

RAJASTHAN PUBLIC SERVICE COMMISSION, AJMER

SYLLABUS FOR COMPETITIVE EXAMINATION FOR THE POST OF LECTURER IN ECONOMICS FOR COLLEGE EDUCATION DEPARTMENT

PAPER-I

UNIT - I : Microeconomics

Consumer Behaviour - Demand theory: Bandwagon, Snob and Veblen effect. Indifference curve Analysis, income and substitution effects, Slutsky theorem, ordinary and compensated demand curves, Elasticity of demand. Nature of utility functions, Analysis of consumer behavior under risk and uncertainty, Asymmetric information. Behavioral Economics.

Short run and long run production functions, Cost functions and Curves. Elasticity of substitution. Euler's theorem. Production function-Cobb Douglas and CES. Technical progress, Economies of Scope and Learning curve analysis.

Determination of price and output under different market structures. Factor pricing Analysis. Game theory: Cooperative and non-cooperative games, Sequential games, Dominant strategy and Nash Equilibrium. Welfare economics - Pareto optimality, Market failure and externalities, New welfare economics, Social Welfare Function, First and Second Theorem of Welfare economics, Theory of second best. Arrow's Impossibility Theorem.

UNIT - II : Macroeconomics

National income - concepts and measurement, flaws in conventional system of National Income Accounts, Green Accounting, Consumption hypotheses - absolute, relative, life-cycle and permanent income hypotheses. Classical, Keynesian and Post- Keynesian theories of determination of income and output. Philips curve Controversy, Post Keynesian Theories of demand for Money: Baumol, Tobin, Friedman, Patinkin and Real balance effect. Investment function: Neoclassical theory, Accelerator theory, Tobin's Q theory.

The components of money supply. RBI approach to money supply. High powered money. The IS-LM model, the relative effectiveness of monetary and fiscal policies. Ricardian Equivalence. Natural Rate of Unemployment-Adaptive

Expectation. Trade Cycle Theories: Accelerator – Multiplier Interaction model, Kaldor model. Mundell -Fleming model. Monetarism : Monetarist-Fiscalist debate on Policy Activism. New classical approach to macro economics. Real Business Cycles, New Keynesian Macroeconomics- Sticky Price (Menu Cost) Model, Efficiency Wage Hypothesis.

UNIT-III: Economic Growth and Development

Economic development and growth. Measurement and indicators of development: PQLI, HDI, HPI and GDI. Entitlement and capability approach. Sustainable Development. Growth-Distribution Trade-offs. Measurement of inequality- Lorenz curve and Gini Coefficient. Development and Growth models : Lewis. Fei - Ranis, Harrod-Domar, Solow, Kaldor. Endogeneous Growth, Uzawa-Lucas Model. Golden Rule of Capital Accumulation. Technological progress- Embodied and disembodied, Technical progress- Hicks and Harrod, Learning by doing. Cambridge criticism of Neo-classical Analysis of Growth. Economic function of market and state: Market failure and government failure. Project evaluation and Cost- benefits analysis. Theory of Environment Regulation: Political Economy Model of Regulation, Pigovian taxes; Subsidies for Abatement of pollution, Property Rights and the Coasian Approach: bargain Solution. Quantitative regulation: Command and Control- Standard setting; Tradable pollution permits. Methods of environment valuation: Hedonic pricing, Contingent valuation and Travel cost method.

Note :- **Pattern of Question Paper**

1. Objective type paper
2. Maximum Marks : 75
3. Number of Questions : 150
4. Duration of Paper : Three Hours
5. All questions carry equal marks.
6. There will be Negative Marking.