

Economics

Introduction: Introduction to Microeconomics and Macroeconomics

What is an economy? Central problems of an economy: what, how and for whom to produce; concepts of production possibility frontier and opportunity cost.

Demand and Supply

Demand, market demand, determinants of demand, demand schedule, demand curve and its slope, movement along and shifts in the demand curve; price elasticity of demand - factors affecting price elasticity of demand; Supply, market supply, determinants of supply, supply schedule, supply curve and its slope, movements along and shifts in supply curve, price elasticity of supply.

Forms of Market and Price Determination

Perfect competition - Features; Determination of market equilibrium and effects of shifts in demand and supply. Other Market Forms - monopoly, monopolistic competition, oligopoly - their meaning and features., Simple Applications of Demand and Supply: Price ceiling, price floor.

National Income and related aggregates

Basic concepts: consumption goods, capital goods, final goods, intermediate goods; stocks and flows; gross investment and depreciation.

Circular flow of income; Methods of calculating National Income – Value Added or Product method, Expenditure method, Income method.

Aggregates related to National Income: Gross National Product (GNP), Net National Product (NNP), Gross and Net Domestic Product (GDP and NDP) - at market price, at factor cost; National Disposable Income (gross and net), Private Income, Personal Income and Personal Disposable Income; Real and Nominal GDP. GDP and Welfare.

Money and Banking

Money - its meaning and functions, Supply of money - Currency held by the public and net demand deposits held by commercial banks, Money creation by the commercial banking system.

Central bank and its functions (example of the Reserve Bank of India): Bank of issue, Govt. Bank, Banker's Bank, Controller of Credit through Bank Rate, CRR, SLR, Repo Rate and Reverse Repo Rate, Open Market Operations, Margin requirement, Monetary Policy, Fiscal Policy, Balance of Payment