

Overview & Questions Summary

AES - 2025

Contents

How to?.....	1
Question Sets considered.....	1
Economics.....	2
Chapter 1 (Introduction of Economics).....	2
Chapter 2 (Demand).....	4
Chapter 3 (Supply).....	7
Chapter 4 (Elasticity).....	8
Chapter 5 (Utility).....	10
Government.....	11

How to?

Bold texts were included in previous years questions.

* mark represents repentance amount.

~~Strike-through~~ refers to out of syllabus.

Highlighted texts are something I didn't find in materials, so help me to find it :)

Question Sets considered

1. Session 2022
2. Session 2021
3. Session 2020 (*mostly out-of-sync*)

By no means, **this is any sorts of suggestions**. Just a quick **overview!**

Nothing more, nothing less :)

And yah, can be **inaccurate!** Feel free to **criticize**.

Economics

Chapter 1 (Introduction of Economics)

- **What is economics? ****
 - Oikonomia (Greek word)
 - Oikos (household)
 - Nomos (management)
 - Adam Smith's definition
 - L. Robbins' definition
- **Subject Matter of Economics (macro vs micro) ***
 - Micro economics
 - Definition
 - According to Boulding
 - Macro economics
 - Definition
 - According to Boulding
 - According to Samuelson
- Method used in Economics
 - Science and Economics
 - Deductive Method
 - Inductive Method
- Positive and Normative Economics
 - Positive Economics
 - Normative Economics
- Some basic concepts in Economics
 - Utility
 - Definition
 - Types of utility
 - **Production**
 - **Definition ***
 - **Features**
 - **Factors of Production**
 - **Consumption ***
 - **Features**
 - Distribution
 - Want
 - Characteristics / features of wants
 - Classification of wants
 - **Goods**
 - **Classification**

- **Differentiate between ***
 - **Free vs economic ***
 - **Private vs public**
- Wealth
 - Features
 - Externality
 - Classification of wealth
- Assumptions, Hypotheses, Theory, and Law
 - **Assumptions ***
 - **Hypotheses ***
 - **Theory vs Law ***
- Firm
- Industry
- **Value vs Price ****
- Equilibrium and its types
 - Stable equilibrium
 - Unstable equilibrium
 - Neutral equilibrium
- Income, Savings, and Investment
 - Income
 - Savings
 - Investment

Chapter 2 (Demand)

- Definition
 - Desire, willingness, and ability to pay
 - Effective desire backed by willingness and ability
 - Quantities purchased at different prices over a time period
 - Willingness and ability to pay
 - Always at a price
 - Always per unit of time
 - Amount buyers are able and willing to purchase at a given price over a period
 - Schedule of how much people will purchase at any price during a time period
- Price demand
 - Quantities bought at various prices, other things constant
- Income demand
 - Quantities bought at various income levels, other things constant
- Cross demand
 - Quantities bought with reference to changes in price of related goods, other things constant
- **Law of Demand ***
 - **Definition and Explanation**
 - **Inverse relationship between price and quantity demanded**
 - **People buy more at lower prices and less at higher prices, other things constant (Samuelson)**
 - **Quantity demanded smaller at higher prices and larger at lower prices, other things remaining constant (Miller)**
 - **Quantity demanded increases with a fall in price and decreases with a rise in price, other things constant**
 - **When price rises, people buy less; when price falls, people buy more, ceteris paribus**
 - **Quantity varies inversely with price**
 - Demand Function
 - $Q_{dx} = f(P_x, M, P_o, T, \dots)$
 - $Q_{dx} = f(P_x)$ ceteris paribus
 - **Individual demand curve (plot) ****
 - **Non-price factor that affect demand ***
 - Demand Schedule
 - List or table of different amounts purchased at different prices per unit of time
 - Demand Curve
 - Graphical representation of the demand schedule

- Shows the relation between price and amount consumers wish to purchase
- Slopes downward from left to right with a negative slope
- Inverse relationship between price and quantity
- **Assumptions of the Law ***
 - **No change in tastes of consumers (T)**
 - **Purchasing power of consumers remains constant (M)**
 - **Price of all other commodities should not vary (Po)**
- **Limitations/Exceptions to the Law ***
 - **Prestige goods**
 - **Price expectations**
 - **Ignorance of the consumer**
 - **Giffen goods**
- Importance of the Law
 - Determination of price
 - Importance to Finance Minister
 - Importance to the Farmers
- Individual's Demand for a Commodity
 - Definition and Explanation
 - Amount a consumer is willing to purchase at a given price over a time period
 - Varies inversely with price, ceteris paribus
 - Individual's Demand Schedule
 - List or table of different amounts an individual purchases at different prices per unit of time
 - Individual's Demand Curve
 - Graphical representation of the individual demand schedule
 - Slopes downward from left to right with a negative slope
 - Inverse relationship between price and quantity
- Market Demand for a Commodity
 - Definition and Explanation
 - Total quantity demanded at various prices by all individuals over a time period
 - Horizontal summation of individual demands at various prices
 - Market Demand Schedule
 - Horizontal summation of individuals' demand schedules
 - Market Demand Curve
 - Horizontal sum of individual demand curves
 - Negatively sloped
 - Inverse relationship between quantity demanded and price
- **Determinants of Demand ***
 - **Changes in population**

