

Economics (New)

Subject No. HS20001

I. Introduction

- L1. Nature and scope of Economics - role of wealth, welfare and optimization.
- L2. Basic concepts - choice, utility, cost, revenue, value, price, notion of equilibrium, demand and supply.
- L3. Market and its classifications.

II. Demand and Supply Analysis

- L4. consumer preferences and indifference curve analysis - substitution, income and price effects.
- L5. Demand and supply functions.
- L6. Demand and supply curves, market equilibrium and their shifts.
- L7. Elasticity of demand and supply.

III. Production and Cost

- L8. Short - run production function and returns to a factor-average marginal relationship.
- L9. Long - run production function and laws of returns to scale - role of technology.
- L10. Two input one output model - Isoquant analysis.
- L11. One input two output model - Production possibility locus.
- L12. Linear programming and economic analysis.
- L13. Cost function and the cost structure of a firm in the short run.
- L14. Long run cost function and cost structure - concept of life cycle cost.

IV. Price Output Determination

- L15. Perfect competition including shut-down and break-even points.
- L16. Monopoly
- L17. Monopolistic competition and product differentiation.
- L18. Duopoly and oligopoly.
- L19. Price discrimination.

V. Capital Market and Investment Decisions

- L20. Financing investments - ploughback, issuing new shares, bonds, convertibles, direct loans etc.
- L21. Cost of capital - the debt, equity, and weighted cost.
- L22. Investment criteria : Pay back, NDPV, IRR and Profitability index.
- L23. Risk management-finite horizon method, discounting for risk, probability approach, sensitivity analysis and decision theory.

VI. Outline of Welfare Economics

- L24. Introduction to welfare economics - Pareto optimality, choice and welfare.
- L25. From individual to social welfare - Arrow's impossibility.
- L26. Collective choice and social welfare - Sen's possibility to new impossibility.

VII. Resource Accounting and Sustainability

- ✓ L27. National Income - concepts and estimation - value added method.
- L28. Alternative approaches to national income - factor payments and expenditure methods.
- L29. Market and natural resources - spatial and temporal allocations.
- L30. Sustainable development - dwindling natural resources, environment and sustainability.

✓ **VIII. Income Determination and Fluctuations**

- ✓ L31. Consumption and investment functions.
- ✓ L32. Multiplier and accelerator.
- ✓ L33. Interaction of multiplier with accelerator and economic fluctuations.
- L34. Internal stabilisation measures : monetary, fiscal and price policies.

IX. Trade, Aid and Development

- L35. Balance of trade and payments, external stability.
- L36. Foreign capital and collaborations - financial and technological.
- L37. Towards a global economy - GATT, WTO, etc.
- L38. Patent laws and intellectual property rights.

X. Economic Systems & Indian Economic Policies

- L39. Capitalism, socialism and mixed economy.
- L40. Five-year plans.
- L41. Industrial and technological policies
- L42. Ongoing economic reforms.