

**TAMIL NADU PUBLIC SERVICE COMMISSION**  
**ECONOMICS (POST GRADUATE DEGREE STANDARD)**

**CODE NO:249**

**UNIT I**

Importance and Scope of Economics - Micro and Macro Economics – Economic Statics and dynamics - Interdependence- Theory of consumer behaviour - Indifference curve analysis - Revealed Preference Theory - Elasticity of demand and its applications – Consumer's surplus.

**UNIT II**

Theory of production and cost - production function - optimum factor combination - Linear and Homogenous production function - Cobb - Douglas - CES production Function - Translog (TL) production function - Break even analysis.- Value - Price determination under different market structures – Producer's Surplus.

**UNIT III**

General Equilibrium analysis – Nash equilibrium - Welfare Economics – Welfare Criteria: Bergon's social welfare function - Pareto criterion and optimality conditions- Kaldor - Hicks Welfare Criterion - Scitovsky's Paradox – Arrow's impossibility theorem – Rawl's theory of social justice - Input - output analysis – Information (asymmetric).

**UNIT IV**

National income - Measurement - difficulties - Sectoral shares – Circular flow of income –Classical Theory of income and employment - Keynesian Analysis - Theory of aggregate demand and aggregate supply – IS - LM model - Absolute income hypothesis - Relative income hypothesis - Permanent income hypothesis – Multiplier – Accelerator – Business cycles.

**UNIT V**

Economic Systems - Market economy - Command economy - Mixed economy - Approaches to economic development - Adamsmith - Ricardo - Malthus - Schumpeter - Karl Marx - Gandhiji - J.C.Kumarappa - Periyar – Ambedkar Ideas.

## **UNIT VI**

Money - Friedman's theory - Don Patikin's theory – Tobin's theory – Baumol's model - Inflation - Deflation - Causes - effects - measures to control.- Banking - Importance - Role and functions of Commercial Banks and Central Bank – Money Supply in India.

## **UNIT VII**

Composition and direction of foreign trade - Importance of foreign trade and economic development - Balance of payments - Terms of trade – Foreign direct investment – Exchange rate - EXIM policy - GATT - WTO - Dunkel Draft - TRIPS - TRIMS – FEMA -UNCTAD - International Financial Institutions - IBRD and IMF - New International Economic Order.

## **UNIT VIII**

Fiscal Function - Direct and Indirect taxes - Public expenditure - Public borrowing - techniques - Debt management Fiscal Federalism - Fiscal policy – Compensatory and functional finance - Types of budget - Budget formulation - Centre and State Financial Relations in India.

## **UNIT IX**

Economic Development - leading issues in India and Tamil Nadu - Economic and non - economic factors - Agriculture - Prospects and problems – Trends in agricultural productivity – Green revolution - Land reform and effects - Rural Industrialization - Industry - Role of private and public Sectors - Industrial labour - Labour legislation - Social security measures.

## **UNIT X**

Planning – Types of Planning - National and state objectives and achievements – Models adopted in Indian plans - New Economic Policy – Liberalization, Privatisation and Globalisation - Multi - National Corporations – Sustainable Development(Transition from MDGs to SDGs).