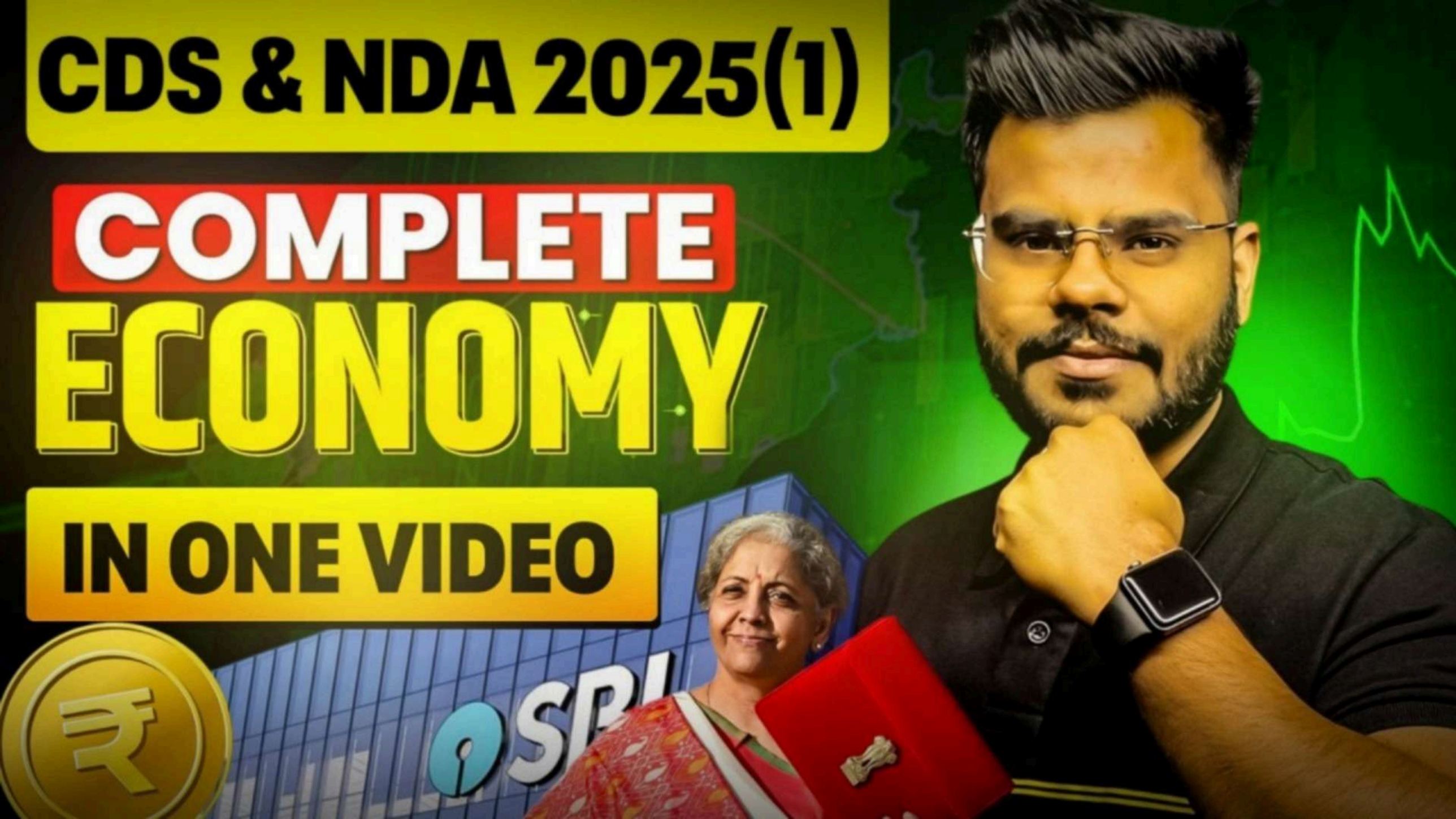
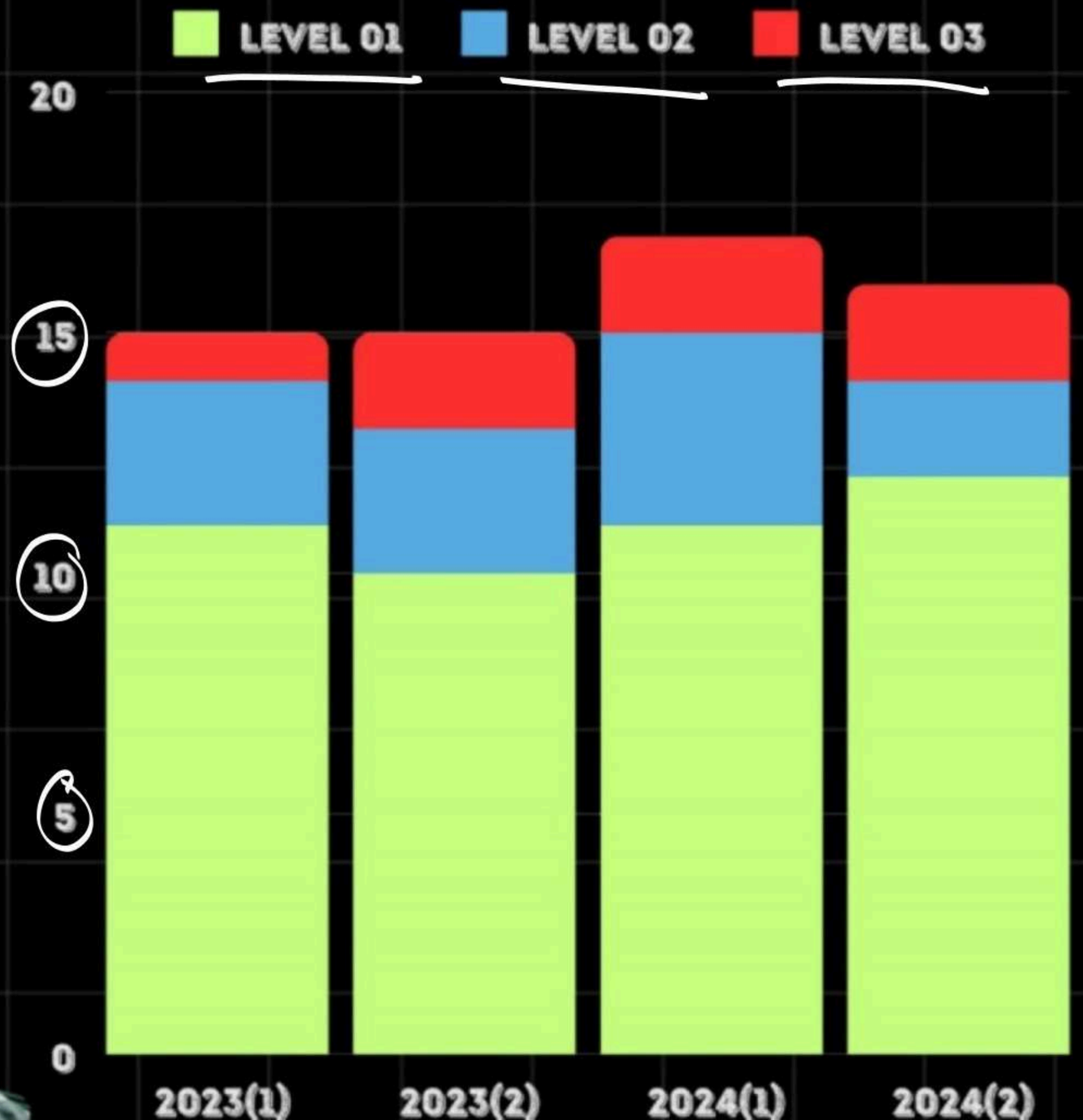

CDS & NDA 2025(1)
COMPLETE
ECONOMY
IN ONE VIDEO
SBI

ECONOMICS CDS



DTL
DESIRE TO LEARN

UNIT 8, VIDEO 1

ECONOMICS

अब

आपके कदमों में

UNIT 01

A. Micro & Macro Economics

B. Types of Economy

C. Sectors Of Economy

D. Production

UNIT 02

A. Population

B. Human Development Index

C. Inequality

D. Unemployment

E. Poverty

F. National Income

G. GDP

H. CENSUS 2011

UNIT 03

A. Money and its types

B. Market and its Types

C. Reserve Bank of India

D. Monetary Policies

E. Banking

F. Inflation

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UNIT 04

A. Planning Commission

B. All Plans

C. 5 years plan

D. NITI Ayog

UNIT 05

A. Budget and its types

B. Taxation-

- Direct
- Indirect

C. Goods and Services Tax

D. Deficit and its types

UNIT 06

A. Curves and its types

B. Committees

C. Important Index

UNIT 07

A. External Sectors

B. WTO

C. World Bank

D. ADB

E. AIIB

F. IMF

UNIT 08

A. Economic Survey

B. Budget 2025

C. Important Terminologies

D. Currency Depreciation

E. Important Phenomenas

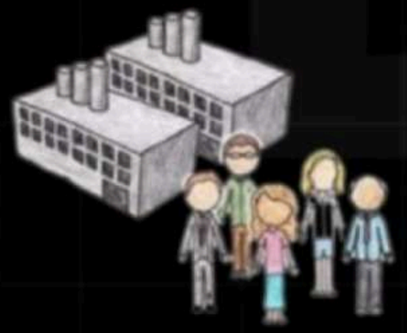
Important

ECONOMICS

UNIT–01

ECONOMICS

MACRO | MICRO



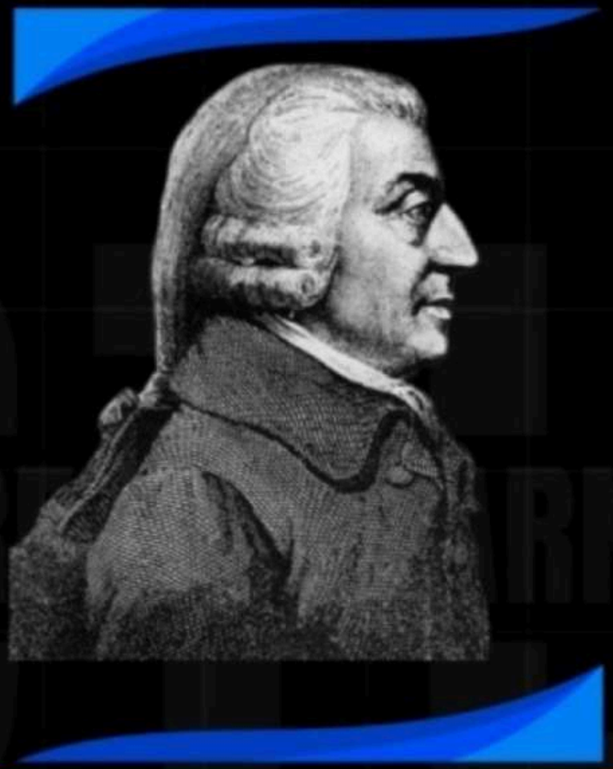
MICRO ECONOMICS

Focuses on the behavior of individual consumers, firms, and markets,

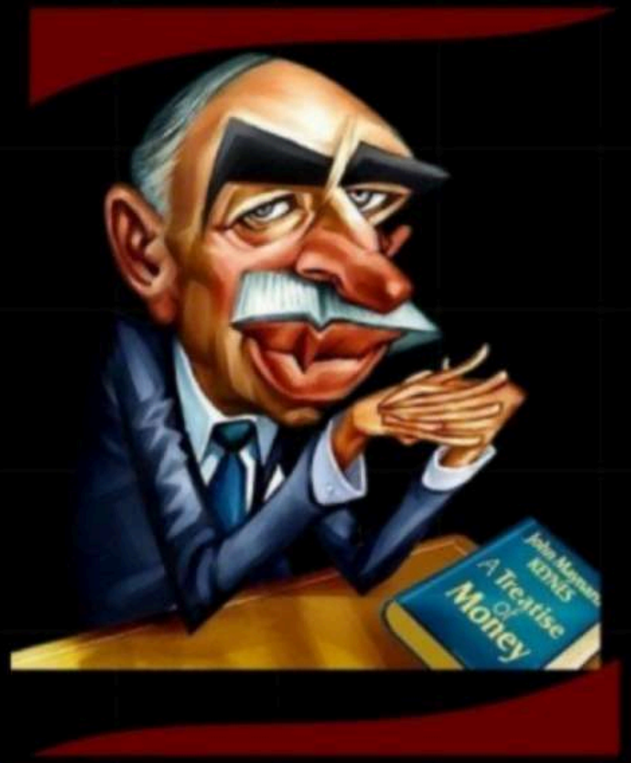
MACRO ECONOMICS

Examines the broader economy as a whole, looking at factors like national income, inflation, unemployment, and economic growth.

FATHERS OF ECONOMICS



FATHER OF MICRO ECONOMICS
Adam Smith



FATHER OF MACRO ECONOMICS
John Maynard Keynes

TYPES OF ECONOMICS

TRADITIONAL

A traditional economy will use the **barter system**

COMMAND/ SOCIALIST

Economic system is controlled by a **centralized power.**

MARKET

In Market Economy ,it's **Depend on Supply** and Demand of Market

MIXED

A mixed economy is a combination of **both, command economy TRADITIONAL** and a free market economy.

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CAPITALIST ECONOMY

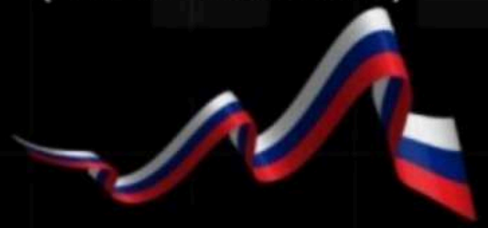
Means production controlled by **private sectors**

Example- USA

SOCIALIST ECONOMY

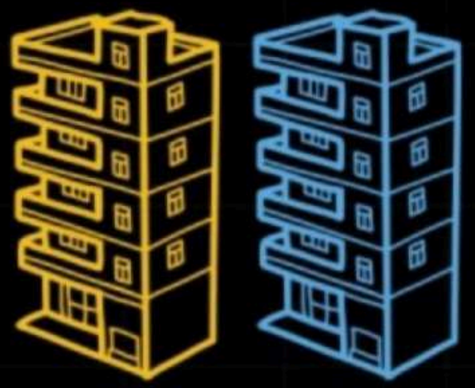
Means production controlled by **Govt. sectors**

Example- USSR (NOW RUSSIA)



MIXED ECONOMY

Means production controlled by **private & public sectors**



Example- INDIA

TYPES OF PRODUCTION

- Farming - Land
- Non Farming - Land

CDS PYQ

TYPES OF SECTORS

PRIMARY

The primary sector of the economy includes **any industry involved** in the extraction and production of raw materials, such as **farming, logging, fishing, forestry** .

SECONDARY

The secondary sector of the economy produces **finished goods from the raw** materials extracted by the primary economy.

TERTIARY

Activities in this sector help in the **development of primary and secondary sectors.**

- They themselves do not produce any good but they are an aid/support for the production process.

SECTOR OF INDIAN ECONOMY

PRIMARY

- AGRICULTURE
- FISHING
- DAIRY
- FORESTRY

SECONDARY

- MANUFACTURING INDUSTRIES

TERTIARY

- SERVICE SECTOR

5 SECTORS OF ECONOMY

1 PRIMARY

- Mining
- Agriculture
- Fishing
- Logging
- Extraction

2 SECONDARY

- Automotive
- Construction
- Manufacturing
- Food

3 TERTIARY

- Hospitality
- Retail
- Healthcare
- Real Estate
- Education

4 QUATERNARY

- Media
- Financial Ser
- Education
- Real Estate

5 QUINARY

- NGOs
- Nursing Homes
- Fire Services
- Police Services

TYPES OF SECTORS

QUATERNARY

- The quaternary sector of the economy consists of intellectual activities.
- Activities associated with this sector include government, culture, libraries, scientific research, education, and information technology.

QUINARY

- Some consider there to be a branch of the quaternary sector called the quinary sector, which includes the highest levels of decision making in a society or economy.
- This sector would include the top executives or officials in such fields as government,
- science, universities,
- nonprofit, healthcare, culture, and the media.

REAL SECTOR

The real sector of an economy is the part that produces and consumes goods and services

- Agriculture
- Manufacturing
- Construction
- Non-financial corporations

01

UPSC PYQS

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UPSC PRE 2022

45. With reference to the sectors of the Indian economy, consider the following pairs :

	Economic activity	*Sector*
1.	Storage of agricultural produce	Secondary
2.	Dairy farm	Primary
3.	Mineral exploration	Tertiary
4.	Weaving cloth	Secondary

How many of the pairs given above are correctly matched ?

(a) Only one

(b) Only two

(c) Only three

(d) All four

Primary — Extraction

Secondary — Raw Material [Finished goods]

Tertiary → Services

02

UPSC PYQS

DESIRE TO LEARN

UPSC PRE-2018

7. Which of the following activities constitute real sector in the economy ?

1. Farmers harvesting their crops
2. Textile mills converting raw cotton into fabrics
3. A commercial bank lending money to a trading company
4. A corporate body issuing Rupee Denominated Bonds overseas

Select the correct answer using the code given below :

(a) 1 and 2 only

(b) 2, 3 and 4 only

(c) 1, 3 and 4 only

(d) 1, 2, 3 and 4

Real Sector

03

UPSC PYQS

UPSC CDS-2020 (2)

106. Which one of the following central features is ***not*** associated with Capitalist Economy ?

(a) There is generalised commodity production — it has market value.

(b) Productive wealth is held predominantly in private hands.

(c) Economic life is organised according to market principles.

(d) Economic organisation is based on planning, a supposedly rational process of resource allocation.

Socialist

↳ Nosthwora (d)

04

UPSC PYQS

DESIRE TO LEARN

CAPF AC-2021

102. In which of the following types of economy are the factors of production owned individually ?

(a) Capitalist

(b) Socialist

(c) Mixed

(d) Both socialist and capitalist

05

UPSC PYQS

DESIRE TO LEARN

CAPF AC-2018

58. To which of the following sectors of the economy, the activity of agriculture and services belong to ?

(a) Primary and Tertiary respectively

(b) Primary and Secondary respectively

(c) Tertiary and Secondary respectively

(d) Secondary and Quaternary respectively

"Important"

ECONOMICS

UNIT-02

THE GRANTH

2024

JANUARY TO DECEMBER

THE GRANTH

E-MAGAZINE

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CENSUS IN INDIA

Earliest reference to Census in India comes from **Kautilya's Arthashastra**

In Mughal Period, writing of **Abdul Fazal in Ain-e-Akbhari** also gives reference to the Census

HISTORY OF CENSUS

1872 Census is called 1st census in India → Lord Mayo

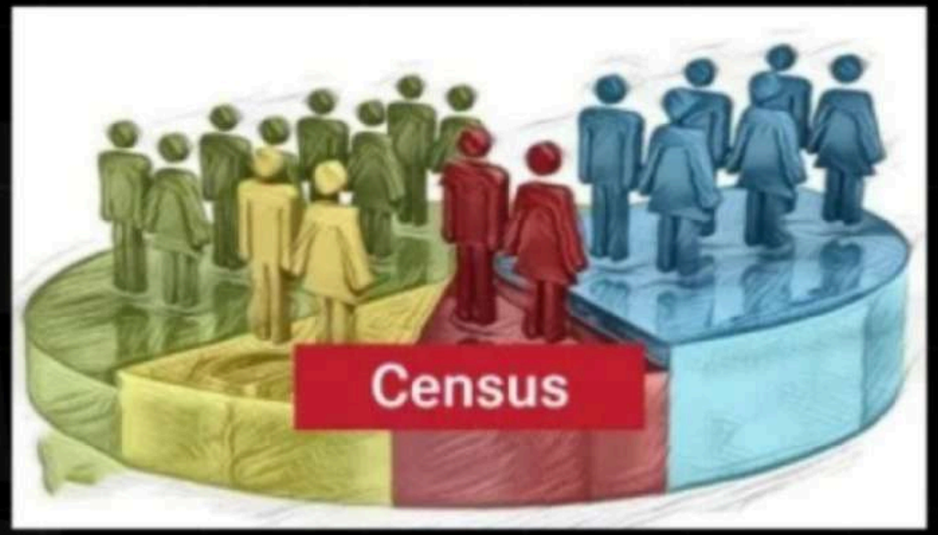
First Synchronous census was carried out in **1881**

Lord Rippon

Since then, Census in India is carried out **every 10 years**

2011

2021



CENSUS ACT PROVISION

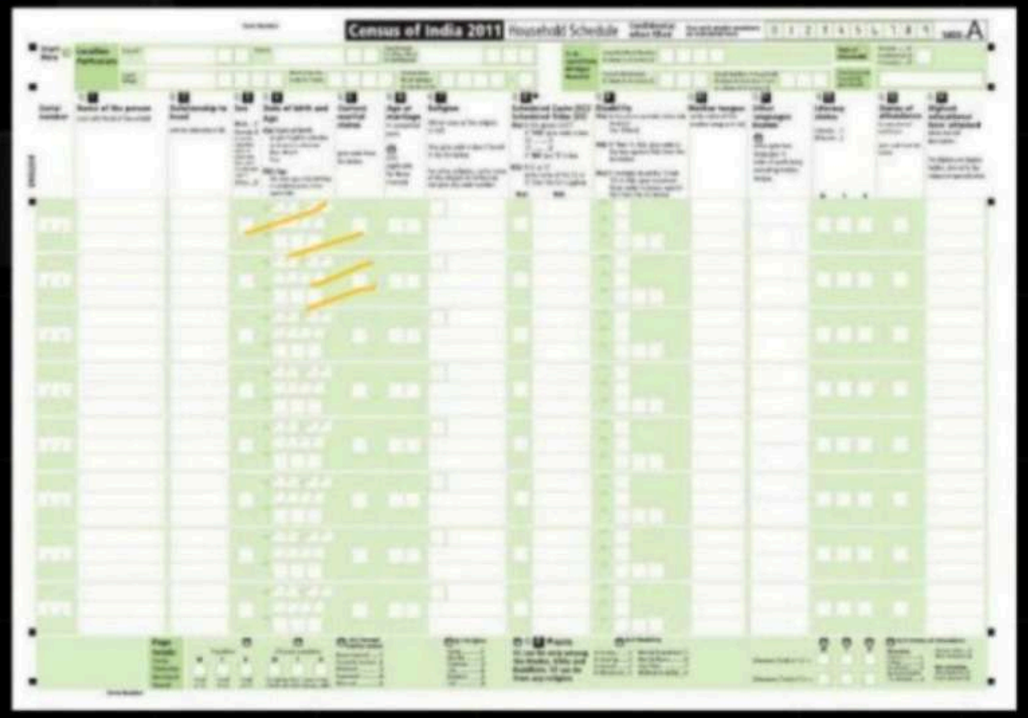
In India, the population census is a Union Subject (Article-246) of the 7th schedule of the constitution.

The **census Act 1948** forms the legal basis for conduct of census in Independent India

METHODS OF CENSUS

CANVASSER

HOUSEHOLD



COMMISSIONER OF CENSUS

CENSUS COMMISSIONER, INDIA
1881 Mr. W. W. Plauden
1891 Mr. J. A. Bains
1901 Mr. H. H. Risley & E. A. Gait

1941 Mr. M. W. M. Yeatts	1983 - 1989 Mr Vijay S Verma	2019 - 2022 Dr. Vivek Joshi
	2022 - Shri Mritunjay Kumar Narayan	

HISTORY OF CENSUS

SPAN-10 YEARS

- FIRST CENSUS-
  1872- LORD MAYO
- Father of Indian Census- Henry Walker- Dhaka
- Officer- W.W. Plowden
- 2011- 7th After Independence
  15th Overall
  CM Chandramauly- Our Census, Our Future

FIRST CENSUS

- Year- 1881
- Father- Lord Rippon
- Father of Local Self Govt
- Hunter Commission
- Vernucular Act

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CENSUS 2011

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POPULATION
121 CROORE

MALE
628 M

FEMALE
585 M

AREA- 2.4%
17.5% OF THE TOTAL POPULATION

- STATE
  - H- UTTAR PRADESH
  - L- SIKKIM
- UTs
  - H- DELHI
  - L- LAKSHWADEEP
- DISTRICT
  - H- THANE, MH
  - L- DIBANG, ARUNACHAL
- CITY
  - H- MUMBAI

100%
2.4%
[100% 17

CENSUS 2011

GROWTH RATE 2001-2011

1921- GREAT DIVERSION

2001 - x

2011 - x+y

- **STATE**
  - H- MEGHALAYA (27.8%)
  - L- ~~NEPAL~~ (-0.47%) Nagaland
- **UTs**
  - H- DADAR & NAGAR
- **DISTRICT**
  - H- KURUNG, ARUNACHAL
  - L- LONGLENG, NAGALAND

127

CENSUS-2011

POPULATION
158.8M
0-6 YEARS

- STATE
  - H-BIHAR
  - L- SIKKIM
- DISTRICT
  - H- KUPWARA, J&K
  - L- KOLKATA

DESIRE TO LEARN

CENSUS-2011

2001- 933

2011- 943

SEX RATIO

- **STATE**
  - H- KERALA (1084)
  - L- HARYANA (879)
- **UT**
  - H- PUDUCHERRY (1037)
  - L- DAMAN & DIU (618)
- **DISTRICT**
  - H- MAHE → Puducherry
  - L- DAMAN

M : F

1000 : ?

1000 : 86

CENSUS-2011

2001- 927

2011- 914

CHILD SEX RATIO

- **STATE**
  - H- MIZORAM
  - L- HARYANA
- **DISTRICT**
  - LAHUL, SPITI, HP
  - L- JHAJJHAR, HARYANA

B : G

1000 : 9

CENSUS-2011

100

64 74

↑

2001- 64.83%

2011- 74.04%

LITERACY RATE

URBAN- 83.5%

RURAL- 71.42%

M- 82.1%

F- 64.5%

- **STATE**
  - H- KERALA (94%) → Unemployment → NSSO
  - L- BIHAR (61.8%)
- **UT**
  - H- LAKSHWADEEP (91.85%)
  - L- DADAR & NAGAR HAVELI
- **DISTRICT**
  - H- SERCHHIP, MIZ
  - L- ALIRAJPUR MP

CENSUS-2011

PER SQUARE

POPULATION DENSITY

INDIA- 382
2001- 325

- **STATE**
  - H- BIHAR(1106)
  - L- ARUNACHAL PRADESH (19)
- **UT**
  - H- DELHI (11,287)
  - L- ANDAMAN & NICOBAR (46)
- **DISTRICT**
  - H- NEW DELHI
  - L- DIBANG VALLEY

1 Sq km → 19

Janism

TERMINOLOGIES

RELATED TO POPULATION

DEPENDENCY RATIO

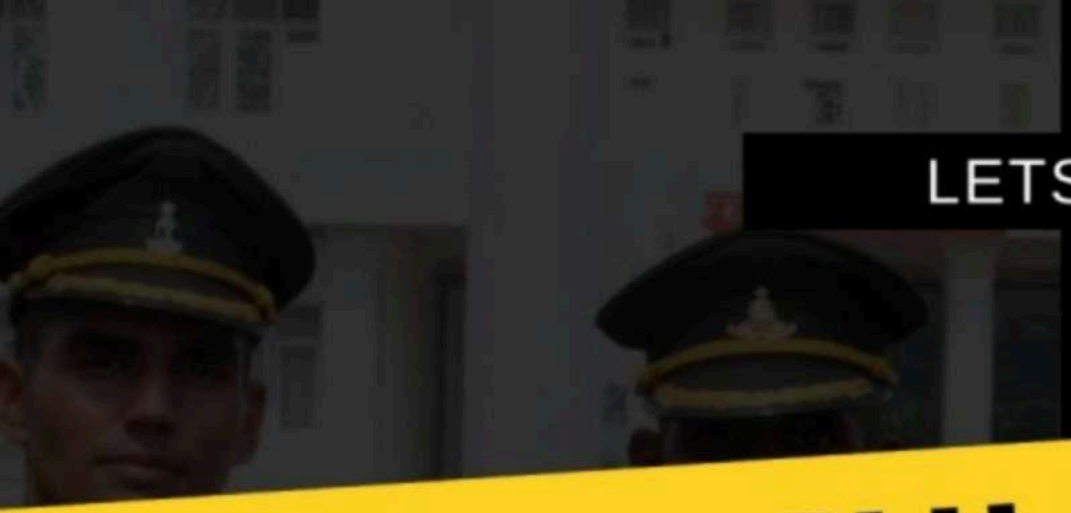
- The persons below **15 years and above 64 years** are defined dependent while persons between **15-64 years age are economically productive**.

- Dependency ratio therefore refers to the ratio of persons of ages under 15 years and over 64 years to the persons of ages 15-64 years

$$\frac{\text{No. of dependent or non- working age group}}{\text{Population aged between 15-64}} \times 100$$

Did you know?

WHAT HIGHER DEPENDENCY RATIO SHOWS?



LETS THE WAR BEGIN

FULL HAND WRITTEN NOTES

FREE FREE FREE FREE

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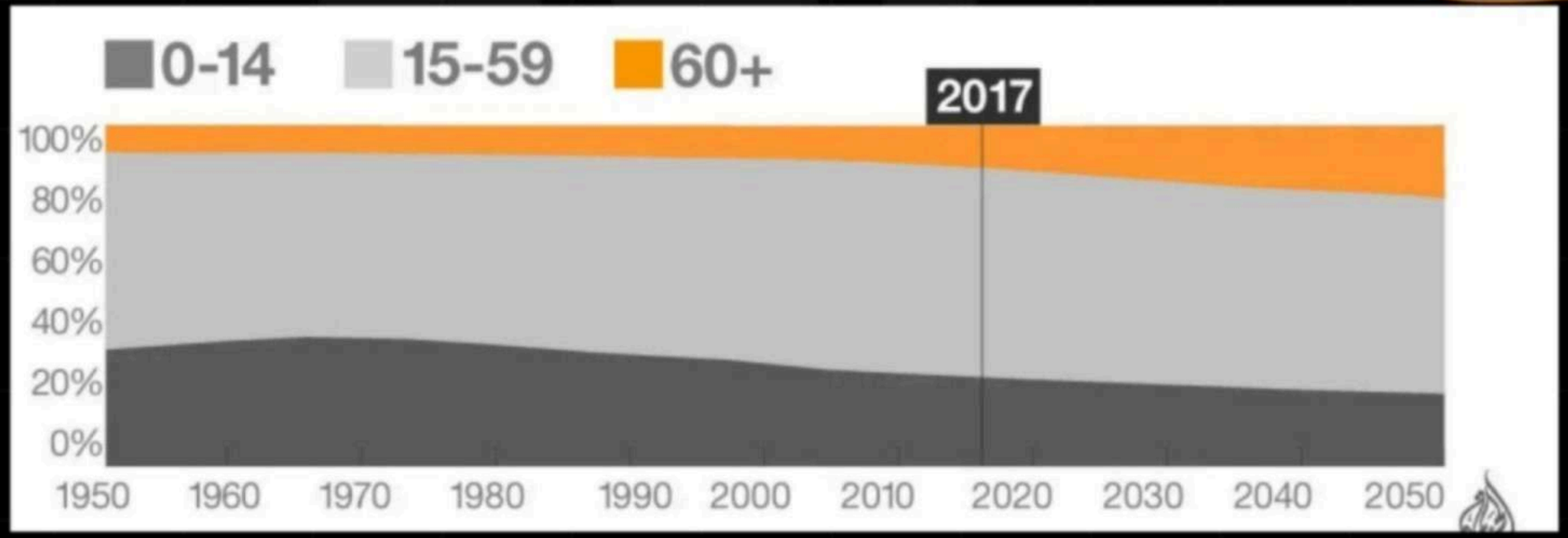
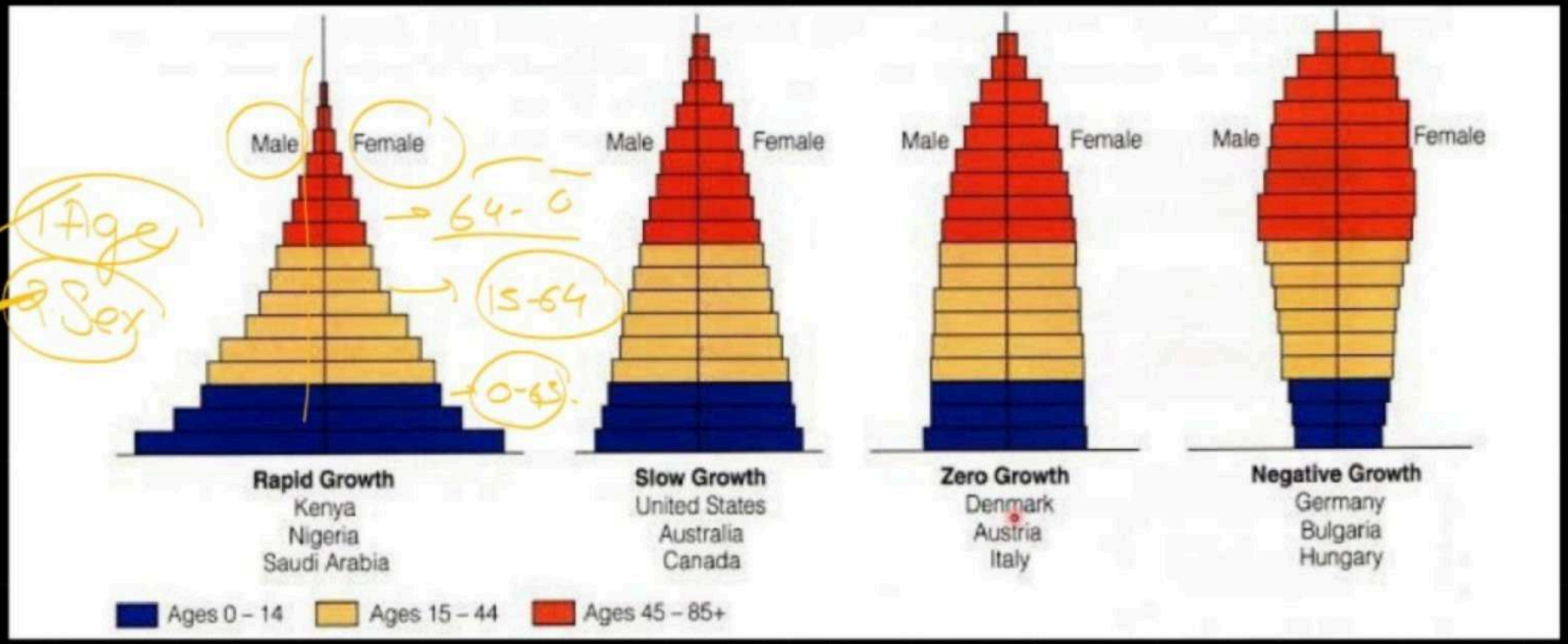
THE WORLD IS GETTING OLDER

- In 1955 only **8% of the population was older than 60 years.** In 2015 this raise to 12.3%.
- By 2050, it will be 21.3 %



POPULATION PYRAMID



The left side shows the percentage of males while the right side shows the percentage of women in each age group. The younger ages are at the bottom

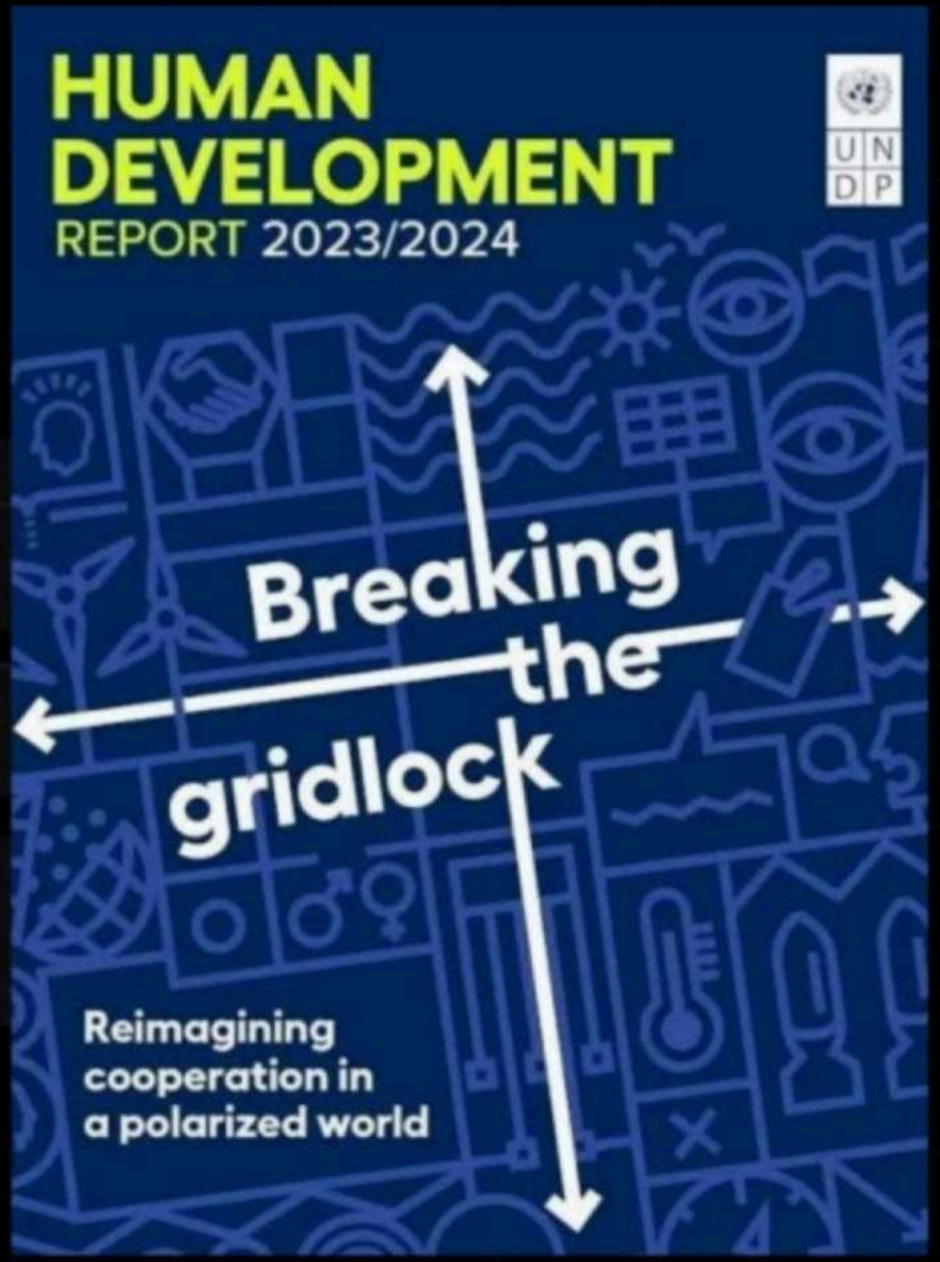
HUMAN DEVELOPMENT

INDEX

HUMAN DEVELOPMENT INDEX

The report's title is "Breaking the Gridlock: Reimagining Cooperation in a Polarised World

- India ranks 134th in the Human Development Index (HDI), with an HDI value of 0.644



HUMAN DEVELOPMENT INDEX

One measure of human development is the Human Development Index (HDI), formulated by the UNDP (UNITED NATION DEVELOPMENT PROGRAM)

New York

Top 5 HDI Nations

0.967	Switzerland	01
0.966	Norway	02
0.959	Iceland	03
0.956	Hong Kong, China (SAR)	04
0.952	Denmark	05

HUMAN DEVELOPMENT INDEX

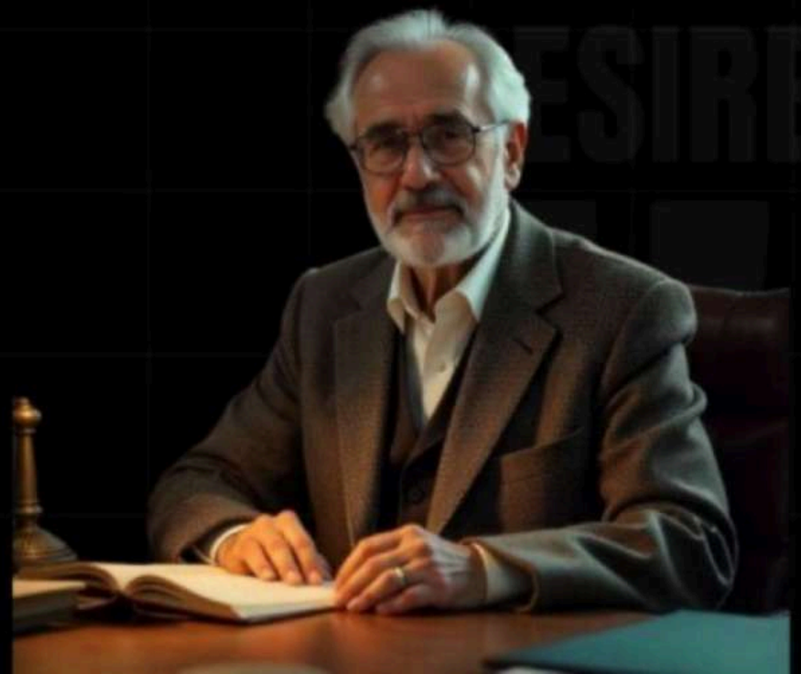
Top 5 HDI Nations

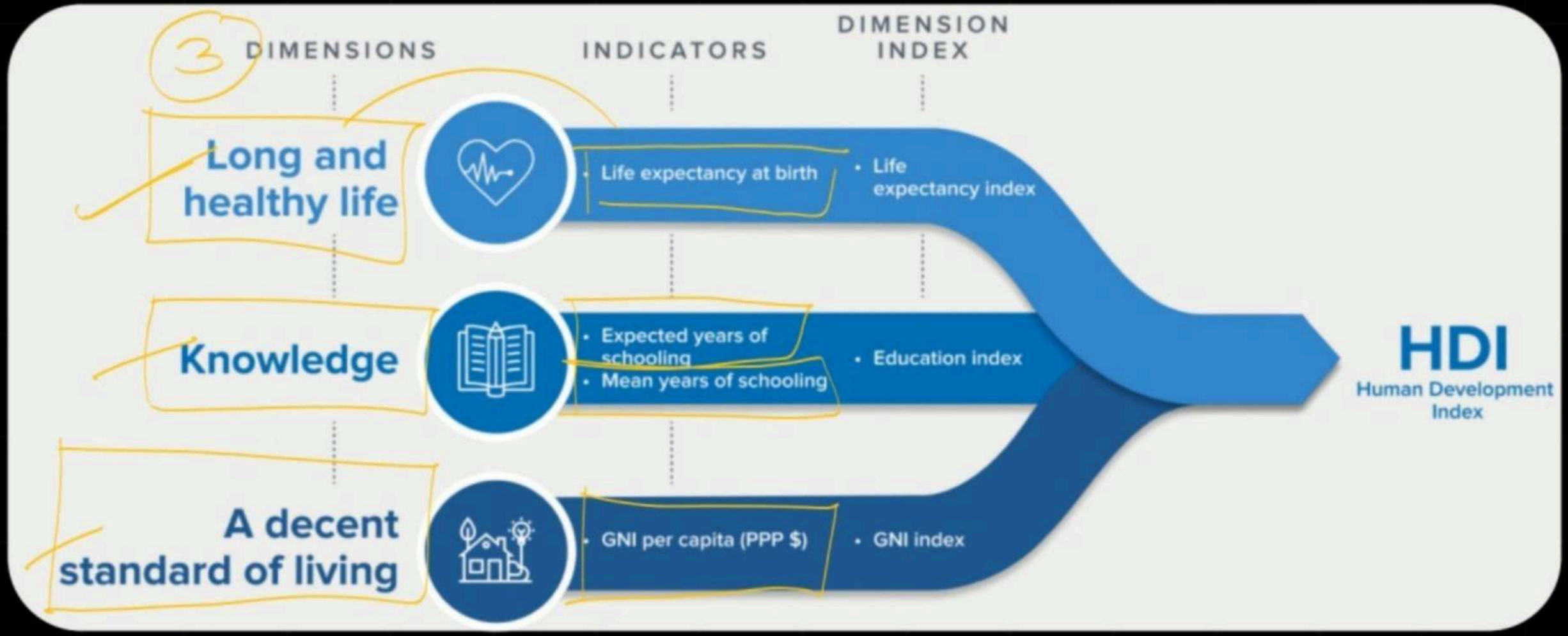
0.967	Switzerland	01
0.966	Norway	02
0.959	Iceland	03
0.956	Hong Kong, China (SAR)	04
0.952	Denmark	05

CONCEPT OF HDI

DR. MEHBUB-UL-HAQ

NOBEL LAUREATE DR. AMARTYA SEC




3
DIMENSIONS
INDICATORS
DIMENSION INDEX
Long and healthy life
Life expectancy at birth
Life expectancy index
Knowledge
Expected years of schooling
Mean years of schooling
Education index
A decent standard of living
GNI per capita (PPP $)
GNI index
HDI
Human Development Index

UNEMPLOYMENT

TYPES OF UNEMPLOYMENT

1 OPEN

2 STRUCTURAL

3 SEASONAL

4 FRICTIONAL

5 UNDER

6 DISTINGUISED

7 CYCLICAL

DTL DESIRE TO LEARN

TYPES OF UNEMPLOYMENT

CS AI

OPEN UNEMPLOYMENT

- No word to do
- able to work or willing to work
- Also known as Naked Unemployment

STRUCTURAL UNEMPLOYMENT

- Occurs due to change in the structure of economy.
- due to change in technology or change in demand
- Countries like India both urban & rural areas seen under this unemployment

TYPES OF UNEMPLOYMENT

FRICTIONAL UNEMPLOYMENT

- Due to normal working of the economy.
- occurs due to worker shifting from one job to another.

