

There will be two papers in the subject:

*Paper I - Theory: 3 hours .....80 marks*

*Paper II- Project Work .....20 marks*

### **PAPER - I (THEORY) – 80 Marks**

#### 1. Understanding Economics

(i) Definition of Economics: Adam Smith, Alfred Marshall, Lionel Robbins, Samuelson.

*Basic understanding of economics and economic phenomena to be explained especially in the context of the concept of scarcity and allocation of resources. Students may be introduced to the main points on which the various definitions of economics could be analysed. Features of definitions and two- three criticisms.*

(ii) Micro and Macro Economics – Meaning and Difference. Basic concepts: utility, price, value, wealth, welfare, money, market, capital, investment, income, production, consumption, saving, Business cycle, Aggregate demand and Aggregate supply.

*Meaning and difference between Micro and Macro Economics. A conceptual understanding of the terms: Human wants classification; factors of production; utility – types and features, total utility, marginal utility and diminishing marginal utility; price – definition and general rise and fall in price; value – real vs nominal value; wealth – explanation of the term, classification (personal and social); welfare – economic welfare, social welfare and relation between wealth and welfare; money – barter economy vs money economy; market – meaning and size; capital – meaning; investment – meaning, investment as a process of capital formation; income – meaning, factor incomes; production – meaning; consumption – meaning; saving – meaning; individual saving and aggregate savings.*

*The above terms to be explained with the help of relevant examples.*

(iii) Basic problems of an economy: what to produce; how to produce; for whom to produce; efficient use of resources.

*The basic problem of scarcity and choice must be emphasized. As this problem is universal in character, i.e. faced by all economies, irrespective of the economic system they follow, it must be explained using the concept of Production Possibility Curve. The three problems - what to produce, how to produce and for whom to produce - must be highlighted. The role of technology in shift and rotation in the Production Possibility Curve (assumptions and features) must be explained.*

(iv) Types of economies: developed and developing; Economic systems: capitalism, socialism and mixed economy; mechanism used to solve the basic problems faced by each economy.

*Characteristics of developed and developing economies; India: introducing regional and global economic grouping such as SAARC, European Union, ASEAN, G-8, G-20*

*(basic knowledge); different types of economic systems; definition, features, merits and demerits of capitalism, socialism and mixed economic system; mechanisms used to solve the basic problems under each economic system to be explained with the help of examples. The role of government along with the price mechanism to be emphasized. Price mechanism as a tool to solve economic problem.*

## **2. Indian Economic Development**

(i) Introduction.

*Indian economy post liberalization: Main features, problems and policies of agriculture, industry and foreign trade.*

(ii) Parameters of Development.

*Parameters of development: per capita income (definition and limitations); meaning and construction of Human Development Index (HDI). India and HDI as per the UNDP report.*

(iii) Planning and Economic Development in India.

*Planning and economic development in India: a brief explanation. Major objectives of all the Five-Year Plans. NITI Aayog: objectives and role.*

(iv) Structural Changes in the Indian Economy after liberalization.

*Need, meaning, significance and features of liberalization, globalization and privatization of the Indian Economy; disinvestment: meaning.*

(v) Current challenges facing the Indian Economy.

*Poverty – absolute and relative, vicious circle of poverty, main programmes for poverty alleviation: A critical assessment of PAPs (Poverty Alleviation Programmes); Rural development- Rural Credit (need, purpose and sources); Agricultural marketing: defects and government measures to improve agricultural marketing; role of cooperatives, agricultural diversification; alternate farming /organic farming: meaning and importance.*

*Human Capital formation: How people become resource; role of human capital in economic development; Growth of education sector in India; Education – formal and informal (Meaning only); Unemployment types of unemployment, causes for unemployment, Policy measures (after 2000).*

(vi) Economic Growth and Development.

*Economic Growth and Development – Meaning and difference.*

(vii) Sustainable Development.

*Effect of Economic Development on Resources and Environment.*

*Understanding the concept of Sustainable development; Need for sustainable development for improving the quality of life - looking at the deteriorating quality of*

*air, water, food over time, developing an appreciation to sustain at least what exists for the generations to come.*

*Global warming – meaning and effects.*

### **3. Statistics**

(i) Statistics: definition, scope and limitations of statistics.

*Statistics: definition, scope and limitations of statistics. Special emphasis to be laid on importance of statistics in economics.*

(ii) Collection, organization and presentation of data.

*Collection of data - Sources of data: primary, secondary. Methods of collecting data: Some important sources of collecting secondary data; ways of collecting primary data; organization of data: meaning and types of variables, frequency; presentation of data: tabular and diagrammatic presentation (bar diagram, pie, line, histogram, polygon and ogive curve).*

(iii) Measures of Central Value: average defined; type of averages: arithmetic mean; simple and weighted; median and mode; ungrouped and grouped data; numericals, relationship between mean, median and mode.

*Measures of Central Value: average defined; type of averages: arithmetic mean; simple and weighted; median and mode; ungrouped and grouped data. Numericals only on mean, median and mode for both ungrouped and grouped data. Relationship between mean, median and mode – the nature of the frequency distribution – symmetrical, positively skewed and negatively skewed.*

(iv) Measures of dispersion: definition, methods of studying variation - range; standard deviation; quartile deviation; the mean or average deviation; coefficient of variation.

*Numericals on measures of dispersion required.*

(v) Correlation: introduction, scatter diagram; Karl Pearson's coefficient of correlation; Spearman's coefficient of correlation.

*Meaning and significance of correlation to be explained along with types and degrees. Scatter diagram, Karl Pearson's method (two variables, ungrouped data); Spearman's Rank Correlation to be explained with the help of numericals.*

(vi) Index numbers: simple and weighted - meaning, types and purpose. Problems involved in constructing a Price Index Number.

*What does an Index number show, measure or indicate (like a Price Index Number)? Difference between simple and weighted – Price weighted or quantity weighted. Laspayre's, Paasche and Fisher's methods of index numbers (to be explained with the help of numericals). Wholesale Price Index, Consumer Price Index and Index of Industrial Production should be explained. Uses of Index Numbers. Problems involved*

*in constructing Price Index Number – the choice of the base year, the number of commodities to be included (coverage), choice of prices and the method to be used.*

(vii) Some Mathematical Tools used in Economics.

*Equation of a straight line and slope of a straight line.*

**PAPER II – PROJECT WORK – 20 Marks**

Candidates will be expected to have completed two projects from any topic covered in Theory.

