

NOTICE TO CANDIDATES OF DIPLOMA EXAMINATION IN COMMODITY DERIVATIVES FOR BANKERS

ECONOMIC THEORY (PAPER II)

The syllabus of Economic theory for this particular course is based on Agricultural Economics. Agricultural Economics, originally applied the principles of economics to the production of crops and livestock – a discipline known as agronomics. Agronomics was a branch of Economics that specifically dealt with land usage. It focused on maximizing the crop yield while maintaining a good soil eco-system. The discipline was expanded in the 20th century in a big way and the current scope is much broader. It includes a variety of applied areas having considerable overlap with conventional economics.

The purpose of this paper in the course is to introduce candidates the basic ideas and concepts of modern economic analysis and to develop a basic understanding and appreciation of the role of economics in agriculture. The main focus of the course will be directed at the firm level or the study of microeconomics. Candidates will learn to apply various economic principles and concepts relating to production agriculture, consumer behavior, market price analysis, major farm problems and public policy issues that impact agriculture. This paper will provide the candidates with a foundation in the application of economic principles to agriculture and agribusiness problems.

To have an expertise and confidence in the subject, candidates are advised to have a good grasp over fundamentals of economics – both Micro and Macro approach. Then these concepts are to be linked with Agricultural Economics. Also, Indian Economy and its characteristics, especially chapters related with Indian Agriculture are to be studied well for understanding the intricacies of commodity markets.

Following are the reference books for the paper in addition to the study materials given by us:

- 1) 'Economics' authored by Samuelson and Nordhaus, Eighteenth Edition, published by Tata McGraw Hill Publishing Company Limited. For the sake of convenience, we specify the following chapters:
Micro Economics – Chapters 1 to 10 & Macro Economics – Chapters 20 to 23.
- 2) 'Indian Economy' by Datt R and K.P.M. Sundaram, latest edition, published by S. Chand & Co. Ltd, New Delhi. Following chapters are to be referred :
Part A – Structure the Indian Economy
Chapter XXVIII Indian Agriculture under five Year Plans: The Green Revolution
Chapter XXXIV – Agricultural Marketing & Warehousing.