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OPTIONAL TEST SERIES for MAINS 2022

ECONOMICS

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The performance in optional subject significantly enhances the probability of not only achieving a success but also in attaining the decent all India rank in Civil Services examination.

Notwithstanding the extent of your preparation and understanding of economics, your score will depend on your ability of translating your ideas/views in writing the precise answers to questions within specified word limits. Attaining the high degree of precision in your replies requires lot of practice in writing answers. So, write, re-write and re-write – is the only key to score high marks in economics. The forthcoming test series in economics is targeting to sharpen your skills in answer writing and further enrich your knowledge on the emerging topics especially those relating to Indian economy.

Rau's Test Series for Economics Optional along with QIP classes will enable you to (i) acquire the ability of writing precise answers to the questions and (ii) update/enrich yourself on latest developments took place in India's economy, (iii) attain further conceptual clarity, wherever you deem necessary.

Modus operandi for Test Series

- **10 Tests (8 Sectional/Thematic + 2 Complete Syllabus Tests)**
- Tests will be conducted on every **Saturday at 9.30 AM**, commencing from **18th June, 2022**
- Evaluated answer booklets will be uploaded on Rau's e-learn website within 10-12 days from the date of the test.
- All the tests will be followed by offline/online discussions, after you have received back your evaluated answer booklets.

The schedule of the tests & the discussions is given below:

TEST	MAJOR TOPICS	SYLLABUS TO BE COVERED UNDER THE TOPIC
Thematic Test-1 18/06/2022 (Sat)	Advanced Micro Economics (Paper - I)	1.1 Marshallian and Walrasian Approaches to Price Determination 1.2 Markets Structure: Monopolistic Competition, Duopoly, Oligopoly 1.3 Alternative Distribution Theories: Ricardo, Kaldor, Kalecki 1.4 Modern Welfare Criteria: (a) Pareto Hicks & Scitovsky, (b) Arrow's Impossibility Theorem, (c) A.K. Sen's Social Welfare Function.

<p>Thematic Test-2 25/06/2022 (Sat)</p>	<p>Advanced Macro Economics, Money & Finance (Paper - I)</p>	<p>2.1 Approaches to Employment, Income and Interest Rate determination: (a) Classical, Keynes, New Classical and (b) Neo-Classical Synthesis (IS-LM curve),</p> <p>2.2 Theories of Interest Rate determination and Interest Rate Structure.</p> <p>2.3 Demand for and Supply of Money: (a) Money Multiplier (b) Quantity Theory of Money (Fisher, Pigou and Friedman) (c) Keynes's Theory on Demand for Money</p> <p>2.4 Goals and Instruments of Monetary Management in Closed and Open Economies.</p> <p>2.5 Relation between the Central Bank and the Treasury. Proposal for ceiling on growth rate of money.</p> <p>2.6 Public Finance and its Role in Market Economy: (a) In stabilization of supply, (b) Allocation of resources, and (c) In distribution and development.</p> <p>2.7 Sources of Government revenue: (a) Forms of Taxes and Subsidies, their incidence and effects. (b) Limits to taxation, (c) Loans, crowding-out effects and limits to borrowings.</p> <p>2.8 Public Expenditure and its effects.</p> <p>2.9 Role of public finance with a changing role of Markets and Planning,</p> <p>2.10 Financing of Development Projects including financing models for Private-Public-Private Partnership projects</p> <p>2.11 Welfare indicators and measures of growth – Human Development Indices. The basic needs approach.</p>
<p>Thematic Test-3 02/07/2022 (Sat)</p>	<p>International Economics (Paper - I)</p>	<p>3.1 Economic Development and International Trade: Trade as an engine of Growth and theories of under-development in an open economy.</p> <p>3.2 Old and New Theories of International Trade (a) Comparative Advantage (b) Terms of Trade and Offer Curve. (c) Product Cycle and Strategic Trade Theories.</p> <p>3.3 Forms of Protection: tariff and quota.</p> <p>3.4 Balance of Payments Adjustments: Alternative Approaches:</p>

		<ul style="list-style-type: none"> (a) Price versus income, income adjustments under fixed exchange rates, (b) Theories of Policy Mix (c) Exchange rate adjustments under capital mobility (d) Floating Rates and their Implications for Developing Countries: Currency Boards. (e) BOP, adjustments and Policy Coordination in open economy macro-model. (f) Speculative attacks (g) Trade Blocks and Monetary Unions. <p>3.5 WTO: TRIMS, TRIPS, Domestic Measures, Different Rounds of WTO talks.</p>
<p>Thematic Test-4 09/07/2022 (Sat)</p>	<p>Growth and Development (Paper - I)</p>	<p>4.1 Theories of growth:</p> <ul style="list-style-type: none"> (a) Harrod's model, (b) Lewis model of development with surplus labour (c) Balanced and Unbalanced growth, (d) Human Capital and Economic Growth (e) Research and Development and Economic Growth <p>4.2 Process of Economic Development of Less developed countries:</p> <ul style="list-style-type: none"> (a) Myrdal and Kuznets on economic development and structural change: (b) Role of Agriculture in Economic Development of less developed countries. <p>4.3 Role of Investment including foreign investment, and Multinationals in economic development</p> <p>4.4 Planning and Economic Development: changing role of Markets and Planning, Private- Public Partnership</p> <p>4.5 Development and Environmental Sustainability – Renewable and Non-Renewable Resources, Environmental Degradation, Intergenerational equity development.</p>
<p>Thematic Test-5 16/07/2022 (Sat)</p>	<p>Indian Economy in Pre-Independence Era & Development Strategy in Pre-Liberalization Phase (1951-91) (Paper - II)</p>	<p>5.1 Land System and its changes,</p> <p>5.2 Commercialization of agriculture</p> <p>5.3 Drain theory</p> <p>5.4 Laissez faire theory and critique</p> <p>5.6 Manufacture and Transport: Jute, Cotton, Railways,</p> <p>5.7 Money and Credit</p> <p>5.8 Development Strategy and Planning process during Pre-Liberalization Era</p> <p>5.9 Contribution of Indian Thinkers including Vakil, Gadgil and V.K.R.V. Rao.</p>

