

# Maharashtra State Eligibility Test for Lectureship

महाराष्ट्र राज्य व्याख्यातापदासाठी राज्यस्तरीय पात्रता चाचणी (सेट) परीक्षा

Conducted by University of Pune

(AS THE STATE AGENCY)

## SYLLABUS AND SAMPLE QUESTIONS

*Subject*  
*Code No.*

**11**

*Subject*

**Economics**



**UNIVERSITY OF PUNE**  
**Ganeshkhind, Pune-411007**

**Syllabus and structure for Paper II and Revised Structure for Paper III**

Paper II will consist of 50 objective type questions (multiple choice, matching type, true/false, Assertion-Reasoning type etc.) Each question will carry two marks (Total Marks 100) All questions will be compulsory. Duration for paper II will be 75 minutes during first session.

**REVISED STRUCTURE OF PAPER III**

As per the directives received from the UGC, the nature of the paper III has been revised for the Maharashtra State Eligibility Test (SET) beginning with the XIX test. The new revised structure will be applicable to all subjects except Mathematical Science, Physical Science, Chemical Science, Life Science & Earth Atmospheric Ocean & Planetary Science. For these five subjects the pattern of paper III will be as per previous examination. The syllabi for all the subjects, however, remain as earlier.

The revised structure of the paper III is as follows. The paper will have a total of 26 questions arranged in four sections.

- Section I : Candidates have to write a critique of a given para or stanza from a known thinker/writer. Five carefully considered specific questions will be asked on the given para, requiring an answer in upto 30 words each. This section shall carry  $5 \times 5 = 25$  marks. In the case of science subjects, a theoretical problem will be set for the candidates to analyse. Five questions will be asked thereon.
- Section II : Fifteen questions will be asked across the syllabus for paper III (A) wherever shown separately or on III A & B together. The questions will be definitional or seeking particular information and are to be answered in upto 30 words each. Each question will carry 5 marks ( $15 \times 5 = 75$  marks). There will be no internal choice.
- Section III : Five extended answers based on analytical/evaluative questions will be asked on each of the major specializations/electives. Questions will be asked on all major specializations/electives and the candidates will be asked to choose one specialization/elective and answer the five questions from it. The questions will be set from the syllabus for paper III (B). There will be no internal choice. Each question will be answered in upto 200 words and shall carry 12 marks ( $5 \times 12 = 60$  marks). Where there are no separate specializations/electives or separate topics in III(B) shown in the syllabus 5 questions will be set across the syllabus on entire Paper III.
- Section IV : Essay writing – One question with internal choice on general themes and contemporary, theoretical or of disciplinary relevance will be given. The candidate would answer it in up to 1000 words.

**STRUCTURE OF REVISED FORMAT FOR PAPER III**

SR.	QUESTION	TEST OF	WORDS	MARKS
Sec. I	Critique	Critical ability and ability to apply knowledge one possesses.	$30 \times 5 = 150$	$5 \times 5 = 25$
Sec. II	15 definitional specific answer questions	Ability of precise understanding and making exact statements	$30 \times 15 = 450$	$15 \times 5 = 75$
Sec. III	5 analytical/evaluative questions	Ability to reason and hold the argument over some length	$200 \times 5 = 1000$	$5 \times 12 = 60$
Sec. IV	Essay	Ability to expound critically a theme at length with discrimination	$1000 \times 1 = 1000$	$40 \times 1 = 40$
			2600 WORDS	200 MARKS

## [11] : ECONOMICS

### SYLLABUS AND SAMPLE QUESTIONS

**NOTE : STRUCTURE OF PAPER II AND REVISED STRUCTURE OF PAPER III PLEASE SEE PAGE NUMBER ONE.**

#### PAPER—II

##### 1. Micro-economic Analysis

Demand analysis-Marshallian, Hicksian and Revealed preference approaches  
Theory of Production and Costs  
Pricing and output under different forms of market structure  
Factor Pricing analysis  
Elements of general equilibrium and new welfare economics

##### 2. Macro-economics Analysis

Determination of output and employment-Classical approach, Keynesian approach, Consumption hypotheses  
Demand for Money-Fisher and Cambridge versions, Approaches of Keynesian Friedman, Patinkin, Baumol and Tobin  
Supply of Money, Determinants of money supply, High-powered money, Money multiplier  
Phillips Curve analysis  
Business cycles-Models of Samuelson, Hicks and Kaldor.  
Macro-economic Equilibrium-Relative roles of monetary and fiscal policies

##### 3. Development and Planning

Economic Growth, Economic Development and sustainable Development importance of institutions-Government and markets-Perpetuation of underdevelopment-Vicious circle of poverty, circular causation, structural view of underdevelopment-Measurement of development conventional, HDI and quality of life indices  
Theories of Development-Classical, Marx and Schumpeter; Economic Growth-Harrod-Domar model, instability of equilibrium. Neoclassical growth-Solow's model, steady state growth. Approaches to development; Balanced growth critical minimum effort, big push, unlimited supply of labour, unbalanced growth, low income equilibrium trap indicators and measurement of poverty

Importance of agriculture and industry in economic development-choice of techniques and appropriate technology-investment criteria-Elementary idea of cost-benefit analysis.

