Hisar School of Economics

All Economics Books ECOVICO

50+ Books

- **Microeconomics All BOOKS 📚**
  Posted Jan 7, 2025
- **Macroeconomics all important books**
  Posted Jan 11, 2025
- **International Economics**
  Posted Jan 11, 2025
- **Public Economics**
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- **Environmental , population & Agricultu...**
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- **Econometris**
  Posted Jan 11, 2025
- **Statistics of Economics**
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- **Mathematics of ECONOMICS**
  Posted Jan 11, 2025
- **Indian Economy**
  Posted Jan 11, 2025
- **Money and banking**
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- **Growth and development**
  Posted Jan 11, 2025

Economics notes

100+ unit wise Notes

- **Environmental and pollutionof Econom...**
  Posted Yesterday
- **Money and banking**
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- **Growth and development**
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- **All Economics paper solution**
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- **Indian Economy**
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- **International Economics**
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- **Microeconomics notes**
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All previous year paper

All Economics Papers

- **IAS ECONOMICS PAPER**
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- **IES ECONOMICS PAPER**
  Posted Yesterday
- **Post graduate Economics paper**
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- **Undergraduate Economics papers**
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- **PGT ECONOMICS**
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Instructions | Student Work

Microeconomics All BOOKS 📚

1 micro new Ncert
2 micro old ncert
3 Verian micro
4Pindick micro
5 Epg 1basic micro
6Epg 2 advance micro

Attachments

MICROECONOMI...
MICROECONOMI...
Microeconomics ...
1-Intermediate-...
Microeconomics ...
EPG BASIC MICR...
Epg ADVANCED ...

Macroeconomics all important books

1 mankiw macroeconomic
2 mankiw marco with micro.
3 Dornbusch marco
4 froyen marco
5 NCERT OLD ENGLISH
6 NCERT NEW 2023
7 NCERT OLD HINDI
8 marco theory
9epg basic marco
10 epg advance topics of marco

Attachments


n.-gregory-mank...


book-N.-Gregory...


dornbusch_macr...


DOC-20250111-...


Macroeconomics...

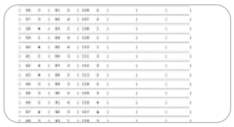

Macroeconomics...


Macroeconomics...


MACRO_ECONO...

NVS KVS EMRS PGT ECONOMICS

Attachments


EMRS Ans Key.png

EMRS ECONOMI...

KVS PGT (Econo...

KVS previous yea...

KVS-PGT-ECON...

KVS-PGT-ECON...

NVS PGT Econom...

NVS PGT Econom...

NVS_PGT_Econo...

Class comments

Ways to operate an economy or Society

There are three ways or structures to operate an economy or society.

- Communism
- Socialism
- Market Mechanism / Self Interest / Economic interest / Invisible-hand / Capitalism.

Communism

- Controlled by one entity. (It has no soft corner such as government in a way)

E.g
- In P.G. supply of electricity is being cut by some authority of that P.G.

Features
- Profit motive + Emotionless + No freedom + efficient.

Socialism

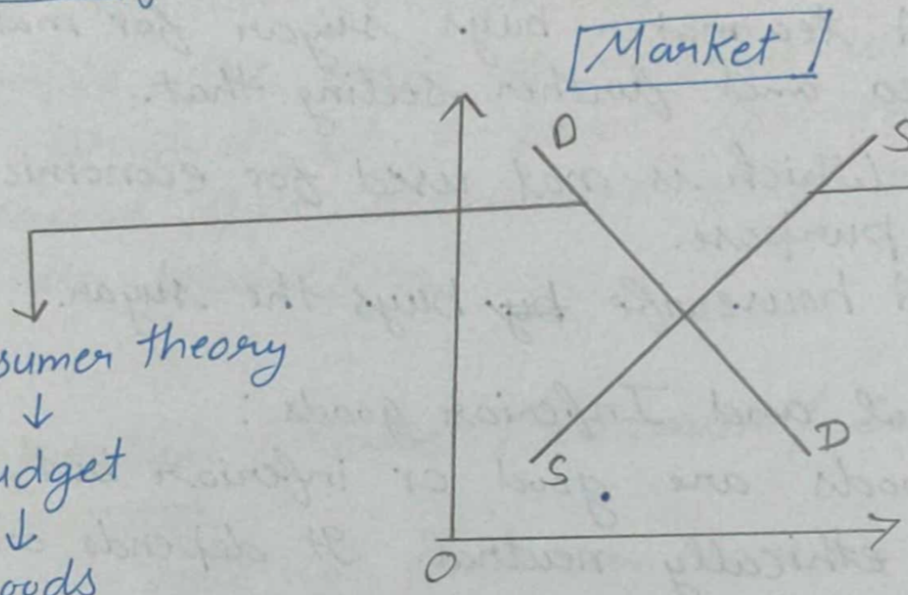
- Equal rights to everyone.
- Govt. take care of everything.

E.g
- Turning off lights in P.G. rooms one by one by someone who is being paid a fixed amount for this work.

Statement
- Socialism is not created by masses

Market Mechanism

Adam Smith says, "Market Mechanism is the best way to generate the economic efficiency.



Consumer theory
↓
Budget
↓
Goods
↓
Exchange [goods ↔ Money]
↓
Utility Maximisation
↓
Demand Curve

Producer / Firm theory
↓
Cost Analysis
↓
Price
↓
Exchange
↓
Profit maximisation
↓
Supply curve

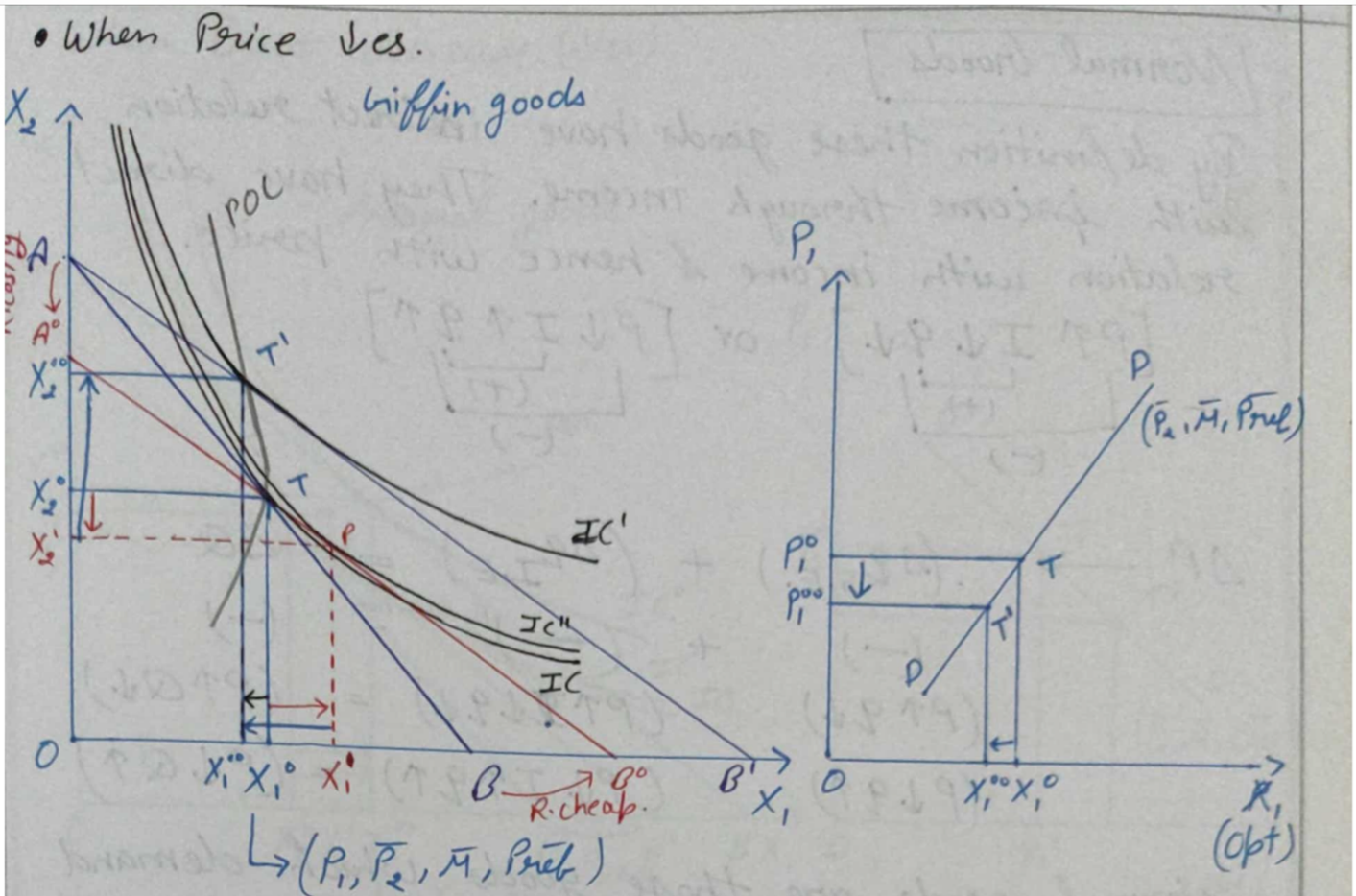
(She) Consumer : Who has purchasing power. (Budget)

