

**Department of Higher Education, Govt. of M.P.**  
**Semester wise Syllabus for post graduation**  
As recommended by Central Board of Studies and  
approved by HE the Governor of M.P.

**M.A. Economics**  
**Semester-I**

MM – 50

**Paper - I Advanced Economic Analysis-I**

Objective: To provide the knowledge about consumer behavior regarding Market and Production units of the firm.

Unit -1 Genral Introduction to Micro / Macro / Positive and Normative Economics/ Scarcity and Choice / Rational Behaviour.

Unit-2 Utility Analysis, Cardinal Utility The law of Diminishing Marginal Utility, The law of equi-marginal utility, and Ordinal Utility Indifference curves analysis, Price effect, Income Effect, & Substitution Effect. Indifference curve and Budget line, Utility Maximization Rule, Practical significance.

Unit-3 Law of Demand & Supply Derivation of demand curve from Price Consumption curve, market demand, Changes in demand and supply and their quantity, Elasticity and their applications, Demand and consumer surplus.

Unit-4 Revealed Preference Theory, Consumer choice under uncertainty Hicksian revision of demand theory

Unit -5 Production and Cost functions - Law of Variable Proportions - Returns to scab production function of Multi-Product firm Producer's equilibrium - elasticity of substitution - Euler's theorem; Cobb- Douglas production function, Cost Functions Cost curves, Iso-cost curves, traditional and modern cost analysis.

Recommended Books:

Varian.H.R. Micro Economics A modern Approach.

Mc Conenell & Brue Micro Economics Principal, problems & policies. McGraw Hills Professional Publication.

Ahuja, H.L. Advanced Economic theory

Jain K.P. Advanced Economic theory

Jhingan M.L. Modern Micro Economics

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**M.A. Economics**  
**Semester-I**  
**Paper - II macro Economics**

MM – 50

Objective: To provide the conceptual knowledge regarding economic policies at national and international level

Unit -1 Nature of Macro Economics, Basic Concepts Stock and Flow Variables, Functional relationships, Equilibrium, National Income and its measurement, GDP and GNP, Importance of NI Estimation, NI and Economic Welfare, NI Estimation in India.

Unit – 2 Macro Economic Equilibrium, Income Determination in Closed and Open Economy, Consumption and Investment Function, Concept of Simple Multiplier , Public Expenditure, Export, Tax, Balanced Budget and Dynamic Multiplier.

Unit – 3 The Component of Money Supply. Interest Rate and Theory of Liquidity Preference. Monetary Policy and its Instruments.

Unit – 4 Theories of Employment Classical Theory, Say's Law of Market, Classical Model with and without saving and Investment, Criticism of the Model. Keynesian Model with Demand and Supply of Money. IS-LM Analysis and Interest Rate Determination. Keynes Vs the Classics. Measurement and Trend of Unemployment in Indian Economy.

Unit – 5 Theories of Consumption and Investment-APC and MPC. Factors affecting consumption. Income - Consumption Hypothesis, Saving Function, Paradox of Thrift Investment Function, Determinants of Investments MEC and MEL Theories of Investment, C, S, I measurement in Indian Economy.

**Books Recommended:**

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|-----------------|----------------------------------|
| 1. E.J. Shapiro | Macro Economic Analysis          |
| 2. W.H.Bransin  | Macro Economic Theory and Policy |
| 3. M.L.Jhingan  | Macro Economic Theory            |
| 4. M.C.Vaishya  | Macro Economic Theory            |
| 5. SunilBhaduri | Macro Economic Analysis'         |

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**M.A. Economics**  
**Semester-I**  
**Paper - III Public Economics**

MM – 50

Objective: To develop the conceptual frame work about government's public economic policies and annual budgeting.

Unit-1 Public Choice Voting and Resource Allocation, Public Choice analysis, The Growth of Government significance Failure.

Unit – 2 Role of Govt, in Organized Society - Govt, as an agent for Economic Planning & Development Concept of Public Goods, Private Goods and Merit Goods.  
Theory of Maximum, Social Advantage Theory - Dalton, Pigou, Musgrav.

Unit – 3 Public Expenditure - Wagner's Law of Increasing State Activities, Wiesman, Peacock hypothesis. Effects of Public Expenditure Efficiency Effect, Incentive Effect, Allocative Effect on Distribution, Employment, Economic Stability & Economic Development. Dalton's Norm of Public Expenditure, Fiscal policy and its objectives.

