

**Theory**

*Economics:* Meaning, scope and subject matter, definitions, activities, approaches to economic analysis; micro and macro economics, positive and normative analysis. Nature of economic theory; rationality assumption, concept of equilibrium, economic laws as generalization of human behavior. Basic concepts: Goods and services, desire, want, demand, utility, cost and price, wealth, capital, income and welfare. Agricultural economics: meaning, definition, characteristics of agriculture, importance and its role in economic development. Agricultural planning and development in the country. *Demand:* meaning, law of demand, demand schedule and demand curve, determinants, utility theory; law of diminishing marginal utility, equi-marginal utility principle. Consumer's equilibrium and derivation of demand curve, concept of consumer surplus. Elasticity of demand: concept and measurement of price elasticity, income elasticity and cross elasticity. Production: process, creation of utility, factors of production, input output relationship. *Laws of returns:* Law of variable proportions and law of returns to scale. *Cost:* Cost concepts, short run and long run cost curves. Supply: Stock v/s supply, law of supply, supply schedule, supply curve, determinants of supply, elasticity of supply. Distribution theory: meaning, factor market and pricing of factors of production. Concepts of rent, wage, interest and profit. *National income:* Meaning and importance, circular flow, concepts of national income accounting and approaches to measurement, difficulties in measurement. Population: Importance, Malthusian and Optimum population theories, natural and socio-economic determinants, current policies and programmes on population control. Money: Barter system of exchange and its problems, evolution, meaning and functions of money, classification of money, money supply, general price index, inflation and deflation. *Economic systems:* Concepts of economy and its functions, important features of capitalistic, socialistic and mixed economies, elements of economic planning. Forms of business organizations, international trade and balance of payments. GST and its implication on Indian economy.