UNDER UNEMPLOYMENT

- someone is employed but not fully utilizing their skills
- can be in terms of time or type of work.
- Part time workers comes under this.

TYPES OF UNEMPLOYMENT

SEASONAL UNEMPLOYMENT

- Occurs due to seasonal changes
- Ex- Hotels, Ice Cream company, Winter Wears etc
- In India, Agriculture sector is very common

DISGUISED UNEMPLOYMENT

- When no of people are more than required.
- Contribution to the total output is less or zero.
- Mostly seen in rural areas.
- Ex- 100 units produced by 50 workers and after adding 10 more workers the output remains the same

TYPES OF UNEMPLOYMENT

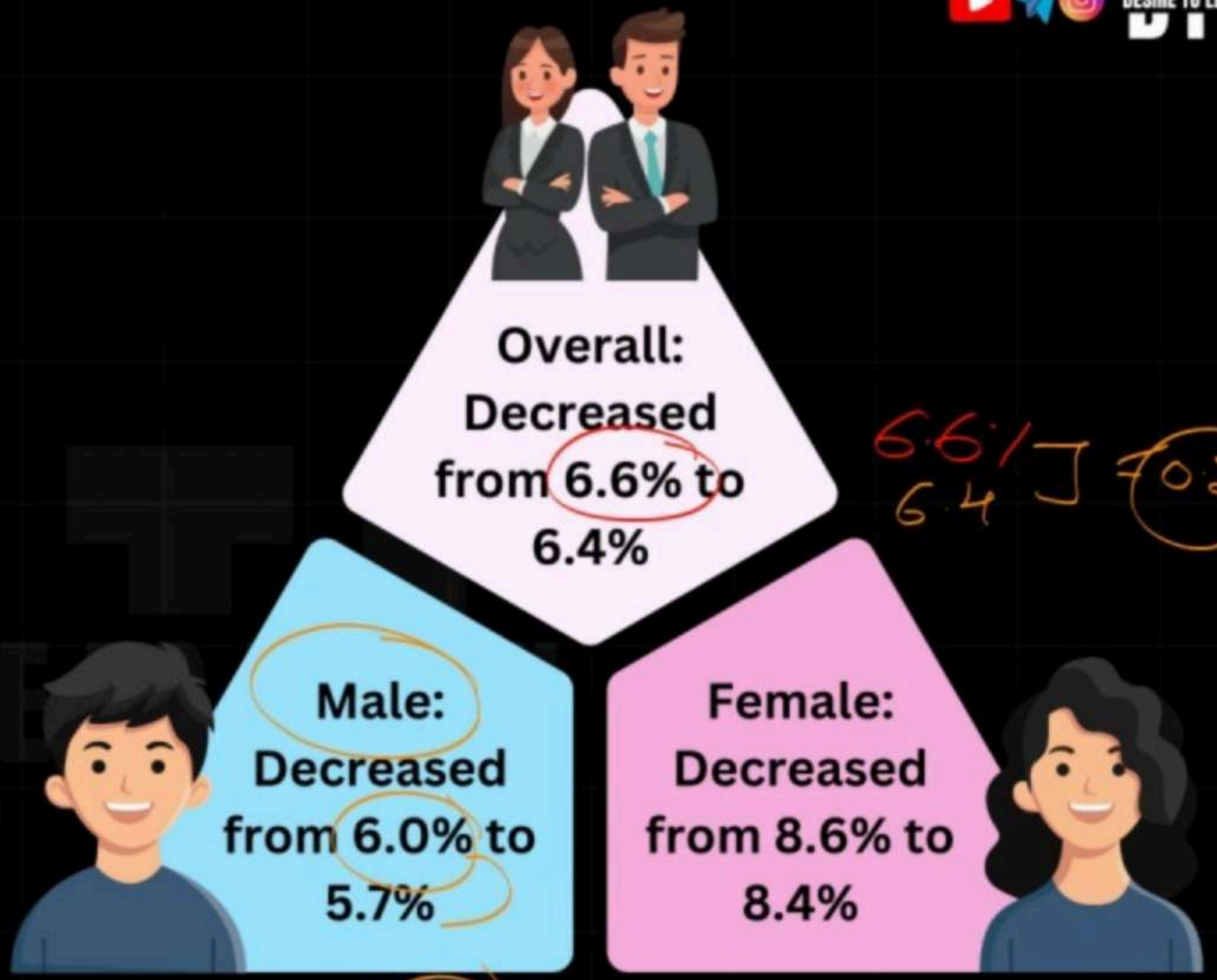
CYCLICAL UNEMPLOYMENT

- unemployment that rises and falls based on the business cycle.
- It's a result of economic fluctuations, such as recessions & expansions.

MEASUREMENT OF UNEMPLOYMENT

- Ministry of Labour and Employment
- National Sample Survey Office (NSSO)
- Central Statistical Organisation (CSO)

UNEMPLOYMENT RATE (UR)



HIGHEST UNEMPLOYMENT SOURCE-NSSO

Rank	Indian State/Union Territory	Male unemployed (%)	Female unemployed (%)
1	Lakshadweep	26.2	79.7
2	Andaman & Nicobar Islands	24	49.5
3	Kerala	19.3	47.1
4	Nagaland	27.9	26.6
5	Manipur	19.9	27.5
6	Ladakh	11.4	38.3
7	Arunachal Pradesh	21.9	19.6
8	Goa	13.2	31
9	Punjab	16.7	24.5
10	Andhra Pradesh	16.4	19.7

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LOWEST UNEMPLOYMENT SOURCE-NSSO

Rank	Indian State/Union Territory	Male unemployed (%)	Female unemployed (%)
1	Madhya Pradesh	2.8	2.1
2	Gujarat	3.3	2.7
3	Jharkhand	4.8	1.5
4	Delhi	4.6	4.8
5	Chhattisgarh	6.6	5.8
6	Dadra & Nagar Haveli	7.8	3.7
7	Tripura	6.8	6.7
8	Sikkim	8.3	6.8
9	West Bengal	8.5	10
10	Uttar Pradesh	9.3	12.3

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FREE

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PYQ ANALYSIS LAST 10 YEARS

ALL SUBJECTS ENGLISH AND GS TOPIC WISE

INEQUALITY

WHAT IS INEQUALITY?

The United Nations describes it even more simply as “the state of not being equal, especially in status, rights and opportunities”

The Cambridge dictionary describes inequality as “the unfair situation in society when some people have more opportunities, etc. than other people”

CLASSIFICATION OF INEQUALITY?

- SOCIAL
- ECONOMICAL

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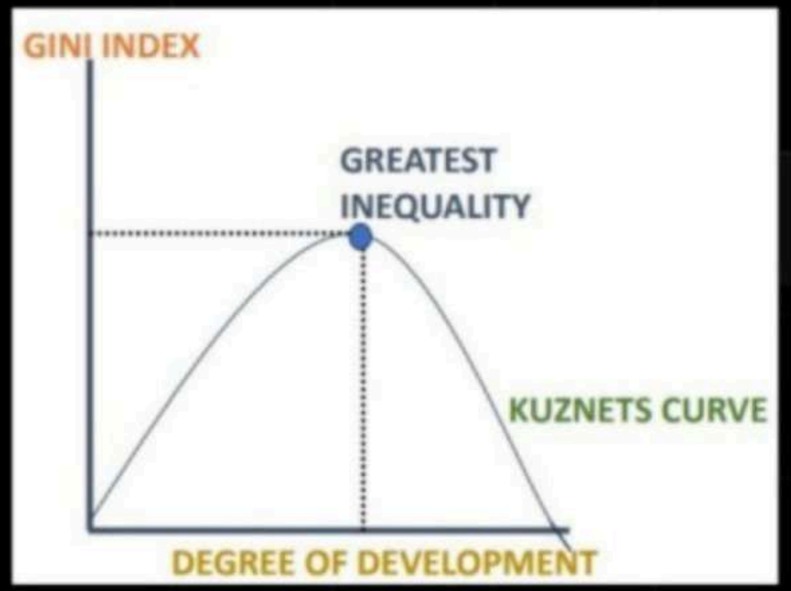
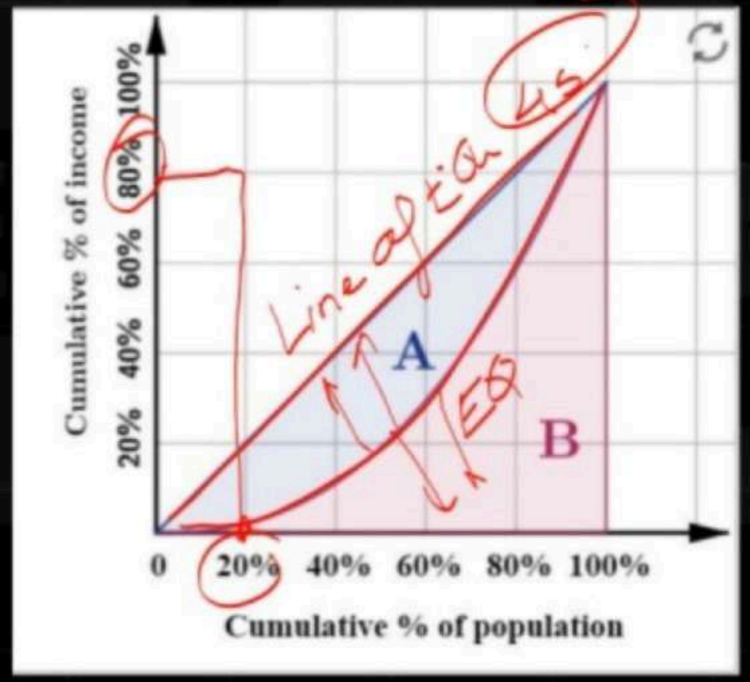
MEASUREMENT OF INEQUALITY

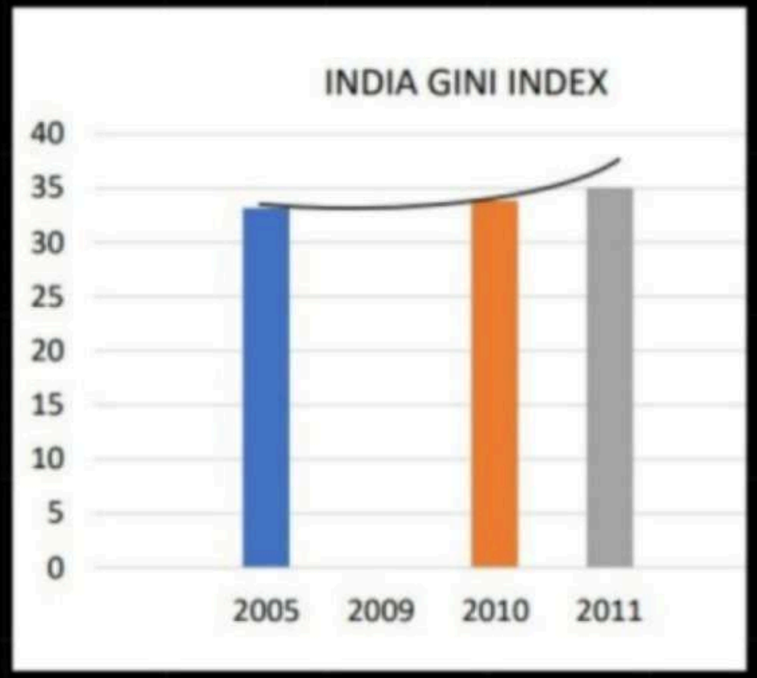
KUZNETS CURVE



LORENZ CURVE



GINI COEFFICIENT



POVERTY

WHAT IS POVERTY?

Poverty is the state in which a person or community **lacks the financial resources and essentials** for the minimum standards of living.

Conditions where people's basic needs for **food, clothing and shelter are not being met.**

TYPES OF POVERTY?

ABSOLUTE

Same

Destitute

RELATIVE

Same नहीं

50% — 100% — 50%

COMMITTEES

ALT+R

Poverty

ALGAH 1979

R-2400 U-2100

→ Poverty Line Based on Calories

LAKDAWALA 1993

→ Based on Per Capita Consumption

TENDULKAR 2009

447-R
579-U

→ Based on Per Capita Consumption Expenditure

RANGARAJAN 2014

→ Based on Per Capita Expenditure { Food & Non-Food

37.2% - 2004

29.5% - 2012

ALIVATIONS

1. **MID DAY MEAL SCHEME**
   - Meal
   - 1995 [PM Poshan Scheme
   - 2021 → 2021
   - Tamil Nadu
2. **INTEGRATED CHILD DEVELOPMENT SERVICES**
   - 1975 — 6 → Pregnant
3. **NATIONAL FOOD SECURITY ACT 2013**

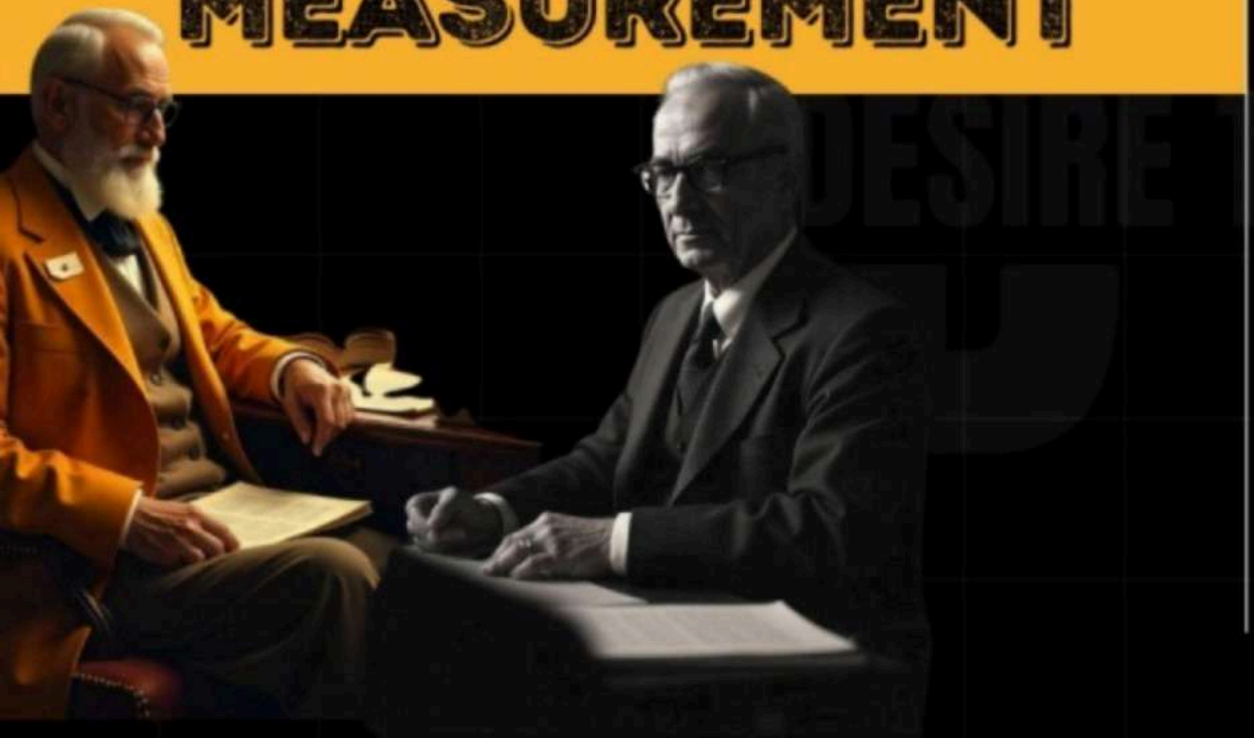
NATIONAL INCOME

NATIONAL INCOME

- National income is the value of the **aggregate output** of the different sectors during a **certain time period.**

- In other words, it is the **flow of goods and services** produced in an economy in a particular year

MEASUREMENT



Poverty

- IN India, A Systematic Measurement of National Income was First Attempted in 1949.
- •DADABHAI NAOROJI was the First to Calculate The National Income of India.
- •IN 1949, A National Income Committee NIC] was Appointed, with P.C. MAHALNOBIS as Its chairman and DR. D.R GADGIL and V.K-R.V RAO as Members.
- IN 1967, The Task of Estumating National Income was given to the centra statistical organisation [CSo]
- CSo was Founded on The Recommendation of PROF. MAHALANOBIS.

CONCEPT OF NATIONAL INCOME

- Gross and Net Concept
- National and Domestic Concepts
- Market Prices and Factor 'Costs

GROSS AND NET

overall depreciation

GROSS

Gross emphasizes that no allowance for capital consumption has been made or that depreciation has yet to be deducted

- depreciation

NET

Net indicates that provision for capital consumption has already been made or that depreciation has already been deducted.

NATIONAL AND DOMESTIC

NATIONAL

The term national denotes that the total income which accrues to the normal residents of a country due to their participation in world production during the current year

DOMESTIC

the total output or income originating within the specified geographical boundary of a country known as domesticterritory. The resulting measure is called"domesticproduct ".

Factor → TATA 4lakh

Market → 6lakh

+ Indirect Tax

MARKET & FACTOR

MARKET

The valuation of the national product at market prices indicates the total amount actually paid by the final buyers.

GDP at market price = Factor Cost +Indirect Tax

FACTOR

While the valuation of national product at factor cost is a measure of the total amount earned by the factors of production for their contribution to the fina output.

- GDP at Market Price - Indirect Taxes + Subsidies .

D/F WAYS OF LOOKING AT NATIONAL INCOME

- Per Capita Income
- National Income
- GDP
- Personal Income
- GNP
- Disposable income

GROSS DOMESTIC PRODUCT (GDP)

- GDP is the money value of all Goods and Services produced annually within the **territorial limits of the country.**
- It is a key concept of **National Income.**

GDP= (P*Q)

- P= Price of goods & Services
- Q= Quantity of Goods & Services

overall

10X10 = 100

GROSS DOMESTIC PRODUCT (GDP)

GDP is basically made up of 4 components

1. Consumption
2. Investment
3. Govt. Expenditure
4. Net foreign export of the country

Consumption + Investment + Govt. Expenditure + Net foreign export of the country

GROSS DOMESTIC PRODUCT (GDP)

NOMINAL

- The value of all goods and services produced in a country at current market prices
- Includes the effects of inflation and deflation
- Used for short-term economic analysis and nominal comparisons

Term

Baseyear - 2011-12

Real → 2025 − 15 = 10

Nominal → 2024 − 12
2025 − 15
3

Real GDP > Nominal

REAL

Baseyear

- The value of all goods and services produced in a country at constant prices
- Inflation-adjusted
- Used for long-term economic analysis and growth comparisons
- A more accurate measure of GDP Actual GDP

GDP DEFLATOR

A GDP deflator is a tool that is used to measure price changes over time, and it is also known as the GDP price deflator or implicit GDP price deflator.

GDP Deflator = Nominal GDP /Real GDP *100

$$GDP = \frac{Nom}{Real} \times 100$$

GDP $\frac{3}{12} \times 100$ 25

GROSS NATIONAL PRODUCT (GNP)

- It is market value of final goods and services produced in a year by the residents of the country withing the domestic territory as well as abroad.

- GNP is the value of goods and services that the country's citizen produced regardless of their location.;

GNP at the market price= GNP at factor cost + Indirect taxes - Subsidies

GNP at factor cost= GNP at market price - -indirect taxes + subsidies

GROSS NATIONAL PRODUCT (GNP)

GNP = GDP + NFIA

GNP = C+I+G+ (X-M) + NFIA

Net National Product

NNP = C+I+G+ (X+M) + NFIA - DEPRECIATION

NFIA = NET FACTOR INCOME FROM ABROAD

PERSONAL INCOME

- Personal income is the total amount of money an individual or household receives from all sources, before taxes.

- It includes income from wages, salaries, investments, and other sources.

PI = +Tra

- PI= NI - CORPORATE INCOME TAXES - UNDISTRIBUTED CORPORATE PROFITS - SOCIAL SECURITY CONTRIBUTION + TRANSFER PAYMENTS

DISPOSABLE INCOME

- It is the oncome left with the individuals after the payment of direct taxes from the personal income.
- It is the actual income left for disposal or that can be spent for consumption by individual.

15,000 − 3,000 = 12,000

DI= PI - DIRECT TAXES

PER CAPITA INCOME

- Per capita income (PCI) is the average income earned per person in a given area over a specific period of time.
- It's used to measure a population's standard of living and quality of life.

MEASUREMENTS OF INCOME

- PRODUCT METHOD — Production
- INCOME METHOD — Income
- EXPENDITURE METHOD — Expend, PPP

01

UPSC PYQS

107. In National Income (NI) accounts, Personal Income (PI) is defined as

(a) NI – undistributed profits – net interest payments made by households – corporate tax + transfer payments to the households from the government and firms

(b) NI – undistributed profits – corporate tax + transfer payments to the households from the government and firms

(c) undistributed profits – net interest payments made by households + transfer payments to the households from the government and firms

(d) undistributed profits – net interest payments made by households – corporate tax

02

UPSC PYQS

98. The Government of India refers to the absolute poverty line in terms of

(a) household savings

(b) household consumption

(c) household investment

(d) household income

03

UPSC PYQS

Food + Non

ALT+R

Expend,

24. The computation of poverty in terms of Monthly Per Capita Consumption Expenditure (MPCE) based on the Mixed Reference Period was recommended by the

(a) Lakdawala Committee

(b) Tendulkar Committee

(c) Dandekar Committee

(d) Alagh Committee

04

UPSC PYQS

71. Which of the following statements with regard to the Report of Tendulkar Committee (2009) on poverty estimates is/are correct?

1. The Committee had used an all-India urban poverty line basket as a reference to derive both rural and urban poverty levels.
2. The Committee had anchored the poverty line to the official food calorie norms.

Select the correct answer using the code given below.

(a) 1 only
(b) 2 only
(c) Both 1 and 2
(d) Neither 1 nor 2

Flagh

Flagh

05

UPSC PYQS

DESIRE TO LEARN

67. Consider the following statements with reference to Census in India :

1. The first All India Census was attempted in 1872.
2. From 1881, decennial censuses became a regular feature.

Which of the statements given above is/are correct ?

(a) 1 only

(b) 2 only

(c) Both 1 and 2

(d) Neither 1 nor 2

Ans

06

UPSC PYQS

83. As per Census 2011, which one of the following is the correct descending order of States in India in respect of sex ratio (female per thousand of males) ?

