Scheme:

<table>
<thead>
<tr>
<th>Subject</th>
<th>Min. Pass Marks</th>
<th>Max. Marks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arts</td>
<td>72</td>
<td>200</td>
</tr>
<tr>
<td>Science</td>
<td>54</td>
<td>150</td>
</tr>
<tr>
<td>Paper-I</td>
<td>3 hrs. duration</td>
<td></td>
</tr>
<tr>
<td>Paper-II</td>
<td>3 hrs. duration</td>
<td></td>
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</tbody>
</table>

Note: There will be two papers of Economics. Each paper will have 3 questions from each section. In addition to these nine questions (3 questions from each section) there shall be one multiple choice objective type question in each of the two papers. This question shall be compulsory.

The candidate will be required to attempt five questions in all in each paper selecting at least one question from each section and one compulsory multiple choice/objective type question. Each question will carry 20 marks.

The multiple choice/objective type question will consist of 20 questions of one mark each.
Paper (I) Macroeconomics Theory

Section - A

Basic concepts - static, comparative static and dynamic macroeconomics, interdependence between microeconomics and macroeconomics, fallacy of composition; classical, neo-classical and Keynesian macroeconomics; constants and variables, dependent and independent variables, stock and flow variables, ex-ante and ex-post variables.

Circular flow of income, injection and leakages: definition, components and measurement of national income, estimation of national income in India, national income deflator, problems in measurement of national income, national income and economic welfare.

Definition of money, monetary standard, various forms of money, functions of money, supply of money, measurement of money in India, \( M_1, M_2, M_3 \) and \( M_4 \), determinants of money supply, \( H \) theory, Quantity theory of Money - Fisher and Cambridge approaches, Keynesian theory of demand for money: value of money and its changes in value of money.

Section - B

Classical theory of output and employment. Say's law of market, Keynesian theory of output, employment and income, concepts of aggregate demand, aggregate supply, effective demand, consumption function and investment function, relevance of Keynesian theory for developing economies.

Multiplier - investment multiplier, complex multiplier, government expenditure, tax and transfer payments multipliers, balanced budget multiplier and foreign trade multiplier.
Central Bank- functions of a central bank with reference to India, credit control by a central bank, quantitative and qualitative methods- bank rate, cash reserve ratio, statutory liquidity ratio, open market operations, repo rate, reverse repo rate and credit rationing, relationship between central bank and treasury.

Commercial banks- functions of commercial banks, multiple credit creation, credit multiplier and deposit multiplier, role of commercial banks in a globalized world. e-banking

Banking reforms after 1991

Monetary policy of India and its role in promoting economic development and achieving price stability after 1991

Books Recommended
Paper - II (a) Basic Mathematics and Statistics for Economics

Section - A

Surds, indices, quadratic equation, logarithms, permutation and combination, arithmetic progression, geometric progression and harmonic progression, matrices and determinants, solution of simultaneous equations by Cramer's rule and matrix inverse method, differentiation - simple and partial (involving two independent variables), unconstrained and constrained maxima and minima; simple integration.

Section - B

Statistics - definition and importance, population and sample, methods of sampling, diagramming and graphical representation of data; measures of central tendency, dispersion and skewness.

Section - C

Correlation and regression analysis of time series, index numbers, interpolation (binomial expansion and Newton's method), association of attributes

(Note: Use of calculator is permitted)

Books Recommended:

3. श्री सी. मेहता एवं जी.एम. के मदनानी, अर्थशास्त्र में प्रारंभिक गणित, लक्ष्मीनारायण अग्रवाल, प्रेम
4. कृताचार नाथ नायर, सार्थक गणना के मूल तत्त्व, मीनाश्री प्रकाशन भेरस

Books for References:

1. Hall and Knight. Higher Algebra
Section – A

Mercantilism. Physiocrats. Quesnay’s Table Economic. Concept of Surplus, growth theory of taxation and role of Government.


Section – B


Rehabilitation by Cairns. Stationary State. Version non-competing groups.


Section – C


Twentieth century economic thought-main features (only the rise of Keynesianism, the rise of mathematical Economics, dynamics and econometrics) Critical evaluation of the development of economic thought. Indian economic thought – Kautiya and Gandhi.

Books Recommended: