

The West Bengal Madrasah Service Commission

ECONOMICS (PG) Class : XI-XII

Group –A

1. DEFINITION AND SCOPE OF ECONOMICS

Basic problems in every economic society and their solution in different economic systems. A general view of the price system. The elementary theory of demand, supply and market price. The elasticities of demand and supply, Applications of the demand-supply apparatus in price control and rationing, taxation and in the determination of the prices of agricultural and manufactured goods.

2. THEORY OF CONSUMER BEHAVIOUR

Concepts of cardinal and ordinal utility – the limitation of cardinal utility analysis. The Indifference Curve approach. Consumer's equilibrium. Income effect, substitution effect and price effect. The Revealed Preference approach.

3. THE THEORY OF PRODUCTION

The concept of production function. Production with a single variable input. Production with two variable inputs. Optimal input combination. Cobb-Douglas production function.

4. THE THEORY OF COST.

Different concepts of cost. Short-run and long-run cost analysis.

5. THE THEORY OF THE FIRM AND MARKET ORGANISATION

- A. Characteristics of perfect competition. Short-run and long-run equilibrium of the firm and the industry. Short-run and long-run supply curve of the firm and the industry.
- B. Monopoly. Bases of Monopoly. Equilibrium under monopoly. Discriminating monopoly.
- C. Characteristics of Monopolistic Competition and Oligopoly

6. THE MARGINAL PRODUCTIVITY THEORY OF DISTRIBUTION

Rent and its determination. Supply of labour, determination of wages and the role of trade unions. Elements of profits. Concept of interest – gross and net interest, real and money interest.

7. CONCEPT OF NATIONAL INCOME

Different methods of measuring national income. Difficulties in measurement. National Income Determination. Consumption Function and Multiplier. Investment and Saving. Government and the circular flow of income. Fiscal Policy.

8. THE QUANTITY THEORY OF MONEY

Fisher's version and Cambridge version. Keynesian Liquidity Preference.

9. BANKING

Functions of Central Banks and Commercial Banks; Credit Creation; Credit Control methods.

10. **CONCEPTS OF INFLATION, DEFLATION AND STAGFLATION**
Demand-pull and cost-push inflation. Anti-inflationary monetary and fiscal policies.
11. **PUBLIC FINANCE**
Principles of taxation. Incidence of taxes, Effects of taxation. Public Debt and its effects.
12. **INTERNATIONAL TRADE**
Basis of trade, Gains from trade. Arguments for free trade and protection. Balance of Trade and balance of payments. Measures for correction of disequilibrium in balance of payments. The theory of exchange rates.

Group –B

13. **GROWTH AND DEVELOPMENT**
Features of Less Developed Countries
14. **GENERAL FACTORS IN ECONOMIC DEVELOPMENT**
Role of capital formation and the use of capital-output ratio in development planning. Population Growth and Economic Development.
15. **APPROCHES TO THE THEORY OF DEVELOPMENT**
The Classical theory. The stages of economic growth – Marx and Rostow. Lewis model of development with unlimited labour supply.
16. **STRATEGY OF DEVELOPMENT**
Choice of technique; Balanced vs. Unbalanced growth.
17. **INTERNATIONAL TRADE AND ECONOMIC DEVELOPMENT**
Foreign Aid; Role of Multinational in developing countries. The I.M.F. and the World Bank.
18. **ENVIRONMENT AND ECONOMIC DEVELOPMENT**
The problems of sustainable development.
19. **AGRICULTURE IN THE INDIAN ECONOMY**
Land reforms; Agricultural labour, Agricultural finance, Technological changes – Their impact on the economy. Agricultural marketing. Public Distribution system.
20. **INDUSTRIAL PROBLEMS IN INDIA**
Industrial Policy. Traditional and small scale industries. Some large scale industries—iron and steel, jute and cotton. Industrial Finance. Role and performance of the public sector. Industrial labour and industrial relations. Social Security for industrial workers.
21. **INDIAN BANKING SYSTEM AND MONETARY POLICIES**
Reserve Bank of India –functions, methods of note issue and credit control instruments. Performance of the nationalized commercial banks in recent years. Inflation during the plan period.

22. FISCAL POLICY IN INDIA

Revenue and expenditure of the Central Government. Revenue and expenditure of the West Bengal Government. Centre-State Financial relations.

23. INDIAN FOREIGN TRADE AND BALANCE OF PAYMENTS.

Changes in the pattern and direction of India's exports and imports. India's balance of payments. Government policies.

24. INDIAN PLANNING

Overall objectives of the Five Year Plans. Achievements and failures. Economic Reforms since 1991.