

**PRELIMS  
&  
MAINS  
Micro  
Schedule**



**VISHNU**

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MODERN GURUKUL FOR CIVIL SERVICES

**TGPSC G 1 | UPSC - CSE | APPSC G 1**



# INDIAN ECONOMY



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VISHNU IAS ACADEMY

## Indian Economy PRELIMS Micro Schedule

### **Basic Concepts**

- **Macroeconomic Concepts**
  - Meaning of Economics
  - Types of Economies
  - Sectors of an Economy
  - Other Sectors of Economy
- **Microeconomic Concepts**

### **Economic Measurements**

- **National Income Concepts and Methods of Calculation**
  - National Income
  - Real National Income
  - Calculating National Income
  - Gross Fixed Capital Formation (GFCF)
  - National Organizations Related to National Income Accounts?
  - Latest India's National Income Estimates
  - New Series of National Statistics (Base Year 2011-12)
  - Annual Estimates of Expenditures on GDP
  - Per Capita Income
  - Purchasing Power Parity
  - Lorenz Curve
  - Philip's Curve
  - Gini Coefficient
- **Inflation**
  - Concepts and Types of Inflation
  - Causes of Inflation

- Effects of Inflation
- **Measures of Inflation**
  - WPI, CPI
  - Producer Price Index
  - GDP Deflator
  - Core Inflation
- **Change in Reporting of Inflation**
- **Measures to Check Inflation?**
  - Fiscal Measures
  - Administrative Measures
  - Monetary Measures
- **Economic Growth and Development**
  - Economic Growth
  - Economic Development
  - Measurement of Economic Development
  - Physical Quality of Life Index (PQLI)
  - Millennium Development Goals (MDGs)
  - Different Levels of Economic Development
  - Economy and Environment?
  - Environment Taxes
    - Carbon Tax
    - Green Accounting
  - 12<sup>th</sup> Five Year Plan and Sustainability?

## Money and Banking

- **Money Function and Classification**

- Money Concept
- Measures of Money Supply in India
- Indian currency system
- Broad and Narrow Money
- Money multiplier
- Digital Money
- New Monetary Aggregates
- Monetary Policy

- **Financial Market and its Instruments**

- Concept and functions of financial markets
- Importance of money market
- Types of capital market
- Distinguish between capital market and money market
- Nature and functions of a stock exchange
- Advantages of stock exchanges
- Limitations of stock exchanges
- The stock exchanges in India
- Insurance Industry - Insurance Industry and Reforms
- Role of Financial Regulators: SEBI and IRDA

- **Banking Structure in India**

- Scheduled Commercial Banks
- Nationalized? Banks
- Public Sector Banks?
  - State Bank of India

- Private Banks
- Foreign Banks
- Regional Rural Banks
- Scheduled Co-operative Banks
- Reserve Bank of India (RBI)
- Methods of Credit Control
- Cash Reserve Ratio (CRR)
- Statutory Liquidity Ratio (SLR)
- Repo Rate
- Reserve Repo Rate
- Call Rates
- Marginal Standing Facility (MSF)
- Bank Rate
- Banking Sector Reforms in India
- Differentiated Banks
  - Payment Banks
  - Small Banks
- New banking licence
- White Label ATM
- Unified Payments Interface
- Bank Board Bureau
- Marginal Cost of Funds Based Lending Rate (MCLR)
- Priority Sector Lending Certificates
- Concept of Micro ATM
- Banking Reforms
- Basel Norms
- Banking Ombudsman
- Development Financial Institutions

- Insurance Companies
- Recent developments in Economic Sector
  - Government to recapitalize the PSB's
  - RBI rule and regulation for peer to peer (P2P) lending
  - Domestic Systematically Important Banks (SIBs) of India
  - Financial Inclusion in India
  - The Concept of Bad Bank
  - Alternative Mechanism Panel for PSB consolidation
  - Employee Provident Fund of India
  - Enforcement Department In RBI
  - Gold Monetization Scheme (GMS)
  - Indian Post Payment Bank (IPPB)
  - Indian Gold Coins/Gold Bullion Scheme

