

# Economics Syllabus

There is one paper of two hours duration carrying 80 marks and Internal Assessment of 20 marks. The paper is divided into two sections: A and B.

Section A consists of questions requiring short answers and covers the entire syllabus. There is no choice of questions. Section B consists of questions which require detailed answers. There is a choice and you are required to answer four questions from this section.

## 1. The Productive Mechanism

Factors of production - Land, labour, capital and entrepreneur. their impact on the production structure in an economy.

Factors of production

1. Land: meaning and characteristics, functions and its importance; factors affecting productivity of land.
2. Labour: meaning and characteristics; division of labour: meaning, types, advantages and disadvantages; efficiency of labour; meaning, reasons for low efficiency of Indian labour.
3. Capital: meaning, types and characteristics; Capital Formation; meaning, factors affecting capital formation; reasons for slow growth rate of capital formation.
4. Entrepreneur: meaning, functions and role of entrepreneur in economic development.

## 2. Theory of Demand and Supply

### (i) Meaning of Demand and Supply

Law of demand and supply: demand and supply schedule and curve (both individual and market); movement and shift of the demand and supply curve; determinants of demand and supply; exceptions to the law of demand.

The concept of Demand, types of demand and concept of supply are to be explained (with examples).

A basic understanding of the law of demand and supply in which demand and supply schedules are to be used to explain the demand and supply curves. The individual demand and supply curves must be distinguished from market demand and supply curves. Concept of movement and shift of Demand and Supply curves are to be explained. Determinants of demand and supply are to be specified. Exceptions to the law of demand are to be discussed.

**(ii) Elasticity of demand and elasticity of supply:** meaning, types, percentage method of measuring elasticity of demand and elasticity of supply, factors affecting

elasticity of demand and supply.

The concept of price elasticity of demand and elasticity of supply are to be explained with percentage method. Factors affecting the elasticity of demand and supply are to be specified. (Numericals are not for testing).

### 3. Public Finance

(i) Meaning and scope of Public Finance; Public Revenue; Taxes, types: direct and indirect taxes with their merits and demerits; Progressive, Proportional, Regressive and Degressive taxes (only meaning).

Explanation of the concepts of direct and indirect taxes along with examples. Comparison of the direct and indirect taxes with reference to their respective merits and demerits. Only an introduction to the concepts of progressive, proportional, regressive and degressive taxes is to be given to the students.

(ii) Public Expenditure:

Meaning, and reasons for growth of public expenditure in recent times.

(iii) Public Debt:

Meaning and types of public debt.

### 4. Money And Banking

**(i) Money:** Barter system. Evolution of Money, meaning and functions of Money; Inflation meaning, types: effects of inflation on the functioning of the economy (in brief).

A basic understanding of the inconvenience of Barter system and evolution of money. Meaning and Functions of money, Meaning of inflation and its variants - cost-push, demand-pull, creeping, walking, running and hyperinflation are to be given (No graphs required). The impact of inflation on various economic entities such as producers, creditors, debtors, fixed income groups are to be explained briefly.

**(ii) Banking:** Commercial Banks: functions; credit creation (in brief); Nationalisation vs. Privatisation of Banks. Central Bank: functions; Quantitative and Qualitative credit control measures adopted by RBI.

An explanation of functions of a commercial bank and the meaning of credit creation is needed (process not required). Types of qualitative and quantitative controls used by the RBI as part of its credit control measures are to be explained.

### 5. Consumer Awareness:

Ways in which consumer is exploited. Reasons for exploitation of consumers. Growth of consumer awareness - consumer rights - Legal measures available to protect consumers

from being exploited - (COPRA, RTI).

Understanding the importance of educating consumers of their rights - awareness of food adulteration and its harmful effects.