



"Main Exam का positive result केवल उस Candidate का होता है जो उस सवाल (Main Exam में पूछा गया सवाल) के जवाब को एक बार पहलेही लिखकर Expert/Experienced Teacher से correct करा चुका है"

HCS MAIN EXAM

ECONOMICS (OPTIONAL SUBJECT)

ANSWER WRITING SKILL PROGRAMME



PART I

TEST 1. Micro economic Analysis. Concept of equilibrium. Law of demand. Marshallian utility and indifference curve analysis and their comparisons. Concept of consumer surplus. Elasticity of demand. Income elasticity. Theory of production . Production function and technological progress. Law of Returns to Scale. Law of variable proportions. Isocost and Isoquants. Theory of cost. Concept of opportunity cost. Cost curves. Perfect competition. Price determination. Equilibrium of firm and industry in market period. Supply curves. Monopoly. Equilibrium of the monopolist. Comparison of perfect competition and monopoly. Price discrimination. Equilibrium in discriminating monopoly and effects of price discrimination. Monopolistic competition. Demand curves. Firm and group equilibrium. Determination of equilibrium level. Comparison with pure competition and monopoly. Theory of marginal productivity. Theories of wage determination. Modern theory of rent. Theories of interest, classical, neo-classical and liquidity preference. Gross and net profit. Ricardian, Marshallian. Types of Markets and price determination. Alternate theories of distribution.

TEST 2. Nature, types and functions of money. Measurement of price level changes. Monetary standards. High powered money and quantity theory of money, its variants and critiques thereof. Demand for and supply of money. The money multiplier. Theory of money (Fishers, Cambridge and Keynes version). Theories of determination of interest rate. Interest and prices. Theories of inflation and control of inflation. Full employment and Say's Law. Underemployment equilibrium. Keynes's theory of employment (and income) determination. Critiques of Keynesian theory. Applicability of Keynesian approach to developing countries. Wage and employment – classical and Keynes's views.

TEST 3. Functions of Central Bank, Process of credit creation, Credit control – types and effects, Structure of money markets and capital markets in developing countries like India. Public finance and its role in market economy

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in stabilisation, supply, stability, allocative, efficiency, distribution and development. Sources of revenue. Forms of taxes and subsidies, their incidence and effects. Limits to taxation, loans. Crowding-out effects. Limits to borrowings. Types of budget deficits. Public expenditure and its effects.

TEST 4. International Economics : (i) Old and new theories of international trade. (a) Comparative advantage, terms of trade and offer curve. (b) —Trade as an engine of growth and theories of under development in an open economy. (ii) Forms of protection. (iii) Balance of payments, composition, disequilibria, types, remedies for adverse balance of payments, fixed versus floating rates. (iv) IMF and the World Bank ; W.T.O.

TEST 5. Growth and Development : (i) Theories of growth : Classical and neo-classical theories. The Harrod model. Economic development under surplus labour, Wage-goods as a constraint on growth. Relative importance of physical and human capitals in growth. Innovations and development. Productivity, its growth and source of changes thereof. Factors determining savings to income ratio and the capital-output ratio. (ii) Main features of growth : Changes in sectoral compositions of income. Changes in occupational distribution. Changes in income distribution. Changes in consumption levels and patterns. Changes in savings and investment and in patterns of investments. Case for and against industrialization. Significance of agriculture in developing countries. (iii) Relation between state planning and growth. Changing roles of market and plans in growth. Economic policy and growth. (iv) Role of foreign capital and technology in growth. The significance of multi-nationals. (v) Welfare indicators and measures of growth. Human development indices. The basic needs approach.

Part-II

TEST 6. Indian Economics in Past : Independence Era – Contribution of Vakil, Gadgil and Rao. National and percapita Income, patterns, trends, aggregate and sectoral. Composition and change therein. Employment : Nature and types of unemployment in developing countries. Factors determining employment in short and long periods. Role of capital, wages-goods, wage-rate and technology. Measures of unemployment. Relation between income poverty and employment and issues of distribution and social justice. Agricultural development in India since 1951. Agriculture institutional set-up of land system, size of agricultural holdings and efficiency. Green revolution and technological changes. Agricultural price and terms of trade. Role of public distribution and farm subsidies on agricultural prices. Employment and poverty in agriculture. Employment schemes. Growth experience. Land reforms. Regional disparities in agricultural growth. Role of Agriculture in export. IRDP.

TEST 7. Industry : Industrial development in India since 1951 and industrial policy. Industrial system of India. Trends in composition and growth. Role of public and private sectors. Role of small and cottage industries. Indian Industrial strategy. Capital versus consumer goods. Wage-goods versus luxuries. Capital intensive versus labour. Intensive techniques. Import substituting versus export promotions. Sickness and high-cost Industrial policies and their effects. Recent moves for liberalisation and their effects of Indian industry. . Money and Banking : The monetary institutions of India. Instruments of credit control. Factors determining demand for and supply of money. Sources of reserve money. Money multipliers. Techniques of money supply regulation under open economy. Functioning of money market in India. Budget deficits and money supply. Index numbers of price level : Course of price level in post-Independence period. Sources and causes of inflation. Role of monetary and supply factors in price level determination. Policies towards control of inflation. Role of monetary and supply factors in price level determination. Policies towards control of inflation. Effects of inflation under open economy.

TEST 8. Trade balance of payments and exchange : Foreign trade of India. Composition and direction. Shifts in trade policy from import substitution to export promotion. Balance of payment problem and policies to cure it. Impact of liberalisation on pattern of trade. India's external borrowings and the debt problem. Exchange rate of the



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rupee, devaluations, depreciations and their effects on balance of payments. Rupee in an open economy. Integration of Indian economy with world economy. India and the WTO.

TEST 9. Public Finance and Fiscal policy : Characteristics and trends in India's public finance. Tax structure in India – drawbacks and remedies. Effect of taxation. Taxable capacity. Role of taxes (direct and indirect) and subsidies. Fiscal and monetary deficits. Public expenditures and their significance. Public finance and inflation. Public debt – its role and burden. Limiting government's debt. Recent fiscal policies and their effects. Sources of income and heads of expenditure of the centre and state govts. Center-State financial relations. Latest Finance Commission Report. Deficit financing in Protection of consumer interests in India–meaning, significance and implications. . Economic Planning in India : Trends in savings and investment. Trends in saving income and capital. Output ratios. Growth versus distribution. Transition from central planning to indicative planning. Relation between market and plan. Strategies for growth, social justice and plans. Planning and increasing the growth rate. Features and strategies of economic planning in India. A critical review of our planned development since 1951. Outlines of the current Five Year Plan. India's population problem and policy to control it.

TEST 10 PART I

TEST 11 PART II

TEST 12 FULL LENGTH TEST

TEST 13 FULL LENGTH TEST

TEST 14 FULL LENGTH TEST

TEST 15 FULL LENGTH TEST