10. ECONOMICS (HONS.)

Scheme:

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<th>Four</th>
<th>Papers</th>
<th>Duration</th>
<th>Max. Marks</th>
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<td>Paper I</td>
<td>X</td>
<td>3 hrs.</td>
<td>100</td>
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<td>Paper X</td>
<td></td>
<td>3 hrs.</td>
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<td>160</td>
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<td>Paper XI</td>
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<td>3 hrs.</td>
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<td>Paper XII</td>
<td></td>
<td>3 hrs.</td>
<td>100</td>
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Note: Each question paper shall be of 3 hours duration. The question paper shall contain two parts:

Part A shall be compulsory containing 2 questions of 20 marks each. Question one shall contain 20 questions of multiple choice type and of one mark each. Second question shall contain 10 questions of limited words (maximum 20 words) answer and of two marks each. Marks can be deducted if answer exceeds 20 words. This part of the Questions Paper shall be of one hour duration. The questions in this part can be asked from the entire course.

Part B of the Questions Paper shall have 2 questions of descriptive type from each of the 3 sections, and shall carry 60 marks. The
candidates shall be required to attempt one question of 20 marks from each section.

**Paper-IX Public Finance**

Duration : 3 hrs.  Max. Marks : 100

**Section 'A'**


Principles of Maximum Special Advantage.


**Section 'B'**

Shifting and Indidence-Impact, Incidence and Shifting. Incidence of taxation under Monopoly and Perfect Competition.

Direct versus Indirect taxes-an elementary approach.

Effects of taxation on Production, Growth and Distribution.


**Section 'C'**


**Book Recommended :**

4. H.L. Bhatia, Public Finance. (Latest Ed.)
5. D.N. Dwivedi. (Ed.) Readings in Indian Public Finance (Relevant Chapters).
6. Prem Prakash Sharma, Sarvajanik Vitt Ke Siddhant.
Reference Book:

Paper X: Development Economics
Min. Pass Marks: 40  3 hrs. Duration  Max. Marks: 100

Section 'A'
Characteristics of under-developed countries-Growth and their relative contribution. Natural Resources, Manpower, Capital Technology, Institutions, State Power, Impediments to development and their inter-connections.

Section 'B'

Section 'C'
Indian Planning-Objectives, Strategy of development pattern of Public Investment and Financing under plans (with emphasis on the Latest Plan).
Main Features of the Eighth five Year Plan.

Book Recommended:
1. W.A. Lewis, Development Planning.
2. E. Lebargen, Economic Development.

Paper-XI: Money and Financial System
Min. Pass Marks: 40  3 hrs. Duration  Max. Marks: 100

Section 'A'
Finance: Role of finance in an economy-financial system: components, money and capital markets and instruments-Development
banks and other non-banks financial intermediaries: categories, functions and individual salient feature.

Section 'B'

Commercial Banks-Functions: Conventional and new Bank deposits and negotiable instruments. Process and limitations of multiple credit creation-basic principles of bank liquidity and income.

A bank's balance-sheet: importance and analysis of major assets and liabilities of any commercial bank-problem of capital adequacy of banks in India-Non-Performing advances-concept, practice and management-Non challenges for the banking industry in India.

Section 'C'

Reserve Bank of India-Functions including its supervision over the Indian financial system-major instruments of monetary and credit control used in India. Main features of our monetary policy, its contribution to economic growth and price stability since the mid-1980s.

Interest rates-Level and Structure of bill rate. Long-dated securities rate, basic lending rate and deposit matter and an appropriate set-off policy, essentials of a healthy interest rate policy. Sources of data on Indian Monetary System.

Book Recommended:
1. L.V. Chandler and S.M. Goldfeld-The Economics of Money and Banking (Latest ed.) chs. 1-7, 18.
3. Reports of the committees to Review the working of the Monetary system (April, 1985), chs. 4, 5-8, 10-13.
5. N.S. Toor: Non-Performing Advances in Banks (Skylork, J.D.).

Paper XII: Mathematical Economics
Min. Pass Marks: 40  3 hrs. Duration  Max. Marks: 100
Section 'A'

Section 'B'

Section 'C'
Linear programming—Formulation, Graphical solution, simplex method with two variables for maximization only, concept of Primal and dual. Input-Output analysis—Hawkins Simon Conditions of viability and determination of gross output only.
Game-theory: Two Persons-Zero sum game (saddle point solution only). Cobweb Model.

Book Recommended:

Reference Books:
1. Alpha C. Chiang, Fundamental Methods of Mathematical Economics, 3rd Ed. (Relevant chapters for Section ‘C’).
2. Deward T. Dowling: Mathematics for economists, Schaum’s outline Series (Relevant Chapters).