

TELANGANA UNIVERSITY

Ph.D ENTRANCE SYLLABUS FOR ECONOMICS

UNIT -I: Micro Economics

Consumer behaviour analysis - Demand -Types of demand -measurement of elasticity - Indifference curve analysis - Revealed preference theory -Consumer surplus -separation of price effect Hicks and Slutsky methods - Production function -Law of variable proportion -ISO -Product curves - returns to scale Cobb-Douglas production and ECS*production function -Derived demand for factors (Marginal productivity theory) -Pricing of output under different markets -Monopoly -Monopolistic competition - Oligopoly -Bilateral monopoly - Baumol's sales maximisation model, Williamson's model of managerial discretion, marris model of managerial enterprise, Full cost pricing, Bain's limit pricing, sylos - Labini and Modigliani's behavioural models. Break even analysis - Game theory.

UNIT-II: GENERAL EQUILIBRIUM AND WELFARE ECONOMICS

Theory of Distribution - Neo-Classical theory of distribution - Marginal productivity theory - Euler's theorem - Clark - Wicksteed - Walras's Production Exhaustion theorem. General Equilibrium V/S Partial Equilibrium -General equilibrium of exchange and consumption- A pure exchange model - Walrasian theory of General Equilibrium, in two factor good, two consumer model- the notion of competitive equilibrium - Existence - Uniqueness & stability of an equilibrium. Welfare Economics - Criteria of social welfare -old welfare economics Pareto optimality, Hicks- Kaldor compensation criteria - Scitovsky's double criterion - Derivation of grand utility possibility frontiers and bliss point - Market failures externalities -public goods and externalities -Free- Rider's problem - the theory of second best -Social Welfare function, Bergson's Criteria - Arrow's Impossibility theorem - Amartya Sen's theory of social choice.

UNIT-III: Macro Economics - I

Approaches of Macro Economics and variables - Circular Flow of Income in two, three and four-sector economy, different forms of national income accounting - Input - Output Accounting, flow of funds accounting and balance of payments accounting. Consumption function -Keynes psychological law of consumption implication of law -short run and long run consumption function -Income consumption relationship -Absolute income and relative income -Permanent and life cycle income hypothesis and their reconciliation -Investment -Multiplier and Accelerator - Influence of policy measures of investment -Financial theories of investment and Institution, capital market in India - Growth and development of capital market, primary market and secondary markets -Regulation of capital market and Functioning, Measures of money supply. Theories money supply RBI approach to money supply. High power money and money multiplier - Budgets deficits and money supply and control of money supply.

UNIT-IV MACRO ECONOMIC S-II

Post-Keynesian approaches to demand for money-Patinkin and the Real Balance Effect, Approaches of Baumol's and Tobin; Friedman and the modern quantity theory. Revival of monetarism-Friedman's Restatement of quantity theory of money and its critical appraisal. Neo-Classical and Keynesian views on interest; The IS-LM model ; Extension of IS-LM model with government sector; Relative effectiveness of monetary and fiscal policies; IS-LM model in open economy; Monetary approach to balance of payments. Capital flows with fixed exchange rate, trade and capital flows with flexible exchange rate and critical look at IS-LM model. Classical, Keynesian and Monetarist approaches to Inflation; Inflationary Gap. Structuralism theory of inflation; Philips curve analysis-Short run and long run Philips curve ; the natural rate of unemployment hypothesis; Tobin's modified Philips curve and policies to control inflation. Business cycles-Theories of Schumpeter, Samuelson and Hicks-Interaction of multiplier and acceleration model, Control of business cycles- relative efficacy of monetary and fiscal policies -Monetary policy and its objectives with special reference to Indian economy. The new classical macroeconomic approach; policy implications of new classical approach - Rational expectations theory, Role of expectations in macroeconomic analysis - Adaptive expectations. Macro stabilization policies and financial sector reforms in India.

