

Maharashtra Public Service Commission

Civil Services Exam – Mains Optional

Economics

(Code No : 201)

Paper - I

Standard : Degree

Total Marks : 200

Nature of Paper : Conventional Type

Duration : 3 Hours

- Note :**
- 1) Answers to this paper must be written either in English or in Marathi.
 - 2) This paper will test the candidate's ability to comprehend, to analyse, to interpret, to criticise and to appraise subject matter related to the topics/sub topics mentioned below.
 - 3) It is expected from candidates to study the latest and recent developments and happenings pertaining to the topics/sub topics mentioned below.

Section - A (Marks 50)

1) Micro - Economics :

- .01) Marshallian and Hicksian approaches of demand analysis.
- .02) Production function - law of variable proportion - economies of scale.
- .03) Traditional and modern theories of costs; empirical evidences. - price determination in perfect competition, monopoly and monopolistic competition.
- .04) **Theories of distribution** : rent, wages, interest and profit.
- .05) Classical and modern welfare economics - social welfare function - compensation principle - problems in measuring welfare.
- .06) **Measures of central tendency** : mean, mode and median- standard deviation - correlation.

Section – B (Marks 50)

2) Macro Economics :

- .01) Methods of national income accounting.
- .02) Functions of money - base money - high-power money - quantity theory of money - money multiplier.
- .03) **Monetary and non-monetary theories of inflation - control of inflation:** monetary, fiscal and direct measures.
- .04) Say's law of market - Keynesian theory of employment - investment multiplier - marginal efficiency of capital.
- .05) **Theories of business cycle** : Hicks, Kaldor and Samuelson
- .06) IS-LM Model -Mundell - Fleming model.

Section – C (Marks 50)

3) Public Finance and Financial Institutions :

- .01) Role of public finance in market economy - Criteria for public investment
- .02) Merit goods and public goods-sources of revenue and expenditure (Centre and

- State) - forms of taxes and subsidies and their incidence and effects.
- .03) Zero-base budgeting - types of budget deficits - internal and external borrowings.
 - .04) **Financial markets** : money market, capital market, discounting house - financial instruments.
 - .05) Central banking - functions and credit control measures.
 - .06) Financial sector reforms - new trends in banking - real and nominal interest rates - repo and reverse repo transactions.

Section - D (Marks 50)

4) Growth, Development and International Economics :

- .01) Indicators of development - sustainable development - development and environment - Green GDP.
- .02) Classical theories of development – contributions of Adam Smith, Ricardo, Malthus and Karl Marx – Neo-classical growth theories – Solow, Meade, Mrs. Joan Robinson.
- .03) **Factors of economic development** : natural resource, population, human capital, infrastructure - theory of demographic transition- Human development index - human poverty index – gender empowerment measure
- .04) Role of foreign capital and technology in growth - multi-national corporations.
- .05) International trade as an engine of growth - theories of international trade : Ricardo, Heberler, Heckscher-Ohlin.
- .06) IMF-IBRD-WTO - Regional Trade Agreements - SAARC - ASEAN.

Paper - II

Standard : Degree

Total Marks : 200

Nature of Paper : Conventional Type

Duration : 3 Hours

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 - 3) It is expected from candidates to study the latest and recent developments and happenings pertaining to the topics/sub topics mentioned below.

Section - A (Marks 50)

1) Indian Economy (General Issues) :

- .01) Evolution of Indian economy till independence - colonial economics - drain of wealth controversy - Swadeshi Movement - Gandhi and Hind Swaraj.
- .02) Contributions of C.N. Vakil, M.G. Ranade, D.R.Gadgil, B.R.Ambedkar and Amartya Sen to Indian economics.
- .03) Measurement and estimate of poverty - poverty eradication measures – fertility, nuptiality, mortality and morbidity in India - gender empowerment policies.
- .04) Factors determining employment - measures of unemployment - relation between income, poverty and employment - issues of distributional and

social justice.

- .05) **Economy of Maharashtra** : salient features of agriculture, industry and service sectors - drought management in Maharashtra - FDI in Maharashtra.
- .06) Review, reforms and prospects of cooperative movement in Maharashtra – Alternative policy initiatives in agricultural marketing- Employment Guarantee Scheme.

Section – B (Marks 50)

2) Indian Agriculture, Rural Development and Cooperation :

- .01) Role of agriculture in economic development - interrelationship between agriculture, industry and services sectors - contract farming - precision farming – corporate farming – organic farming.
- .02) Size of land holding and productivity - Green Revolution and technological change - agricultural prices and terms of trade - farm subsidies – Public Distribution System - food security.
- .03) Regional disparities in agricultural growth in India – agri-business and global marketing - agricultural credit in India.
- .04) Sources of irrigation and water management - live-stock resource and their productivity - White Revolution, fisheries, poultry, forestry, horticulture and floriculture development in India and Maharashtra.
- .05) Strategies of rural development during the plan period - rural infrastructure (social and economic)
- .06) W.T.O. and agriculture - Farmer’s and Breeder’s Rights - biodiversity - GM technology.

Section – C (Marks 50)

3) Indian Industry, Infrastructure and Services Sector :

- .01) Trends, composition and growth of industries, infrastructure and services sector in India - role of public, private and cooperative sectors in India - small and cottage industries.
- .02) Liberalisation and its effects on Indian industries - industrial sickness.
- .03) Strategies of industrial growth, agro industries and industrial finance in India and Maharashtra.
- .04) Monetary institutions in India - factors determining demand for and supply of money- Information Technology application in finance and commerce.
- .05) **Modes of transport** : rail, road, water and air transport in India.
- .06) Child labour in India - child and women development measures in India - economic status of women and its impact on work participation rate.

Section – D (Marks 50)

4) Indian Planning, Foreign Trade and Public Finance :

- .01) Objectives, strategies, achievements and failures of Indian planning.
- .02) Relation between market and plan strategies for growth - social justice and Plans - capital output ratio.
- .03) Role of Planning Commission and NDC - State Planning Boards - Statutory Development Boards in Maharashtra.
- .04) Composition and direction of India’s foreign trade - balance of payment - exchange rate – convertibility of rupee - devaluation and its effects on balance of payments - import substitution and export promotion - role of

- EXIM bank – impact of liberalisation on India’s foreign trade.
- .05)** Finances of Panchayat Raj Institutions in Maharashtra - role of decentralised and micro-level planning in India.
 - .06)** Merits and demerits of value-added-tax - ways and means advances to the states. – fiscal crisis and management.