

**TAMILNADU PUBLIC SERVICE COMMISSION**  
**ECONOMICS**  
**(PG Standard)**

**Code: 411**

**UNIT - I**

Theory of consumer behavior-Indifference curve analysis-Revealed preference theory-Hicks revision of Demand theory-Modern Utility Analysis of choices involving risk or Uncertainty- Neumann-Morgernstern –Friedman Savage and Morkowitz Hypothesis- Modern theory of the firm: Baumol's sales Maximisation model, Cyert and March model-Economics of information: Principles of information-Asymmetry, Adverse selection and moral hazard.

**UNIT- II**

Theory of cost and Production –Cobb Douglas ,CES ,Translog production function –Embodied and disembodied technical progress-Derivation cost function from production function-Price and Output determination under Oligopoly market-Advances in Distribution theory-Marginal productivity theory-Product Exhaustion theory –Theory of Distribution in imperfect product and factor market.

**UNIT - III**

General equilibrium analysis-Walrasian General equilibrium-Stoper - Samuelson theorem-Rybczynski theorem – Welfare Economics-Pareto optimal conditions-Social Welfare Maximization – Kaldor's compensation Principle-Arrow's Impossibility theorem- Second Best theorem-Rawl's theory of social justice-Input-Output analysis.

**UNIT - IV**

Measurement of Aggregate income, Expenditure and circular flow –Rules of computing GDP-Green GDP-Measurement of CPI –Measurement of unemployment -Kuznet's consumption puzzle-Fisher's inter-temporal choice model-Stock market and Tobin's 'Q' theory – Mundell-Fleming model-Fiscal and monetary policy operation under fixed and floating exchange rate regimes- New classical and New Keynesian Business cycle theories.

## **UNIT - V**

Structural transformation and Economic Growth in India-Approaches to Economic development-Optimal growth, Steady-State equilibrium and inclusive Growth-Harrod Domar model- Balanced and Unbalanced Growth model-A.K Sen's Growth theory -Ambedkar's growth model-New Growth theory-Endogenous and Exogenous Growth Theories-Theory of Modernisation, Theory of Dependency, Theory of World System and Theory of Globalization.

## **UNIT - VI**

Role of money in different economic systems-Fisher's Quantity theory of money-Don Patinkin's Real Balance effect-Keynesian Theory of money-Baumol's approach-Tobin's theory- money supply - Creation of money and Creation of Credit-Role of RBI and commercial Banks-monetary policy-Role NBFIs

## **UNIT - VII**

Composition and Direction of Foreign trade-Basis of International Trade-Balance of payment Equilibrium and disequilibrium-BOP adjustment mechanism-Foreign Direct Investment-Terms of trade-Foreign Exchange rate determination-FERA-FEMA -GATT-WTO-TRIPS-TRIMS-International Financial Institutions ; IBRD-IMF-ADB-New International Economic Order(NIEO).

## **UNIT - VIII**

Fiscal functions-Sources of Public revenue-Direct and Indirect taxes -GST-Public Expenditure-Growth and effects of Public expenditure-Public Debt and Debt Management-Financial administration-Fiscal federalism-Centre and State financial relation-Local finance-Fiscal policy-Compensatory fiscal policy and functional finance.

## **UNIT - IX**

Economic Development-Leading issues in India and in Tamil Nadu-Human Development Index-Gender Related Human Development Index –Progress in Human Development in India-Multi-Dimensional poverty-Poverty and Growth-Reforms on Poverty-India’s demographic transition-Population policy in India-Unemployment and employment perspective-Characteristics of Indian labour market-employment policy in India-Issues and problems of migrant labourers –Agriculture prospects and problems-Trends in Agricultural productivity-Green Revolution-Land reforms and effects-Second Green Revolution –Industrialisation in India-Performance of MSMEs-Large scale industries in India-New Industrial Policy of 1991-Rationalisation of Disinvestment-New Direction of policy on Public sector.

## **UNIT - X**

Planning-Objectives and achievements at national and state level-Development Strategy in India-Failures of Five Year Plans in India- NITI AAYOG-Privatisation, Liberalisation and Globalisation in India- MNCs - Global financial crisis and its impact on Indian economy-Environmental degradation and sustainable development –Issues and Challenges.

**Note:** Medium of Instruction is English Only