## **Public Finance in India**

### **• Budgeting**

- Union Budget
- Plan and Non Plan Expenditure
- Revenue Receipts
- Tax Revenue Receipts
- Non-Tax Revenue Receipts

### **• Fiscal Policy**

- Fiscal Responsibility and Budget Management (FRBM) Act, 2003
- Revenue Deficit, Fiscal Deficit, Primary Deficit
- Deficit and Surplus Budget
- Deficit Financing

### **• Centre State Distribution**

- Finance Commission (A280)

- **Tax Structure in India**

- Tax – Direct Tax, Indirect Tax
- Methods of Taxation – Progressive, Regressive, Proportional
- Value Added Tax – VAT in India
- Goods and Services Tax – GST, GST Council
- Service Tax
- DTC – Direct Tax Code

## **Planning**

- **Meaning Objectives and History**

- Meaning of Economic Planning
- Objectives of Planning
- **Strategies of Planning**
  - Harrod Domar strategy
  - Nehru Mahalonobis strategy
  - Gandhian strategy
  - LPG strategy
- Regional and National Planning
- Imperative and Indicative Planning
- History of Planning in India
- Visvesvaraya Plan, Gandhian Plan FICCI Proposal, Congress Plan Bombay Plan
- Planning Commission and National Development Council(NDC)
- Central Planning – 5 Year Plans, 20 Point Program, MPLADS
- Decentralized Planning
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- **Planning Institutions**
  - Planning Commission
  - NITI Aayog
  - National Development Council (NDC)
- **Five Year Plans in India**
  - 12<sup>th</sup> Five Year Plan (2012-2017)
  - Alternative Scenarios During 12<sup>th</sup> Plan

## **Open Economy/ Advanced economy concepts**

- **Foreign Trade Concepts**
  - Balance of Payments
  - Foreign Capital – FDI, FPI, FII, QFH
  - Foreign Exchange–Exchange Rate NEER & REER, ETF
  - FERA & FEMA
  - Capital Account Convertibility in India
  - India's External Debt
  - NRI Deposits
  - Trade Composition
- **Trade Policy and Agreements**
  - Import Cover
  - Import/Export Controls
  - Foreign Trade policy 2015-20
  - Export Promotion
  - General Agreement on Tariffs and Trade
- **Exchange Rate**
  - Exchange Market



- LERMS
- NEER
- REER
- ETF

- **International Organization**

- United Nations
- Food and Agriculture Organization (FAO)
- International Civil Aviation Organization (ICAO)
- International Fund for Agricultural Development (IFAD)
- International Labour Organization (ILO)
- International Maritime Organization (IMO)
- International Monetary Fund (IMF)
- International Telecommunication Union (ITU)
- United Nations Educational, Scientific and Cultural Organization (UNESCO)
- United Nations Industrial Development Organization (UNIDO)
- Universal Postal Union (UPU)
- World Bank Group (WBG)
- International Bank for Reconstruction and Development (IBRD)
- International Finance Corporation (IFC)
- International Development Association (IDA)
- World Health Organization (WHO)
- World Intellectual Property Organization (WIPO)
- World Meteorological Organization (WMO)
- World Tourism Organization (UNWTO)
- World Trade Organization (WTO)
- Asian Development Bank
- Asian Infrastructure Investment Bank (AIIB)

- New Development Bank
- African Development Bank
- **Trade Agreements**
  - RCEP
  - TPP
  - NAFTA
  - MERCOSUR
  - Southern African Development Community (SADC)
  - ASEAN
  - SAFTA
- **Recent Developments in External Sector**
  - Global foreign exchange committee
  - Price capping of medical devices in India
  - Review of the International Investment Agreement (IIA)
  - India signed the OECD multilateral convention to prevent BEPS (Base Erosion and Profit Shifting)
  - Second Exchange Traded Fund (ETF) Bharat 22
  - Double Tax Avoidance Treaty
  - Preferential Trade Agreement with Chile
  - Advance Pricing Agreement
  - National Committee on Trade Facilitation
  - E-tourist Visa
  - India's Asylum Policy
  - Investor-State Dispute Settlement (ISDS)