Producer : Who willing to produce at a cost.

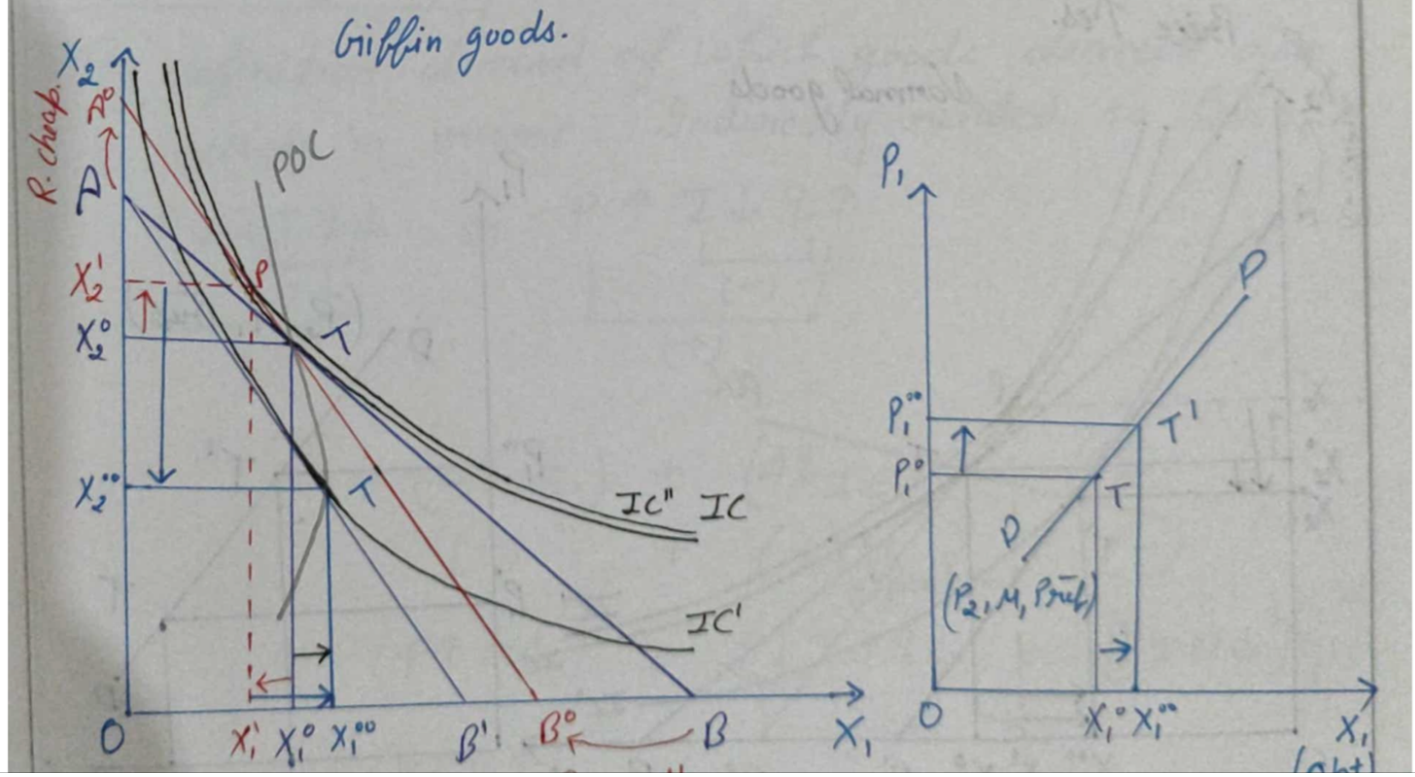
'Goods Or Money' which is more important ?