(a) West Bengal – Madhya Pradesh – Uttarakhand – Jammu and Kashmir

(b) Madhya Pradesh – West Bengal – Jammu and Kashmir – Uttarakhand

(c) Uttarakhand – West Bengal – Madhya Pradesh – Jammu and Kashmir

(d) West Bengal – Uttarakhand – Madhya Pradesh – Jammu and Kashmir

07

UPSC PYQS

DESIRE TO LEARN

99. Which one of the following dimensions is *not* included in Human Development Index ?

(a) Life Expectancy at birth

(b) Mean years of schooling

(c) Expected years of schooling

(d) Mortality rate

+PPP

08

UPSC PYQS

41. Which one of the following inputs is required in less quantity in case of non-farming activities ?

(a) Land

(b) Labour

(c) Capital

(d) Raw material

Non-farming → Land

09

UPSC PYQS

39. Who among the following formulated the concept of poverty as a measurable development indicator in the Indian subcontinent ?

(a) Dadabhai Naoroji → Neta.

(b) Romesh Chandra Dutt

(c) V.K.R.V. Rao

(d) M. Ranade

10

UPSC PYQS

2. The mismatch in the regional or occupational pattern of job vacancies and the pattern of worker availability results in

(a) Structural unemployment

(b) Disguised unemployment

(c) Altered unemployment

(d) Cyclical unemployment

11

UPSC PYQS

DESIRE TO LEARN

9 Bihar

55. Arrange the following Indian states in descending order of population density as per the Census of India 2011 :

1. Uttar Pradesh
2. Kerala
3. Bihar
4. West Bengal

Select the answer using the code given below :

(a) 4-3-2-1
(b) 3-4-2-1
(c) 2-3-4-1
(d) 3-4-1-2

(B)

12

UPSC PYQS

Constant ← Base ← Real

Constx ← Current ← Nominal

1. Which one of the following statements is *not* correct ?

(a) Real GDP is calculated by valuing outputs of different years at common prices.

(b) Potential GDP is the real GDP that the economy would produce if its resources were fully employed.

(c) Nominal GDP is calculated by valuing outputs of different years at constant prices.

(d) Real GDP per capita is the ratio of real GDP divided by population.

ECONOMICS

UNIT-03

MARKET

DEFINITION OF MARKET

- A place where parties can gather to facilitate the exchange of goods and services.
- The parties involved are usually buyers and sellers.

STRUCTURE OF MARKET

- MONOPOLY
- OLIGOPOLY
- PERFECT COMPETITION
- MONOPOLISTIC

PERFECT COMPETITON

Characterized by many sellers, selling identical products to many buyers.

- Larger no. of buyers and sellers.
- Uniform Price
- Existence of homogeneous
- Free entry and exit
- Perfect Knowledge

MONOPOLY

It is a situation in which there is a single seller of a product which has no substitute.

- Restricted entry of firms.
- No close substitute
- Price maker
- Single seller

500

MONOPOLISTIC MARKET

Here, there are many sellers offering differentiated products to many many buyers.

- Differentiated products
- large no. of sellers
- Freedom of entry and exit
- Non-price competition

OLIGOPOLY MARKET

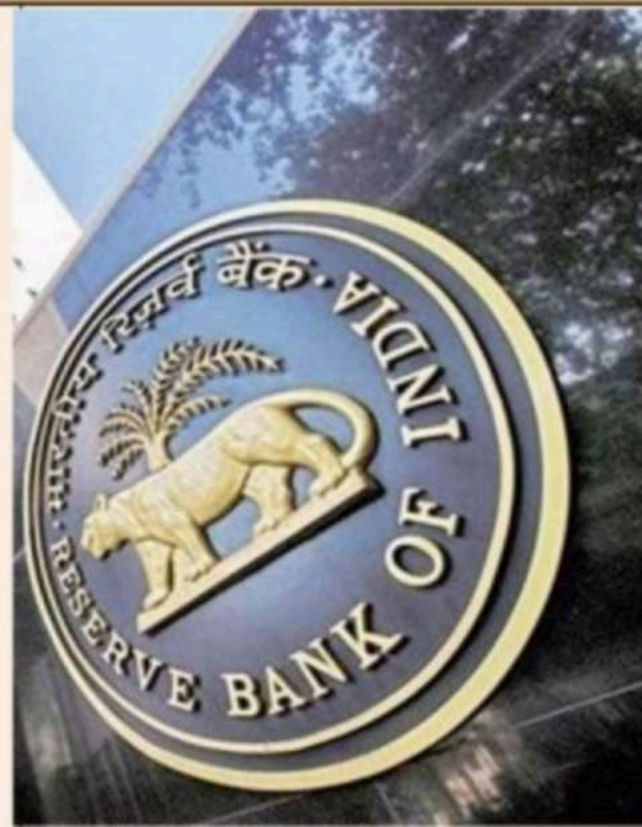
Here, there are few sellers offering competiting products to many buyers.

- Independence
- Importance of advertising and selling
- Group behaviour

Jio, Airtel

₹2000
RESERVE BANK OF INDIA
पाँच सौ रुपये

RBI


भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

RESERVE BANK OF INDIA

Basel-1
Basel-2
Basel-3

SBI → RBI

Switzerland → Basel Norms

- The Reserve Bank of India, abbreviated as RBI, is India's central bank and regulatory body responsible for regulation of the Indian banking system.
- It is responsible for the control, issue and maintaining supply of the Indian rupee.
- The RBI was established in 1934, under the Reserve Bank of India Act.
- The bank was set up based on the recommendations of the 1926 Royal Commission on Indian Currency and Finance, also known as the Hilton Young Commission

COMPOSITION OF RESERVE BANK OF INDIA

6 RBI Govt

- The overall direction of the RBI lies with the 21-member central board of directors, composed of:
- One Governor; Four Deputy Governors;

25th 26th Sanjay

FACTS OF RBI

- Four Directors who represent local boards for Mumbai, Kolkata, Chennai, and Delhi.
- The first Governor of the RBI was the Australian Sir Osborne Arkell Smith. Sir CD Deshmukh was the first Indian to become Governor.

Mumbai

- RBI acted as Burma's (Myanmar) central bank until April 1947 and also as the central bank for Pakistan until June 1948.

Finance Secretary

- The 1 Rupee note and the coins of all denominations are minted and issue by the Government of India, not the RBI. But, they are circulated by the RBI.

X

PRIMARY FUNCTIONS OF RBI

- Monetary Authority
- Monetary Regulator and Supervisor of the Financial System Authority
- Manager of Foreign Exchange
- Issuer of Currency

DESIRE TO LEARN

COINS AND CURRENCY

- Coins are minted in 4 mints located in Mumbai, Hyderabad, Calcutta and Noida.
- All the 4 mints are owned by the Government of India.
- Currency Notes: Currency Notes are printed in 4 presses in India – Nasik (Maharashtra), Dewas (Madhya Pradesh), Mysore (Karnataka), and Salboni (West Bengal)
- Of these, Nasik and Dewas presses are owned by the Government of India; whereas, Mysore and Salboni presses are owned by the RBI through its wholly owned subsidiary Bharatiya Reserve Bank Note Mudran Ltd. (BRBNML).

FACTS OF COINS AND CURRENCY

- As per the Indian Coinage Act of 1906, Coins can be issued up to the denomination of ₹1000.
- – As per the RBI Act of 1934, Currency Notes can be issued up to the denomination of ₹10,000.
- – The ₹1 note is the only currency note which bears the signature of the Finance Secretary of the Government of India, and not of the Governor of the RBI.
- a. All other notes bear the signature of the Governor of the RBI

₹10 -Sun Temple

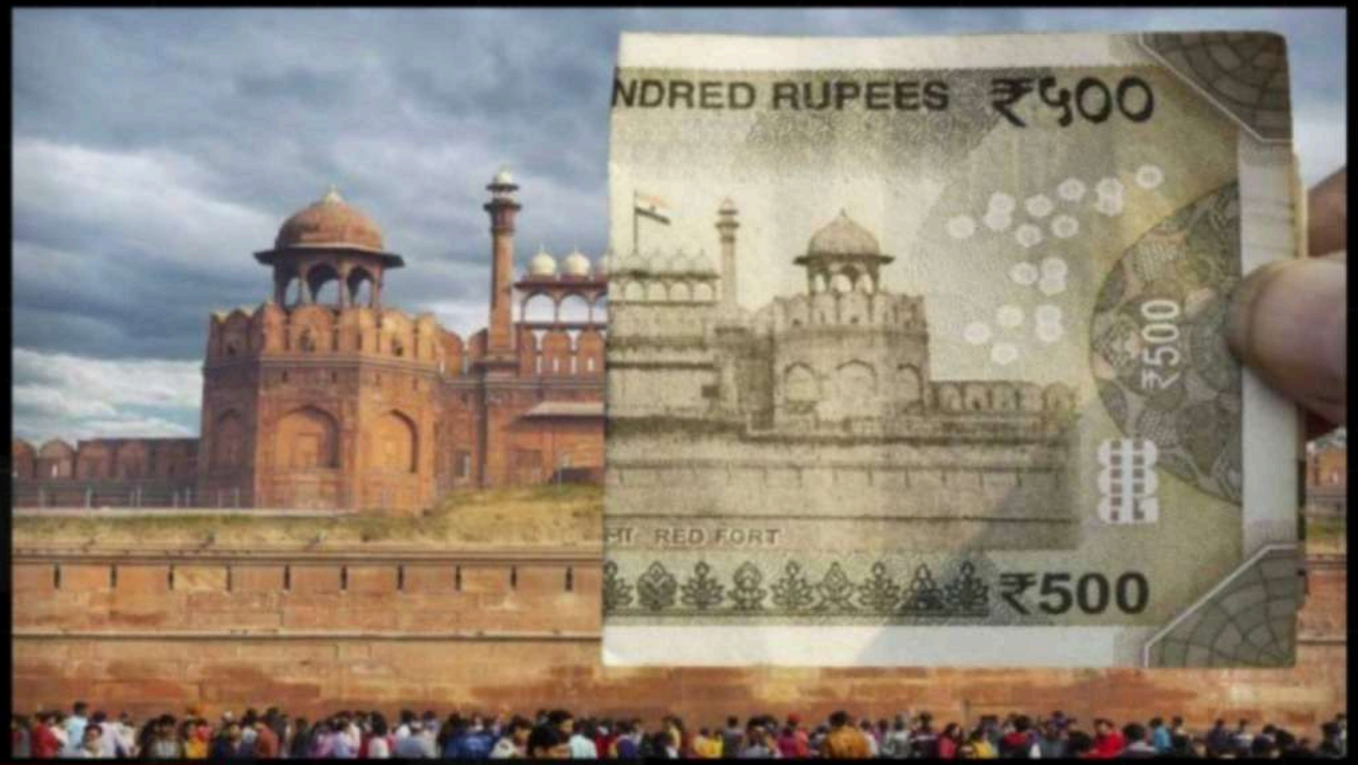
Sun Temple in Konark is a magnificent temple standing on the land of Orissa

Ellora Caves is a series of 34 rock-cut caves which is home to Hindu, Buddhist and Jain temples carved during 6th to 8th Century.

Hampi Temple is printed on the reverse side of Rs. 50of Indian currency. Located in Karnataka, Hampi town is home to around 250 ancient monuments and temples

Sanchi Stupa is located in the state of Madhya Pradesh and its picturesque beauty is eye-catching. There is a fascinating story behind the construction of Sanchi Stupa.

Rani Ki Vav is one of the off-beat locations in India to travel and explore the rich culture of India dated back to the 11th century. It is located in the Patan town of Gujarat and was declared as World Heritage site in India in the year 2014.



Red Fort is located in the national capital – Delhi. It was built in the year 1639 by the Mughal Emperor Shah Jahan who was the fifth ruler of the Mughal dynasty

The 2000 rupee note was introduced by the Reserve Bank of India on 8 November 2016.

२०२३X

The motif of the Mangalyaan on the reverse of Rs 2000 note depicts the country's first venture into the interplanetary space

RESERVE BANK OF INDIA

- SCHEDULED
  - COMMERCIAL
    - PUBLIC
    - PRIVATE
    - FOREIGN
    - REGIONAL RURAL
  - CO-OP BANK
    - SCHEDULED STATE
    - SCHEDULED URBAN
- NON-SCHEDULED

MONETARY POLICY

WHAT IS MONETARY POLICY?

Monetary policy is a set of actions taken by a country's central bank to control the money supply and achieve economic growth. It's usually managed by the central bank.

- Supply of money
- Availability of money

In order to attain a set of objectives oriented towards the growth and stability of the economy

OBJECTIVES OF MONETARY POLICY

- To ensure a stable currency value
- Rapid Economic Growth
- Price Stability
- Balance of payments equilibrium
- Economic stability or full employment
- Greater equality in distribution of income and wealth

6.5
6.25
.25

DIFFERENCE BETWEEN

MONETARY POLICY

- Money Flow
- RBI /MPC
- Rates :- Bank Rates /Repo Rate /Reverse Repo Rate /CRR/SLR
- Inflation Control

FISCAL POLICY

Budget
Tax

- Government Revenue and Expenditure
- BUDGET
- Budget ,Public Finance
- Economic Development

WHAT IS MONETARY POLICY COMMITTEE?

- 2016
- 6 Members :- 3 RBI
- 3 Govt of India
- Recent Chief :- Sanjiv Malhotra

Sanjay

CASH RESERVE RATIO

100

4.25

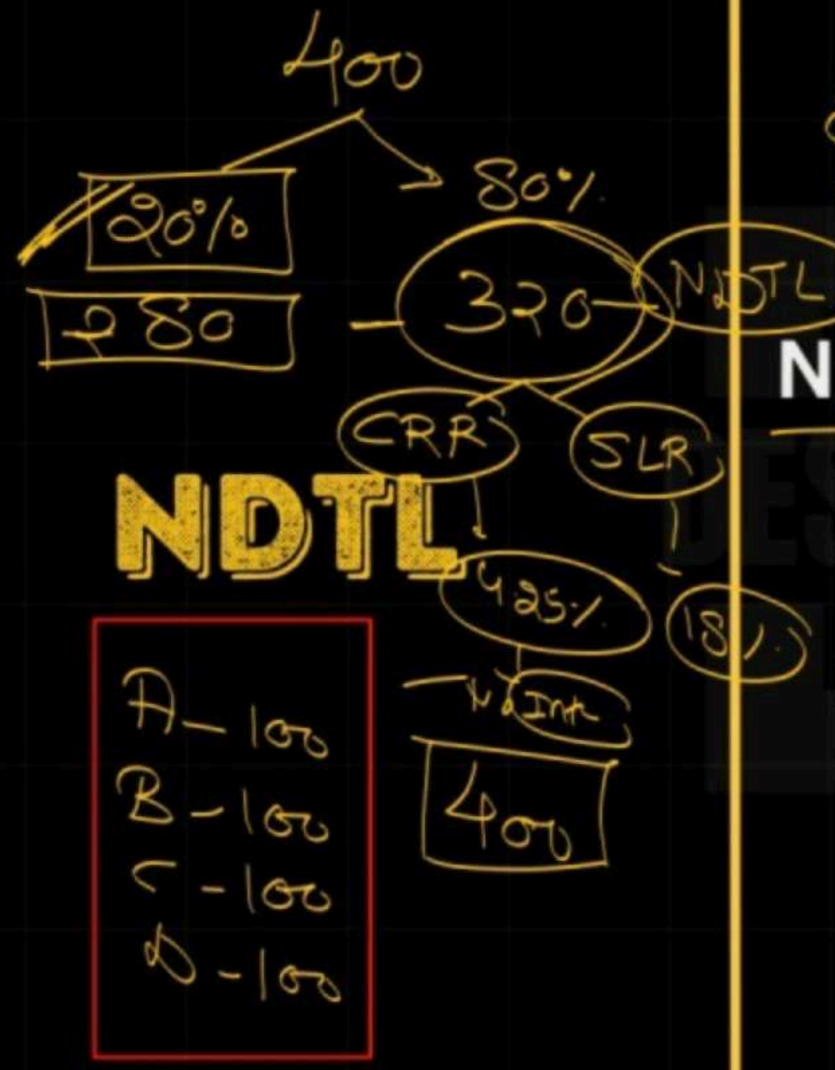
NPA

- 4.25%
- -RBI
- -The CRR helps the RBI control the money supply, inflation, and liquidity in the economy
- -NO Interest
- Inflation High -CRR High

Cash — CRR

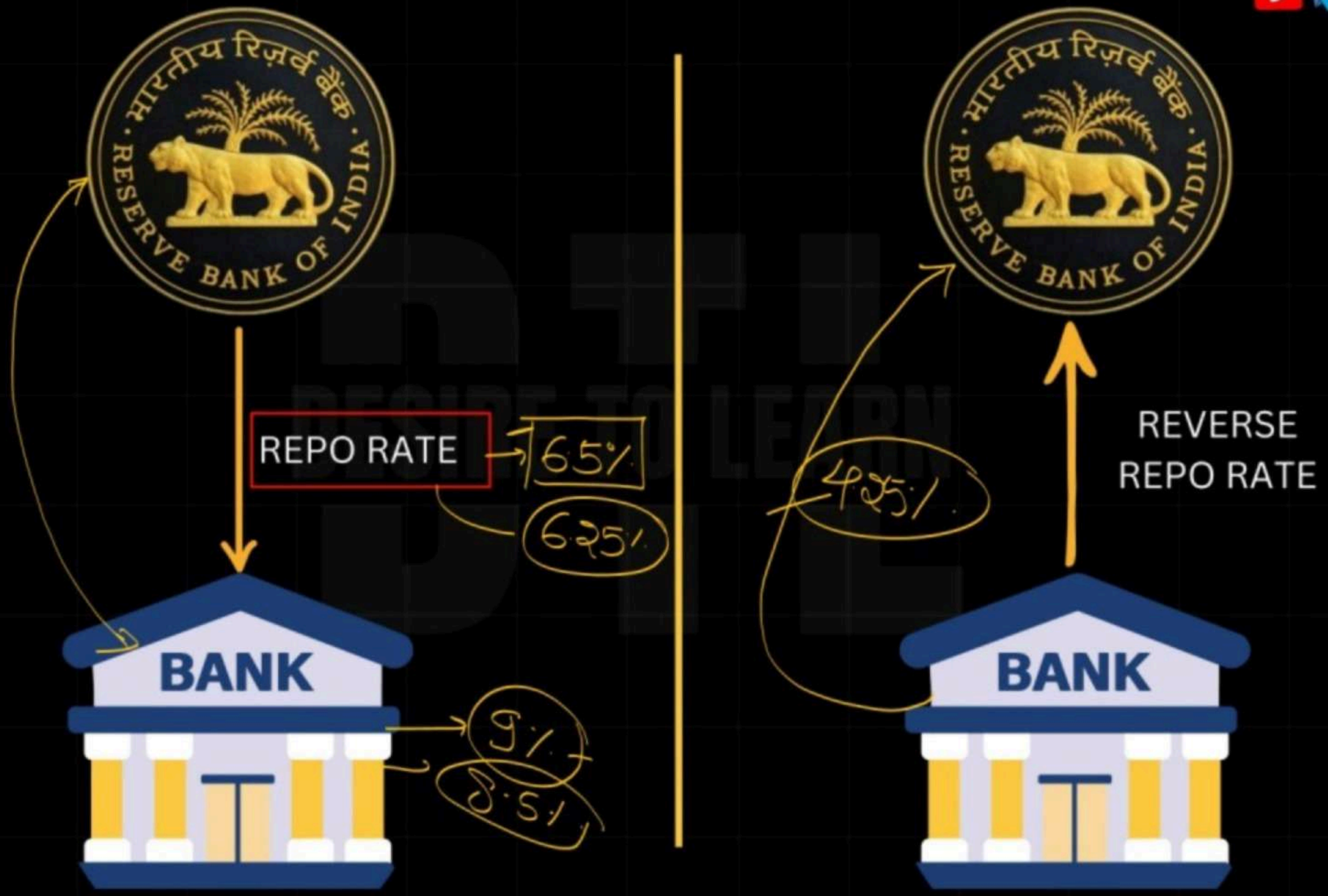
STATUTORY LIQUIDITY RATIO

- 18% MAXIMUM 40%
- SLR is the minimum amount of money that banks must keep in liquid assets before lending money.
- Gold ,Government Securities, Bonds
- No Interest Earn



Net Demand + Time Liabilities

1. Pay on Demand :- Saving A/C
2. Pay After specific Time :- RD /FD


भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA
REPO RATE
6.5%
6.25%
BANK
9%
8.5%
भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA
4.25%
REVERSE
REPO RATE
BANK

MARGINAL STANDING FACILITY

Marginal Standing Facility, is a window provided by the Reserve Bank of India (RBI) for banks to borrow overnight funds at a higher interest rate than the repo rate

6.25 + x%

MSF = Repo Rate + X%

MSF =6.25% + .25 %

MSF = 6.50

1. MSF > Repo Rate

BANK RATE

without Collateral

the bank rate of the Reserve Bank of India (RBI) is 6.50%. This is also the same as the Marginal Standing Facility (MSF) rate.

Also known as the "Discount Rate",

1. Bank Rate increase LOAN Increase

STANDING DEPOSIT FACILITY

The Standing Deposit Facility (SDF) is a monetary policy tool used by the Reserve Bank of India (RBI) to manage liquidity in the banking system.

1. It was introduced in April 2022
2. Banks can deposit their excess funds with the RBI overnight without providing collateral
3. The RBI pays banks an interest rate on the deposited funds
4. The SDF rate is 25 basis points below the policy repo rate

LIQUIDITY ADJUSTMENT FACILITY

Inflation ↑

LAF Absorb

R.R ↑ → Loans ↑

The Liquidity Adjustment Facility (LAF) is a monetary policy tool used by the Reserve Bank of India (RBI) to manage the money supply and interest rates in the economy.

How does the LAF work?

Banks can borrow money from the RBI through repurchase agreements (repos)

1. The LAF was introduced in India in 2000

INFLATION

WHAT IS INFLATION?

- Inflation can be defined as calculaed surge in the average prices of the goods and services for a longr period of time in the economy.

- It is a macro concept, wherein the effect of inflation is seen over a large basket of goods.

