M. Phil entrance examination will consist of the following compulsory papers.

1. PAPER I MICRO ECONOMIC ANALYSIS
2. PAPER II MACRO ECONOMICS
3. PAPER III ECONOMICS OF GROWTH AND DEVELOPMENT
4. PAPER IV INTERNATIONAL TRADE AND FINANCE
5. PAPER V THEORY OF PUBLIC ECONOMICS & ENVIRONMENT
6. PAPER VI QUANTITATIVE METHODS
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Paper I: MICROECONOMIC ANALYSIS

Consumer Behavior:
Utility function, Indifference curve analysis, income and substitution effects, revealed preference hypothesis, elasticity, Homogeneity of demand functions, consumer surplus, income leisure tradeoff, decision making under uncertainty, expected utility maximization, risk aversion and insurance premium

Production and Markets:
Production functions - linear and non-linear, Laws of production, equilibrium of firm, theory of costs, Perfect Competition: Monopoly, Monopolistic competition, Oligopoly duopoly models- Cournot, Bertrand, Chamberlain and Stackelberg theorems.

Managerial theories of firm;
Managerial theories of firm; Baumol, Marris and Williamsons.

Welfare Economics,
Theory of distribution - perfect and imperfect markets, Walrasian Equilibrium; existence, stability and uniqueness of general equilibrium; Pareto Optimality, social welfare function, Arrows impossibility theorem,
Supply of Money:

Empirical definitions of Money. Measures of money supply in India. The stock of high powered money and its determinants. (H theory of Money) Money multiplier process and factors affecting the money multiplier. Predictability and the stability of money multiplier. Reserve Bank’s Analysis of money supply.

Demand for Money:


Neo-Classical Monetary Theory:


Macro-economic policies:


National Income:

**Sectoral Demand Functions:**


**Fluctuations and Stabilization:**


**Theory of Inflation:**


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Paper III: ECONOMIC OF GROWTH AND DEVELOPMENT

Development: Concept Analysis:

Institutional Aspect of Development:

Planning and Development:
Need for investment criteria in developing countries- capital –output ratio; project appraisal, private cost-benefit analysis, theory of growth Centers and growth poles as planning strategy. Social cost –benefit analysis and shadow prices. Need for planning –democratic, decentralized and indicative planning.

Trade and Economic Development:
Economic Growth:
Factors affecting economic growth – Capital, Labor and technology, Measurement and International comparison of growth and development. Per capita income as an index of development.

Theories of economic Growth:

Approaches to Development:

Sectoral Aspects of Development:

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Paper IV: THEORY OF INTERNATIONAL TRADE AND FINANCE
Theories of International Trade:


Gains from Trade:

Production and consumption effect – social indifference curves – optimality and free trade - commodity, income and factorial terms of trade –terms of trade and gains from international trade – imperfect competition and international trade monopoly; monopolistic competition and oligopoly –export cartels and commodity agreements – dumping.

Trade, Economic Growth and Commercial Policy:


Trade Policy:


Foreign Exchange Markets and Exchange Rate Determination:
Definition, structure and functions of foreign exchange markets- types of foreign exchange transactions, interbank market, option market, Exchange trading, arbitrage, market hedging and speculation. Exchange rate determination-purchasing power parity theory, interest parity theory.

**Balance of payments and Adjustment Mechanism:**

BOP- Meaning and components, equilibrium and disequilibrium. The process of adjustment under flexible exchange rate system. Adjustment under fixed exchange rate system. Expenditure reducing and expenditure switching policies and direct controls. Devaluation –elasticity and absorption approaches. Polices for achieving internal and external balance simultaneously under alternative exchange rate regimes. Foreign trade multiplier, Monetary approach to the balance of Payments.

**International Monetary Systems and Capital Markets:**


**Trade policies in India:**

Trade reforms-Exim policy, changes in direction and composition of India’s trade. Capital and current account convertibility. International reserves-magnitude and management; India’s external debt; exchange rate determination and RBI interventions.

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Paper V: PUBLIC ECONOMICS AND ENVIRONMENTAL ECONOMICS

Unit 1 Fundamentals of Public Economics


Unit 3 Public Expenditure and Taxation and fiscal federalism


Fiscal Federalism, Centre-State financial relations, Sources of Revenue, Reforms in Direct and Indirect Taxes, Budget Deficit and Its Implications.

Public Finance – Subject Matter and Role of Government:

Role of public Finance in an underdeveloped economy. Government failures, planning and economic development. Budget as means of operationalising the planning process. Public and Private sector cooperation or competition.

Rationale for Public Policies:


Public Expenditure:

**Taxation:**

**Public Bads and Externalities:**

**Measurement of Environmental value:**

**Theory of Environmental Policy:**
Rationale for environmental regulation: Regulatory framework-general pollution control model: damage and abetment cost functions-decentralized approach- command and control approach- emission charges and subsidies transferable discharge permits.

**Environmental Regulation in India**

Mechanism for environmental regulation in India-environmental laws and their implementation – policy instruments for controlling water and air pollutions and forestry policy-people’s participation in the management of commons and forest policy-people’s participation in the management of commons and forest lands-the institutions of joint forest management.
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Paper VI: Quantitative Techniques in Economics

Calculus and Economic Application

Derivatives—definition and evaluation; Rules of differentiation; Partial derivatives; Higher order differentiation; Euler’s theorem; Uses of differentiation in economics; constrained optimization; Lagrangian multiplier; Marginal Concepts—Relationship between average, marginal and total elasticities; Logarithm and exponents.

Integration

Indefinite integral; rules of integration; definite integral; Fundamental theorem of integral; properties of definite integral; Economic application of integrals; Consumer’s surplus; Producer’s surplus.

Matrices, Input Out Analysis and Linear Programming

Some basic operations—adjoint and inverse; Cramer’s rule; the Jacobean rule; The Hessian rule; Input-output analysis; Linear programming—graphical method.

First Order Differential and Difference Equation

First Order differential Equations—definition and concept; general formula for first order linear differential equations; Exact differential equations and partial integration; Rules for integrating functions; Fist-order difference equations—definition and concept; general formula for first order difference linear equations; lagged income determination modal; Cobweb theorem.

Correlation Regression and association of attributes

Correlation—meaning and scope; Karl Pearson’s Coefficient of Correlation; rank Correlation; Partial and multiple Correlation; Regression—meaning and scope; simple and multiple
regression; coefficient of regression; Association of attribute—meaning, scope; Class frequencies. Coefficient of determination $R^2$

**Probability and Frequency Distribution**

Meaning and definition of probability; Probability Rules—Addition and multiplication rule; Conditional Probability; Frequency distribution—binomial, Poisson, normal and Chi-Square Distribution (mean; standard deviation and their applications).

**Hypothesis testing and theory of Estimation**

The Hypothesis Testing Process; One tailed and two tailed tests; type I and type II error; $t$, $Z$, $F$ and $\chi^2$ tests; Chi square goodness of Fit; Analysis of variance (one way and two way analysis); Property of estimators. Testing of regression-Gauss Markov theorem, interval Estimation and hypothesis testing test of significance and Confidence interval Approach.

**Problems in Regression Analysis**

Nature, test consequences and remedial steps of problems of Heteroscedesity, multicollinearity and auto-correlation, problems of specification error and error of measurement.

**Advanced models**

Dummy variables techniques and qualitative dependent variable models-logit and probit. Auto regressive and distributed lag models- koyek, partial adjustment and adaphic expectations. Simultaneous equations- problem; estimation- Indirect Least Square, Two Stage Least Square Time series- stationery, unit root, Dickey fuller test, co - integration, causality test, Box Jenkins methodology.