Syllabus for the Post of PGT Economics

Introduction

Meaning, scope, functions and importance of statistics in Economics

Collection, Organisation and Presentation of data

- Collection of data - sources of data - primary and secondary; how basic data is collected with concepts of Sampling; methods of collecting data; some important sources of secondary data: Census of India and National Sample Survey Organisation.
- Organisation of Data: Meaning and types of variables; Frequency Distribution.
- Presentation of Data: Tabular Presentation and Diagrammatic Presentation of Data: (i) Geometric forms (bar diagrams and pie diagrams), (ii) Frequency diagrams (histogram, polygon and Ogive) and (iii) Arithmetic line graphs (time series graph).

Statistical Tools and Interpretation

- Measures of Central Tendency- Arithmetic mean, Median and Mode
- Correlation – meaning and properties, scatter diagram; measures of correlation - Karl Pearson's method (two variables ungrouped data) Spearman's rank correlation
- Introduction to Index Numbers - meaning, types - Wholesale Price Index, Consumer Price Index and index of industrial production, uses of index numbers; Inflation and Index numbers,

Introduction to Microeconomics

- Meaning of microeconomics and macroeconomics; positive and normative economics
- What is an economy? Central problems of an economy: what, how and for whom to produce; concepts of Production Possibility Frontier and Opportunity Cost.

Consumer's Equilibrium and Demand

- Consumer's equilibrium - meaning of Utility, Marginal Utility, Law of Diminishing Marginal Utility, conditions of consumer's equilibrium using marginal utility analysis.
- Indifference curve analysis of consumer's equilibrium-the consumer's budget (budget set and budget line), preferences of the consumer (indifference curve, indifference map) and conditions of consumer's equilibrium.
- Demand, market demand, determinants of demand, demand schedule, demand curve and its slope, movement along and shifts in the demand curve; price elasticity of demand - factors affecting price elasticity of demand; measurement of price elasticity of demand – percentage-change method and total expenditure method.

Producer Behaviour and Supply

- Meaning of Production Function – Short-Run and Long-Run
- Total Product, Average Product and Marginal Product.
- Returns to a Factor
- Cost – Short run costs - Total Cost, Total Fixed Cost, Total Variable Cost; Average Cost; Average Fixed Cost, Average Variable Cost and Marginal Cost - meaning and their relationships.
- Revenue – Total Revenue, Average Revenue and Marginal Revenue - meaning and their relationship.
- Producer's Equilibrium - meaning and its conditions in terms of Marginal Revenue Marginal Cost. Supply, market supply, determinants of supply, supply schedule, supply curve and its slope, movements along and shifts in supply curve, price elasticity of supply; measurement of price elasticity of supply - percentage-change method.

Forms of Market and Price Determination under Perfect Competition with simple applications.

- Perfect competition - Features; Determination of market equilibrium and effects of shifts in demand and supply. (Short Run Only)
- Simple Applications of Demand and Supply: Price ceiling, Price floor.

National Income and Related Aggregates

- Basic concepts in macroeconomics: consumption goods, capital goods, final goods, intermediate goods; stocks and flows; gross investment and depreciation.
- Circular flow of income (two sector model); Methods of calculating National Income - Value Added or Product method, Expenditure method, Income method.
- Aggregates related to National Income: Gross National Product (GNP), Net National Product (NNP), Gross Domestic Product (GDP) and Net Domestic Product (NDP) - at market price, at factor cost; Real and Nominal GDP
- GDP and Welfare

Money and Banking

- Money – meaning and functions, supply of money - Currency held by the public and net demand deposits held by commercial banks.
- Money creation by the commercial banking system.
- Central bank and its functions (example of the Reserve Bank of India): Bank of issue, Govt. Bank, Banker's Bank, Control of Credit through Bank Rate, CRR, SLR, Repo Rate and Reverse Repo Rate, Open Market Operations, Margin requirement.

Determination of Income and Employment

- Aggregate demand and its components.
- Propensity to consume and propensity to save (average and marginal).
- Short-run equilibrium output; investment multiplier and its mechanism.
- Meaning of full employment and involuntary unemployment.
- Problems of excess demand and deficient demand; measures to correct them - changes in government spending, taxes and money supply.

Government Budget and the Economy

- Government budget - meaning, objectives and components.
- Classification of receipts - revenue receipts and capital receipts;
- Classification of expenditure – revenue expenditure and capital expenditure.
- Balanced, Surplus and Deficit Budget – measures of government deficit.

Balance of Payments

- Balance of payments account - meaning and components;
- Balance of payments – Surplus and Deficit
- Foreign exchange rate - meaning of fixed and flexible rates and managed floating.
- Determination of exchange rate in a free market, Merits and demerits of flexible and fixed exchange rate. Managed Floating exchange rate system

Development Experience (1947-90) and Economic Reforms since 1991:

- A brief introduction of the state of Indian economy on the eve of independence.
  Indian economic system and common goals of Five-Year Plans.
- Main features, problems and policies of agriculture (institutional aspects and new agricultural strategy), industry (IPR 1956; SSI – role & importance) and foreign trade.
- Economic Reforms since 1991:
  Features and appraisals of liberalisation, globalisation and privatisation (LPG policy);
  Concepts of demonetization and GST

Current challenges facing Indian Economy

- Human Capital Formation: How people become resource; Role of human capital in economic development; Growth of Education Sector in India
- Rural development: Key issues - credit and marketing - role of cooperatives; agricultural diversification; alternative farming - organic farming
- Employment: Growth and changes in work force participation rate in formal and informal sectors; problems and policies
- Sustainable Economic Development: Meaning, Effects of Economic Development on Resources and Environment, including global warming

Development Experience of India

- A comparison with neighbours Issues: economic growth, population, sectoral development and other Human Development Indicators

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