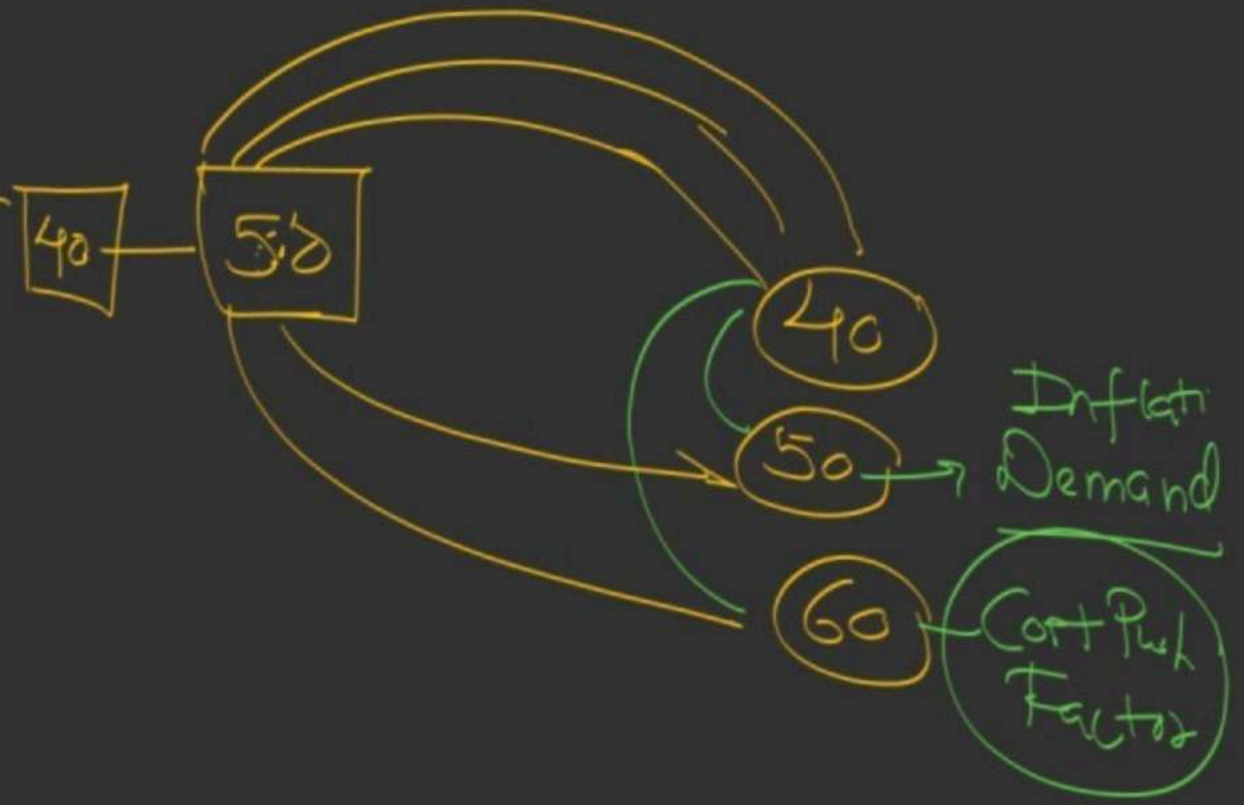
REASON OF INFLATION

- INCREASE IN DEMAND (DEMAND PULL FACTOR)
- REDUCED SUPPLY (COST PUSH FACTOR)

DESIRE TO LEARN

Demand Pull Factor

Cost Push Factor



TYPES OF INFLATION

- RATE
  - GALLOPING
  - WALKING
  - HYPERINFLATION
  - GRIPING
- CAUSE
  - DEMAND PULL
  - COST PUSH

106

1. Creeping — 0-3%
2. Walking — 3%-10%
3. Galloping — More than 10%
4. HyperInflation — 50% ↑

₹100

₹150

DEMAND PULL FACTOR

DTL
DESIRE TO LEARN

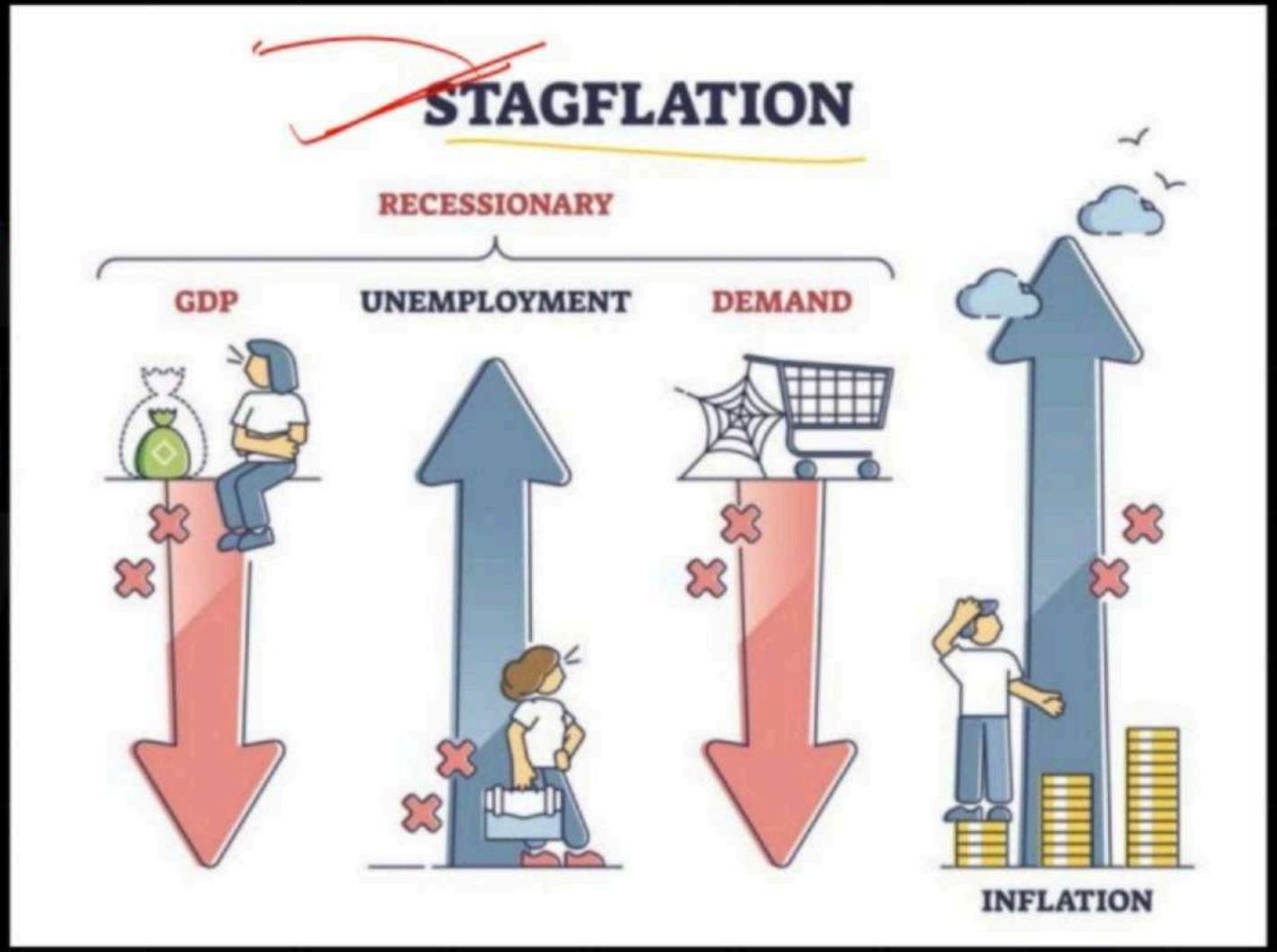
COST PUSH FACTOR

DTL
DESIRE TO LEARN

STAGFLATION

Stag + Inflation

No growth + Inflation



DEFLATION

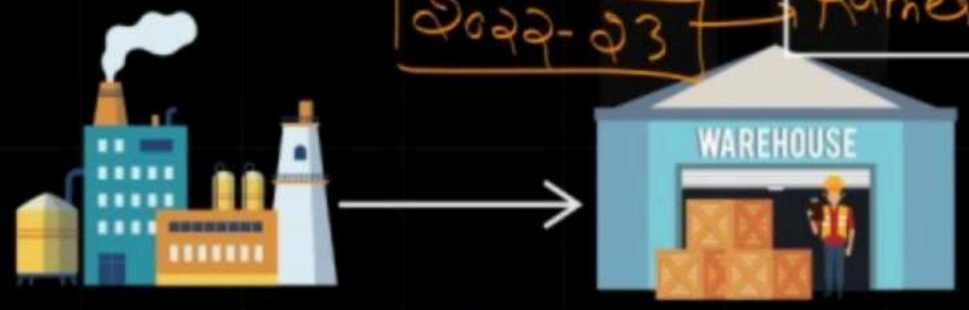
RECESSION

MEASUREMENT OF INFLATION

WHOLESALE PRICE INDEX

2011-12

2022-23 → Chand Ramesh



WPI

CONSUMER PRICE INDEX

CPI

Wholesaler

100

ELEMENTS OF WPI

WPI - Wholesale Price Index

Ministry of Commerce & Industry

BASKET

697 COMMODITIES

Wholesale

3

13.15 %
Fuel & Power
Coal, Mineral Oils, Electricity

64.23 % 1
Manufactured Products
Food Products, Tobacco, Beverages, Textiles, Leather etc

2

22.62 %
Primary Articles
Food Articles, Non-Food Articles, Minerals

CPI → CRangrajan → 2001 →

WPI CPI → CPI

MONEY

M_0
M_1
M_2
M_3
M_4

WHAT IS MONEY?

- Money is a medium of exchange that people use to buy goods and services, and to pay back debts.
- It can be a physical item, like coins and banknotes, or a digital form, like a deposit in a bank account.

MEASURES OF MONEY

- M0
- M1
- M2
- M3
- M4

STOCK OF MONEY

1. T.D — Bank
2. Physical Cash
3. D.D — Bank

- Currency Circulation
  - Physical Cash 95%
  - Cash with Bank 5%
- Deposit Bank
  - Bankers deposit 90%
  - other deposit 10%
- Bank
  - D.D
    - Saving
    - Current
  - T.D
    - F.D
    - R.D
- Postal Banks
  - D.D
    - S.C.
  - T.D
    - T.D

M2 = M1 + D.D = M3 = M1 + T.D (Bank

	CURRENCY		DEPOSITES		BANK		POSTAL	
Reserve Money	PHYSICAL	CASH IN BANK	BANK DEPOSITS	OTHER DEPOSITS	DD	TD	DD	TD
M0	✓	✓	✓	✓				
M1	✓			✓	✓			
M2	✓			✓	✓		✓	
M3	✓			✓	✓	✓		
M4	✓			✓	✓	✓	✓	✓

Narrow Money

Broad Money

M3 = Aggr. Money

DESIRE TO LEARN

FACTS OF MONEY

- M1 = CU + DD
- M2 = M1 + Savings deposits with Post Office savings banks
- M3 = M1 + Net time deposits of commercial banks
- M4 = M3 + Total deposits with Post Office savings organisations (excluding National Savings Certificates)
- Important :- M1 is most liquid and easiest for transactions whereas M4 is least liquid of all.
- M3 is the most commonly used measure of money supply. It is also known as aggregate monetary resources

01

UPSC PYQS

117. Match List–I with List–II and select the correct answer using the code given below the Lists :

List–I (Market structure)	*List–II (Characteristic)*
A. Perfect competition	1. Only one producer selling one commodity
B. Monopoly	2. Few producers selling similar or almost similar products
C. Monopolistic competition	3. Many producers selling differentiated products
D. Oligopoly	4. Many producers selling similar products

Code :

	A	B	C	D
(a)	4	3	1	2
(b)	4	1	3	2
(c)	2	1	3	4
(d)	2	3	1	4

02

UPSC PYQS

35. A market, in which there are a large number of firms, homogeneous product, infinite elasticity of demand for an individual firm and no control over price by firms, is termed as

(a) oligopoly

(b) imperfect competition

(c) monopolistic competition

(d) perfect competition

Hetero

03

UPSC PYQS

M1 → M0S

74. Which of the following are included in M1 definition of money for the Indian economy?

1. Reserves
2. Currency
3. Time deposits
4. Demand deposits

Select the correct answer using the code given below.

(a) 1 and 3 only

(b) 2 and 3

(c) 2 and 4

(d) 1, 3 and 4

04

UPSC PYQS

1. Manufactur
2. Fuel
3. Primary Article

31. Consider the following statements regarding weightage of different articles in Wholesale Price Index (WPI) :

1. Fuel and power have higher weightage in WPI than that of primary articles.
2. Weightage of manufactured products in WPI is higher than that of fuel and power.

Which of the statements given above is/are correct?

(a) 1 only
(b) 2 only
(c) Both 1 and 2
(d) Neither 1 nor 2

05

UPSC PYQS

51. Which one of the following forms of money supply is considered as the most widely used in the Indian monetary system ?

(a) M1

(b) M2

(c) M3

(d) M4

M0 = Reserve Money

M1 = Narrow

M2 =

M3

M4 = Broad Money

Postal

06

UPSC PYQS

20. Which one of the following situations can lead to inflation?

(a) Rapid growth of aggregate demand outweighing supply

(b) Sluggish growth of aggregate demand

(c) Reduction in the money supply

(d) Higher levels of unemployment

07

UPSC PYQS

DESIRE TO LEARN

66. The sustained decrease in the general price level is called as

(a) deflation

(b) stagflation

(c) devaluation

(d) recession

08

UPSC PYQS

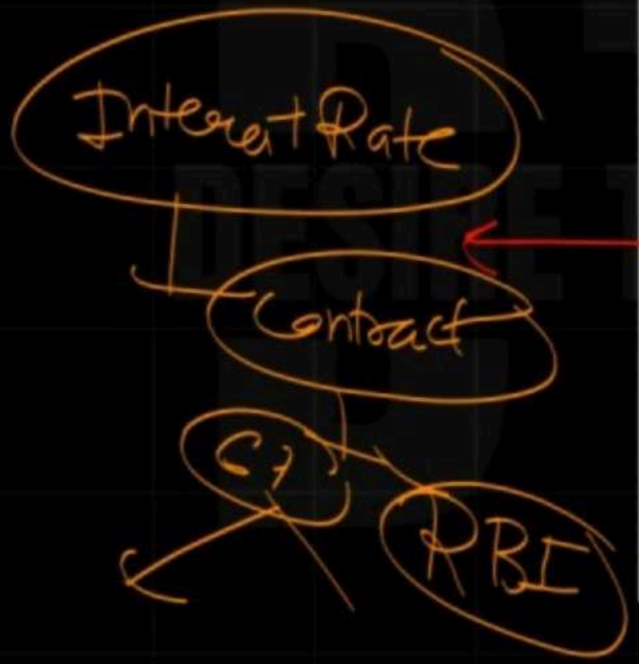
51. Which one of the following is ***not*** correct about Repo rate?

(a) It is the interest rate charged by the Central Bank on overnight loan.

(b) It is the interest rate paid by the commercial banks on overnight borrowing.

(c) It is the interest rate agreed upon in the loan contract between a commercial bank and the Central Bank.

(d) It is the cost of collateral security.



09

UPSC PYQS

RBI

4.25%

CRR

52. The Cash Reserve Ratio refers to

(a) the share of Net Demand and Time Liabilities that banks have to hold as liquid assets

(b) the share of Net Demand and Time Liabilities that banks have to hold as balances with the RBI

(c) the share of Net Demand and Time Liabilities that banks have to hold as part of their cash reserves

(d) the ratio of cash holding to reserves of banks

10

UPSC PYQS

11. Which of the following statements is/are correct regarding the Monetary Policy Committee (MPC) ?

1. It decides the RBI's benchmark interest rates.
2. It is a 12-member body including the Governor of RBI and is reconstituted every year.
3. It functions under the chairmanship of the Union Finance Minister.

Select the correct answer using the code given below :

(a) 1 only
(b) 1 and 2 only
(c) 3 only
(d) 2 and 3 only

MPC

06 Member

ECONOMICS

UNIT-04

INTRODUCTION OF PLANNING COMMISSION

- The idea of planned economy was **crystallized** **in 1930s** when our national leaders came under the influence of socialist philosophy.
- Economic planning growth gained in India during and after the years of the **Great Agricultural Depression (1929-33).**
- India's Five year plans were very much impressed by the rapid strides achieved by the **USSR** **through five years plans.**

HISTORY OF PLANNING COMMISSION

- His book **"Planned Economy for India"** published in **1934** proposed a ten-year plan.
- The first attempt to develop a national plan for India came **up in 1938.**
- **J.L. Nehru & S.C. Bose** appointed the National Planning Committee (NPC) to prepare a plan for economic development.

1944 BOMBAY PLAN

- In **1944 Eight Industrialists of Bombay viz.**
- Mr. JRD Tata, GD Birla, Purshottamdas Thakurdas, Lala Shriram, Kasturbhai Lalbhai, AD Shroff , Ardeshir Dalal, & John Mathai working together prepared
- "A Brief Memorandum Outlining a Plan of Economic Development for India"

PEOPLES PLAN

- MN ROY
- Focus :- Agriculture
- and small scale industries

GANDHIAN PLAN

- S. N. Agarwal expansion of small unit production and agriculture.

SARVODYA'S PLAN

- It was drafted by Jaiprakash Narayan in 1950.
- It also suggested the freedom from foreign technology

PLANNING COMMISSION

- the Economic Programme Committee (EPC) was formed by All India Congress Committee with Nehru as its chairman.

BRIEF OF 5 YEAR PLAN

- TOTAL :- 12 FIVE Year Plan
- First Launched in 1951
- Last launched in 2017
- THREE Annual Plans -1966 To 1969
- Three Annual Plans were launched between 3rd & 4th five year plan
- Rolling -1978-1980
- Annuals Plan - 1990 -1992

1966-67
67-68
68-69

1. Five year
2. Rolling
3. Annual

Niti Aayog
→ Name changed

1ST FIVE YEAR PLAN

- YEAR 1951-56
- TARGET 2.1%
- ACHIEVED 3.6%

S — Social Service
I — Industry
P — Power
Co — Communication
T — Transport

Focus:
- Agriculture

IIT
UGC

- Bhakra + Hirakund

- Heavy domen

2ND FIVE YEAR PLAN

- YEAR 1956-61
- TARGET 4.5%
- ACHIEVED 4.27%

- M → Mahalnobis
- A → Atomic Energy
- D — Durgapur
- R — Rourkela
- A — Agriculture
- S — Socialist Pattern

Bhillai

3RD FIVE YEAR PLAN

- YEAR 1961-66
- TARGET 5.6%
- ACHIEVED 2.4%

- S → Self Reliance
- A → Agriculture
- D → Defence

Devaluation of Money

Green Revolution

[1962]
- India-China
- India-Pak

[1965]
Defence

Nehru & Shastri died

4TH FIVE YEAR PLAN

- YEAR 1969-74
- TARGET 5.6%
- ACHIEVED 3.3%

G → Gandhi Govt

S → Succesive failure of Monsoon

R → Recession

1973
- Asian oil
- Bangladesh Refugee

5TH FIVE YEAR PLAN

- YEAR 1974-78
- TARGET 4.4%
- ACHIEVED 4.8%

P — Poverty Eradication

S — Self Reliance

T — Twenty development Programme

M — Minimum Needs

6TH FIVE YEAR PLAN

- YEAR 1980-85
- TARGET 5.2%
- ACHIEVED 5.7%

- M → Management
- A – Agriculture Production
- I – Industrial
- L → Local development Scheme

Rolling Plan
78-79
79-80

IRDP
NRED

7TH FIVE YEAR PLAN

- YEAR 1985-90
- TARGET 5.0%
- ACHIEVED 6.1%

- E → Employment
- F → Foreign grain double
- G → Jawahar Rojgar Yojana

1 Billion Left

Deputy → Rajeev Gandhi, Manmohan Singh

8TH FIVE YEAR PLAN

- YEAR 1992-97
- TARGET 5.6%
- ACHIEVED 6.8%

- L → Liberalization
- P → Privitization
- G → Globalization

- Open door For F.D.I
- Reduce Tarrifs

Twin objective
- Unemployment
- Poverty

9TH FIVE YEAR PLAN

- YEAR 1997-2002
- TARGET 7.1%
- ACHIEVED 6.8%

- Growth with Social justice
- Important to Agriculture growth
- Regulation of debt Programme

10TH FIVE YEAR PLAN

- YEAR 2002-2007
- TARGET 8.1%
- ACHIEVED 7.6%

- Rural Infrastructure

2. Bharat Niman

3. 61st NSSO Report

2004 - 22%

2000 - 26% → Poverty

11TH FIVE YEAR PLAN

- YEAR 2007-2012
- TARGET 9%
- ACHIEVED 8%

- T — 2G-Telecomunication
- E — Environment & Electricity
- A → Anamaia
- C → Cleanwater
- H — Health & Education
- E — Env. & Science
- R — Rapid growth
- S — Skill development

12TH FIVE YEAR PLAN

- YEAR 2012-2017
- TARGET 8%
- ACHIEVED 10 %

C.D.S PYQ

- Its main themeis "Faster, More Inclusive and Sustainable Growth".
- • The broad objective was to reduce poverty, regional equality, eliminate gender gaps
- and generate employments.

NITI AAYOG

- NITI Aayog is a policy think tank of the Indian government **which provides inputs regarding the different programmes and policies of the government.**
- Full Form- National Institution for Transforming India (NITI Aayog)
- **In 2015,** Planning Commission was renamed as NITI Aayog
- NITI Aayog Chairman– **Narendra Modi**
- Vice Chairperson - Suman Bert

सत्यमेव जयते

ECONOMICS

UNIT–05

WHAT IS PUBLIC FINANCE?

- It is the study of finances related to government entities.
- It revolves around the role of government's income and expenditure in the economy.
- Prof. Dalton that "Public finance is concerned with income and expenditure of Public Authorities and with the adjustment of one of one to the other"

WHAT IS BUDGET?

- The word BUDGET is derived from the old French word BOUGETTE which means A POUCH from which Chancellor of Exchequer used to take out his papers for laying before the Parliament.

TYPES OF BUDGET MAKING

1. LINE ITEM BUDGETING → History
2. OUTCOME BUDGETING → Outlays
3. PERFORMANCEBUDGETING →
4. PROGRAMME BUDGETING → Planning
5. ZERO BASED BUDGETING → Scratch

TYPES OF BUDGET

REGULAR

Looks at both Revenue and expenditure for whole FY.

INTERIM

Looks at both Revenue and Expenditure for part of FY.