Neither goods nor Money are important they are neutral. Their importance depends on Utility or Satisfaction of Consumer or

• When Price ↓es.



• When Price ↑es



GDP

- Gross = Net + Depriciation
- Domestic = National − Net Factor Income from Abroad (NFIA)
- MP = Factor Cost + Tax − Subsidies

Questions →

- Given NDP_{FC}, find GNP_{MP}

$GNP_{MP} = NDP_{FC}$ + Depriciation + NFIA + tax − Subsidies.

- Given NDP_{MP}, find GNP_{FC}

$GNP_{FC} = NDP_{MP}$ + Depriciation + NFIA + Subsidies − Tax.

- Given GDP_{FC}, find NNP_{MP}

$NNP_{MP} = GDP_{FC}$ − Depriciation + NFIA + Tax − Subsidies

- Given NDP_{MP}, find GDP_{FC}

$GDP_{FC} = NDP_{MP}$ + Depriciation − Tax + Subsidies

- Given NNP_{FC}, find GDP_{MP}

$GDP_{MP} = NNP_{FC}$ + Depriciation − NFIA + Tax − Subsidy

National Income = NNP_{FC} = NNP_{MP} − tax + Subsidy

Note

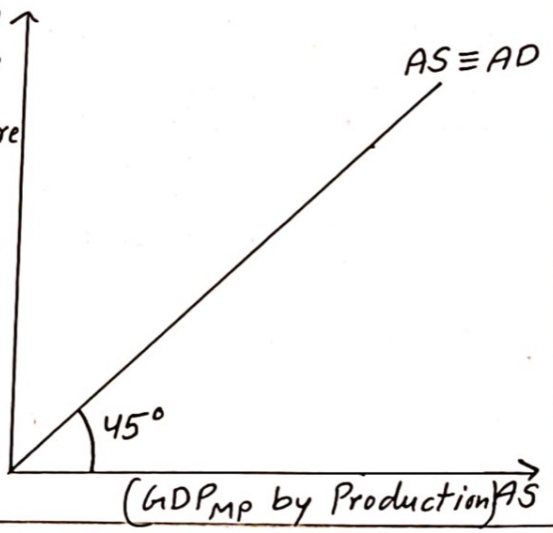
Both AD & AS are identical (≡) AS ≡ AD

Exante = planning (Theoritical)

Ex post = Past happened (Practical)

AS ≡ AD is always of 45°

Because value of GDP_{MP} by both Expenditure & production methods remain same.



Theories of Inter. Eco.