<p>Thematic Test-6 23/07/2022 (Sat)</p>	<p>Structure of Indian Economy during Pre and Post-Liberalization Era (Paper - II)</p>	<p>6.1 National and Per capita income: patterns, trends, aggregate and Sectoral composition and changes there in.</p> <p>6.2 Broad factors determining National Income and distribution, Measures of poverty, Trends in poverty and inequality.</p> <p>6.3 Agriculture: (a) Land Reforms and land tenure system (b) Green Revolution (c) capital formation in agriculture</p> <p>6.4 Industry Trends in composition and growth</p> <p>6.5 Role of public and private sector</p> <p>6.6 Small scale and cottage industries.</p> <p>6.7 New Economic Policy and Role of Planning (a) Transition from central Planning to indicative planning (b) Relation between planning and markets for growth (c) Decentralized planning including 73rd and 74th Constitutional amendments.</p> <p>6.8 New Economic Policy and Employment: (a) Employment and poverty, (b) Rural wages, (c) Employment Generation, (d) Poverty alleviation schemes, (e) New Rural Employment Guarantee Scheme</p>
<p>Thematic Test-7 30/07/2022 (Sat)</p>	<p>Economic Reforms and Macroeconomic Policies during Post-Liberalization (Paper - II)</p>	<p>7.1 Economic Reforms and New Economic Policy (NEP)</p> <p>7.2 New Economic Policy and Monetary system. (a) Role of RBI under the new regime</p> <p>7.3 New Economic Policy and Public Finance: (a) Fiscal Responsibility Act, (b) Fiscal Consolidation. (c) Twelfth Finance Commission and Fiscal Federalism</p> <p>7.4 New Exchange Rate Regime: (a) Partial and full convertibility, Capital account convertibility</p> <p>New Economic Policy and Trade: (a) Intellectual property rights: (b) Implications of TRIPS, TRIMS, GATS</p>
<p>Thematic Test-8 06/08/2022 (Sat)</p>	<p>Commodity Sectors-Agriculture, Industry and Trade during Post-Liberalization (Paper - II)</p>	<p>8.1 New Economic Reform and Agriculture: (a) Agriculture and WTO (b) Food processing, (c) Subsidies</p>

		<ul style="list-style-type: none"> (d) Agricultural prices (e) Public distribution system (f) Impact of public expenditure on agricultural growth. <p>7.2 New Economic Policy and Industry:</p> <ul style="list-style-type: none"> (a) Strategy of industrialization (b) Privatization (c) Disinvestments (d) Role of foreign direct investment and multinationals. <p>7.3 New Economic Policy and Trade:</p> <ul style="list-style-type: none"> (a) Trends in Foreign Trade (b) New EXIM policy (c) India's Balance of payments
<p>Thematic Test-9 13/08/2022 (Sat)</p>	<p>Complete Syllabus Test for paper-1</p>	<p>Covering all the Topics of Paper - 1</p>
<p>Thematic Test-10 20/08/2022 (Sat)</p>	<p>Complete Syllabus Test for paper-2</p>	<p>Covering all the Topics of Paper - 2</p>

INTERPRETATION OF DIFFERENT "WORDS" USED IN QUESTIONS

1.	Account for	:	Give reasons
2.	Account of	:	Focus on description
3.	Assess	:	Establish the strengths and weaknesses of the features mentioned.
4.	Comment	:	Write your view point or description based on your observations.
5.	Compare	:	Present the similarities and differences between the features mentioned.
6.	Discuss	:	Present a thorough analysis of the question by examining all sides of the arguments.
7.	Distinguish between	:	Draw clear distinctions between the features mentioned.
8.	Elucidate	:	Clarify/explain probably what is obscure or different.
9.	Evaluate/Critically Evaluate/Review	:	Present a judgement as to the relative value of the features mentioned.
10.	Examine/ Critically examine	:	State clearly the pros and cons of the issue raised. Your final decision must be supported by evidence and the reasons why you have rejected alternatives explained.
11.	Explain	:	Give reasons.
12.	Highlight	:	Focus on important features/points
13.	Illustrate	:	Focus on examples including the data.
14.	Interpret	:	Present an explanation of the facts, Facts are mere inputs and can be comprehended differently. And marks depend on how differently you comprehend.
15.	Role	:	Focus on the contribution and conclude with your analytical view point.
16.	Significance/Importance	:	Focus on the importance, contribution and consequences with greater focus on positive aspects.
17.	To what extent	:	Weigh up the arguments and state the relative importance of the feature mentioned.
18.	Trace	:	An outline of what has been asked in the given question with focus on its evolution.