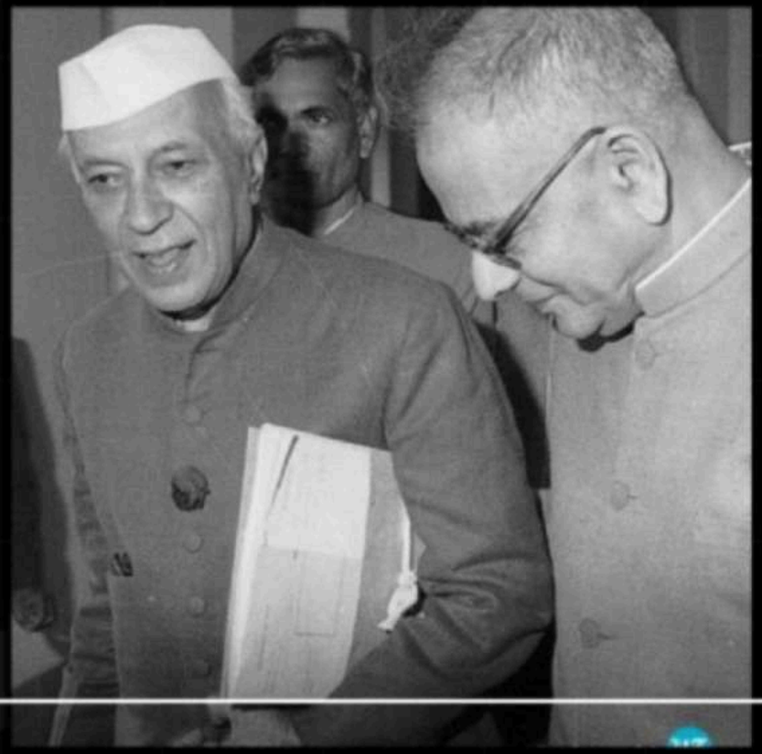
VOTE ON A/C

Permits expenditure only for specific per say 2 month, not revenue

FACES OF BUDGET

RK SHANMUKAM CHETTY
presented first budget of the nation on 26th Nov 1947

MORARJI DESAI
presented budget for 10 times



J.L NEHRU
was the 1st PM to present budget for 1958-59

WHAT IS DEFICIT?

- a deficit is when expenses exceed income. Deficits can occur at the level of individuals, companies, governments, or countries.

Income
Expenditure

Expenditure > Income
6,000 > 5,000
1,000

TYPES OF DEFICIT

Total Expenditure
Total Reciepts + Except Borrowing

2. **FISCAL DEFICIT** = Borrowing

3. **PRIMARY DEFICIT** = F.D - Int = 80

100 - 20
= Fiscal defcit - Interest

1. **REVENUE DEFICIT**

= Revenue Expenditure - Revenue Receipts
= 400 - 300
= 100

WHAT IS TAX?

A tax is a mandatory fee or financial charge levied by any government on an individual or an organization to collect revenue for public works providing the best facilities and infrastructure.

TYPES OF TAX

1 DIRECT

A direct tax is a tax that a person or organization pays directly to the entity that imposed it. Examples include income tax, real property tax, personal property tax, and taxes on assets,

Direct

2 INDIRECT

Indirect tax is the tax levied on the consumption of goods and services. It is not directly levied on the income of a person.

X Service Tax

DESIRE TO LEARN

122nd Amendment

- First State
  - Assam [2017]
- GST Slabs - 4
  - 0%
  - 5%
  - 12%
  - 18%
  - 28%

GST

- CGST
- SGST
- IGST

GST First - France

First chairman
- Arun Jaitley

Father - Atal Ji

TYPES OF TAX

- Proportional Tax → Fixed { Sales Tax }
- Progressive Tax → Income ↑ → Tax ↑
- Digressive Tax → Income ↑ Tax ↓ { certain Time Uniform } 5%
- Regressive Tax → Uniform नहीं होता

15

8

30 ?

50 ?

TERMS RELATED TO TAX

50

100

150

1. Tax Base → Depend on Capability

2. Tax Burden

3. Tax incidence → B/w Buyer & Seller difference

4. TAX haven → Least Tax होता [Like Dubai]

TERMS RELATED TO TAX

5.Tax Buoyancy

6.Tax Elasticity

7.Tobin Tax

8.Helicopter Tax

9.Windfall Tax → Vacune

1. Curves → 8-9

9

ECONOMICS

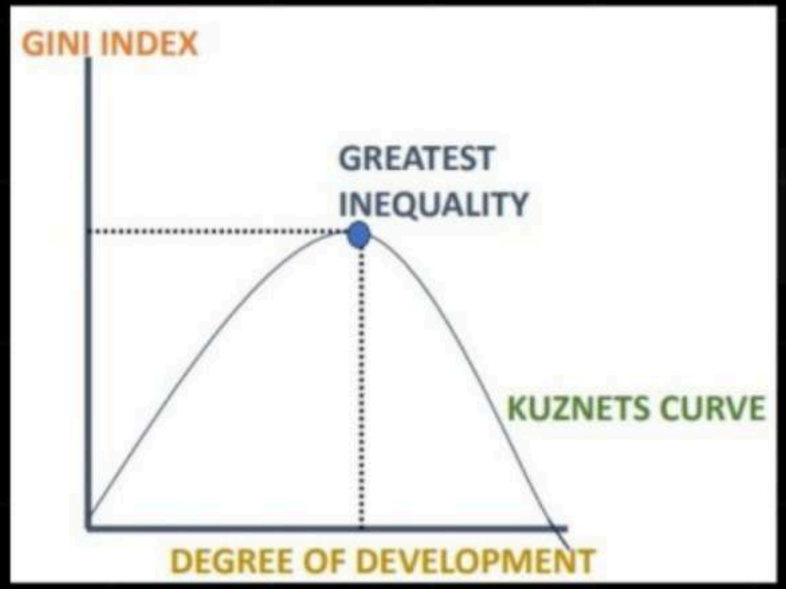
UNIT-06

2. Committee

3.

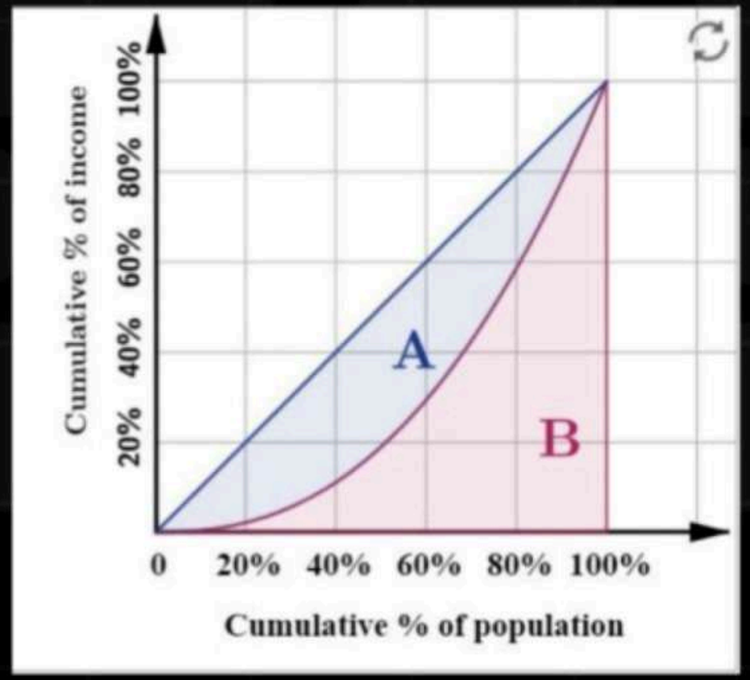
1

KUZNETS CURVE



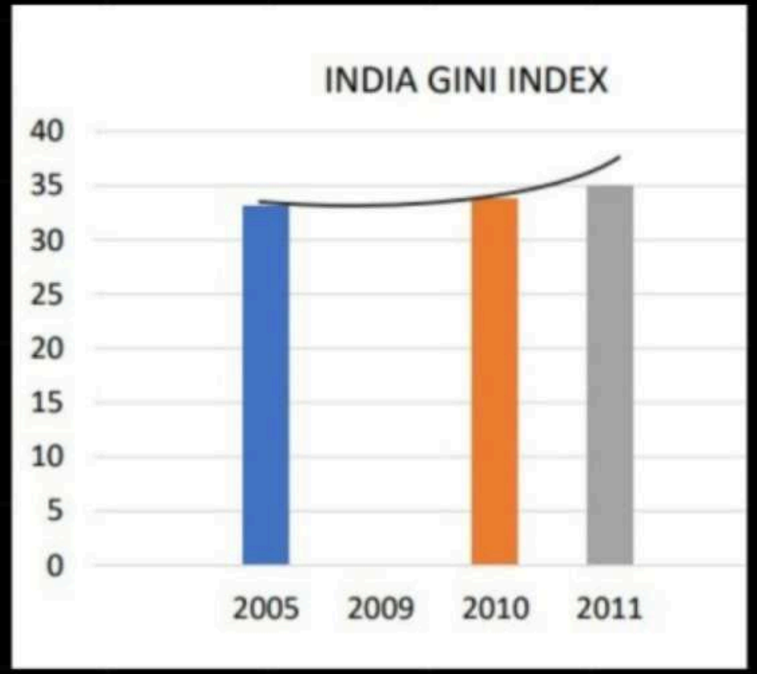
2

LORENZ CURVE



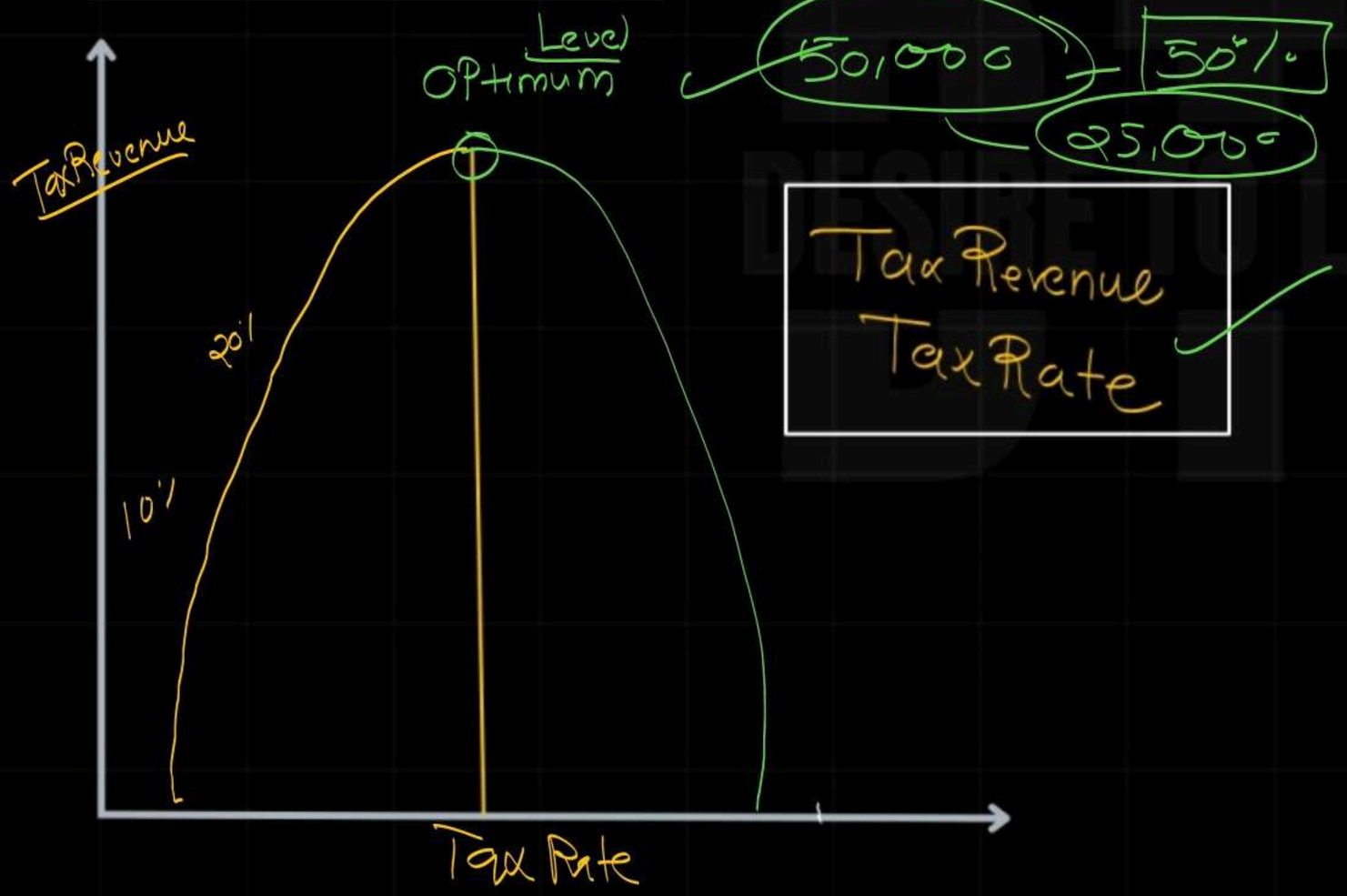
3

GINI COEFFICIENT

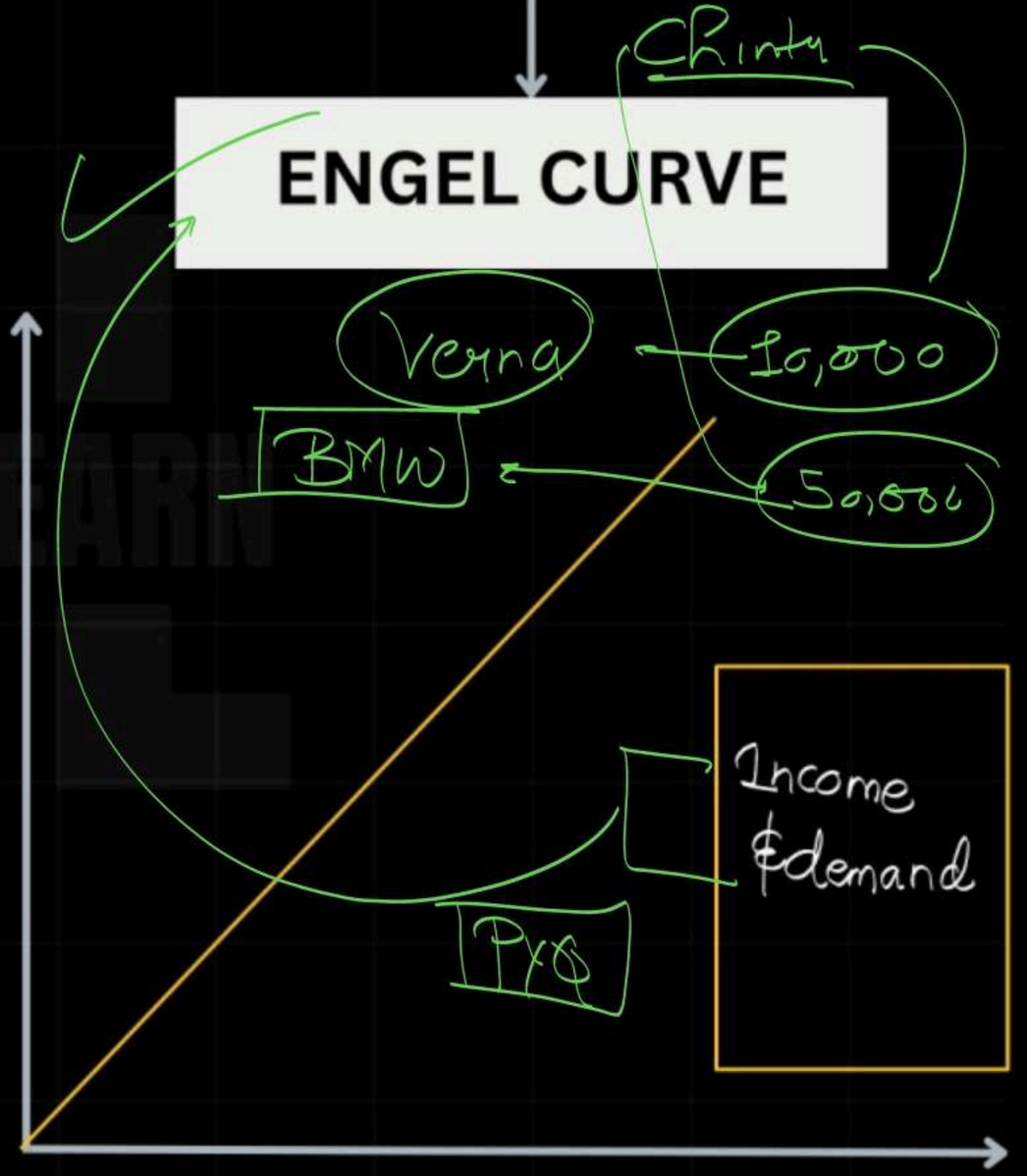


LAFFERZ CURVE

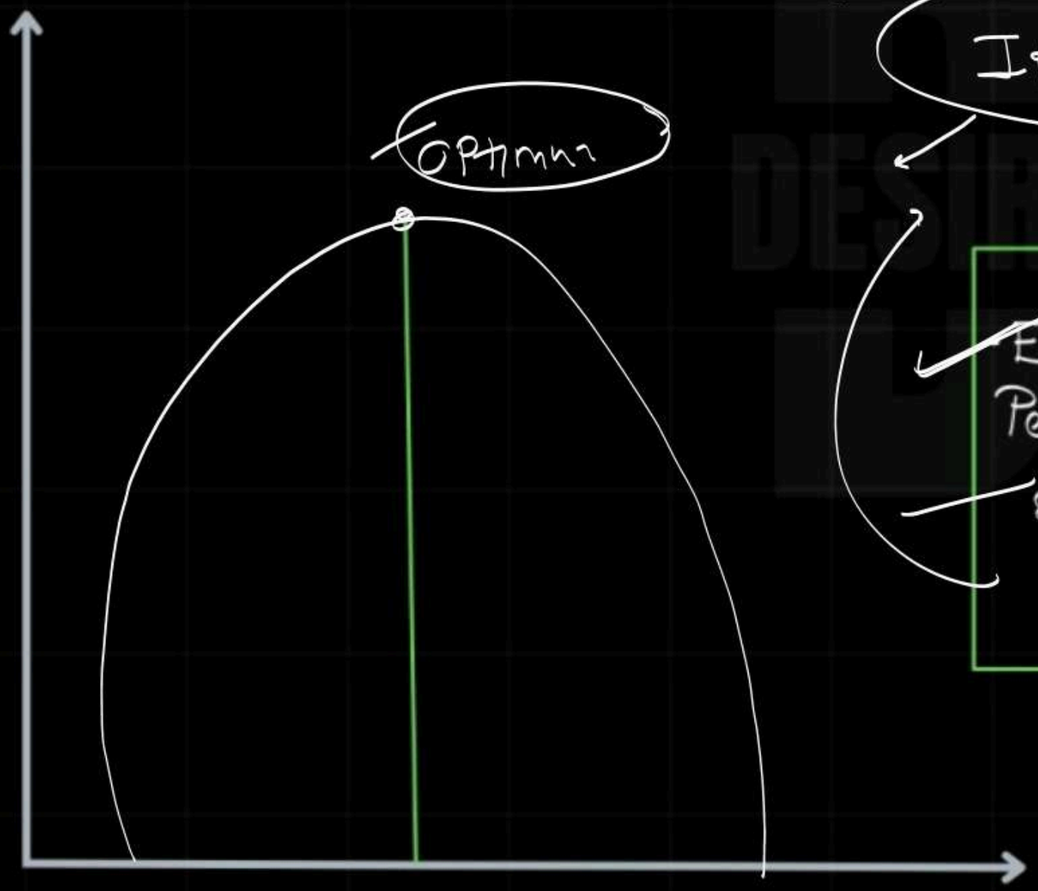
Arthur Laffer



ENGEL CURVE



RAHAN CURVE



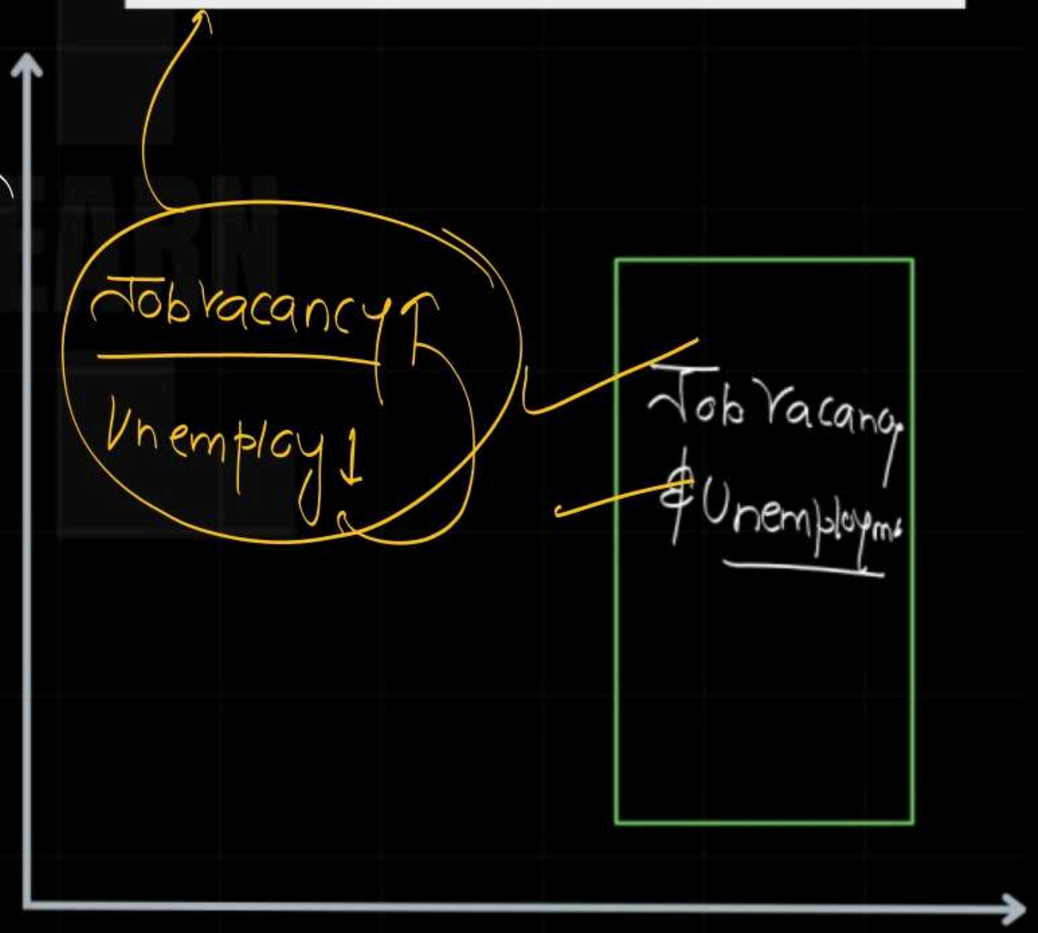
Monopoly

IRCTC

Spending

Economic Performance & Govt Spending

BEVEREDIGE CURVE



Job vacancy ↑

Unemploy ↓

Job Vacancy & Unemployment

GREAT GATSBY CURVE

Inequality

Dubai

Pak

Indian

Inequality & Mobilization

UNEMPLOYMENT & WAGES

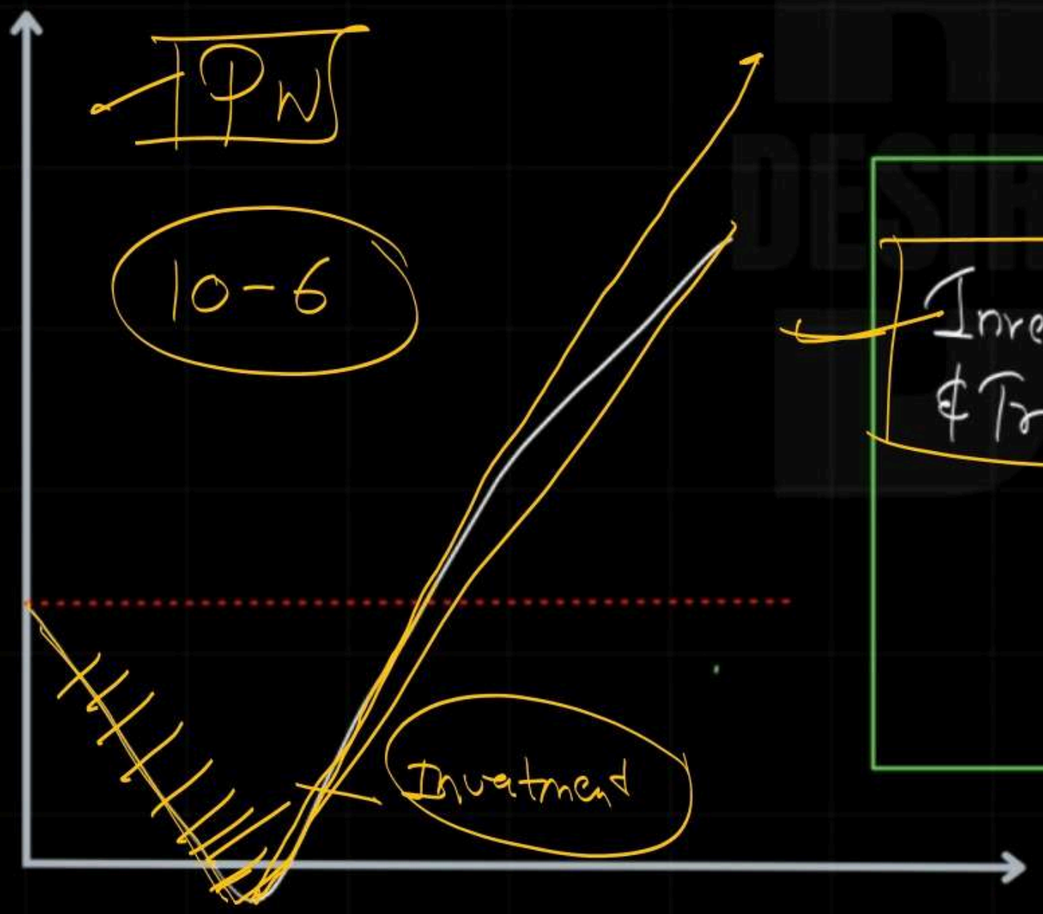
Wages $\propto \frac{1}{\text{Unemployment}}$