Trade and Aid-International trade as engine of growth-Globalization and LDC's

Objectives and role of monetary and fiscal policies in economic development Techniques of planning; Plan Models in India; planning in a market-oriented economy

#### **4. Public Finance**

Role of the Government in Economics activity-Allocation, distribution and stabilization functions; Private, Public and Merit goods

The Public Budgets-kinds of Budgets, Zero-base budgeting, different concepts of budget deficits; Budgets of the Union Government in India

Public Expenditure-Hypotheses; effects and evaluation

Public Revenue-Different approaches to the division of tax burden, incidence and effects of taxation; elasticity and buoyancy; taxable capacity

Public Debt-Sources, effects, burden and its management

Fiscal Federalism-Theory and problems; Problems of Centre-State Financial relations in India

Fiscal Policy-Neutral and compensatory and functional finance; balanced budget multiplier

#### **5. International Economics**

Theories of International Trade : Empirical verification and Relevance

International Trade under Imperfect competition

Terms of Trade and Economic Growth-Secular

Deterioration of Terms of Trade hypothesis-a critical review

Equilibrium/disequilibrium in Balance of Payment-Traditional, Absorption and Monetary approaches for adjustment in the Balance of Payments, foreign Trade multiplier

Impact of Tariffs, Partial and general equilibrium analysis; Political economy of Non-Tariff Barriers

Theory of regionalism at Global level-Collapse of Bretton-Wood System-Recent Monetary reforms

Trade Policy and Reforms in India

#### **6. Indian Economy**

Basic Economic indicators-National income, performance of different sectors Trends in prices and money supply

Agriculture-Institutional and technological aspects, new agricultural policy

Industry-New industrial policy and liberalization

Money and banking-Concepts of money supply, inflation, monetary policy and financial sector reforms

Public finance-Trends in revenue and expenditures of the Central and State Governments, Public debt; analysis of the Union Budget.

Foreign trade-Trends, Balance of payments and trade reforms

Poverty, unemployment, migration and environment

## 7. Statistical Methods

Measures of Central tendency, dispersion, skewness and kurtosis

Elementary theory of probability-Binomial, Poisson and Normal distributions

Simple correlation and regression analysis

Statistical inferences-Applications, sampling distributions (t,  $\chi^2$  and F tests), sampling of attributes, testing of Hypothesis

Index numbers and time series analysis

Sampling and census methods, types of sampling and errors

### PAPER—III (A)

#### (CORE GROUP)

#### Unit—I

Theory of Demand-Axiomatic approach, Demand functions, Consumer behaviour under conditions of uncertainty

Theory of production

collusive and non-collusive oligopolies

Different models of objectives of the firm-Baumol, Morrts and Williamson

Factor pricing

General equilibrium and Welfare Economics

#### Unit—II

Keynesian and post-Keynesian approaches to theory of output and employment concept of investment multiplier; consumption hypotheses

Theories of investment and accelerator

Theories of demand for money-Keynesian and post-Keynesian

Different approaches to money supply; money supply, components and determinants; money multiplier

Output-price determination (aggregate supply and aggregate demand curve analysis)

Fleming Mundell open economy model

#### Unit—III

Development and Growth-Role of institutions

Theories of growth and development-Models of growth of Joan Robinson and Kaldor; Technical Progress-Hicks, Harrod and learning by doing, production function approach to the determinants of growth : Endogenous growth : role of education, research and knowledge-explanation of cross country differentials in economic development and growth.

Theories of development-Classical, Marx, Schumpeter and structural analysis of development-Imperfect market paradigm, Lewis model of development, Ranis-Fei model, Dependency theory of development

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Factors in economy development-natural resources, population capital Human Resource Development and infrastructure

Trade and development-trade as engine of growth, two-gap analysis, Prebisch, Singer and Myrdal views; gains from trade and LDCs

### Units—IV

Theories of taxation, types, incidence and effects

Theories of public expenditure-effects on savings, investment and growth

Burden of public debt

Union Finance-Trends in Revenue and Expenditure of the Government of India State finance-Trends in Revenue and Expenditure of the State Governments

Public Debt-India's Public debt since 1951-growth composition, ownership pattern and debt management

Union-state Financial Relations-Horizontal and vertical imbalance the Finance Commissions

Fiscal Policy and Fiscal Reforms in India

### Unit—V

Monetary approach and adjustment in the balance of payments

Regional blocs-multilateralism and world trading system

The Political Economy of imposition of non-tariff barriers

International trade under conditions of imperfect competition in goods market

Theory of International reserves

Optimum Currency Areas-Theory and impact in the developed and developing countries

