10. अर्थशास्त्र (Economics)

1. A. Introduction
   - What is Economics?
   - Basic understanding of economics and economic phenomenon especially in context of the concept of scarcity and allocation of resources.
   - Meaning, Scope and importance of statistics in Economics.

B. Collection, Organisation and Presentation of Data
   - Collection of Data- Sources of Data- Primary and secondary; how basic data is collected; methods of collecting data; three important sources of secondary data. Census of India, National Sample Survey Organisation and Directorate of Statistics & Evaluation, Bihar, Patna.
   - Organisation of Data: Meaning and types of variables; Frequency Distribution.
   - Presentation of Data: Tabular Presentation and Diagrammatic Presentation of Data:
     (i) Geometric forms (bar diagrams and pie diagrams),
     (ii) Frequency diagrams (histogram, polygon and ogive) and
     (iii) Arithmetic line graphs (time series graph).

C. Statistical Tools and Interpretation.
   - Measures of Central Tendency- mean (simple and weighted), median and mode.
   - Measures of Dispersion- Absolute dispersion (range, quartile deviation, mean deviation and standard deviation), relative dispersion (co-efficient of quartile-deviation, co-efficient of mean deviation, co-efficient of variation). Lorenz Curve: meaning and its application.
   - Introduction of Index Numbers- meaning; what does an Index number show, measure or indicate; How you can construct index number; types- wholesale price index, consumer price index and index of industrial production, uses of index numbers; Inflation and index numbers.

2. Economic Development of Bihar & India
   A. Development Policies and Experience (1947-90)
      - A brief introduction of the state of economy of Bihar and Indian on the eve of independence.
      - Common goals of Five Year Plans.
      - Main features, problems and policies of:
        (i) Agriculture (institutional aspects and new agricultural strategy etc.)
        (ii) Industry (agro-based, industrial licensing, etc.) and
        (iii) Foreign trade.
B. Economic Reforms since- 1991
- Need & main features: Liberalisation, globalization and Privatisation.
- An appraisal of SEZ & LPG Policies.
- Impact of Bihar.

C. Current Challenges Facing Economy of Bihar and India.
- Poverty: Absolute and relative; Meaning of poverty line; vicious circle of poverty; causes of poverty; Government and non-government measures on poverty alleviations; Main programmes for poverty alleviation: A critical assessment.
- Rural development: Key issues - credit and marketing- role of co-operatives and self help groups; agricultural diversification; alternative farming- organic farming.
- Population growth over the years; Census of 2001; age, sex composition; density of population and occupational distribution; the current National Policy on Population.
- Human Capital Formation: How people become resource; Role of human capital in economic development; Growth of Education Sector in India.
- Employment: Growth informalisation and other issues; Problems and policies.
- Infrastructure: Meaning & types; Case studies: Energy and Health- Problems and Policies- A Critical assessment;
- The role of Public Distribution System in providing food security in Bihar; A critical examination of the PDS.
- Capital formation in Bihar; Capital requirements for economic growth.
- Environment: Sustainable economic development; limited availability of resources; environmental degradation.

D. Development Experience of Bihar: A comparison with other states
- Bihar and Punjab
- Bihar and Maharashtra
  Issues: Growth, sectoral development and other developmental indicators.

E. Development Experience of India: A comparison with neighbours
- India and Pakistan
- India and China
  Issues: Growth, sectoral development and other developmental indicators.

3. Introductory microeconomics
A. Introduction
- What is microeconomics?
- Central problems of an economy, production possibility curve and opportunity cost.

B. Consumer Behaviour and Demand
- Consumer’s Equilibrium- Meaning and attainment of equilibrium through Utility Approach: One and two commodity cases;
• Demand, market demand, determinants of demand, demand schedule, demand curve, movement along and shifts in demand curve.
• Price elasticity of demand, measurement of price elasticity of demand—percentage, total expenditure and geometric method.

C. Producer Behaviour & Supply
• Production function: Returns to Factor and Returns to Scale.
• Supply: Market supply, determinants of supply, supply schedule, supply curve movement along and shifts in supply curve,
• Price elasticity of supply, measurement of price elasticity of supply—Percentage and geometric method.
• Cost and Revenue: Short run costs—Total cost, Total variable cost, Total Fixed cost; Average Fixed cost, Average variable cost and Marginal cost—meaning and their relationship. Revenue—total, average and marginal revenue; Opportunity cost: definition, application.
• Producers’ equilibrium—Meaning and its conditions in terms of total cost and total revenue.

D. Forms of Market and Price Determination
• Forms of Market—Perfect competition, Monopoly, Monopolistic competition—their meaning and features.
• Price determination under perfect competition—Equilibrium price, effects of shifts in demand and supply.

E. Simple applications of Tools of demand and supply Curves
• The teachers can be given the flexibility to choose the issues: rationing, floor and ceilings and Food availability decline (FAD) Theory. The teachers are encouraged to choose alternative examples that are simple and easy to understand.

Note to text book writers: More examples from day-to-day context could be given. More numerical examples (solved) will have to be given. Use of pictures, charts and simple tables is essential.

4. Introductory macro-economics
A. National Income and related aggregates
• Macroeconomics: Meaning
• Circular flow of income, concepts of GDP, GNP, NDP, NNP (at market price and factor cost), National Disposable Income (gross and net); Irivate Income, Personal Income and Personal Disposable Income.

B. Determination of Income and Employment
• Aggregate demand, Aggregate supply and their components.
• Prospensity to consume and prospensity to save (average and marginal)
• Meaning of Involuntary unemployment and full employment.
• Determination of income and employment: Two sector model.
• Concept of investment multiplier and its working.
• Problems of excess and deficient demand: Measures to correct excess and deficient demand- availability of credit, change in Government spending.

C. Money and Banking
• Money – meaning, evolution and functions.
• Inflation: cost-push; demand-pull; causes, effects of inflation on different groups of society; measures to control inflation.
• Central Bank – meaning and functions.
• Commercial banks – meaning and functions.
• Recent significant reforms and issues in Indian Banking System: Privatisation and modernization.

D. Government Budget and the Economy.
• Government budget- meaning and its components.
• Objectives of government budget.
• Classification of receipt- revenue and capital;
• Taxes – types
• Classification of expenditure- revenue and capital, plan and non plan & developmental and non-developmental.
• Balanced budget, surplus budget and deficit budget: meaning and implication.
• Revenue deficit, fiscal deficit and primary deficit: meaning and implications; measures to contain different deficits.
• Latest budget of Bihar and India.

E. International Trade:
• Why International Trade takes place
• Balance of payments accounts- meaning and components
• Foreign exchange rate- meaning (Fixed and Flexible), merits and demerits, Determination through demand and supply.
• A brief analysis about recent exchange rate issues.