Wages

10,000

20,000 $\propto \frac{1}{\text{Unemplo}}$

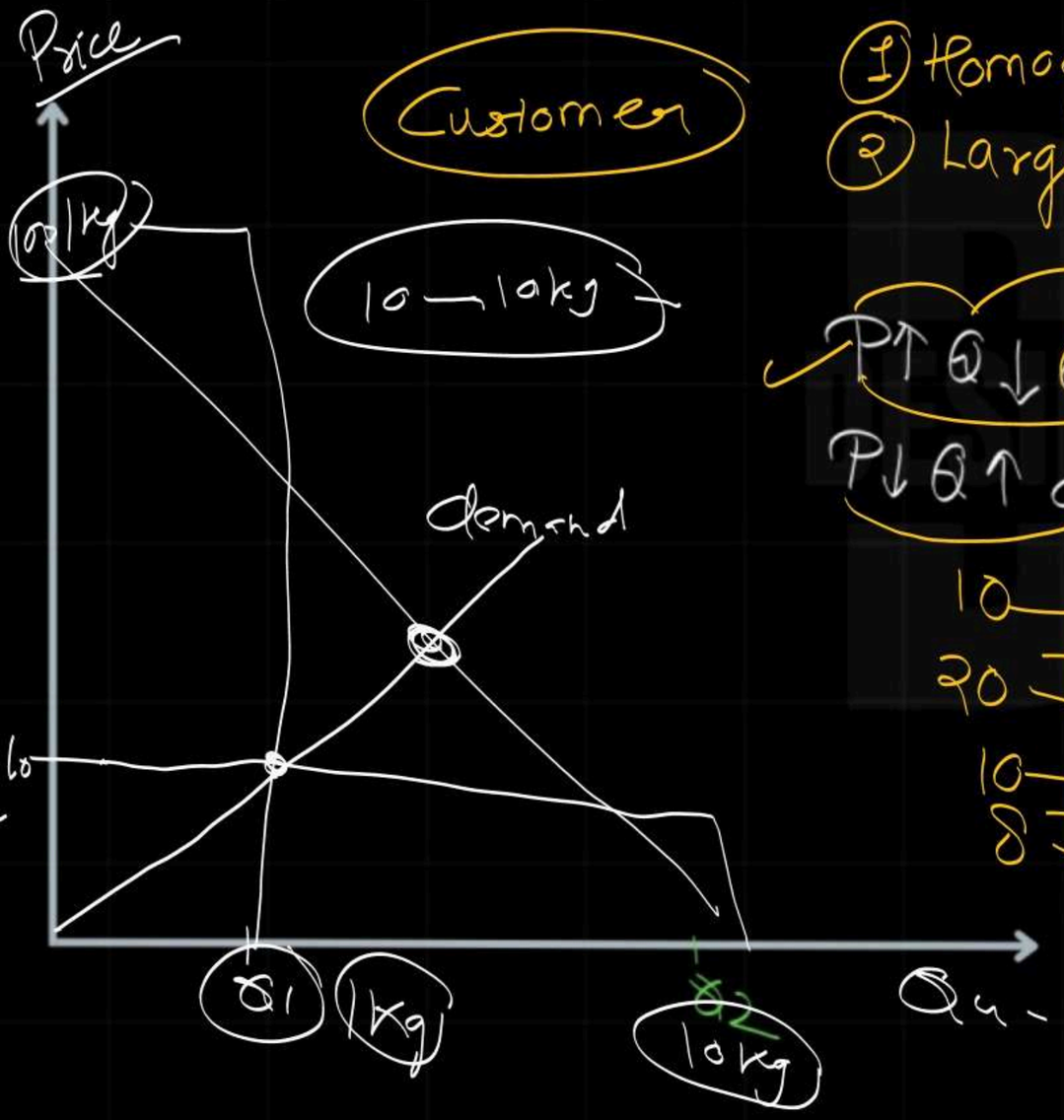
J- CURVE



Investment & Trade

KINGED DEMAND CURVE

DEMAND CURVE



1. Homogeneous
2. Large No. of sellers & Buyers

P↑ Q↓ demand↓

P↓ Q↑ demand↑

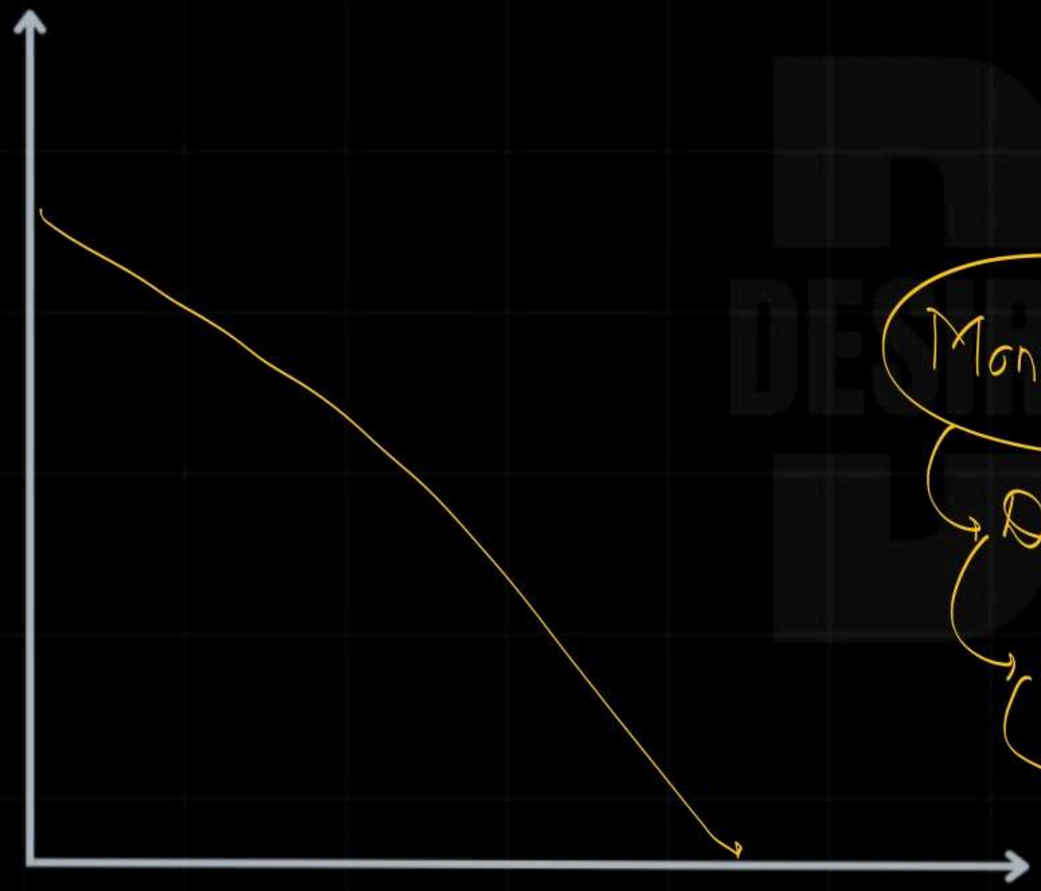
10 → 20 → ↓ → 10

10 → 8 → ↑

SUPPLY CURVE

$\boxed{D = S}$

PHILIPS CURVE



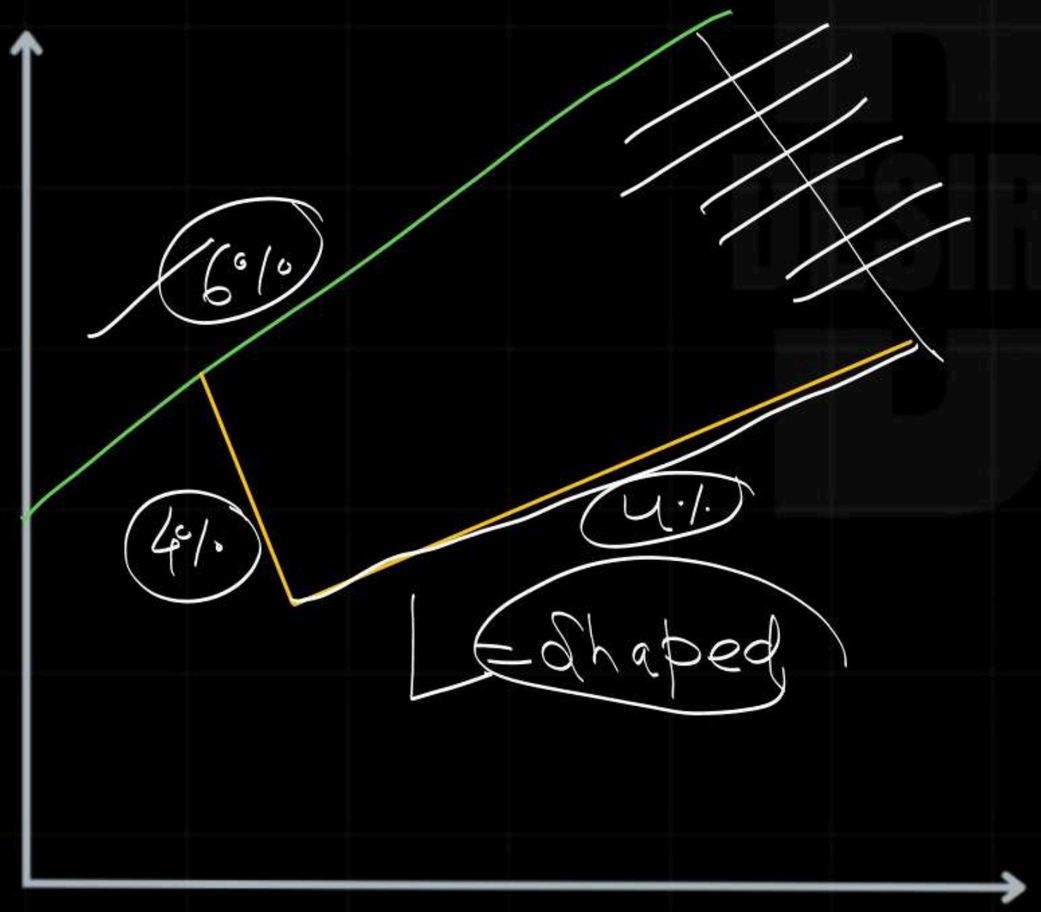
Money ↑ → Demand ↑ → Job → Unemploy ↓

Inflation ↑

Unemployment ↓

SHAPES OF ECONOMY

L SHAPED



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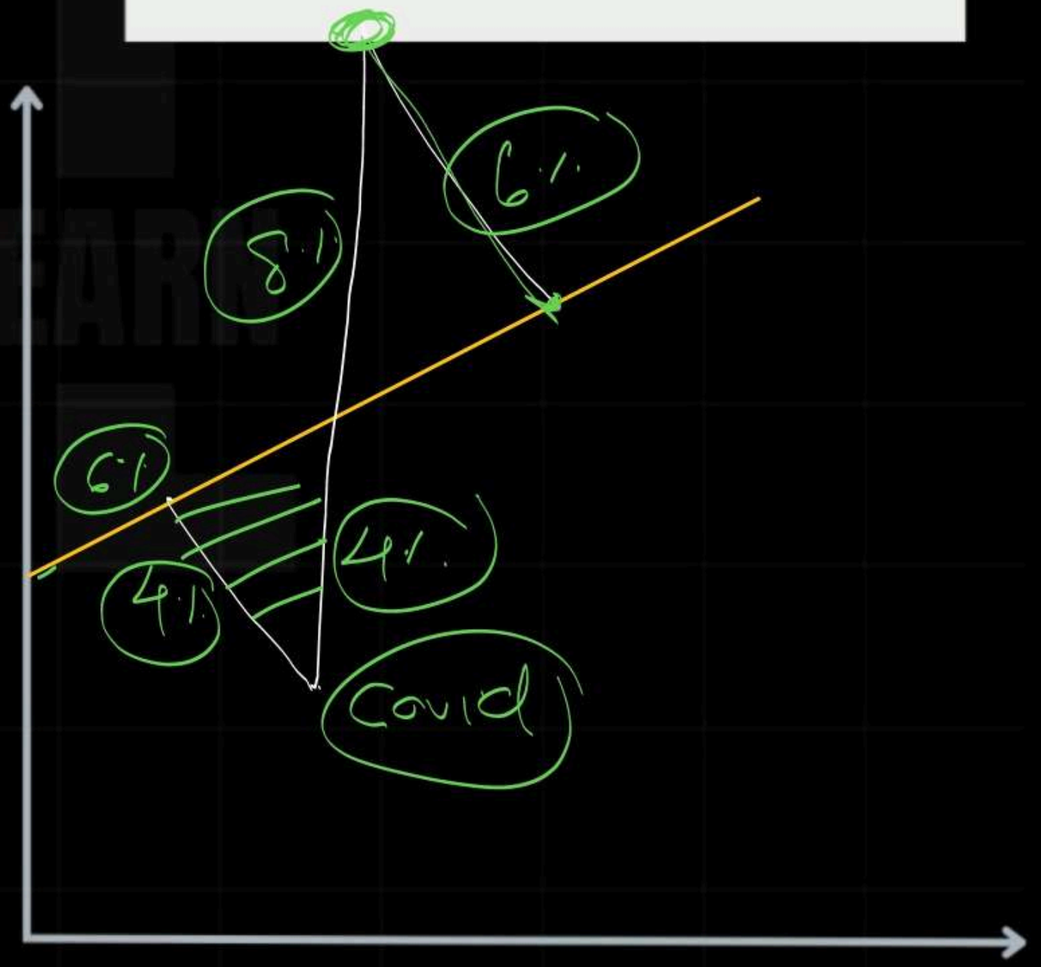
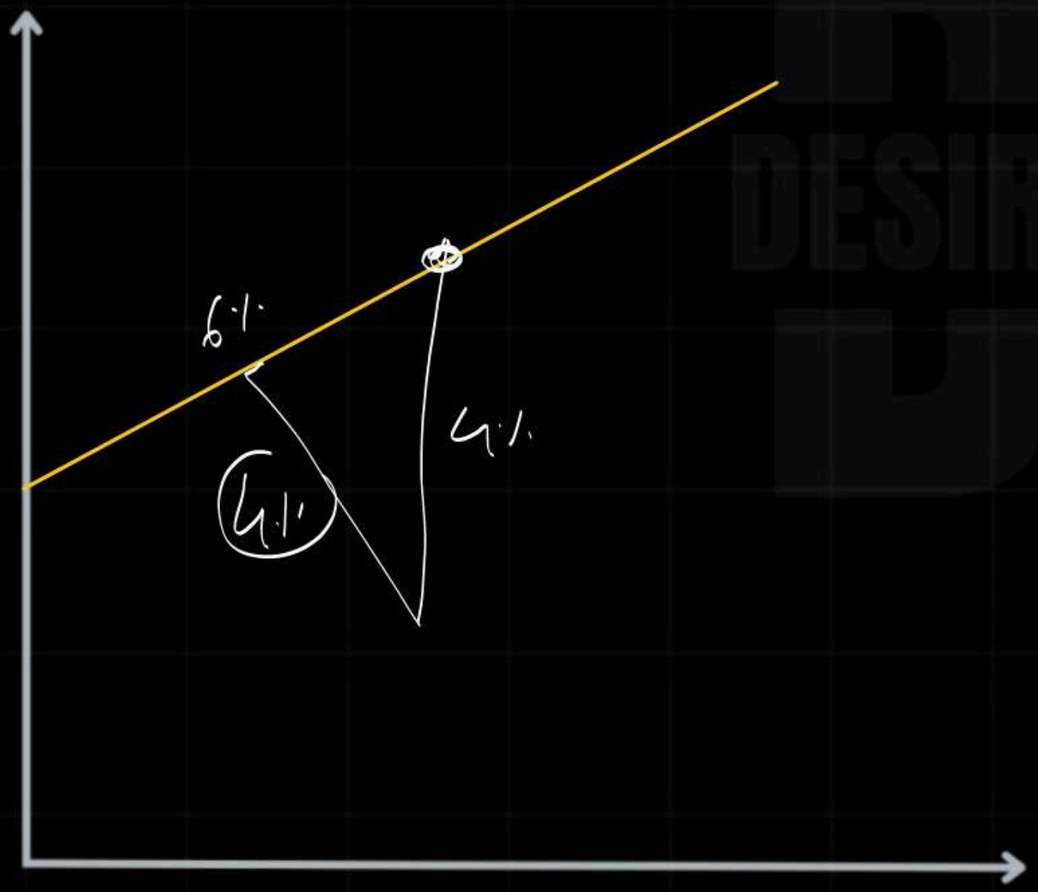


SHAPES OF ECONOMY

V SHAPED



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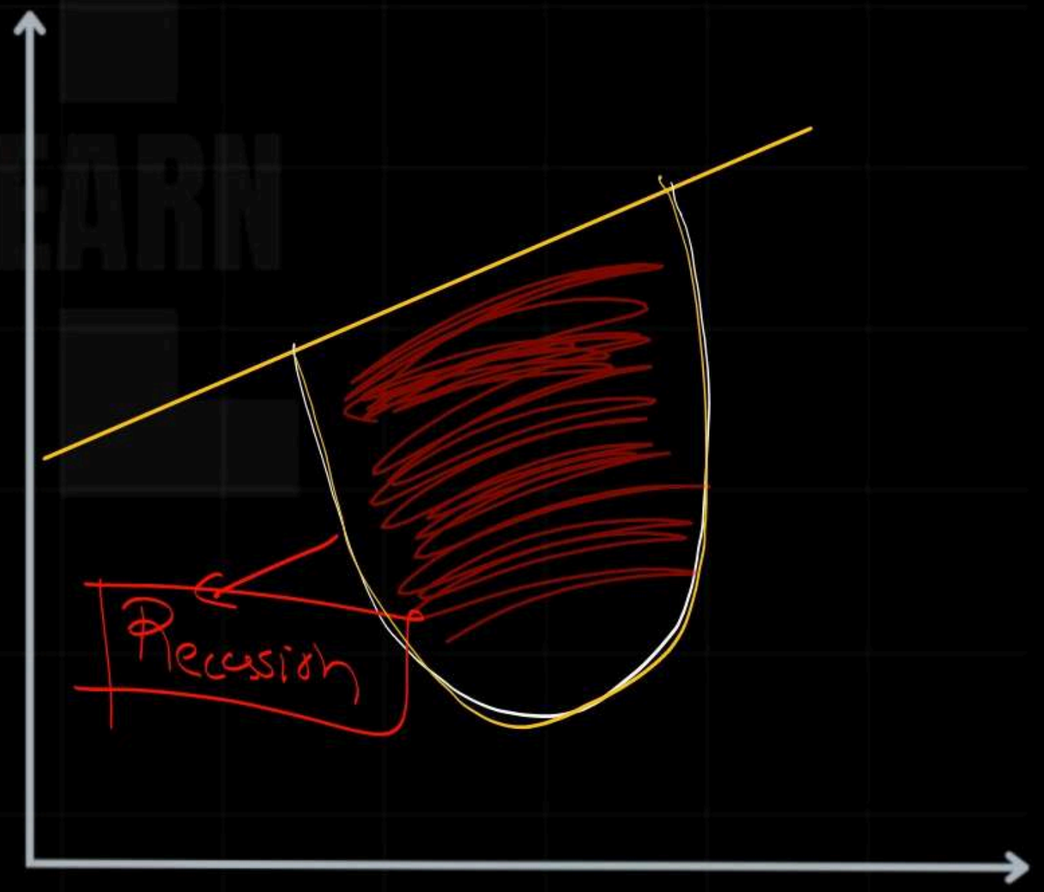
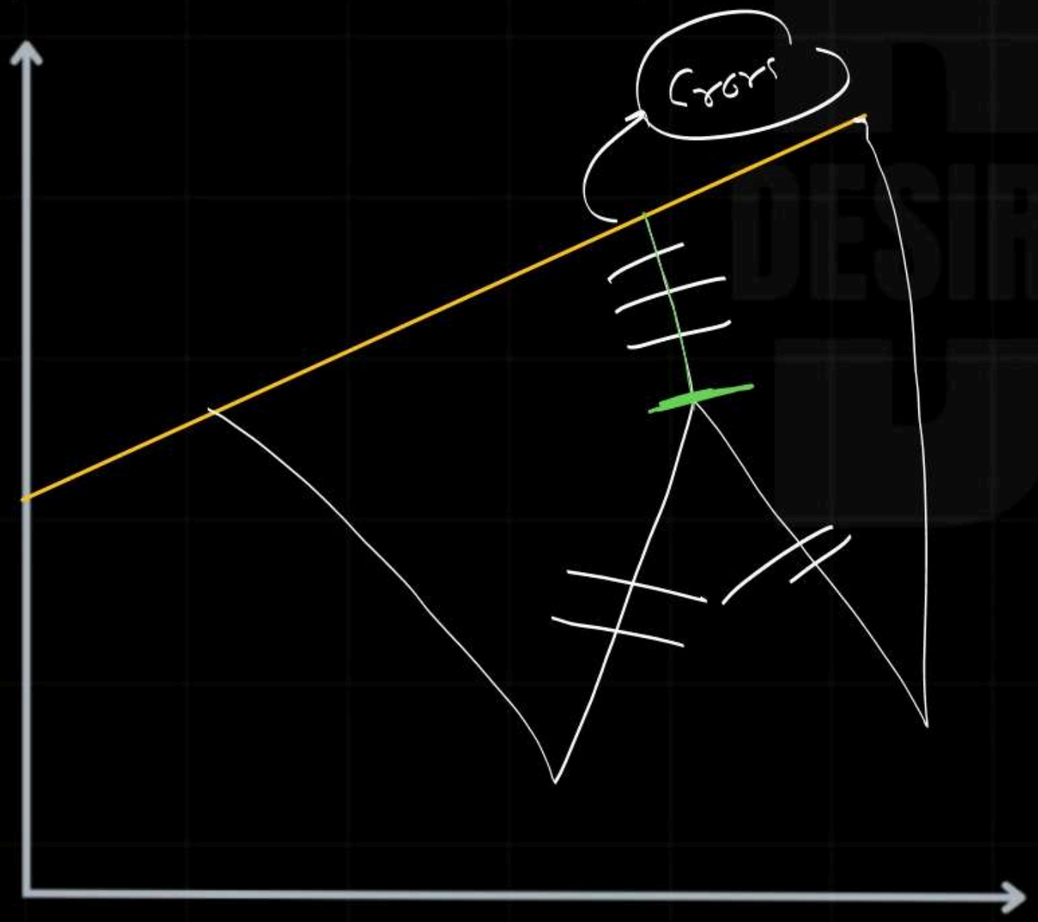


