

Paper: Economics (200 Marks)

Paper-I (100 Marks)

I. Micro Economics

Consumer behaviour, Determination of market demand and supply i.e. concept of elasticity of Demand & Supply, Static, Comparative Static Analysis, Distinction between partial and general equilibrium analysis (basic level), theory of the Firm, Producer's equilibrium, Pricing of the factors of production

II. Macro Economics

Basic Economic Concepts, National Income Accounting, Consumption Function, Multiplier, Accelerator, Component of Aggregate Demand, Labour Demand and Supply, Un-Employment, Determination of equilibrium level of income and output (at least with reference to two or three "schools of thought"), Inflation.

III. Money and Banking

Functions of Money, Quantity Theory of Money, The Fisher and Cambridge Formulations, Systems of note issue, Credit Creation, Functions of Central Banks, Instruments of Credit Control, Distinction between Goals, Operational & Intermediate Target of Central Banks Policy, Concept of Reserves, Liquidity Premium, Term Structure of Interest Rate, etc.; Transmission Mechanisms of Monetary Policy, Theory of Liquidity Preference. TVM, Capital Structure, Capital Restructuring, IS-LM Analysis and The role of Central Bank, Money Demand and Supply.

IV. Public Financing

Government expenditure, Sources of Government Revenue, Privatization, Taxes and non- taxes, Incidence of different taxes, Public Debt, Objectives, methods of repayment, Deficit financing, General Equilibrium Analysis, Welfare Economics, Fiscal Policy.

V. International Trade

Theories of comparative advantage and Factor Endowments, Trade & Growth, Colonialism, Imperialism and International Trade, Trade Restrictions, Economic Integration, Trade Policy, Balance of Payments, Foreign Exchange, International Monetary system, Custom Unions.

VI. Economic Development

Concepts of development, Human development, Historical growth process and Development, Theories of development, structural issues of development, Income distribution and poverty, sectoral (agricultural, Industry, trade and finance) issues and development, environment and development.

Paper-II (100 Marks) *(Economics of Pakistan)*

- I. Definition and Measurement of Development:** Characteristics of under development, rethinking on the concept of development: Growth vs. Redistributive justice, Absolute and Relative Poverty, Basic Needs Approach, Sustainable Development, Environmental Degradation & other Issues.
- II. Planning Experience of Pakistan:** A critical evaluation of the strategy of economic planning, governance & Institutions.
- III. Agricultural Development in Pakistan:** Changes in Agricultural Policies over plan periods, Major Monetary and Fiscal measures to promote Agricultural development, Green Revolution Strategy and its implications for growth and redistribution, Land Reforms and changes in the Tenure System 1950— 1980, Cooperative Farming, Rural Development.
- IV. Industrial Development in Pakistan:** Early industrialization strategy, Creation of Financial and Development Institutions, Major monetary and fiscal measures to promote industrial development, changing role of public sector over the plan periods, Evaluation of Nationalization Policy, Concentration of industrial income and wealth, Evaluation of Import Substitution Policy and Export led Growth Strategy in Pakistan.
- V. Role of Foreign Trade and Aid in Economic Development:** Trends in Pakistan's Balance of Payments, Terms of Trade, Changes in direction of trade, Trends in Pakistan's major exports and imports, Causes of significant changes in the trends, the role of migration and remittances in Pakistan's economy, costs and benefits of Foreign Aid, Role of Foreign Investment.
- VI. Privatization, Denationalization, Deregulation:** conceptual and operational aspects. International comparisons. Pakistan Experience of Privatization.
- VII. Interest Free Banking in Pakistan**
- VIII. Energy Policy of Pakistan**
- IX. Social Sector Development in Pakistan**

X. Major Issues in Pakistan Economy: Energy crisis, Corruption, Bad governance, External debt accumulation and dependency, Unemployment, Income inequality, Inflation, Fiscal and trade deficits, Balance of payment issues, Shortage of irrigation water.

SUGGESTED READING

S.No.	Title	Author
1.	A Text-book of Economics Theory	Stonier & Hague
2.	Economic Development	Todaro, M.P.
3.	Under Development and Agrarian Structure in Pakistan	Khan, Mahmood Hassan
4.	Economic of Islam	Ahmed, S.M.
5.	Economics	Paul A. Samuleson
6.	Factors in Economic Development	Cairncross, A.K
7.	Foreign Aid Theory and Practice in Southern Asia	Wolf, Jr. DC
8.	Government Finance—An Economic Analysis	Due John, F.
9.	Introduction to International Economics	Snider, D.A, Paul Krugman, Donimich Salvatore
10.	Microeconomic	Ferguson, C.E. & Gould, J.P., Nicholson, Mankiw
11.	Macroeconomics	Rudigar Dorubush and Stanley Fisher Blanchard
12.	Population Problems	Theompson & Lewis
13.	Studies in Economic Development with Special Reference to Pakistan	Ghouse, A.
14.	History of International Trade	Findlay, R and O' Rourke, K
15.	Colonialism and Modernization	Karl Marx Anchor books
16.	On Colonialism	Karl Marx and Frederick Engels,
17.	Economic Survey of Pakistan	Government Publication