Unit-4 Economics of Taxation - Canons of Taxation, Taxable Capacity, Factors Determining Taxable Capacity, Its Significance. Theories of Taxation Benefit Theory, The Cost Service Theory and Ability to Pay Theory, Incidence of Taxes. Effects of Taxation Efficiency Effect, Incentive Effect, Allocative Effect. Effect on Distribution, On Employment, On Economic Stability.

Unit- 5 Debt- Public Debt & Economic Growth, Public Debt and Inflation, Public Debt as a means of regulating economy. Debt Burden, Debt Redemption. Deficit financing

Books Recommended:

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|-----------------------|--|
| 1. R.A.Musgrave       | Theory of Public Finance                                 |
| 2. Allan Brownlee     | Economics of Public Finance                              |
| 3. A.C.Pigou          | Public Finance   |
| 4. R.N.Bhargava       | Theory of Working Union of Finance in India              |
| 5. N.R.Bahrgava       | Indian Public Finance                                    |
| 6. A.E.A.             | Reading in Fiscal Policy                                 |
| 7. A.P.Lerner         | Economics of Employment (Relevant Chapters)              |
| 8. B.R.Mishra         | Indian Federal Finance                                   |
| 9. Andley & Sundharam | Public Economics and Public Finance (Also Hindi Edition) |

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**M.A. Economics**  
**Semester-I**

MM – 50

**Paper - IV Quantitative Techniques**

Objective: This paper provides the statistical and mathematical approach to understand economic principles and policies.

Unit-1 definition, Importance & Scope of statistics, Measures of Central tendency Measures of dispersion and skewness: Correlation Analysis: Correlation Coefficient, Methods of Computing simple correlation, concept of probable Error. Spearman's coefficient of Rank correlation.

Unit – 2 Linear and Simultaneous Equations up to Three Variables and Its Application in Economics, e.g., Calculation of equilibrium Prices, Impact of Tax and Subsidy on Demand and Supply Model Calculations of Factor Prices. Calculations of Macro Economic Variables.

Unit – 3 Simple Differentiation and Its Application in Economics i.e., Calculation of Elasticity Coefficient. Marginal Cost and Revenue, Productivity, Condition under

Unit – 4 Regression Analysis: Concept, Regression lines, finding regression coefficients and equations. Interpolation and extrapolation; Concept, significance, assumptions, methods of Interpolation and extrapolation.

Unit – 5 Index Numbers: A Conceptual frame work, uses, types, problems in construction of Index numbers, The chain index numbers, Base shifting and deflating the index numbers, cost of living index numbers.

**Books Recommended:**

1. Gupta & Gupta - Statistics
2. R. G.D.Allen - Statistics for Economics
3. MethaandMadnani - Mathematics for Economists.
4. A.L. Bowliy - Elements of Statistics
5. Croxton & Cowden - Applied General Statistics
6. JITSChandan - Statistics for Business & Economics
7. S.RGupta - Statistical Methods

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**M.A. Economics**  
**Semester-II**

MM – 50

**Paper - I Advanced Economic Analysis-II**

Unit – 1 Perfect competition short run and long run equilibrium of the firm and industry, price and output determination, supply curve; Monopoly, short run and long run equilibrium, price discrimination, welfare aspects, monopoly control and regulation.

Unit – 2 Monopolistic competition - general and Chamberlain approaches to equilibrium, equilibrium of the firm and the group with product differentiation and selling costs, excess capacity under monopolistic and imperfect competition, criticism of monopolistic competition; Oligopoly, Chamberlain, kinked demand curve and collusive (cartels and mergers, price leadership), Price and output determination under monopsony and bilateral monopoly.

Unit – 3 Distribution : Neo classical approach - Marginal productivity theory; Elasticity of technical substitution, technical progress and factor shares; Theory of distribution in imperfect product and factor markets Micro theories of distribution - Ricardian Marxian.

Unit – 4 Wages- theories, marginal productivity, minimum, wages, determination of rent – classical and modern theories, theory of interest – liquidity preference, IS – LM curve, theories of profit.

Unit – 5 Welfare Economics : partial and general Equilibrium Pigovian welfare economics; Pareto optimal conditions Value judgement; Social welfare function; compensation principle; Inability to obtain optimum welfare - Imperfections, market failure, decreasing costs, uncertainty and non-existent and incomplete markets; Theory of Second Best, Arrow's impossibility theorem. Walrasian and Marshall condition of the existence of the general Equilibrium.

Basic Reading List

1. Kreps. David M. (1990), A Course in Microeconomic Theory Princeton University Press, Princeton,