital goods, Import substitution vs Export promotion. Agriculture Industry relationship-Food crisis of the sixties, Poverty Eradication, Regional Inequalities.

**Module 3. Major issues and their impact in Indian Agriculture :**

Green Revolution in Indian, Land Reforms, Tenancy of different kinds and their effects, Marketable Surplus, Minimum Agricultural Prices.

**Module 4. Major issues in Indian Industry and their impact :**

Industrial stagnation-causes and remedies, Industrial licensing—justification and problems.

**Module 5. Poverty and Unemployment in India :**

Measurement of poverty, Programmes for removal of poverty, Different types of unemployment in India. Employment policies during plan period.

**Module 6. The external sector of the Indian Economy :**

Pattern of export and import trade prior to 1991-Variou problems.

**Group-B (Indian Economy Post-Reform Period After 1991)****Module 1. Economic Reform :** Background of Indian Economic Reforms. New Economic Policy Redefining India's Development Strategy, Changing Role of State and Market.**Module 2. Reforms in the Indian tax structure :**

Reforms in Direct and indirect taxes, The Fiscal Responsibility and Budget Management Act, 2003 (FRBMA)

**Module 3. Monetary Policy and the Reserve Bank of India :**

Reviewing recent changes in the Monetary Policy of the Reserve Bank of Capital Market in India—its structure, SEBI and the growth of the capital market.

**Module 4. International Trade and Capital Account Convertibility**

: Foreign Trade Policy, 2009-2014, Speial Economic Zones-Arguments in favour of and against them, Foreign Investment inflows since 1991-FII and FDI, The question of Capital Account Convertibility.

**Group-C (Contemporary Bihar)****Module 1. Economy of Bihar in Post-Independence Era :**

Backlog of Backwardness.

**Module 2. : Bifurcation and Its Impact, Growth performance in Bihar after Bifurcation, Problems of Population, Poverty and Malnutrition.**



**Module 3. Agricultural Growth :** Land Reforms and Peasant Uprising, Irrigation, Flood Problem and Flood Management, Marketing of Agro Products, JEEVIKA, Agricultural Technology Management Agency (ATMA).

**Module 4. :** Unemployment and Migration, Health Care and Transport. The Question of Bihari Identity, The issue of Special Status for Bihar and the Report of Raghuram Rajan Committee on Evolving A Composite Development Index of States.

Help Book – *Rekha Guess Paper Economics–II*

## ECONOMICS (GEN./SUB.)

### **Introductory Economics**

**Module 1. Exploring the Subject Matter of Economics :** Why study economics? The scope and method of economics, scarcity and choice, questions of what, how and for whom to produce and how to distribute output, the basic competitive model, economic systems.

**Module 2. Supply and Demand : How Markets Work, Markets and Welfare :** Individual demand and supply curves, the role of prices in resource allocation, the concept of elasticity and its application, consumer and producer surplus, taxes and their efficiency costs.

**Module 3. Introduction to Macro economics and National Income Accounting :** Basic issues studied in macro economics, measurement of gross domestic product, income, expenditure and the circular flow, real versus nominal GDP, price indices.

**Module 4. Money and Inflation :** Functions of money, quantity theory of money, determination of money supply and demand, credit creation, tools of monetary policy, inflation and its social costs, Nature of Business Cycle, Stagflation.

### **Basic Reading List :**

Economics, Paul Samuelson (Author), William Nordhaus, McGraw.

Help Book – *Rekha Guess Paper Economics (Sub./Pass)*