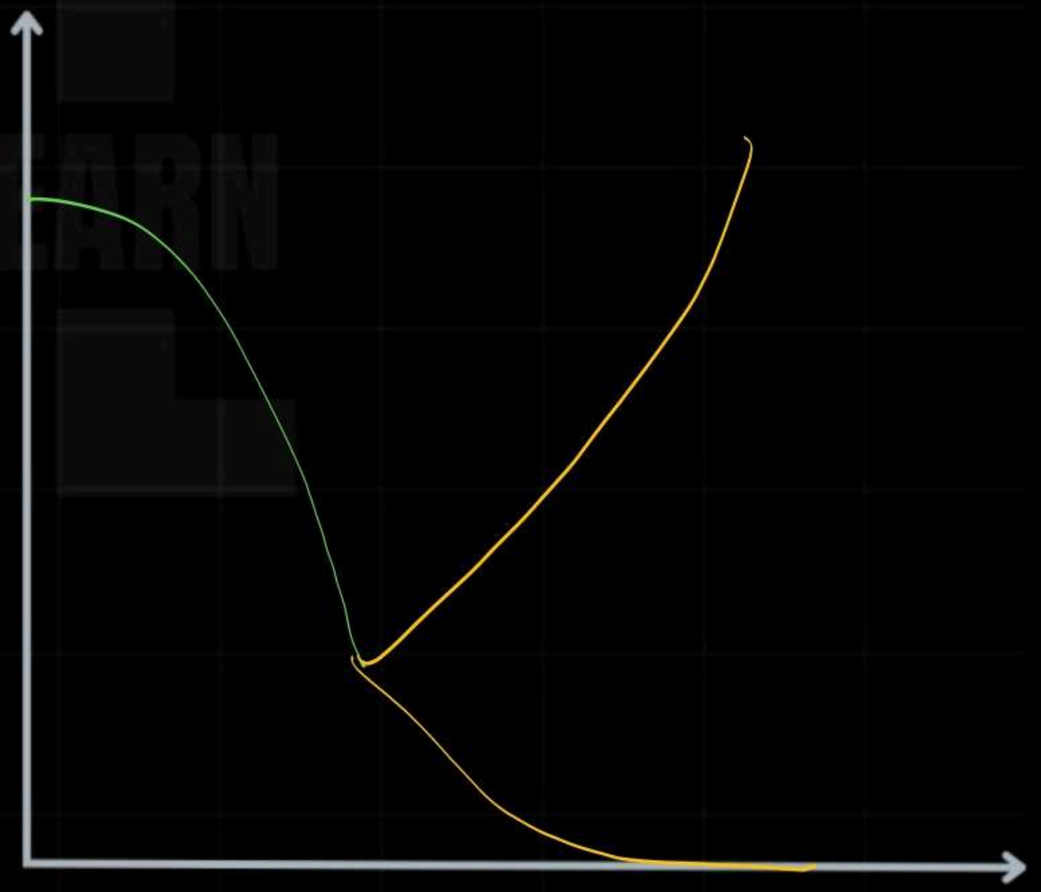
SHAPES OF ECONOMY

W SHAPED



Covid

K SHAPED



URJIT R PATEL COMMITTEE	BIMAL JALAN COMMITTEE	DAMADARAN COMMITTEE	NANDAN NILEKANI
○ Inflation Rate 4 ± 2 = 6% Inflat 2% ○ SDF Standing deposit Facility — 2014 3. WPI → CPI	○ RBI Surplus	Insuarance	Digital Payment

SUNIL MEHTA COMMITTEE

"Bad Banks" ka

200 Crore

100 Crore

Vijay Mallaya

1000 Crore

500 Crore

500 Crore

NPA

RAMESH CHAND COMMITTEE

WPI — 2011 - 2012

2022-23

MS SAHOO COMMITTEE

Insolvency Resolution

SUDARSEN COMMITTEE

ARC

Asset Reconst

HUMAN DEVELOPMENT INDEX

- UNDP – 4
1. Standard
2. Health
3. Education

INEQUALITY ADJUSTED HUMAN DEVELOPMENT INDEX

GENDER INEQUALITY INDEX

Gender Gap

WEF

108

1. Labour Market
2. Empowerment
3. Reproductive

GENDER DEVELOPMENT INDEX → 1

DTI DESIRE TO LEARN

MULTIDIMENTIONAL POVERTY INDEX

{Oxford + UNDP}

2010

126

1. Health – 2
2. Education – 2
3. Living stand – 6

} 10

MISERY INDEX

Unemployment + Inflation

GLOBAL INNOVATION INDEX

WIPO } Geneva

139

CORRUPTION PERCEPTION INDEX

Iceland

Feb

96/180

Transparency

ECONOMICS

UNIT–07

ORGANISATIONS COMES UNDER

WTO

ADB

AIIB

INTERNATIONAL MONETARY FUND

BOP → PYQ → 100

WORLD TRADE ORGANISATION

WTO → USA

Formation	1 January 1995; 30 years ago
Type	Intergovernmental organization
Purpose	Reduction of tariffs and other barriers to trade
Headquarters	Centre William Rappard, Geneva, Switzerland

WORLD BANK

Formation	July 7, 1944 (80 years ago)
Type	International financial institution
Purpose	provides loans and grants to the governments of low- and middle-income countries for the purposes of economic development.
Headquarters	Washington DC, USA

ASIAN DEVELOPMENT BANK

69th Member

Formation	19 December 1966; 58 years ago
Type	Multilateral development bank
Purpose	Social and Economic Development
Headquarters	Philippines

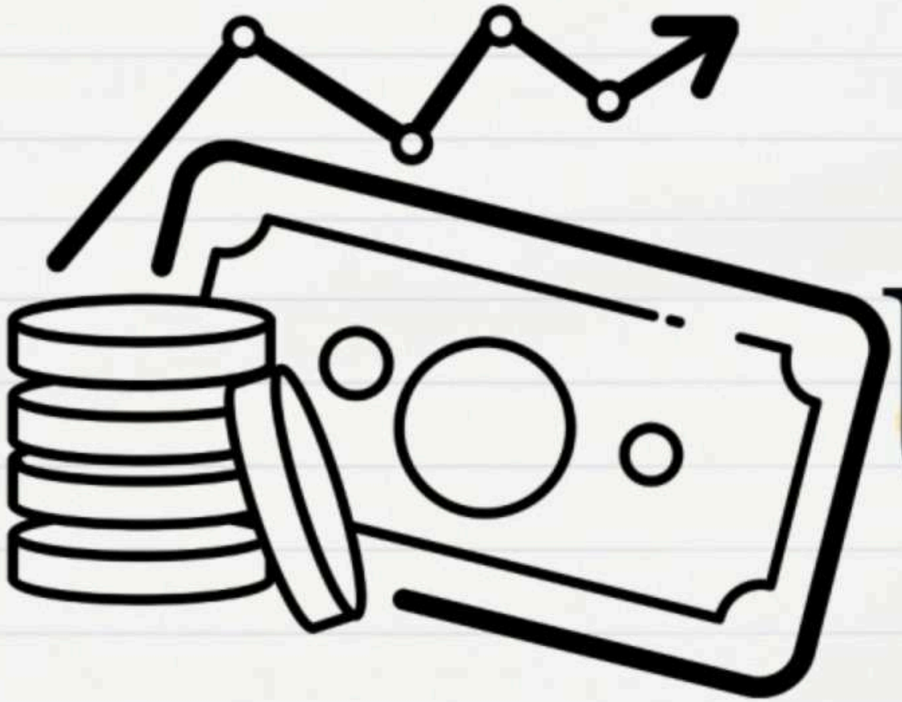
ASIAN INFRASTRUCTURE INVESTMENT BANK

Formation	16 January 2016; 9 years ago
Type	International financial institution
Legal status	Treaty
Purpose	Crediting
Headquarters	Beijing, China

DESIRE TO LEARN

INTERNATIONAL MONETARY FUND

Formation	1 July 1944; 80 years ago
Type	International financial institution
Purpose	Promote international monetary co-operation, facilitate international trade, foster sustainable economic growth, make resources available to members experiencing balance of payments difficulties, prevent and assist with recovery from international financial crises[1]
Headquarters	Washington, D.C., U.S.



ECONOMICS

UNIT-08

UNION BUDGET-2025

Smt. Nirmala Sitharaman presented the first full Union Budget of Prime Minister Narendra Modi's third term today, marking her record eighth consecutive Budget. This brings her closer to Morarji Desai's milestone of 10 Budget presentations.

4 REFORMS OF BUDGET

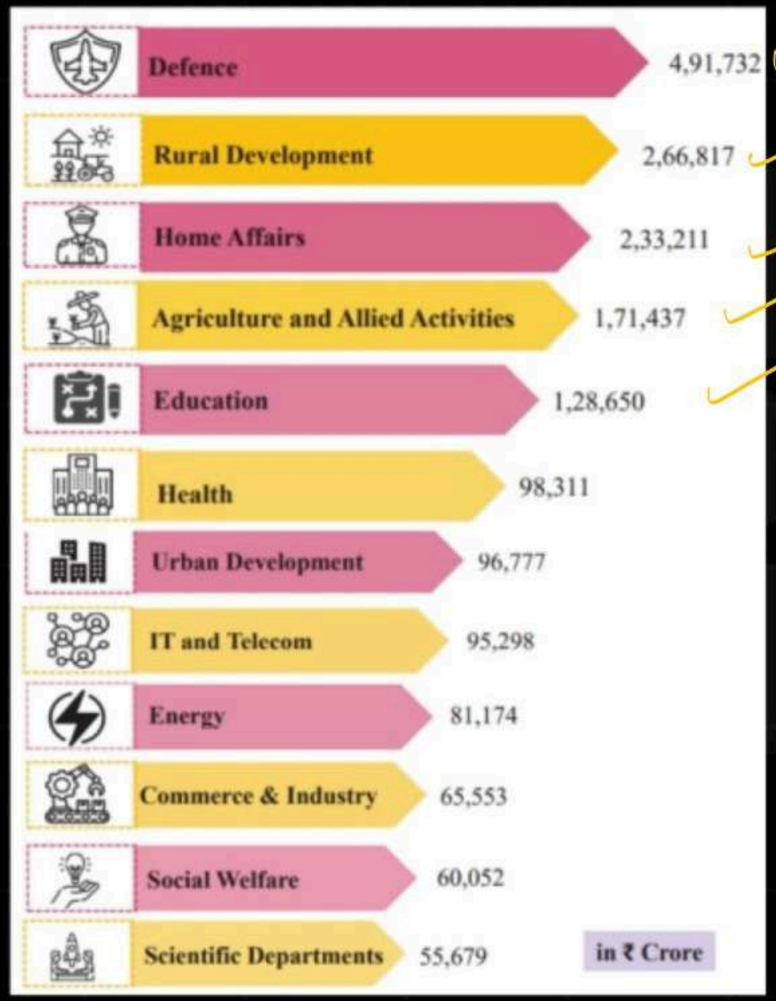
GARIB

YOUTH

ANNADATA

NARI

UNION BUDGET-2025

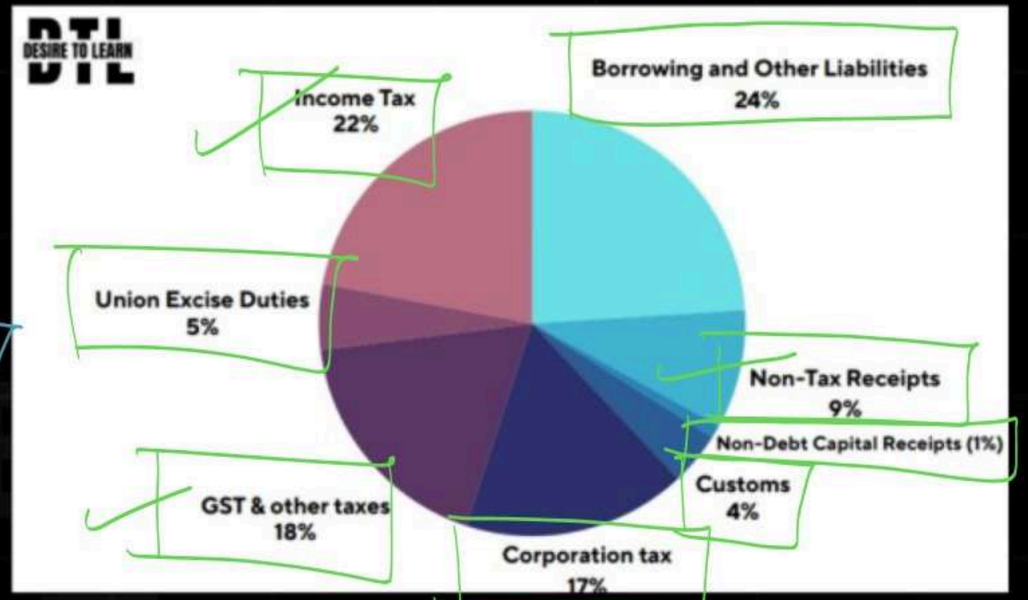


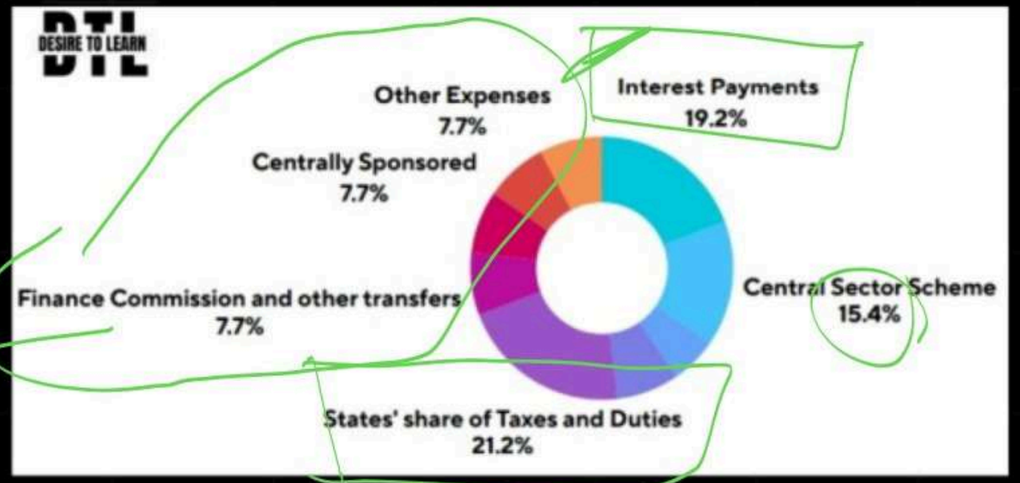
1. Borrowing
2. Income Tax
3. GST
4. Corporate

MONEY COMES IN

1. State Share
2. Inter
3. Center

MONEY GOES OUT





ECONOMIC SURVEY-2025

- The Economic Survey is an annual document presented by the government ahead of the Union Budget to review the state of the economy.
- It is tabled in both houses of Parliament by the Union Finance Minister
- The Economic Survey 2025 comprises 13 chapters that analyze various aspects of India's economy

The Economic Survey 2025 is divided into two parts:

- **Part A: Focuses on economic trends, key challenges, and policy recommendations that shape the government's approach to economic management.**
- **Part B: Provides detailed statistical analysis of various sectors, including agriculture, industry, services, infrastructure, healthcare, and environmental concerns.**

ECONOMIC SURVEY-2025

PURPOSE OF ECONOMIC SURVEY

- To review the developments in the Indian economy over the previous 12 months.
- To summarize the performance on major development programs
- To highlight the policy initiatives of the government
- To analyze the economic trends and provide an outlook for the coming year

HISTORICAL CONTEXT

- First presented in 1950-51.
- Initially, it was a part of the budget documents.
- Became a separate volume in 1964.

ECONOMIC SURVEY-2025

Projected Real GDP Growth for FY25: 6.4%

Sectoral Growth Estimates for FY25:

- Agriculture: Growth of 3.8%.
- Industrial Sector: Projected growth of 6.2%.
- Services Sector: Expected growth of 7.2%, supported by key sectors like financial services, real estate, and public administration.

FY26 Real GDP Growth Forecast:

- Projected to be between 6.3% and 6.8%.

WHY ECONOMIC SURVEY RELEASED BEFORE THE BUDGET?

- The Economic Survey is released a day before the Union Budget to ensure transparency and build the foundation for budget decisions. It offers an economic overview by analyzing growth trends, challenges, and opportunities while highlighting key issues such as inflation, fiscal deficit, unemployment, and sectoral performance.

16TH FINANCE COMMISSION

- The 16th Finance Commission of India was established in 2023, and is chaired by Dr. Arvind Panagariya. The commission is expected to submit its report by October 31, 2025.

- The commission is tasked with reviewing disaster management financing arrangements
- The commission is also tasked with making recommendations to increase the Consolidated Fund of a State.

State & Centre

- The Finance Commission, established under Article 280 of the Indian Constitution, is a constitutional body that recommends the distribution of tax revenues between the central and state governments every five years

CURRNCY DEPRECIATION

- The Indian rupee recently witnessed a sharp devaluation against the dollar.
- Weaker rupee should theoretically give a boost to India's exports, but in an environment of uncertainty and weak global demand, a fall in the external value of rupee may not translate into higher exports.
- It poses risk of imported inflation, and may make it difficult for the central bank to maintain interest rates at a record low for longer.
- India meets more than two-thirds of its domestic oil requirements through imports.
- India is also one of the top importers of edible oils. A weaker currency will further escalate imported edible oil prices and lead to a higher food inflation.

$$$

Import

depreciate

Production ↑

1$ = ₹70

1$ = ₹85

depreciation

devalution

Cost ↑

Supply ↓

demand ↑

Inflation ↑

China - Export

100 Yuan - 1$

200 Yuan - 1$

IMPORTANT TERMINOLOGIES

1. Bad Banks
2. Crowding In
3. Crowding Out
4. Laisser Faire
5. Price Index
6. Pump Pricing
7. Dumping
8. Deficit Financing
9. NBFC
10. Collateral
11. Bonds
12. Debentures
13. Law of Diminishing Utility
14. Near Money
15. Hot Money
16. PPP
17. Paradox Thrift
18. Paradox of Prosperity
19. Recessionary Gap
20. Perishable goods

DESIRE TO LEARN

IMPORTANT TERMINOLOGIES

1. BAD BANKS

SBI — NPA

→ NPA

Vyay — 1,000

500

500

200 (200) → Bad Bank

250-300

2. CROWDING IN

Investment ↑ →

3. CROWDING OUT

→ Govt — Bank 600

500

100

= 500

Invest ↓

Amban

8%

15%

IMPORTANT TERMINOLOGIES

1.4. LAISSEZ FAIRE

No Involment Govt

5. PRICE INDEX

10%

Not

100
110
132

32%

10%

?

$$\frac{132-110}{110} \times 100$$

$$= \frac{22}{110} \times 100 = 20\%$$

6. PUMP PRICING

Recession

Money Supply

IMPORTANT TERMINOLOGIES

7. DUMPING

8. DEFICIT FINANCING

Public Revenue
− Public Expenditure

100 − 120
= 20

9. NBFC

Muthoot

Loan → Govt

Demand → ATM

D.D

IMPORTANT TERMINOLOGIES

10. COLLATERAL

Asset Securing Loan

11, BONDS

Debt Investment

12. DEBENTURES

IIO

SOC

Public → Shar

IMPORTANT TERMINOLOGIES

13. LAW OF DIMINISHING UTILITY

14. NEAR MONEY

15. HOT MONEY

IMPORTANT TERMINOLOGIES

16. P.P.P

17. PARADOX THRIFT

Saving ↓

Consumption ↓
demand ↓
Unempl-

18. PARADOX OF PROSPERITY

कम

IMPORTANT TERMINOLOGIES

19. RECESSIONARY GAP

Actual G.DP

Potential G.DP

₹5

₹ (₹7)

20. PERISHEBLE GOODS

Afternoon → High

Night → Poor

JAI HIND

Thankyou

1. Ancient
2. Medieval

100