UNIT-V: PUBLIC ECONOMICS

Role of state in economic activity - Evolution of public finance - Multiple theory of public household - Normative and positive aspects of public finance. Public expenditure Analysis: Public choice theories (Direct democracy, indirect democracy, The Leviathan Hypothesis, Classes and interest groups) - theories of public Expenditure (Wagner's Law and Peacock and Wiseman). Benefit, Ability -to- pay and Neutrality approaches to taxation - Elasticity Buoyancy of taxation- impact, incidence and shifting of taxation- Tax reforms (VAT). Budgeting Techniques: Alternative techniques of government budgeting: Planning, Programming and Performance budgeting- Zero based budgeting - output and outcome budgeting- Economic and functional classification of government budget. Patterns of federalism - functions by level of government - Fiscal capacity, fiscal need, fiscal position, tax effort - principles of grant division (Matching verses Non-matching grants, General and earmarked grants) - taxation in the federation. Burden of public debt- Effects of public debt- Management of public debt - Redemption of public debt - Alternative concepts of budget deficit and their implications for public debt. Theory of fiscal policy and economic stability - fiscal policy and economic development. Growth and structure of revenue and expenditure at the centre and states: levels - Fiscal crisis - Fiscal reforms - Issues in Central state financial relations with special reference to the twelfth finance commission -issues in public debt-critical assessment of fiscal policy.

UNIT-VI: INTERNATIONAL ECONOMICS

The pure theory of international trade – Theories of absolute advantage comparative advantage and opportunity costs: Factor endowments and Heckscher–Ohlin theory of trade Empirical testing of H.O Models .The Lenotief paradox. Factor price under autarky; Commodity and factor price under trade factor price equalization: Complete specialisation. Concept of terms of trade, their uses and limitations –Measurement of gains from trade and their distribution: Terms of Trade and Economic growth. Free Trade Vs Protection, Trade restrictions –Tariffs, quotas and non tariff barriers: the theory of tariffs –Tariffs and income distribution: Stolper –Samuelson theorem: Tariffs and the national income: optimum tariff Secular Deterioration Hypothesis –Rybeznski theorem: Immiserising growth. Economic effects of tariffs quotas and non –tariff barriers. Balance of Payment –Meaning and components of Balance of Payments: The balance of trade and balance of payments: Equilibrium and disequilibrium in the balance of Payments: Autonomous and Accommodation Capital Flows, the balance of payments and economic policy. The process of adjustment under system of gold standard, fixed exchange and flexible exchange rates: Expenditure reducing and expenditure –Switching policies and direct contorts for adjustment: Monetary approach to the theory balance of payment adjustment: foreign trade multiplier Exchange rate – Meaning Flexible versus fixed exchange rates: Flexible exchange rates and uncertainty; Flexible exchange rates and inflation: Speculation and the stability of exchange rates. The theory of regional blocks and international trade ; Forms of Economic Cooperation Customs Union and free trade areas, Customs union and economic progress – The European Economics Community (EEC) – SAARC - ASEAN and European Economic Union. The rise and fall of gold standard and Brettonwoods system. IMF, IBRD, and UNCTAD reforms of the international monetary system, functions of GATT, WTO agreements WTO and India.

UNIT-VII : DEVELOPMENT AND PLANNING

Economic Growth, Economic Development and sustainable Development –Importance of institutions – Government and markets – perpetuation of underdevelopment- Vicious circle of poverty, circular causation, structural view of underdevelopment – Measurement of development conventional, HDI and quality of life indices -Classical theories of growth –Adam Smith, Ricardo and Malthus – Marx's theory of Economic development –Schumpeter's theory of economics development. Harrod – Domar growth model – Neo Classical Growth – Solow and Meade – New Growth models – Human Capital and Economics. The theory of Big Push – critical minimum effort and Low level Equilibrium trap, Lewis model of Economic growth. The theory of balance Growth – the Strategy of Unbalanced Growth – Balanced Vs unbalanced growth – Investment criteria and choice of techniques. Investment Criteria – Choice of Goods and Techniques – Investment Criteria in Development Countries, Present Vs Future, Alternative Investment criteria –Cost benefit Analysis - shadow prices. The role of international trade in economic development in the context of globalization process .Static and

Dynamic gains from trade –Export led Growth led export dual gap analysis -WTO and Developing countries.

The role of monetary and fiscal policies in economic development – Trade policies Technology policy –policy in financial structure – Internal and External Resources –Implications for development – policy of host countries towards MNC's activities in developing countries. Types of planning – Indicative, Macro and micro level planning –Shadow pricing Input –output analysis –Indian plan models –P.C.Mahalanobis ,Raj-Sen. and Chakravarty Models. Planning in India - Objectives and strategy of planning. Achievements and failures of plans over-view of Indian Economy. Liberalization policy.

