

ECONOMICS SYLLABUS UPSC CSE

Economic Theory

☐ Micro-economics Essentials

- Demand, supply & market-clearing price • Elasticities (price, income, cross)
- Consumer & producer surplus, welfare loss • Market structures: perfect, monopoly, oligopoly
- Externalities, public goods, free-rider problem; Pareto efficiency

☐ National-Income Accounting

- GDP/GVA (factor-cost vs market-price), NDP, NNP, per-capita metrics
- Circular-flow, sectoral shares, base-year revision logic
- Deflators, real vs nominal, purchasing-power parity, HDI, MPI

1. Money, Banking & Financial System *(all "money" angles will be covered here)*

☐ Nature & Functions of Money – barter to fiat; money characteristics

☐ Money-supply Metrics M0-M4, H, money multiplier; high-powered money

☐ Monetary Policy Framework

- Objectives (price stability, growth, financial stability)
- Instruments: Repo, Reverse repo, **Standing Deposit Facility (SDF)**, MSF, CRR, SLR, OMO, MSS, VRRR, LTRO
- **Monetary Policy Committee**: composition, voting, inflation target band

☐ Banking System Anatomy

- Scheduled/commercial banks; PSB reform, consolidation, recap bonds
- Cooperative banks, RRBs, small-finance & payments banks, DFIs (NABFID)
- Capital-adequacy (Basel III), **Prompt Corrective Action (PCA)**, asset-quality review

☐ Non-bank Financial Intermediaries NBFCs, HFCs, MFIs, Chit funds

☐ Money Market Instruments T-Bills, CP, CD, call & notice money, repos

☐ Capital Market & Regulators Equity, debt, G-Secs; SEBI, RBI, IRDAI, PFRDA

☐ Financial Inclusion & Payments

- Jan-Dhan, PM-Svanidhi, BSBDA • UPI, AePS, NEFT/RTGS, RuPay, FASTag
- **Digital-currency**: Central Bank Digital Rupee; crypto-asset debate

☐ Financial Stability Architecture FSR, FSDC, DICGC, Resolution Corp (proposed)

☐ Shadow-banking & Systemic Risk IL&FS, DHFL lessons

2. Public Finance & Fiscal Policy

- Government Budget-making, classification of receipts/expenditure
- Deficit concepts: fiscal, revenue, primary, effective, monetised deficit
- **FRBM Act** – targets, escape clause, debt trajectory
- **Taxation** Direct (Income-tax, Corp-tax, capital gains, DDT) & indirect (GST, customs, excise, cesses/surcharges)
- GST Council – structure, rate slabs, compensation cess, e-invoice, e-way bill
- Non-tax revenue: dividends, spectrum, disinvestment, lotteries
- Subsidies: food, fertiliser, petroleum; explicit vs implicit

- Public debt: internal vs external; SDLs; off-budget borrowings; sovereign green bonds
- **Fiscal Federalism** – Finance Commissions, GST compensation, grants, vertical & horizontal devolution, GSTN, GST settlement
- Outcome budgeting, gender budgeting, zero-based budgeting

3. Planning, Growth & Inclusive Development

- Legacy of Five-Year Plans; shift to **NITI Aayog** & 15-year vision docs
- Growth models: Harrod-Domar, Solow, endogenous, Lewis dual, Kuznets
- Poverty & inequality metrics: Tendulkar, Rangarajan, MPI, Palma, Gini
- Employment: LFPR, WPR, unemployment types, PLFS, gig/platform labour
- Human-development indicators, HDI, Gender-development index, care-economy

4. External Sector & Trade

- Balance of Payments & BoT, invisibles, remittances
- Exchange-rate regimes, NEER/REER, managed float, currency swap lines
- Capital flows: FDI, FPI, ECBs, masala bonds, SDR allocations, sovereign funds
- Forex reserves: components, adequacy metrics (import cover, GIR ratio)
- Trade policy: WTO AoA, TRIPS, SPS/TBT, FTAs/CEPA, RoDTEP/RoSCTL, SEZ 2.0
- Export-financing & insurance: EXIM Bank, ECGC, TIES, GEM portal
- De-dollarisation, rupee-settlement, petro-yuan debates

5. Sectoral Economies

A. Agriculture & Food Economy

- Cropping patterns; land reforms; Green & White revolutions
- MSP calculus (A2, A2+FL, C2), CACP, price deficiency payments
- PM-AASHA, e-NAM, FPOs, contract farming, agri-marketing reforms
- Irrigation: PMKSY, micro-irrigation fund • Agri-credit: KCC, RIDF
- Food management: buffer stock norms, FCI, DCP, NFSA/PDS, "One Nation One Ration Card"
- Agri-insurance: PMFBY, RWBCIS, Weather Derivatives

B. Industry & Infrastructure

- Industrial policies: New Industrial Policy 1991, PLI, Start-up India, Make-in-India
- MSMEs: UDYAM, Credit Guarantee, TReDS, cluster programmes
- Logistics: **PM Gati-Shakti**, Bharatmala, Sagarmala, freight corridors
- Energy: UDAY 2.0, DISCOM reforms, green-hydrogen mission, solar parks, coal gasification
- PPP / Investment models: BOT, BOOT, HAM, TOT, OMT, InvIT, REIT, NMP pipeline

C. Services & Digital Economy

- IT-BPM exports, tourism, e-commerce, ONDC, account-aggregator
- FinTech: UPI, BNPL, digital lending guidelines
- Data-governance: DPI, DEPA, non-personal data policy

6. Social-Sector Economics

Health-Economy – Ayushman Bharat, NHM, health insurance penetration

Education-Economy – NEP 2020 financing, SANKALP, NAPS

Social welfare schemes – pensions (PM-SY), SHGs, DAY-NRLM, NSAP

Labour codes (Wages, Social Security, OSH, IR) + migrant labour portal

Gender economics, SHG-Bank linkage, care-economy valuation

7. Environment, Climate & Green-Finance

Green GDP, carbon accounting, natural-capital valuation

Carbon markets: PAT, REC, I-REC, **Carbon Border Adjustment Mechanism (CBAM)**

Climate financing tools: sovereign & corporate green bonds, SDG-linked bonds

ESG frameworks, SEBI BRSR mandate, green taxonomy draft

Blue, circular & bio-economy; disaster-resilient infrastructure (CDRI)

8. Government Schemes & Surveys (*cross-cutting*)

- Economic Survey, Budget key numbers, RBI Annual Report findings
- Flagship schemes: PM-Gatishakti, PM-Krishi Sinchai Yojana, PM-SVANidhi, PM-Vishwakarma, Digital India, Skill India, Startup India, Stand-Up India, Jal Jeevan, Swachh Bharat, Smart Cities, AMRUT, etc.