

## UPSC CSE Economics Syllabus 2024

The UPSC Economics syllabus covers micro and macro economics, public finance, international trade, quantitative economic analysis, and welfare economics. The exam tests conceptual mastery, analytical thinking, and data interpretation skills. Aspirants must demonstrate the ability to apply theoretical economic concepts to real-world governance, policymaking and emerging socio-economic issues. Questions will assess problem-solving skills and knowledge of government policies, schemes, and current developments.

### UPSC CSE Economics Syllabus 2024 Paper 1

#### 1. Advanced Microeconomics:

- Marshallian and Varrasiam Approaches to Price determination
- Alternative Distribution Theories: Ricardo, Kaldor, Kalecki
- Market Structures: Monopolistic Competition, Duopoly, Oligopoly
- Modern Welfare Criteria: Pareto Hicks and Scitovsky, Arrow's Impossibility Theorem, A. K. Sen's Social Welfare Function

#### 2. Advanced Macroeconomics:

- Approaches to Employment Income and Interest Rate determination: Classical, Keynes (IS-LM) curve, Neo-classical synthesis and New classical
- Theories of Interest Rate determination and Interest Rate Structure

#### 3. Money, Banking, and Finance:

- Demand for and Supply of Money: Money Multiplier Quantity Theory of Money (Fisher, Pique, and Friedman) and Keynes's Theory on Demand for Money
- Goals and Instruments of Monetary Management in Closed and Open Economies
- Public Finance and its Role in Market Economy: In stabilization of supply, allocative, of resources, and in distribution and development
- Sources of Government revenue, forms of Taxes and Subsidies, their incidence and effects
- Limits to taxation, loans, crowding-out effects, and limits to borrowings
- Public expenditure and its effects

#### 4. International Economics:

- Old and New theories of International Trade
  - Comparative advantage
  - Terms of Trade and Offer Curve
  - Product Cycle and Strategic Trade Theories
  - Trade as an engine of growth and theories of underdevelopment in an open economy
- Forms of Protection: Tariff and quota
- Balance of Payments Adjustment: Alternative Approaches
- Trade Policy and Developing Countries

- BOP, adjustments and Policy Coordination in open economy macro model
- Speculative attacks
- Trade Blocks and Monetary Unions
- WTO: TRIMS, TRIPS, Domestic Measures, Different Rounds of WTO talks

### **5. Growth and Development:**

- Theories of growth: Harrod's model; Lewis model of development with surplus labor
- Balanced Unbalanced Growth
- Human Capitals and Economic Growth
- Research and Development and Economic Growth
- Process of Economic Development of less developed countries
- Economic Development and International Trade and Investment, Role of Multinationals
- Planning and Economic Development: changing role of Markets and Planning, Private-Public Partnership
- Welfare indicators and measures of growth—Human Development Indices. The basic needs approach
- Development and Environmental Sustainability—Renewable and Non-renewable Resources, Environmental Degradation, Intergenerational equity development

## UPSC CSE Economics Syllabus 2024 Paper 2

### **1. Indian Economics in Post-Independence Era:**

- Land System and its Changes
- Commercialization of Agriculture
- Drain Theory, Laissez-faire Theory, and Critique
- Manufacture and Transport:
  - Jute
  - Cotton
  - Railways
  - Money and Credit

### **2. Indian Economy after Independence:**

#### **A. The Pre-Liberalization Era:**

##### **(i) Contribution of Vakil, Gadgil, and V.K.R.V. Rao.**

##### **(ii) Agriculture:**

- Land Reforms and Land Tenure System
- Green Revolution and Capital Formation in Agriculture

##### **(iii) Industry:**

- Trends in Composition and Growth

- Role of Public and Private Sector
- Small Scale and Cottage Industries

**(iv) National and Per Capita Income:**

- Patterns, Trends, Aggregate and Sectoral Composition, and Changes Therein

**(v) Broad Factors Determining National Income and Distribution:**

- Measures of Poverty
- Trends in Poverty and Inequality

**B. The Post-Liberalization Era:**

**(i) New Economic Reform and Agriculture:**

- Agriculture and WTO
- Food Processing
- Subsidies
- Agricultural Prices and Public Distribution System
- Impact of Public Expenditure on Agricultural Growth

**(ii) New Economic Policy and Industry:**

- Strategy of Industrialization
- Privatization
- Disinvestments
- Role of Foreign Direct Investment and Multinationals

**(iii) New Economic Policy and Trade:**

- Intellectual Property Rights
- Implications of TRIPS, TRIMS, GATS, and new EXIM policy

**(iv) New Exchange Rate Regime:**

- Partial and Full Convertibility
- Capital Account Convertibility

**(v) New Economic Policy and Public Finance:**

- Fiscal Responsibility Act
- Twelfth Finance Commission
- Fiscal Federalism and Fiscal Consolidation

**(vi) New Economic Policy and Monetary System:**

- Role of RBI under the New Regime

**(vii) Planning:**

- From Central Planning to Indicative Planning
- Relation between Planning and Markets for Growth
- Decentralized Planning: 73rd and 74th Constitutional Amendments

**(viii) New Economic Policy and Employment:**

- Employment and Poverty
- Rural Wages
- Employment Generation
- Poverty Alleviation Schemes
- New Rural Employment Guarantee Scheme

