

## **B.COM. PART-I**

### **PAPER-VI: ECONOMIC ANALYSIS AND POLICY**

SECTION "A"

(40 Marks)

#### **1. INTRODUCTION**

Basic concepts, Definition, Micro and Macro approach to Economic analysis.

#### **2. CONSUMER'S BEHAVIOUR ANALYSIS**

- a) Demand, function and functional equations of Demand.
- b) Elasticity of Demand, Significance, Methods of Measurement and its kinds.
- c) Consumer's Equilibrium – Cardinal and Ordinal approaches.

#### **3. THEORY OF PRODUCTION**

- a) Factors of Production and their relative importance.
- b) Firm and Industry.
- c) Laws of Returns and Returns to Scale.
- d) Production function – ISO – quants and ISO – Cost Curves.
- e) Least cost factor combination.
- f) Production possibility curve.

#### **4. MARKET**

- a) Definition and brief classification.

#### **5. FIRM'S COST AND REVENUE ANALYSIS**

#### **6. PRICE AND OUTPUT DETERMINATION OF A FIRM AND INDUSTRY UNDER:**

- a) Perfect competition.
- b) Monopoly.
- c) Oligopoly.
- d) Monopolistic competition.

**MACRO ECONOMICS (PART B) (40 MARKS)**

**1. NATIONAL INCOME**

- a) Definition, concepts and its significance.
- b) Methods of computing National Income.
- c) DETERMINANTS OF NATIONAL INCOME.
  - i. Consumption and consumption function, its determinants, Keynesian psychological law of consumption.
  - ii. Saving, propensity to save and factors determining saving.
  - iii. Investment-Meaning, kinds and its determinants – MEC and rate of interest.
- d. Cross-Section analysis and time series analysis of consumption.

**2. DETERMINATION OF INCOME & EMPLOYMENT**

- a. Meaning of Full Employment.
- b. Kinds of un-employment.
- c. Determination of Equilibrium level of National Income.
- d. Keynesian theory of Income and Employment.
- e. Inflationary and Deflationary gap.
- f. Multiplier Doctrine, Acceleration Principle and Interaction of Multiplier and Acceleration.

**3. TRADE CYCLES**

**4. MONETARY POLICY AND FISCAL POLICY**

**ECONOMIC SYSTEMS (PART C) (20 MARKS)**

- a. Definition.
- b. Central Problems of an Economy
- c. Different Economic Systems – Capitalism, Socialism Mixed Economy and Islamic Economic System – Their merits and de-merits and Criticism.
- d. Comparative Study of Different Economic Systems.

**NOTE:** Two questions are to be attempted from Micro and Macro Economics each and one from Economic Systems.

**BOOKS RECOMMENDED**

1. Samuelson, P.A. **Economics**, (Mc Grow Hill) 16<sup>th</sup> Edition, New York 1998.
2. C.E. Ferguson & J.P. Gould **Micro – Economics Theory**, 5<sup>th</sup> Edition, Illineies, Richard D. Iamin latest edition .
3. Edwin Mansfield **Economics(principles, problems, Decision)**, 7<sup>th</sup> editon New, York. WW. Nortorn comp, latest edition.
4. J.K. Eastham **An Introduction to Economic Analysis**, English University Press Ltd. (latest year)
5. Nic Nigro, Robert Haney Scott **Principles of Economics** Macmillan Publisher Co. Inc. New York. (latest year)
6. Mc Conneoli Brue **Economics (Principles, Problems and policies)**.11 edition. New York: McGraw Hill Comp.1990.

**REFERENCE BOOKS:**

1. Abdul Haleem Khawja **Economic Theory**, A.H. Publishers, 22 – A1 – Fazal Market Urdu Bazar, Lahore. (latest year)
2. M. Saeed Nasir **A Text Book of Economis**, ILMI Kitab Khana Urdu Bazar Lahore (latest year)
3. Khurhsid Siddiqui **Economic System of Islam**, Karachi. Urdu Bazar,2002.