## **Economic Sectors**

- **Poverty**
  - Definition and Indices

- Poverty in India
- Human Poverty Index (HPI)
- Expert Groups for Estimating Poverty
- Inequality
- **Employment**
  - Employment and Unemployment
  - Poverty Eradication and Employment Related Related programs
- **Government Schemes and Programs**
  - New Social Welfare Schemes
  - Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY)
  - Other Social Protection Programmes
  - Rural Infrastructure and Development
  - Urban Infrastructure, Housing and Sanitation
  - Education Schemes
  - Financial Inclusion Schemes
  - Health Schemes
  - Women Empowerment Programmes
  - Other Women Empowerment Programmes
  - Social Security Measures
- **Committees**
  - Ratan P Watal Committee on Digital Payment
  - Committee for Market Infrastructure Institution (MII)
  - P. J. Nayak Committee
  - Deepak Mohanty Committee Report on Medium-term Path on Financial Inclusion
  - Narasimham Committee Report on Banking Sector Reforms
  - Uday Kotak Committee on Corporate Governance
  - Nachiket Mor Committee

## **Indian Economy MAINS Micro Schedule**

### **Chapter 1- Growth and development**

- Economic Growth in India: National Income Determination, GDP, GNP, NDP, NNP, Personal Income
- Economic Growth versus Economic Development
- Measures of Economic Development: Human Development Index, Green GDP, Gross National Happiness Index
- Economic and Social Development in India: Millennium Development Goals
- Sustainable Development Goals and India

### **Chapter 2- Issues related to planning**

- Issues related to planning in India
- Planning in India: Bombay Plan; People's Plan; Mahalanobis Plan; Wage-Good Model; Gandhian Plan
- Mobilization of Resources

### **Chapter 3- Inflation**

- Inflation in India: CPI, WPI, GDP Deflator, Inflation Rate
- Types of Inflation: Demand Pull, Cost-Push, Stagflation, Structural Inflation, Deflation, and Disinflation
- The Cost of Inflation

### **Chapter 4- Monetary policy in India**

- Monetary Economics: Barter System, Definition, Function and Evolution of Money
- Monetary Policy in India: Inflation, deflation, Recessionary and Inflationary Scenarios
- Monetary Policy tools and Money Supply in India
- Monetary Policy Agreement in India

### **Chapter 5- Banks & Financial markets**

- Banking in India: Definition, Functions, and Types of Banks
- Development Finance Institutions: IFCI, ICICI, SIDBI, IDBI, UTI, LIC, GIC

- Nationalisation of Banks
- Banking Sector Reforms in India: Narasimhan Committee 1&2, Nachiket Mor Committee, P J Nayak Committee
- Problem of Non Performing Assets in India
- Non-Banking Financial Companies in India
- Financial Inclusion in India: Need and future; PMJDY; Payment Banks and Small Banks

## **Chapter 6- Indian Agriculture**

### **(a) Historical background and current status**

- Land reforms in India
- Situation of Indian Agriculture

### **(b) Cropping Patterns**

- Cropping Patterns in India: Factors Affecting; Most Important Cropping Patterns
- Types of Cropping Systems: Mono-cropping; Crop Rotation; Sequential Cropping; Inter Cropping; Relay Cropping

### **(c) Issues related to direct and indirect farm subsidies and minimum support prices**

- Farm Subsidies in India: Definition; Working; Need; Negative Impacts
- Types of Farm Subsidies in Indian Agriculture: Irrigation and Power Subsidies; Fertilizer Subsidy; Seed Subsidy; Credit Subsidy
- Government Intervention in Indian Agriculture
- Minimum Support Prices in Indian Agriculture: MSP definition; Working; Issues; Drawbacks; Way Ahead; Buffer Stocks
- Public Distribution System in India: Definition; Issues; Working; Need; Disadvantages
- Targeted PDS in India, Antyodaya Anna Yojana (AAY), Alternative to the PDS, Direct Benefit Transfers, National Food Security Act

### **(d) Agriculture Marketing**

- Marketing of Agricultural Produce in India: Definition; Role; APMC Act, Model APMC Act, 2003
- Private and Co-operative Sector in Marketing of Agriculture Produce in India

