

IMPORTANT QUESTION BANKS(40 Qs Syllabus Wise)

JKPSC Assistant Director (E&S) Compulsory General Economics

Scope and Methodology

- Theory of Consumers' Demand
- Consumers' Surplus
- Theory of Distribution
- Pricing of Factors and Production
- Laws of Returns
- Pricing under Various Forms of Marketing Organizations

Important Questions Based on the Syllabus

1. **Define the theory of consumers' demand. How do changes in price and income affect the demand curve?**
[20 Marks]
2. **Explain the concept of consumers' surplus. How is it measured, and why is it important in economic analysis?**
[20 Marks]
3. **Discuss the theory of distribution. How are income and wealth distributed among different factors of production?**
[20 Marks]
4. **Analyze the pricing of factors and production in a perfectly competitive market. What are the key determinants of factor prices?**
[20 Marks]
5. **Describe the laws of returns. Explain the significance of the law of diminishing returns in production theory.**
[20 Marks]
6. **Evaluate the various forms of marketing organizations and their pricing strategies. Compare and contrast perfect competition, monopoly, monopolistic competition, and oligopoly.**
[20 Marks]
7. **How do government policies affect the pricing of factors and production? Provide recent examples of policy changes impacting factor markets.**
[20 Marks]
8. **Examine the impact of technological advancements on the laws of returns and the theory of production. How has technology influenced modern production processes?**
[20 Marks]

Current News and Examples

1. **Government Policies and Factor Pricing:** Recent changes in labor laws, minimum wage adjustments, or tax policies that impact factor markets.

2. **Technological Advancements:** The impact of AI and automation on production processes and the laws of returns.
3. **Market Structure Shifts:** The rise of tech giants and their monopolistic tendencies, recent antitrust cases against companies like Google or Amazon.

Theory of Production

- **Factors of Production**
- **Theory of Rent**
- **Wages**
- **Interest**
- **Profit**

Important Questions Based on the Syllabus

1. **Explain the theory of production. How does the production function relate to the input-output relationship in an economy?**
[20 Marks]
2. **Discuss the factors of production and their respective roles in the production process. How do changes in these factors influence economic output?**
[20 Marks]
3. **Analyze the theory of rent. Compare and contrast the Ricardian theory of rent with the modern theory of rent.**
[20 Marks]
4. **Evaluate different theories of wages. How do these theories explain wage determination in competitive and non-competitive markets?**
[20 Marks]
5. **Describe the classical and Keynesian theories of interest. What are the primary differences between these theories?**
[20 Marks]
6. **Examine the concept of profit. How do different theories of profit explain the rewards to entrepreneurship?**
[20 Marks]
7. **Discuss how technological advancements have impacted the factors of production and the theory of production in recent years. Provide specific examples.**
[20 Marks]
8. **Analyze the effects of government policies on wages and interest rates. How have recent policy changes influenced the labor and capital markets?**
[20 Marks]

Current News and Examples

1. **Technological Advancements:** The impact of automation and AI on labor markets, the shift towards more capital-intensive production processes.

2. **Government Policies:** Recent changes in minimum wage laws, interest rate adjustments by central banks (e.g., Federal Reserve, European Central Bank), and their effects on the economy.
3. **Labor Market Trends:** Trends in gig economy, remote working post-COVID-19, and their implications for wage determination.
4. **Entrepreneurship and Profit:** The role of innovation hubs and startup ecosystems in driving economic profits, changes in taxation affecting business profits.

Welfare Economics

Scope of Welfare Economics

Classical and Neo-Classical Approach

Important Questions Based on the Syllabus

1. **Define welfare economics and explain its scope. How does welfare economics contribute to policy making?**
[20 Marks]
2. **Discuss the concept of Pareto efficiency. How is it used to evaluate the welfare implications of economic policies?**
[20 Marks]
3. **Compare and contrast the classical and neo-classical approaches to welfare economics. What are the key differences in their assumptions and conclusions?**
[20 Marks]
4. **Analyze the role of externalities in welfare economics. How do positive and negative externalities affect social welfare?**
[20 Marks]
5. **Evaluate the concept of social welfare functions. How do different social welfare functions influence economic policy decisions?**
[20 Marks]
6. **Explain the compensation principle in welfare economics. How is it applied to judge economic changes or policies?**
[20 Marks]
7. **Discuss the implications of income inequality on social welfare. What measures can be taken to reduce income inequality and improve social welfare?**
[20 Marks]
8. **Examine the impact of government intervention on social welfare. Provide examples of policies aimed at enhancing welfare and discuss their effectiveness.**
[20 Marks]

Current News and Examples

1. **Government Policies and Welfare:** Recent initiatives such as universal basic income, healthcare reforms, or education subsidies aimed at improving social welfare.

2. **Income Inequality:** Ongoing debates about wealth taxes, minimum wage hikes, and other policies to address income inequality.
3. **Environmental Policies:** The role of government regulations and incentives in addressing negative externalities like pollution and climate change.
4. **Global Economic Policies:** Discussions on international aid, trade policies, and their impact on global welfare.

Economic Growth

Concept of Economic Growth and Its Measurement

Social Institutions and Economic Growth

Characteristics and Problems of a Developing Economy

Population Growth and Economic Development

1. What are the key definitions and concepts of economic growth, and how are they measured?
2. What are the main indicators used to measure economic growth, and what are their limitations?
3. How do social institutions (such as legal systems, educational institutions, and financial systems) impact economic growth?
4. What are the major characteristics of a developing economy, and how do they differ from developed economies?
5. What are the common problems faced by developing economies, and what strategies can be employed to address them?
6. How does population growth influence economic development, and what are the potential benefits and challenges?
7. What is the relationship between population growth and the allocation of resources in an economy?
8. How do demographic factors (such as age distribution and migration) affect economic growth and development?

Planning Concepts and Methods

Evolution of Planning in India

Five-Year Plans Objectives and Techniques

1. What are the core concepts of planning in economics, and what methods are commonly used to implement these concepts?

2. **How has planning evolved in India from its early stages to the present day? Discuss key milestones and changes in the planning process.**
3. **What were the primary objectives of the first Five-Year Plan in India, and how did it set the stage for subsequent plans?**
4. **Analyze the successes and limitations of the Five-Year Plans in India, with specific examples from different plan periods.**
5. **What are the key techniques used in the formulation and implementation of Five-Year Plans in India?**
6. **How does the Planning Commission's role differ from that of the NITI Aayog in India's planning process?**
7. **Discuss the impact of socio-economic factors on the objectives and outcomes of Five-Year Plans in India.**
8. **Evaluate the effectiveness of Five-Year Plans in addressing regional disparities and promoting balanced development across India.**