UNIT-VIII: QUANTITATIVE METHODS

Uses and limitations of Mathematics in Economics, Concept of Function and types of functions, Concept of derivative, Rules of differentiation, Interpretation of revenue, cost, demand, supply functions. Elasticities and their types. Multivariable functions, Rules of partial differentiation and interpretation of partial derivatives, Problems of maxima and minima in single and multivariable functions. Constrained optimization, Lagrangian function, simple economic applications - maximization of utility and maximization of profits. Introduction to linear programming, formulation of linear programming problem — its structure and variables, Nature of feasible, basic, optimal solution, Solution of linear programming through graphic method, Concept of duality. Determinants and their Basic Properties, Solution of simultaneous equations through Cramer's rule, Matrices — Concept and types, Simple operation on matrices, matrix inversion, rank of matrix, Introduction to input output analysis. Definition of Statistics, Uses and limitations of Statistics in Economics, Methods of collecting data - census and sampling — their advantages and disadvantages, Measures of Central tendency — mean, median and mode, Measures of Dispersion — range, quartile deviation, mean deviation, standard deviation, variance, coefficient of variation, Gini coefficient. Concept of correlation, Karl Pearson's Coefficient of correlation, Spearman's rank coefficient of correlation. Simple regression, Estimation of regression coefficients by ordinary least square methods, standard error of regression line. Time-series analysis, components of time-series data, determination of secular trend by moving average and ordinary least square methods, Uses of seasonal indices, Estimation of linear and compound growth rate using OLS method. Methods of constructing Index numbers and their uses, weighted and unweighted indices, Laspey's, Pasche's and fisher's indices, Cost of living index numbers. Basic concept of sampling - random and non-random sampling, simple random, stratified random and P.P.S. sampling, Concept of probability, Classical and empirical definitions of probability, laws of addition and multiplication, discrete random variable — its concept, mean and variance, Normal distribution — its concept and properties. Concept of an estimator and its sampling distribution, Desirable properties of a good estimator, formulation of statistical hypotheses — null and alternative, testing for mean of a population from large sample and Testing for difference between means of two population from large sample.

UNIT-IX: ECONOMETRIC METHODS

Meaning Nature and Scope of Econometrics- use of Mathematics and statistics in Econometric Analysis- the Classical Linear Regression Model and its Assumptions- significance of the Error Term in Econometric Analysis. Estimation through OLS Method and the properties of OLS Estimators- Gauss -Marko theorem - Multiple Regression Model - Estimation & Interpretation- "t" and "F" tests. The Meaning of partial co-efficient- The Multiple Co-efficient of Determination R^2 and the Multiple Co-efficient of correlation R- Concepts of R^2 and Adjusted R^2 . ANOVA-its application in regression analysis. Relaxing the Assumptions of the Classical Linear Regression Model - the problem of Auto - Correlation- Causes and Consequences of Auto-Correlation- Tests and Remedial Measures for the problem of Auto-Correlation- Multi-Co linearity - Causes, Consequences of the problem- Tests and Remedial Measures for the problem of Multi-Co linearity. Nature, Tests, Causes, Consequences and Remedial Measures for the problems of Heteroscedasticity and Errors in variables- Regression Models with Dummy Variables- uses of Dummy Variable Analysis.

UNIT-X: INDIAN ECONOMIC POLICY

Indian economy during British rule, Commercialization of Agriculture, Process of Industrialization, Composition of foreign trade, GNP and Occupation. Problems of Regional Development, Balanced Regional Development and Regional Inequalities. Agricultural Sector- Institutional structure, land reforms in India: Technological change, Pricing policy of agricultural products: Terms of trade between agriculture and industry: agricultural finance, agricultural marketing: issues in food security. Industrial Sector- Industrial policy- Public Sector and its performance: problems of Industrial Sickness: Growth and pattern of Industrialization, Small Scale Sector: Privatization, Disinvestment and Exit policy. Problem of unemployment, unlimited supply of labour, human capital inequalities in income and poverty. Fiscal Federalism- Central-State Financial Relation: Finances of Central Government: Finances of State Governments, Parallel Economy, Fiscal Sector Reforms in India.

Money, Banking and Prices- Analysis of Price Behaviour in India; Financial Sector Reforms; Interest Rate Policy; Monetary and Credit policy of RBI; Money and Capital Markets, working of SEBI in India. External Sector- Structure and direction of foreign trade; Balance of payments; Issues in Export-Import policy and Foreign Exchange Management Act(FEMA); Exchange rate policy, Trade Reforms in India. Economic reforms- Changing role of State; Role of Private Sector in Indian Economy and problems; Reforms related reports - Raja Chellaiah Committee report on Tax reforms - Narasimham Committee report on Banking reforms - Disinvestment Commission on Public Sector.