	NATIONAL INSTITUTE OF TECHNOLOGY TIRUCHIRAPPALLI - 620015

DEPARTMENT OF HUMANITIES AND SOCIAL SCIENCES (ECONOMICS)

SYLLABUS FOR WRITTEN TEST

Micro Economics: Basic Economic Concepts and Scarcity- Demand, Supply and Market Equilibrium-Elasticity of Demand and Supply-Consumer Behaviour and Utility Analysis-Production Function and Laws of Production- Cost and Revenue Analysis- The production function, Elasticity of substitution, C-D and CES Production function and their properties, Multiproduct firm and it's equilibrium; Theories of cost and pricing: various types of short-run and long-run costs; full cost, average cost and Marginal cost pricing theories; Market Structures: Perfect Competition, Monopoly, Monopolistic Competition and Oligopoly-Pricing and Output Determination-Factor Pricing-Welfare Economics and Market Failure.

Macroeconomics: Circular Flow of Income in two, three and four-sector economy; Measurement of National Income; National income and economic welfare. Theory of income and employment-Classical theory of income and employment; Keynes theory of employment. Determination of national income in two sector basic model-Expenditure approach and investment-saving approach; Determination of national income in three sector model and four sector model ; Keynes' psychological law of consumption — implications of the law; short-run and long-run Consumption function; Empirical evidence on consumption function; Income-consumption Relationship — absolute income, relative income, life cycle and permanent income hypotheses ; Determinants of investment- Marginal efficiency of capital and Rate of interest; Marginal efficiency of investment and level of investment; The accelerator and investment behaviour; The investment multiplier; Multiplier- accelerator interaction; Classical approach to demand for money — Quantity theory approach, Fisher's equation, Cambridge quantity theory, Keynes's liquidity preference approach, transaction, precautionary and speculative demand for money — aggregate demand for money, Post-Keynesian approaches to demand for money —Approaches of Baumol, Tobin, Patinkin and Friedman.

International Economics: Theories of International Trade, International Trade under Imperfect Competition, Gains from Trade, Terms of Trade, Trade Multiplier, Tariff and Non- Tariff barriers to trade; Tariffs and welfare for small and large countries; Tariffs versus quantitative restrictions; The concept of the optimum tariff; Empirical modelling of trade policy; Domestic factor distortions and the effects of trade policy, Multilateral trade agreements and political economy: World Trade Organisation; Dumping and Anti-Dumping Policies, GATT, WTO and Regional Trade Blocks; Trade

Policy Issues, Balance of Payments: Composition, Equilibrium and Disequilibrium and Adjustment Mechanisms, Foreign Exchange Market and Arbitrage, Exchange rate determination, IMF & World Bank.

Statistics and Econometrics: Introduction to Statistics- Collection and Classification of Data- Measures of Central Tendency-Measures of Dispersion-Correlation and Regression-Probability Concept-Sampling Techniques-Index Number- Time Series Analysis- Hypothesis Testing; Linear Regression Models and the Gauss-Markov Theorem, Heteroscedasticity, Multicollinearity and Autocorrelation, Spurious regressions and Unit roots, Simultaneous Equation Models.

Indian Economy: Determinants of economic development; Indicators of Development—PQLI, Human Development Index (HDI) and Gender Development Indices; Planning in India: Objectives and strategy of planning; Failures and achievements of Plans; Recent Plan –objectives, allocation and targets; Broad demographic features of Indian population; Population Policy; Rural –urban migration; Poverty and inequality Resource Base in India: Physical Infrastructure-Energy, Transport, Communication; Social Infrastructure.