

5. Economics

B.A. Economics-Opt

Total Mark: 100

Appendix 'B'

(Syllabi and Courses of Reading)

(This paper consists of two sections The paper setter is required to divide the question paper into two parts in such a way that 5 questions are set from each section. Candidates will be required to attempt at least two questions from each part)

Section-I Economic Theory:

(1) Basic Economic concepts: Nature and functions of every economic system. Nature and scope of economic analysis Economic terms. The major segments of economic theory. Micro economics and macro-economics

(2) Micro-economic (**Price Theory**): (i) The price of market mechanism. The influence of the price system on resource allocation, consumption patterns and income distribution.

(ii) Determination of price by supply and demand. The assumption of perfect competition. The theory of demand and utility. Elasticity of demand and its measurement. The theory of cost and supply. Equilibrium of the firm Equilibrium of demand and supply in the short-run and long-run periods.

(iii) Pricing of the productive factors. Wages, profits, interest and rent.

(3) Macro economic (income and Employment Theory): (i) Measurement of national income. Concept of GNP. and NNP, Circular flow of national income. Three approaches to national income measurement, income at factor cost, income at market price and expenditure approach.

(ii) Determination of the national income and employment. Equilibrium level of national income. Saving, consumption and investment schedules and their inter-section. Say's law of markets and its refutation by 'Keynes' general theory of employment- aggregate demand, aggregate supply, effective demand.

(iii) Consumption function: The propensity to consume. The multiplier and its calculation. Logical identity of saving and investment.

(iv) Investment as determinant of effective demand:

Determinants of investment The marginal efficiency of capital. The accelerator and its interaction with the multipliers. The rate of interest and investment.

4. Economics, Statistics and Mathematics :

Their growing relationship.

Section-II Economic Planning in Pakistan:

1. Economic Development through Planning: The concept of measurement of economic development. The imperfections of market economy. The need and objectives of economic Planning.
2. Special features of Pakistan's economy: Primary production population pressure, capital deficiency. Low income.
3. Development Planning in Pakistan: A brief comparison of the First, Second and Third Five-Year Plans with reference to their (a) size (b) objectives (c) strategies (d) Programme priorities and (e) financial resources.
4. Strategic sectors of Pakistan's economy:
 - (a) Agriculture Its strategic position in economic set up: its contribution to GNP : the existing draw-back: measures to make agriculture a dynamic sector.
 - (b) Human resources development—Population as a dynamic factor in the economic development of Pakistan. Non-material capital formation.
 - (c) Industries—Present industrial complex, Justification of industrial development of Pakistan. Public, vs private enterprise and industrial development. Industrial development and Structural changes in the economic development of Pakistan.
 - (d) Pakistan's export sectors and economic development. Export promotion schemes. Scarcity of foreign exchange. Trends in the terms of trade of and their cases.
 - (e) A brief discussion of Pakistan's monetary and fiscal policies as reflected the Second and Third Five-Year Plans.
5. General Review of the economic situation in Pakistan: Rate of growth of Pakistan's national income. The contribution of various sectors. Per Capital income Causes of inequality of income distribution.

Recommended Books:

For Section-I:

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|--------------------------------|---|
| Samuelson, P.A. | Economies (McGraw-Hill Company. New York, 1961) |
| Stonier, A. H. and Huage, D.C. | A Text-Book of Economic Theory (Longmans, London, 1964) |

For Section-II:

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| Adrus, J.R. and Mohammad, A.F. | Trade, Finance and Development in Pakistan, (Karachi 1966) |
| Meenal, S.A. | Money and Banking in Pakistan (Karachi, 1966) |
| Qureshi, AI(ed.): | The Third Five Year Plans and Other Papers
(Rawalpindi, 1966) |
| Mahbub-ul-Haq | The Strategy of Economic Planning—A Case Study of
Pakistan. (Karachi, Oxford University Press, 1963) |

Govt. of Pakistan

First, Second and Third Five- Year Plans of Pakistan
Report of the Food and Agricultural Commission
(Karachi, 1960)

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Pakistan Economic Survey for the years 1963-64,
1964-65 and 1965-66.

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Pakistan Budgets for the years 1964-65, 1965-66 and
1966-67.