

**M.A. (Previous) Examinations in
ECONOMICS**

For External Candidates

M.A. Economics (Previous)

Paper I	Micro Economics	Compulsory
Paper II	Public Finance	Compulsory
Paper III	Advanced Economic Statistics	Compulsory
Paper IV	Economics of Planning	Compulsory
Paper V-A	Economics of Agriculture	Optional
Paper V-B	National Income Analysis & Accounting	Optional
Paper V-C	Mathematical Economics	Optional
Paper V-D	Comparative Economics Systems	Optional
Paper V-E	Economics of Islam	Optional

Notes:

- (1) The previous examinations consist of five papers. Papers I to IV are compulsory and one optional from Paper V.
- (2) The final examinations consist of five papers. Paper I to III and V are compulsory and one optional from Paper IV.
- (3) Each paper shall be of 100 marks and of 3 hours' duration.

M.A. ECONOMICS (PREVIOUS)
PAPER I
MICRO ECONOMICS

1. Utility and preferences

A survey of the contribution of Utilitarian Economists. Marshall's theory of utility. Pareto and indifference curves. The ordinal character of utility – Need for a theory consistently based upon ordinal concept of utility. Marginal rate of substitution. Diminishing marginal rate of substitution

Preference in a two-commodity world. Choice in a two-commodity world. Changes in the data (budget changes) (price changes). Three or more commodities. One commodity and money. The validity of this theory. Demand curves and various elasticities.

2. General equilibrium of exchange

- Rational economics and equilibrium. Quesnay's Tableau Economique. The Classics: Marshall and J.B. Clark. Functional equilibrium, genetic, causal equilibrium. Pareto's system as basis of study.
- Problems of general equilibrium. Conditions of stability of general equilibrium. Character of Hicksian conditions of stability. Equilibrium and disequilibrium.

3. Value

A survey of the contributions of economists towards value theory – Classical, neo-classical, up-to-date background of value theories. Place of prices in a modern economy.

4. Market structures and equilibrium

Equilibrium of the firm and industry under perfect competition. Monopolistic competition. Monopoly and all its aspects. Oligopoly with its problems and solutions.

5. Introduction to game theory

An introduction to game theory

6. The theory of factor prices

Marginal productivity theory. Wages: theories & problems. Interest: theories & problems. Profit: theories. Rent: theories.

7. Welfare Economics

PAPER II PUBLIC FINANCE

PART I

Government Activities and Expenditure

1. Role of government in an economy

Basic economic decisions. The market economic and the attainment of economic goals. The consideration which have led to the understanding of government activity.

2. Optimum levels of government activities

Application of the marginal rule. Use of price system by government. Measure of community benefits. Estimation and measurement of costs and benefits. Use of optimum techniques.

3. Government expenditure

Patterns and trends (with special reference to Pakistan). Major purposes in government expenditures. Causes of real increases in government expenditures. Effects and policies of government expenditures.

4. Financing of government expenditures

Sources of government revenues:

Sale of goods and services. Taxation, borrowing. Developments and nature of principal taxation.

Taxation of income:

Income tax deductions and exemption. Income tax rate structure and tax administration – the time period problem – economic consequences of income shifting and incidence – sales taxation.

PART II

Government Borrowing and Fiscal Policy:

Economics of government borrowing. Introduction to fiscal policy and analysis. Anti-inflationary fiscal policy. Fiscal policy and unemployment, debit management in periods of inflation.

PART III

Budget and Modern Government

Development of modern budgeting. Budget classification. Specialised budget problems. Three objective of budget policy – the allocation branch – the distribution branch and the stabilisation branch.

PAPER III
ADVANCED ECONOMIC STATISTICS

1. **Historical development of statistics.** The scope of economic statistics, misuse of statistics, collection, classification tabulation and interpretation of data. Census of population and agriculture, methods of measuring national income
2. **Importance of diagrams and graph bars,** sub-divided rectangles, circles, graphs of time series and frequency distributions, histograms, frequency polygon and curve, cumulative, frequency curve, percentage frequency curve, Lorenz curve, Pareto's law of income distribution
3. **Measures and dispersion,** co-efficient of variation, relative importance of different averages.
4. **Idea of normal curve and its importance properties.**
5. **Measures of the shape of distribution:** First four moments, Sheppard's correction, skewness, and symmetry, calculation of coefficient of skewness, kurtosis.
6. **Coefficient of correlation:** Calculation of the coefficients of correlation of grouped and ungrouped data. Rank correlation and idea of non-linear regression.
7. **Index numbers,** weighted index number, Fisher's ideal formula tests of index numbers. Cost of living numbers.
8. **Analysis of time series,** methods for measuring short time oscillation
9. **Regression:** Method of least squares. Fitting a straight line and a parabolic curve of the type $y = a + bx$ & $y = ab - x + cx^2$. Theory of sampling, random, stratified, multi-stage and purposive sampling.
10. **Sampling distribution,** standard error and probable error. Sample illustration theory of probability.
11. **Interpolation** by the use of lag range and Newton's formula. Use of logarithms and practice on Newton's formulae.