① Absolute Advantage by Adam Smith

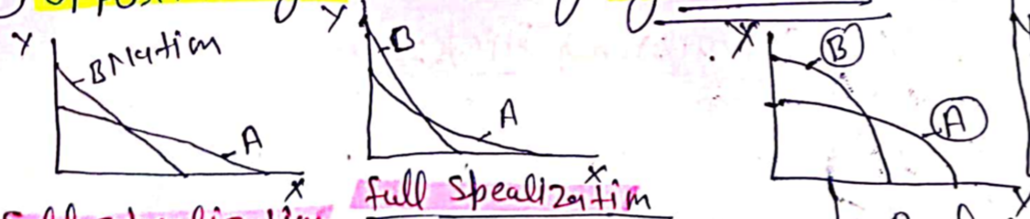
[- the ability to Produce a good using fewer Inputs than another Producer. (Cost is time) (one factor of Production)]

- a) 2 Nation, 2 goods, one factor
- b) Labour theory of value (homogeneous Labour)
- c) Constant tech. or same Production function
- d) Both goods Related diff. Sector
- e) Perfect mobility of factor within the nation but Not b/w the Nations.

② Comparative Cost Advantage - by David Ricardo

- where we Compare the Domestic opportunity cost of Production with other Country Domestic opportunity Cost of Production.
  (Adam Input के साथ Compare Here opportunity Cost of Production)
- if 'A nation दोनो goods के Production में B Nation से best है तो A Nation उस का Production करेगी जिसमें उसकी opportunity Cost कम है (Profit ज्यादा) और B उस का Production / Export करेगी जिसमें loss कम से कम है।
- Same all assumption of Adam bhai

③ Opportunity Cost theory by Heabler (Nothing Say about Labour homogeneous or Not)



full specialization

full specialization

जैसे अगर A firm larger है और B small then B specialization But Not (A)

[Not Complete Specialization by any Country]

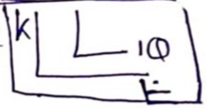
↳ Real world situation (Increasing Cost of Production)

Input-output Model

It deals with "What level of output should each of the n industries in an Economy produce, in order that it will just be sufficient to satisfy the total demand for that product as input?

Assumption

- Each industry produces only one homogeneous commodity
- Each industry uses a fixed input ratio (a_{ij}) for the production of its output



— $MRTS_{LK} = 0$

- Production → CRS + all perfect competitions

$$\begin{bmatrix} X_1 = a_{11}X_1 + a_{12}X_2 + a_{13}X_3 + \text{———} + a_{1n}X_n + d_1 \\ | \\ X_n = a_{n1}X_1 + a_{n2}X_2 + \text{———} + a_{3n}X_n + d_n \end{bmatrix}$$

$$\begin{bmatrix} 1 & 0 & 0 \\ 0 & 1 & 0 \\ 0 & 0 & 1 \end{bmatrix} - \begin{bmatrix} a_{11} & -a_{12} & -a_{13} \\ -a_{21} & a_{22} & -a_{23} \\ -a_{31} & -a_{32} & a_{33} \end{bmatrix} \begin{bmatrix} X_1 \\ X_2 \\ X_3 \end{bmatrix} = \begin{bmatrix} d_1 \\ d_2 \\ d_3 \end{bmatrix}$$

$|I-A|$ – Leontief Matrix

A → technological Matrix (all diagonal element (+))

$|I-A|$ is a nonsingular → $|I-A| \neq 0$ or $|I-A| > 0$

— $X = |I-A^{-1}| d$

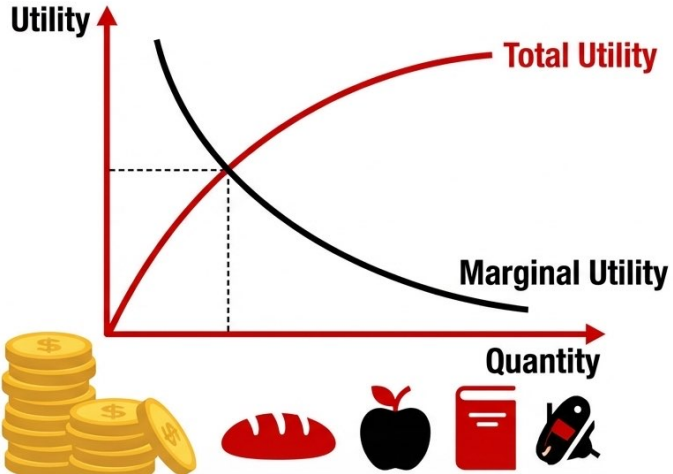
→ Principal diagonal element $(I-A)$ matrix should be Positive