- **Changes in tastes and preferences**
- **Changes in income**
- **Changes in the price of substitutes**
- **Changes in the distribution of income**
- **Seasonality**
- **Changes in savings**
- **Asset preferences**
- **Trade cycle**
- **Fashion**
- **Why Demand Curve is Negatively Sloped**
 - Law of diminishing marginal utility
 - Income effect
 - Substitution effect
 - Entry of new buyers
- **Changes in Quantity Demanded (Movement along the curve)**
 - Contraction in demand
 - Fall in demand due to rise in price only
 - Extension in demand
 - Rise in demand due to fall in price only
- **Changes in Demand (Shift of the curve)**
 - Decrease in demand
 - Fall in demand due to changes in factors other than price
 - Increase in Demand
 - Rise in demand due to changes in factors other than price

Chapter 3 (Supply)

- **Definition ****
- **Law of Supply ***
- Assumptions of Law of Supply
 - (i) Nature of Goods.
 - (ii) Government Policies.
 - (iii) Alternative Products.
 - (iv) Squeeze in Profit.
- Limitations/Exceptions of Law of Supply
 - Exceptions that affect law of supply may include:
 - (i) Ability to move stock.
 - (ii) Legislation restricting quantity.
 - (iii) External factors that influence your industry.
- Importance of law of supply
- **Supply schedule vs supply curve with figure ***
- **Determinants of Supply ***
 - (i) Changes in Factor Price.
 - (ii) Changes in Technique.
 - (iii) Improvement in the Means of Transport.
 - (iv) Climatic Changes in case of Agricultural Products.
 - (v) Political Changes.
 - (vi) Taxation Policy.
 - (vii) Goals of firms.
 - VIII. Agreement among the producers
 - IX. Number of seller
 - X. Sellers price expectation
 - Xi. Trade policy
- **Contraction and Extension in Supply * (Graphically represent)**
 - **Contraction in supply:** When supply falls due to fall in price only, then it is called contraction in supply.
 - **Extension in supply :** When supply rises due to rise in price only, then it is called extension in supply.
- **Decrease and increase in Supply * (Graphically represent)**
 - **Decrease in supply:** When supply falls due to changes in any other factor except price then it is called decrease in supply.
 - **Increase in supply :** When supply rises due to changes in any other factor except price then it is called increase in supply.

Chapter 4 (Elasticity)

- Elasticity
- Types of Elasticity of Demand
 - (1) Price Elasticity of Demand
 - Definition and Explanation
 - **Formula ***
 - **Example**
 - Types
 - (i) Elastic
 - (ii) Unitary Elasticity
 - (iii) Inelastic
 - (2) Income Elasticity of Demand
 - Definition and Explanation
 - **Formula ** (math)**
 - Simplified formula
 - Example
 - **Types ***
 - (3) Cross Elasticity of Demand
 - Definition and Explanation
 - Formula
 - Types and Example
 - (i) Substitute Goods
 - (ii) Complementary Goods
 - (iii) Unrelated Goods
 - **Price vs income elasticity of demand ***
- Factors Determining Price Elasticity of Demand
 - (i) Nature of Commodities
 - (ii) Availability of Substitutes
 - (iii) Proportion of the Income Spent on the Good
 - (iv) Time
 - (5) Number of Uses of a Good
 - (6) Addiction
 - (7) Joint Demand
- Importance of Elasticity of Demand
 - (1) Theoretical Importance
 - (2) Practical Importance
 - (i) Importance in taxation policy
 - (ii) Price discrimination by monopolist
 - (iii) Price discrimination in cases of joint supply

- iv) Importance to businessmen
 - (v) Help to trade unions
 - (vi) Use in international trade
 - (vii) Determination of rate of foreign exchange
 - (viii) Guideline to the producers
 - (ix) Use in factor pricing
- **Price Elasticity of Supply ***
 - **Definition and Explanation**
 - **Measurement and Formula**
 - Elastic Supply
 - Inelastic Supply
- **Categories/Types of Price Elasticity of Supply ***
 - **(1) Infinitely Elastic Supply**
 - **(2) Elastic Supply**
 - **(3) Unitary Elasticity**
 - **(4) Inelastic Supply**
 - **(5) Perfectly Inelastic Supply**
- **Determinants/Factors of Price Elasticity of Supply**
 - (i) Time period
 - (ii) Ability to store output
 - (iii) Factor mobility
 - (iv) Changes in marginal cost of production
 - (v) Excess supply
 - (vi) Availability of infrastructure facilities
 - (vii) Agricultural or industrial products

Chapter 5 (Utility)