**(e) Technology missions and e-technology in the aid of farmers**

- Technology Missions in India
- E-Technology in Indian Agriculture to Aid the Farmers

**Chapter 7- Poverty, Inequality, and Unemployment**

**(a) Poverty**

- Poverty in India: Types of Poverty, Causes of Poverty, Vicious Circle of Poverty
- Poverty Lines in India: Estimations and Committees
- Poverty in India: Trickle Down Approach, Inclusive Growth and Multi-Dimensional Poverty Index
- Addressing Poverty in India/Poverty Eradication Schemes

**(b) Inequality**

- Inequality in India: Definition and Measures; Lorenz Curve, Gini Coefficient, Income held by Top 10%
- Income Inequality in India: Causes, Remedies, and Consequences

**(c) Unemployment**

- Unemployment in India: Definition, Types, and Measures
- Unemployment in India: Causes and Consequences

**(d) Other important issues**

- Economics of Animal Rearing in India
- Government Policies towards Women Empowerment: Beti Bachao Beti Padhao, SSA, Kasturba Gandhi Balika Vidyalaya, Saakshar Bharat, SABLA, STEP
- Education in India: Role and Channels in Promoting Economic Growth

**Chapter 8- Government budgeting**

- The Role of the Government in the Economy
- The Government Budget: Revenue Budget, Capital Budget, Government Deficits
- Budgetary procedure in India
- Types of Budgets in India

**Chapter 9-Taxation in India**

- Taxation in India: Classification, Types, Direct tax, Indirect tax
- Goods and Services Tax
- Tax Reforms in India
- Concept Related to Taxation: Tax Incidence, Tax Evasion, Laffer Curve, CESS and Surcharge

### **Chapter 10-External sector**

- India's Balance of Payments: Current Account, Capital Account, Goods and Services Account
- India's BOP Performance: Balance of Payment versus Balance of Trade, Current Account versus Capital Account
- FDI and FPI in India, External Commercial Borrowings, Foreign Exchange Reserves in India
- Foreign Exchange Rate Determination in India and Types of Exchange Rate
- Capital and Current Account Convertibility in India

### **Chapter 11- International economic organizations**

- The Bretton Woods Twins- World Bank and IMF
- ADB, BRICS Bank, AIIB
- Bilateral, Regional and Global Groupings and Agreements involving India
- The World Trade Organisation (WTO) and India

### **Chapter 12-Food processing & related industries**

- Food Processing Industry: Definition and Dimensions; Channels of Transitions; Inter linkages between Agriculture and Industry
- Food Processing Industry: Food Based Industry versus Non- Food Based; Location, Upstream, Downstream Requirements
- Food Processing Industry: Forward, Backward Linkages; Food Processing Industry and Economic Development
- Food Processing Industry in India: Growth Drivers, FDI Policy, Investment Opportunities; Schemes Related to Food Processing Sector
- Supply Chain Management in Indian Agriculture

### **Chapter 13-Industrial sector**

- Industrial development in India
- Industrial Policy in India and its effects on growth
- Public sector undertakings in India
- Privatisation of the Public Sector Enterprises

## **Chapter 14-Infrastructure**

- Infrastructure Sector in India: Definitions; Growth and Infrastructure Linkage
- Infrastructure Development in India
- Infrastructure Sector in India: Growth Drivers; Government Policy Initiatives
- Road Transport in India
- Civil Aviation Sector in India
- Railways Sector in India
- Recent Initiatives by the Railways
- Telecommunication Sector in India
- Notable Initiatives of Indian Telecom Sector
- Port sector in India
- Energy and Power Sector
- Government Policy Support for the Energy Sector

## **Chapter 15-Investment model**

- Investment Models: Public Sector Led Investment Model; Private Sector-Led Investment Model
- Public-Private Partnership Model: Definitions; Need for PPP; Prerequisites.
- Public-Private Partnership Models: Contracting, Build Operate Transfer, Design Build Finance Operate (DBFO), Concessions, Build Operate Transfer, EPC Model, Swiss Challenge Model, HAM Model