→ $1-a_{11} = 0$ then Matrix नहीं बन पाएगा because firm सारा अपने आप में ही इन input use नहीं कर सकती है।

→ Non diagonal element of technological Matrix – Negative

CARDINAL THEORY

Consumer Behaviour



Consumer's theory

1. Cardinal — गणनावाचक (मात्रा)
2. Ordinal — क्रमवाचक (क्रम)
3. Revealed Preference — (सम्प्रकट वरीयता)

→ Cardinal theory of consumer behaviour.,

Alfred Marshall FBA (26 July 1842 – 13 July 1924) was an English economist and one of the most influential economists of his time. His book *Principles of Economics* (1890) was the dominant economic textbook in England for many years, and brought the ideas of supply and demand, marginal utility, and costs of production into a coherent whole, popularizing the modern neoclassical approach which dominates microeconomics to this day.[2] As a result, he is known as the father of scientific economics.[3][4]

Preference means liking or disliking.
Preference का अर्थ पसंद या नापसंद से होता है।

Consumption and Utility (उपभोग और उपयोगिता):
The goods or services which a consumer prefers more,
their consumption gives more utility or satisfaction.

3.2 Assumptions about Preferences

Economists usually make some assumptions about the "consistency" of consumers' preferences. For example, it seems unreasonable—not to say contradictory—to have a situation where $(x_1, x_2) \succ (y_1, y_2)$ and, at the same time, $(y_1, y_2) \succ (x_1, x_2)$. For this would mean that the consumer strictly prefers the x-bundle to the y-bundle ... and vice versa.

So we usually make some assumptions about how the preference relations work. Some of the assumptions about preferences are so fundamental that we can refer to them as "axioms" of consumer theory. Here are three such axioms about consumer preference.

Complete. We assume that any two bundles can be compared. That is, given any x-bundle and any y-bundle, we assume that $(x_1, x_2) \succeq (y_1, y_2)$, or $(y_1, y_2) \succeq (x_1, x_2)$, or both, in which case the consumer is indifferent between the two bundles.

Reflexive. We assume that any bundle is at least as good as itself: $(x_1, x_2) \succeq (x_1, x_2)$.

Transitive. If $(x_1, x_2) \succeq (y_1, y_2)$ and $(y_1, y_2) \succeq (z_1, z_2)$, then we assume that $(x_1, x_2) \succeq (z_1, z_2)$. In other words, if the consumer thinks that X is at least as good as Y and that Y is at least as good as Z, then the consumer thinks that X is at least as good as Z.

