

Syllabus

RBI DEPR Grade B

Phase	Name of Paper	Duration	Maximum Marks
Phase - I	Paper - I Objective Type (on Economics)	120 minutes	100
	Paper - II English - Descriptive (To be typed with help of keyboard)	120 minutes	100
Phase - II	Paper - I Descriptive Type (on Economics) (Question paper displayed on computer, answers to be written on paper)	120 minutes	100
	Paper - II Descriptive Type (on Economics) (Question paper displayed on computer, answers to be written on paper)	120 minutes	100
	Total		400

Phase - I: Paper I - Objective Type (on Economics)

- 1. Microeconomics** (Theories of consumer demand; Production; Market Structures and Pricing; Distribution; and Welfare Economics)
- 2. Macroeconomics** (Theories of Employment, Output and Inflation; Monetary Economics; ISLM Model; Schools of Economic Thought)
- 3. International Economics** (Theories of International Trade; Balance of Payments; Exchange Rate Models)
- 4. Theories of Economic Growth and Development** (Classical neo-classical approaches to economic growth and major theories of economic development)
- 5. Public Finance** (Theories of taxation and public expenditure and Public Debt Management)
- 6. Environmental Economics** (Green GDP, Environmental Valuation, Environmental policy instruments)
- 7. Quantitative Methods in Economics** (Mathematical and Statistical Methods for Economics, Ordinary Least Square Regression)
- 8. Current developments in Indian Economy** (Growth, inflation, poverty, unemployment, financial sector developments, external sector developments, fiscal developments, agriculture, industry, infrastructure, and services)

Phase - I: Paper II - Descriptive Type (on English)

The paper on English shall be framed in a manner to assess the writing skills including expression and understanding of the topic.

Phase - II: Paper I - Descriptive Type (on Economics)

I. Microeconomic Module

- a) **Consumer Theory:** Cardinal and Marginal Utility Analysis, Consumer Surplus, Indifference Curve Analysis, Price, Income and Substitution Effects, Game Theory
- b) **Production Theory:** Forms of Production function; Laws of Returns to Scale; Partial Equilibrium Vs General Equilibrium Analysis
- c) **Market Theory:** Pricing under different market structures
- d) **Distribution Theories:** Ricardo, Marx, Kalecki and Kaldor
- e) **Welfare Economics:** Pareto Optimality, Schools of Welfare Thought including Arrow, Coase and Sen

II. Macroeconomic Module

- a) **National Income Accounting:** Various methods for measurement of National Income
- b) **Theory of employment and Output:** Classical and Neo-classical approaches, Keynesian theory of Employment and output, Post-Keynesian developments, Business Cycles
- c) **Inflation:** Types of Inflation, Philip's curve, Taylor's Rule, Lucas Critique
- d) **Money and Banking:** Quantity theory of Money, Neutrality of money, IS - LM Model and AD-AS Models, Money Multiplier, Monetary Policy – Scope, Objectives and instruments, Inflation targeting
- e) **Theories of Economic Growth and Development:** Theories of growth, Classical and neoclassical approaches, Theories of Economic Development
- f) **International trade and Balance of payments:** Theories of international trade, Determination of exchange rates, Impossible Trinity
- g) **Public Finance:** Theories of taxation, Theories of public expenditure, Theories of public debt management (Equal weightage will be given to Microeconomic and Macroeconomic modules)

Phase - II: Paper II - Descriptive Type (on Economics)

I. Module on Quantitative Methods in Economics

- a) **Mathematical Methods in Economics:** Differentiation and Integration, Optimisation, Sets, Matrices, Linear algebra and Linear programming
- b) **Statistical Methods in Economics:** Measures of central tendency and dispersions, Probability, Time series, Index numbers.
- c) **Econometrics and advanced Applications:** Regression analysis, Panel data econometrics, Time Series econometrics, Basics of Bayesian Econometrics, Basic application of Artificial Intelligence/ Machine Learning

II. Module on Indian Economy – Policy and Trends

- a) **Fiscal policy in India:** Evolution, scope and limitations, current trends
- b) **Monetary Policy in India:** Evolution, Functions of the Reserve Bank of India, MonetaryFiscal coordination, Inflation targeting, Operating framework of Monetary Policy, Current trends
- c) **Banking and financial sector development in India:** Banks and other constituents of Indian financial markets and related developments, Current trends
- d) **Inflation in India:** Trends and drivers
- e) **External sector developments in India:** Exchange rate management, external debt, Balance of payments, Current trends
- f) **Sectoral and other developments in India:** Agriculture, industry, services and social sector-related developments

(Equal weightage will be given to Quantitative Economics and Indian Economy-related modules)

Suggested Readings by RBI: For Phase - II

- **Microeconomics:** Hal R. Varian; Intermediate Microeconomics: A Modern Approach, 9th edition, 2019. The workbook, Workouts in Intermediate Microeconomics, by Hal R. Varian and Theodore C. Bergstrom may be used for problems. A. Koutsoyiannis; Modern Microeconomics, International Edition. C.E. Ferguson and J.P. Gould; Microeconomic Theory.
- **Macroeconomics:** Dornbusch, Fischer and Startz; Macroeconomics, McGraw Hill, 13th edition, 2018. Olivier Blanchard; Macroeconomics, Pearson Education, Inc., 8th edition, 2021. Brian Snowdon and Howard R. Vane; Modern Macroeconomics: Its Origin, Development and Current State, Edward Elgar Publishing Ltd, 2005.
- **International Economics:** Paul R. Krugman, Maurice Obstfeld and Marc Melitz; International Economics: Theory and Policy, Pearson Education, 12th edition, 2022. Dominick Salvatore; International Economics: Trade and Finance, Wiley, 11th edition, 2014.
- **Public Finance:** Richard A. Musgrave and Peggy B. Musgrave; Public Finance in Theory and Practice, McGraw Hill, 5th edition, 2017. Stiglitz, J.E. and Jay K. Rosengard Economics of the Public Sector, W.W. Norton & Company, 4th edition, 2015.
- **Growth and Development:** A.P. Thirlwall; Economics of Development: Theory and Evidence, Macmillan, 9th edition, 2011. Debraj Ray, Development Economics, Oxford University Press, 2009. Basu, K., Analytical Development Economics, The Less Developed Economy Revisited, MIT Press, 2003 For Phase - II (Paper II - Modules on Quantitative Methods in Economics and Indian Economy).
- **Mathematical Methods in Economics:** Simon, Carl P. and Lawrence Blume; Mathematics for Economists, W. W. Norton & Company, Inc., 1994. Kevin Wainwright and Alpha C. Chiang; Fundamental Methods of Mathematical Economics, 4th edition, McGraw-Hill, 2005.
- **Econometrics:** D. N. Gujarati and D.C. Porter; Essentials of Econometrics, McGraw-Hill, 4th edition, International Edition, 2010. Wooldridge, J.M; Introductory Econometrics: A Modern Approach, Cengage Learning, 7th edition, 2022.
- **Statistics:** N. G. Das; Statistical Methods, McGraw-Hill, 2008. Miller, I., Miller, M.; John E. Freund's Mathematical Statistics with Applications, 8th edition, Pearson, 2021.
- **Indian Economy:** Economic Survey, Government of India, Various Issues India Development Report, Oxford University Press, Various Issues. Uma Kapila, Indian Economy since Independence, Academic Foundation, Various Issues. RBI Annual Report – Last two years. RBI Report on Trends and Progress of Banking in India – Last two years. Monetary Policy Reports – Last two years. Financial Stability Report – Last two years