

## M.A. PREVIOUS ECONOMICS

### PAPER-I MICRO ECONOMIC ANALYSIS

(Questions will be from each Unit/Section)

- UNIT-I Partial & General Equilibrium, Law of demand, Demand Analysis, :**  
Elasticities (price, cross, income) of demand - theoretical aspects. Theories of demand - utility; indifference curve (income and substitution effects) Slutsky theorem, Revealed preference theory; Revision of demand theory by Hicks; Recent developments in demand analysis, Elementary theory of price formation - demand and supply equilibrium.
- UNIT-II Theory of production and Costs :** Production function - short period and long period; law of variable proportions and return to scale; Isoquants - Least cost combination of inputs; Returns to factors; Economies of scale; Multi-product firm; Elasticity of substitution, Euler's theorem; Technical progress and production function; Cobb - Douglas, CES, VES.
- UNIT-III Price and Output Determination :** Marginal analysis as an approach to Price and output determination: perfect competition short run and long run equilibrium of the firm and industry, price and output determination, supply curve; Monopoly short run and long run equilibrium, price discrimination, welfare aspects, monopoly control and regulation; Monopolistic competition-general and Chamberlain approaches to equilibrium, equilibrium of the firm and the group with product differentiation and selling costs, excess capacity under monopolistic and imperfect competition, criticism of monopolistic competition; Oligopoly, Chamberlain, kinked demand curve and collusive (cartels and mergers, price leadership), Price and output determination under monopoly and bilateral monopoly.
- UNIT-IV Distribution :** New classical approach- Marginal productivity theory; Elasticity of technical substitution, technical progress and factor shares; Theory of distribution in imperfect product and factor markets; Determination of rent, wages, interest and profit; Macro theories of distribution- Ricardian, Marxian.
- UNIT-V Pigovian welfare economics:** Pareto optimal conditions: Value judgement; Social welfare function; compensation principle; Inability to obtain optimum welfare- Imperfections, market failure, decreasing costs, uncertainty and non-existent and incomplete markets; Theory of Second Best -Arrow's impossibility theorem.