

15. ECONOMICS

Part-A: (40 Marks)

Indian Economy and Economic Development: Meaning of Economic Growth & Development, Measures of Economic development – GNP PCI PQLI and HDI, Factors influencing economic development- Balanced and unbalanced growth. Choice of Techniques, Concept of Sustainable Development and Inclusive Growth, **Structure of the Indian Economy:** Basic features; Natural resources Land, water and forest resources; Basic Demographic features – Growth of population – Rural and Urban population, Occupational distribution of population – distribution; National Income in India – Trends and composition Poverty and unemployment; Current Five year plan – Objectives and Allocation of Resources; L P G Policies in India. **Indian Agriculture:** Nature and importance, Trends in Agricultural area, Production and productivity; Factors determining Productivity; Irrigation; New agricultural strategy; Agricultural marketing and prices; Rural Credit- Micro Finance and SHGs. The problem of food security; **Industry and Services:** Structure Growth and employment of Industry; Industrial policies of 1956 and 1991, Growth and Problems of small scale industries, Foreign Capital and Aid, FEMA, Disinvestment policy in India –FDI; Growing importance of service sector in India – Education and Health. **Telangana State Economy:** Gross State Domestic Product (GSDP) – Trends and Composition; Demographic features, Agriculture – Land Utilisation, Cropping pattern and irrigation; Industry – Growth structure and employment of Industry; Poverty and Unemployment in Telangana State; Service sector in Telangana State.

Part-B: (60 Marks)

Micro Economics: Introduction: Nature, Definition and Scope of Economics – Methodology in Economics – Micro and Macro; Static and Dynamic, Normative and positive, Inductive and Deductive Analysis, Partial and General Equilibrium – Choice as an economic problem. **Consumer Behaviour;** Utility Analysis – Cardinal and Ordinal Approaches – Law of Diminishing Marginal Utility, Law of Equi-Marginal Utility, Indifference-Curves – Properties of indifference curves – Price (Budget) line – Equilibrium of the consumer with the help of indifference curves, Consumption Curve and Income Consumption Curves – Derivation of Demand Curve from Indifference Curves. Demand Analysis – Law of Demand, Elasticity of Demand – Price, Income and Gross elasticity; Demand forecasting – meaning and factors influencing demand – Consumer surplus – Engel curve, **Theory of Production and Costs:** Objectives of a firm – Production function – Cobb-Douglas Production function – Isoquant – Factor Substitution – Law of variable proportions, Law of Returns to Scale – Expansion path – Different Concepts of Revenue and Costs and their interrelationship Equilibrium of the firm – Break – Even analysis. **Market Structure:** Markets forms – Perfect and imperfect markets, Perfect Competition – Price Determination – Equilibrium of a firm and industry under perfect competition – Monopoly – Price determination under monopoly – Price discrimination – Monopolistic competition – Price determination. Oligopoly (Kincked demand curve). **Factors Pricing:** Marginal productivity theory of distribution – Theories of wage determination – Wages and collective bargaining, Minimum Wage – Rent – Scarcity rent; Differential rent – Quasi rent. Interest – Classical and Neo- Classical theories, Profit – Dynamic, Innovations, Risk and Uncertainty theories.

Macro Economics: National Income: Meaning, Definition and Importance of Macro Economics – National Income; Meaning, Definitions; National Income, GNP & NNP, GDP, Personal Income (PI), Disposable Income (DI), Per Capita Income (PCI), Real National Income (RNI) – Methods of Estimation of National Income (NI) – Measurement of National Income and trends in India: Simple Numerical illustrations. **Theories of Employment:** Classical theory of employment- Say's law of markets – Keynesian theory of employment – Consumption function – APC, MPC, APS & MPS, factors influencing consumption – Investment function MEC and Rate of Interest and the

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concept of Multiplier – Accelerator with simple Numerical illustrations. **Money – Gresham’s Law – R.B.I. Classification of Money** – M1, M2, M3, M4, Theories of Money – Fisher’s quantity theory of Money, Cambridge approach (Marshall and Keynes), Liquidity preference. **Trade Cycles and Inflation:** Trade cycles – Meaning and definition – Phases of a trade cycle – Inflation – Concept & Measurement of Inflation. Types of Inflation – Causes and effects of inflation – Measures to control inflation & Recession. **Elements of Financial System:** Banking, Basic concepts, Functions of Commercial banks – The process of credit creation – Concept of Non Banking Finance Companies (NBFCs) – Functions of the Reserve Bank of India – Methods of Credit control – Quantitative and Qualitative Methods – Concept of Stock Market – Meaning, functions and importance of Stock Market – Primary and Secondary Markets. Concepts of (a) Shares (b) Debentures, Role of SEBI in regulation of Stock Market, Insurance – Types of Insurance –Life Insurance and General Insurance