

Economics

PART – 1 (1) Micro Economies

(1) Economic Problem.

Nature causes m Emergence of economic activities.

Their Meaning & illustrations [nature of the problems of scarcity & Abundance (of means)]

(2) Definitions of Economics.

1. Ideology of the eastern areas

2. Views of kautilaya

3. Ideology of the Western Areas

4. Adam Smith, Marshall Robbins.

5. Over & above the definitions acclaimed Universally.

2.1. Consumer behaviour & Demand.

Consumer Equilibrium Meaning (Maximum Satisfaction) Views of Marshall Views of Prof. Hick Marshall

- Marginal Utility – Diminishing Marginal
- Diminishing Marginal – rate of returns.
- Utility & Price . – Equi marginal Utility. equilibrium

2. Demand

1. Meaning – kind – determinant factors – Individual demand & market demand. Law of demand

– demand schedule – 2. Explanation through Downward falling DD Curve.

3. Exceptions to the law of Demand m increase & Decrease (with a comparison of Expansion & contraction demand – Expan. & contract of D.D. (in relation to price.)

3. Elasticity of Demand

– Meaning –

Price elasticity of DD.

Income Elasticity of DD.

Unitary Elasticity of DD.

Methods of measuring price elasticity of DD.

a) Percentage Method.

b) Total Expenditure Method.

c) Geometric Method. (illustration based Explanation)

(1) Attitude of Producers & Supply –

1. Equilibrium of Production – Meaning (maximum Profit)
2. Meaning of supply – kind – Individual firm supply & Market supply.
3. Factors determining supply.

(2) Law of supply.

1. Supply Schedule m Upward rising SS curve – limitations.
2. Expansion & Contraction of SS & Increase & Decrease of SS. (In relation to the price & other factors)
3. Methods of measuring price Elasticity of SS.
 - a) Percentage Method
 - b) Geometric Method
 - c) Total Income (revenue) Method

(3) Concept of production Cost.

1. Real Cost
2. Alternative Cost
3. Financial Cost
4. Classification of costs based on time factor.

SHORT RUN COST

LONG RUN COST

In SHORT RUN COST the inter relationship between FIXED COST, VARIABLE COST, TOTAL COST, AVERAGE COST, MARGINAL COST.

(4) CONCEPT OF REVENUE

The Concept of TOTAL Revenue, AVERAGE Revenue, MARGINAL Revenue, & their Inter Relationship.

Nature of Market & Price determination.

– Meaning of market m kinds m classification of Market. Limitations.

Kinds of Market

- a) Perfectly competitive Market.
- b) Monopoly Market.
- c) Imperfectly comparative Market.

Price Determination

- Price determination in perfectly competitive market
- Equilibrium price & the effects of changes in DD & SS on price.

5. Determination of cost of production

1. Meaning of factors of production.

2. Four factors of production

(LAND, LABOUR, CAPITAL & ORGANISATION)

3. Factors Demand – Meaning

4. Factors Supply – Meaning

5. Factor Cost determination in competitive market (Diagrammatic presentation is expected)

Part-II (02) MACRO ECONOMICS

1. Macro economics – Meaning, features & Functions

- Inter relationship between unit oriented Economics & Universal oriented, Economics.

2. National Income (NI)

- Explanation of all concepts related to National Income.

3. Measurement of National Income & Related Studies.

Circular Flow of National Income.

- Three Methods.

a) Three Methods (Income, Expenditure + Production)

b) G.D.P

c) G.N.P.

d) N.D.P

e) N.N.P

(N.Y at Factor Cost & Market Price)

- National Income at Factor cost

- Total Income

- Real Income

Methods of Measuring MY

- Income

- Expenditure

- Production of output (some coin with three sides)

4. Income & Employment determination

Total DD & Total SS – The factors affecting them – spending Attitude & savings & Investment Attitude. “Average” & “Marginal” view)

Employment

- Employment – Meaning & types
- Unemployment– Meaning & types
(voluntary & other kinds)
- Boom (Max. DD) & the problem related to it.
- Scarcity of DD (“stack”) & the problem related to it.

5. Finance (money) & Banking

1. Money – meaning & Functions
2. Supply of Money – Meaning
3. Demand for Money – Meaning

Banking

1. Meaning, Commercial banks – Meaning & Function
2. Central Bank (R.B.I.) Meaning & Function

Budget

1. Budget of the Government – Meaning, Area of its operation, significance & kinds of budget
2. Surplus budget & Deficit budget object of Budgeting

Balance of Payment

1. Foreign Exchange – Meaning & the methods of determining foreign exchange
2. Foreign Exchange Rate & Points of Distinction.
3. Balance of Trade & Balance of Payment – Meaning

Instructions:

In micro economics, you are expected to provide the explanation based on illustration, figures, schedules etc.

Observe the studies of Micro economics first.

Support your explanation of Macro economics with figures, schedules, graphs & diagrams.