WTO and its impact on the different sectors of the economy

### Unit—VI

Components of money supply

Role, constituents and functions of money and capital markets

RBI-recent monetary and credit policies

Commercial banks and cooperative banks

Specialized financial and investment institutions

Non-Bank financial institutions and Regional Rural Banks

### Unit—VII

Industrial structure and economic growth

Pattern of industrialization-Public and Private, large and small industries

Theories of Industrial location-indian experience

Industrial productivity-measurement, partial and total trends

Industrial Finance in India

Industrial Labour-Problems, policies and reforms in India

Economic Reforms and industrial growth

**Unit—VIII**

Population and Economic development-interrelation between population development and environment, sustainable development

Malthusian theory of population, optimum theory of population, theory of demographic transition, population as Limits to Growth and as Ultimate Source

Concepts of Demography-Vital rates, life tables, composition and uses, Measurement of fertility-Total fertility rate, gross and net reproduction rate-Age pyramids population projection-stable stationary and quasi-stationary population, characteristics of Indian population through recent census

Poverty in India Absolute and relative analysis of poverty in India

Environment as necessity-amenity and public good; causes of environmental and ecosystem degeneration-policies for controlling pollution-economic and persuasive their relative effectiveness in LDCs; Relation between population poverty and environmental degradation-microplanning for environment and eco-preservation-water sheds, joint forest management and self-help groups Role of State in environmental preservation-Review of environmental legislation in India

**Unit—IX**

Role of Agriculture in Indian Economy-Share of Agriculture, interrelationship between agriculture and industry

Institutional aspects-Land reforms, Green revolution

Technological aspects-Agricultural inputs and shifts in production function

Capital formation in the rural sector-Savings, assets and credits

Strategies for rural development

Regional disparities in Indian agriculture

Cooperative movement in India-Organization, structure and development of different types of cooperative in India

**Unit—X**

Application of Differential and Integral Calculus in theories of consumer behaviour, Production and pricing under different market conditions

Input-output analysis and linear programming

Application of Correlation and Regression

Testing of Hypothesis in Regression Analysis

**PAPER-III (B)**  
**(ELECTIVE/OPTIONAL)**

**Elective—I**

Single Equation Linear Model :

Assumption and properties of OLS

Multiple Regression Model-Extimation and Interpretation

Multi-collinearly-Auto-correlation and heteroscedasticity-Causes, detection, consequences and remedy

Dummy variables, distributed lags-Need, limitations and interpretation

Applications in Economics

Simultaneous Equation models :

Structural and reduced forms

Endogenous and exogenous variables

Identification problems and conditions

Single equation methods of estimations-TSLS, indirect least squares and least various ratio

Techniques of Forecasting :

ARMA, ARIMA

Econometric properties of time series, Unit root, integrated series, random walk and white noise

**Elective—II**

Theory of Consumer Behaviour and Theory of Firms

Theory of Pricing-Monopoly, Monopolistic competition, Duopoly and Oligopoly

Theory of Games-Two-person, Zero-sum Game, Pure and Mixed strategy, Saddle point solution, Linear programming and input output analysis

Static and Dynamic Multiplier and Accelerator, Samuelson-Hicks trade cycle model. Growth Models-Harrod and Domar, Neoclassical models-Solow, Meade, Kaldor's Model with technological progress, endogenous growth models Employment and output determination with fixed and flexible prices (IS-LM, Aggregate demand and aggregate supply analysis)

**Elective—III**

The Rise and fall of Bretton Wood and emerging International Monetary System.

World Trading System—Evolution and Distortions.

Globalization—Developments in Exchange Markets. Euro-Currency Markets, and

International Bond Markets, International Debt crists

Theory of Foreign Exchange Markets—Exchange Trading, Arbitrage and Market Headging



**Elective—IV**

Growth and Productivity trends in Indian Agriculture  
Development of distributive Institutions—Costs and price policies  
Agricultural marketing and credit  
Trends in migration and labour markets. Minimum Wages Act  
WTO and sustainable agricultural development  
Reforms in Indian agriculture

**Elective—V**

Planning and Economic Development  
Costs, Prices, WTO and Indian Agriculture  
Globalization, Liberalization and the Indian Industrial Sector  
Infrastructure and Economic Development  
Social Sector, Poverty and Reforms in India  
Women, Environment and Economic development  
Trade Reforms and Liberalization  
Financial sector reforms  
Fiscal policy and fiscal reforms

**SAMPLE QUESTIONS**

**PAPER—II**

1. During the year June 1980 to June 1981 money supply with the public (M1) in India has increased by
  - (A) above 30 percent
  - (B) above 20 percent but below 30 percent
  - (C) above 10 percent but below 20 percent
  - (D) below 10 percent
2. The Indian economist with whom the CES production function is associated is
  - (A) B. S. Minhas
  - (B) A. K. Sen
  - (C) T. N. Srinivasan
  - (D) V. K. R. V. Rao