PAPER IV
ECONOMICS OF PLANNING

1. Principles of Planning:

- (a) Theories of economic development and their application.
- (b) Definition and techniques of planning
- (c) instruments of planning and role of various policy variables.

2. Evaluation of planning for the acceleration of development process.

- (a) Development experience in Western European countries
- (b) Development experience in socialist countries
- (c) Development experience in under developed countries

3. Patterns of development planning

- (a) Indicative planning, socialist planning and comprehensive planning in a mixed economy
- (b) Annual planning, five-year planning and perspective planning.

4. Preparation of development plan in an underdeveloped economy

- (a) Assessment of country's resources
- (b) Minimum of country's resources
- (c) Need for foreign assistance
- (d) Plan strategy and target consistency
- (e) Sectoral allocations and interdependence
- (f) Input-output exercise

5. Implementation of a development plan

- (a) Private sector:
Guidelines and government policies with special reference to fiscal, monetary and foreign trade policies
- (b) Public sector:
 - (i) Financing of the public sector development project via:
 - (a) Taxation
 - (b) Inflation, and
 - (c) Foreign aid
 - (ii) Public sector expenditure on:
 - (a) Infrastructure
 - (b) Social service, and
 - (c) Commodity production

6. Evaluation of planning experience with special reference to:

- (a) Targets vs. achievements
- (b) Agriculture vs. industry
- (c) Public vs. private sector
- (d) Balanced vs. unbalanced growth
- (e) Growth vs. distribution

PART II

Planning in Pakistan

- Evaluation of planning process in Pakistan
- Objectives and techniques of planning. Use of models in programming.
- National resources and targets for national plans
- Price structure: choice of policy instructions
- The role of public and private sector
- Estimation of capital requirements
- Sources of capital formation
- Public and private sector, foreign capital inflow
- Method of allocation of investment resources
- Obstacles arising for investment choices sectoral consistency
- Strategies of growth, balance of payment and foreign aid
- Manpower resources and its utilisation
- Regional balance

PAPER V-B
NATIONAL INCOME ANALYSIS AND ACCOUNTING

PART 1

1. Introduction

Macro vs. micro economics. Static vs. dynamic concepts. Micro-economic equilibrium.
Analysis and techniques

2. National income concepts

- Real and money income
- Circular flow of income, its components
- Ways of calculating national income
- Gross and net product

3. Conceptual problems in the estimation of national income

- Products to be included
- Final and intermediate products
- Valuation of the production

4. Accounting framework and national income aggregate

- Income and production statement of the firm
- Sector account: National income aggregate as:
 - i. GNP and GNI
 - ii. NNP at market price
 - iii. GNP and income
 - iv. NNI at factor cost and National Income
 - v. Personal income and outlay
 - vi. Disposable income
- Their definitions and uses for comparative analysis
 - i. Structural
 - ii. Comparative analysis
 - iii. Over space
- Criticism of national income accounting

5. Other system of economic accounting

- Input-output techniques, analytical consideration and form of input-output accounting table, uses of analysis based on input-output relationship.
- Flow of fund accounting, rationale of accounting procedure, system of sector account & uses.
- Use of national income analysis for changes in:
 - i. Population
 - ii. Production
 - iii. Productivity
 - iv. Prices
 - v. Employment

PART II

6. National Accounting System of Pakistan

- Methods of national income estimates in Pakistan.
- Identification of problems and suggested solution

PART III

7. Component of National Aggregate:

- Simple income determinations multiplier
 - Factor affecting consumption expenditure
 - Federal policy and income consumption expenditure
 - Government expenditure, taxation, the equilibrium level of income.
 - Level of investment
 - Discounting and the present value of an asset. The inducement to invest.
 - Factors affecting investment in spending
 - Money and interest
 - Interest and investment
 - General equilibrium
 - Level of employment
- i. Factor's market and classical doctrine
 - ii. Keynesian economics and the level of employment
 - iii. Money wages rates employment. Full employment