Theory of Consumer Behavior

- Cardinal Utility Analysis/Approach
 - **Definition and Explanation ***
 - Assumptions of Cardinal Utility Analysis
 - Criticism
 - **Different types of utility ****
 - **Total Utility (TU)**
 - **Definition and Explanation**
 - **Formula**
 - **Marginal Utility (MU)**
 - **Definition and Explanation**
 - **Formula**
 - Relationship between Total Utility and Marginal Utility
 - Law of Diminishing Marginal Utility
 - Definition and Statement of the Law
 - Assumptions of Law of Diminishing Marginal Utility
 - Explanation and Example of Law of Diminishing Marginal Utility
 - Limitations/Exceptions of Law of Diminishing Marginal Utility
 - Practical Importance of Law of Diminishing Marginal Utility
 - **Law of Equi-Marginal Utility ***
 - Other Names of this Law
 - **Definition and Statement of Law of Equi-Marginal Utility**
 - **Assumptions of Law of Equi-Marginal Utility ***
 - Example and Explanation of Law of Equi-Marginal Utility
 - **Limitations/ Exceptions of Law of Equi-Marginal Utility ***
 - Importance of Law of Equi-Marginal Utility
 - ~~• Derivation of the Demand Curve in Terms of Utility Analysis~~
 - ~~• Assumptions~~
 - ~~• Derivation of Demand Curve in the Case of a Single Commodity (Law of Diminishing Marginal Utility)~~
 - ~~• Derivation of the Demand Curve in the Case of Two or More than Two Commodities (Law of Equi-Marginal Utility)~~

Government

- Politics
 - **Definitions of Politics ***
- Government
 - **Definitions of Government ****
 - ↓ (later)
- Impact of digital technologies on government services (Learn from AI/blogs)
- Political Science
 - Definition of Political Science
 - Traditional Definitions (focused on state and government)
 - Modern Definitions (behavioral approach, politics as activity and process)
 - Nature of Political Science (Science or Art)
 - Arguments against Political Science as a Science
 - Arguments in favor of Political Science as a Science
 - Political Science as both a Science and an Art
 - Changing dynamics of the meaning and nature of Political Science (post World War II)
 - **Scope of Political Science ****
 - Difference between politics and Political Science
- Political Theory
 - Theoretical politics vs. applied politics
- **Political Ideology ***
 - **Definition of Political Ideology ***
 - Characteristics of Ideology
 - Roles of political ideologies
 - **List of political ideologies**
(Anarchism, Conservatism, Ecologism, Fascism, Feminism)
- Political Beliefs
 - Definition of Political Beliefs
- Political Socialization Factors
- Authority
 - **Definition of Authority ***
 - **Weber's Three Types of Authority ****
(Traditional, Charismatic, Rational-Legal)

- Primary vs. Secondary Authorities (in law)
- **Authority vs. Power ****
- **Power**
 - Definitions of Power
 - Basis and Types of Power
(Positional, Relational, Expertise)
 - French and Raven's Six Bases of Power
(Coercive, Reward, Legitimate, Referent, Expert, Informational)
- Legitimacy
 - Political Legitimacy
 - **Sources of Political Legitimacy ****
 - Factors That Affect Legitimacy
- Nation-State
 - Definition of Nation-State
 - **7 Characteristics of a Nation ****
- Nationalism
 - Definition of Nationalism
 - **8 Elements/Roots of Nationalism ****
- Sovereignty
 - **Definition of Sovereignty ***
 - Principles of Sovereignty
 - Main characteristics of Sovereignty
 - Types of Sovereignty
 - Belief in Sovereignty (Hobbes, Bodin, Rousseau)
 - Sovereignty as an essential element of the State
- Justice and Equity
 - Definition of Equity
 - Equity vs. Equality
 - Equity vs. Justice
 - Rule of Justice and Equity
 - Characteristics and Dimensions of Equity
 - Importance of Justice in line with Equality
- Liberty
 - Types of Liberty
 - Fundamental Rights (related to liberty)
 - 5 Freedom that liberty protects
 - 4 fundamentals of Freedoms

- 7 steps to freedom
- 2 levels of freedom
- 2 Elements of freedom
- Definition of Freedom
- State
 - Definition of State
 - **Essential Elements of State ****
(Population, Territory, Government, Sovereignty)
 - **Origin of State ***
(Divine Origin Theory, Theory of Force, Social Contract Theory, Evolutionary Theory)
 - Functions of the State
(Main, Additional)
 - Main function's classification
(Internal, External, Economic, Political, Humanitarian, Social)
 - Necessity of State
 - Interaction between States and Citizens in the Age of Internet
- Government (again)
 - **Traditional and modern form of Government ****
 - **Aristotle's Classification of Government**
 - **Aristotle's best government ***
 - Functions of Govt. in state
(regulatory, service providing, developmental)
 - **Discuss the functions of legislature ***
- Governance
 - Definition of Governance
 - Key elements of Governance
 - **Government vs. Governance *****
- Separation of Powers
 - Doctrine of Separation of Powers
 - Legislative, Executive, and Judicial functions

Mind-maps diagram is available on **Rising Flare** to learn where to look for which topic, especially beneficial to **visual type learners** :)