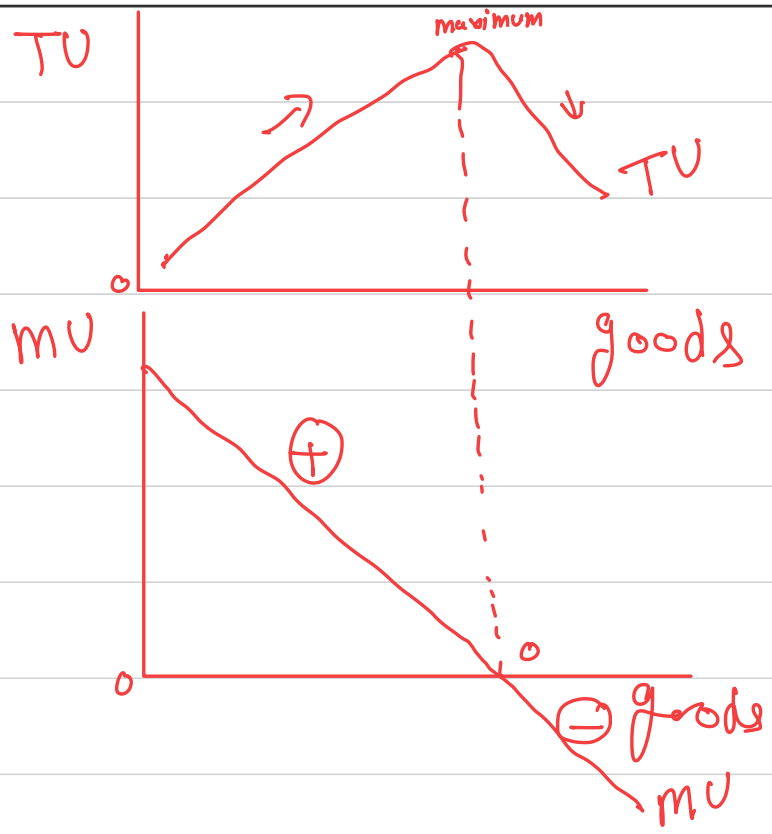
The first axiom, completeness, is hardly objectionable, at least for the kinds of choices economists generally examine. To say that any two bundles can be compared is simply to say that the consumer is able to make a choice between any two given bundles. One might imagine extreme situations involving life or death choices where ranking the alternatives might be difficult, or even impossible, but these choices are, for the most part, outside the domain of economic analysis.

The second axiom, reflexivity, is trivial. Any bundle is certainly at least as good as an identical bundle. Parents of small children may occasionally observe behavior that violates this assumption, but it seems plausible for most adult behavior.

Utility → Subject and objects

Marginal Utility → Subject, objectact, No. of obj.

