

# **ECONOMICS**

## **PAPER - I**

(Principles of Economics and theory of Money)

Price mechanism, Demand and supply, Law of Demand. Marshallian Utility analysis - indifference curve analysis, laws of returns, Economics of scale, Cost and cost curves, supply curves of firm and industry, price output determination under perfect competition, monopoly and monopolistic competition, pricing of factors of production, rent, wages, interest and profit, trade cycles and unemployment.

National income estimate. Difficulties in its measurement. Money, origin nature and functions of money, supply of money, Price level, index numbers construction and uses. Quantity theory of money, Transactions and cash balance Approach Inflation and deflation their control, commercial banks and Central bank credit creation power and function of the Central Bank Monetary policy. Objectives - Foreign exchange determination of rate of exchange.

# **ECONOMICS**

## **PAPER -II**

(Finance and Indian Economics Problems)

Nature and scope of Public Finance, Public finance and private finance sources of public revenues. Tax and Non-Tax sources, Direct and indirect taxes. Effects of taxation on production and Distribution, Burden of taxation, incidence of taxation good tax system, Taxable capacity, public expenditure and debts, their effects on production and employment. Repayment of public debt, burdens of public debt.

Indian economy - its features and characteristic, Trends of national income during the plan periods, problems of population, its effect on Economic development and unemployment, Agricultural production and policy, land reforms and technological changes, problems of industrial development, sources of industrial finance. role of public sector industries - pricing system and problems, control and management - small scale industries, problem and measures of improvement. Reserve Bank of India, Its control over money market, commercial Banks, its role after nationalisation in Indian Economy. Foreign trade and balance of payments. Price problems and measures for control. Aims, objectives, Strategy and problems of recent five year plans.