	1	2	3	4	5	6
MU	10	9	7	4	0	−2
TU	10	19	26	30	30	28



MU +	TU ↑
MU 0	TU maximum
MU −	TU ↓

total Utility = Σ Marginal Utility

↓

additional Satisfaction

Assumption

1. Rational Consumer
2. Money – Marginal Utility Constant (स्थिर)
3. Goods – Diminishing Marginal Utility

घटती सीमांत उपयोगिता का नियम

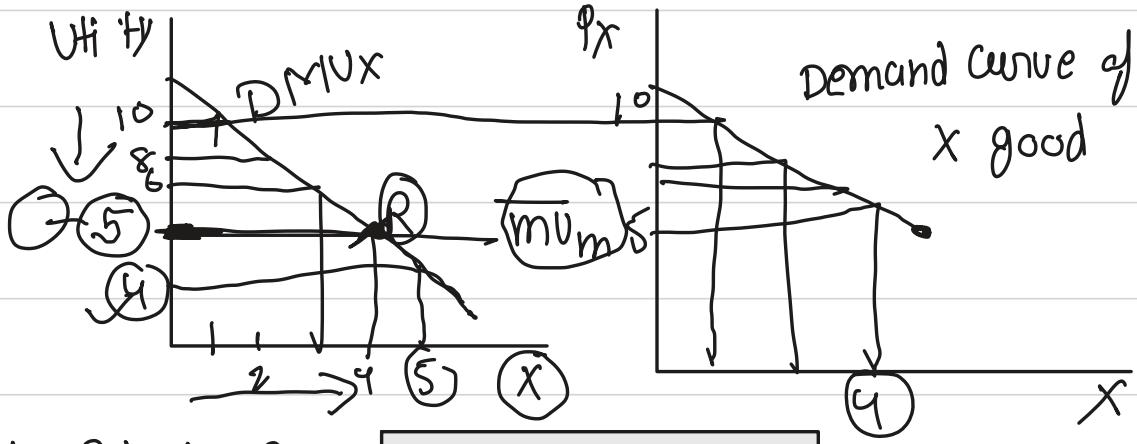
→ गोसन का पहला नियम

4. One good (एकल वस्तु)

5. Utility को माप लगाने के लिए introspective method का use किया गया है।

6. We can add utility from every additional unit of good and services.

7. Utility from each good is independent.



At Point R $MU_m = MU_x$

MU_m = one Utility

Utils

$$\frac{MU_x}{P_x} = MU_m$$

$$MU_x = P_x$$

सम-सीमांत उपयोगिता (Equi Marginal Utility) – गोसेन का दूसरा नियम

👉 **उपभोक्ता संतुलन (Consumer Equilibrium)**

उपभोक्ता को अपने **पैसे (money)** का इस प्रकार उपयोग करना चाहिए कि सभी वस्तुओं पर खर्च की गई **अंतिम इकाई** से **समान सीमांत उपयोगिता** प्राप्त हो।

सूत्र (Formula):

$$\frac{MU_x}{P_x} = \frac{MU_y}{P_y} = \frac{MU_z}{P_z}$$

X Y Z
4 3 10
20 = 20 = 20

👉 अर्थात, विभिन्न वस्तुओं की **सीमांत उपयोगिता और कीमत का अनुपात समान होना चाहिए।**

Law of Equi-Marginal Utility – Gossen's Second Law

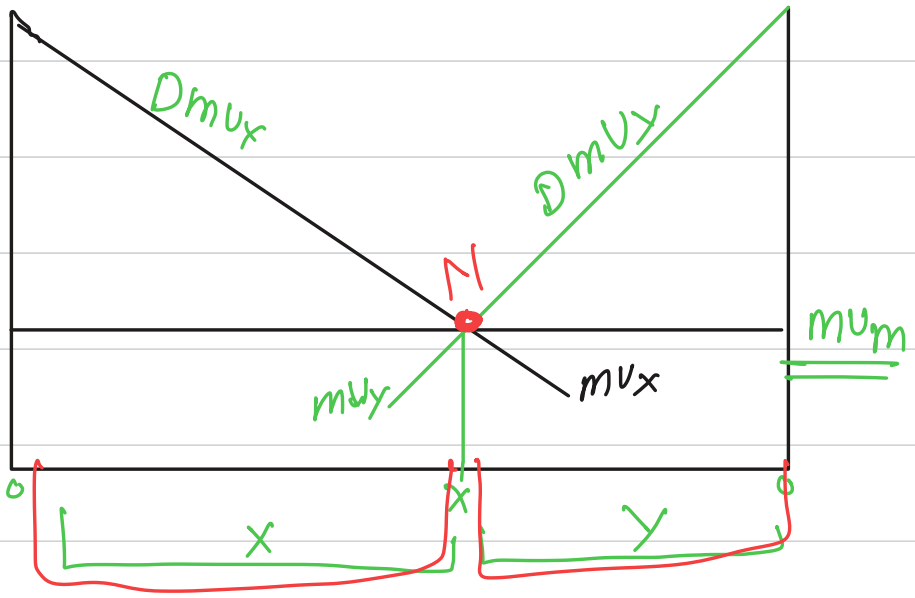
👉 **Consumer Equilibrium**

A consumer should spend his/her **money** in such a way that the **marginal utility obtained from the last unit of money spent** on all goods is **equal**.

Formula:

$$\frac{MU_x}{P_x} = \frac{MU_y}{P_y} = \frac{MU_z}{P_z}$$

👉 This means that the **ratio of marginal utility to price** of all goods should be **equal** for consumer equilibrium.



when we have two goods

$MU_m = MU_X = MU_Y$

आलोचना

1. money की MU स्थिर नहीं रहती।
2. utility को nor में मापना कठिन है।
3. किसी वस्तु से मिलने वाली utility अन्य वस्तुओं के उपयोग से प्रभावित होती है।
4. यह केवल कीमत प्रभाव को ही प्रकट करती है।
5. Giffen प्रभाव को समझाने में सफल नहीं।