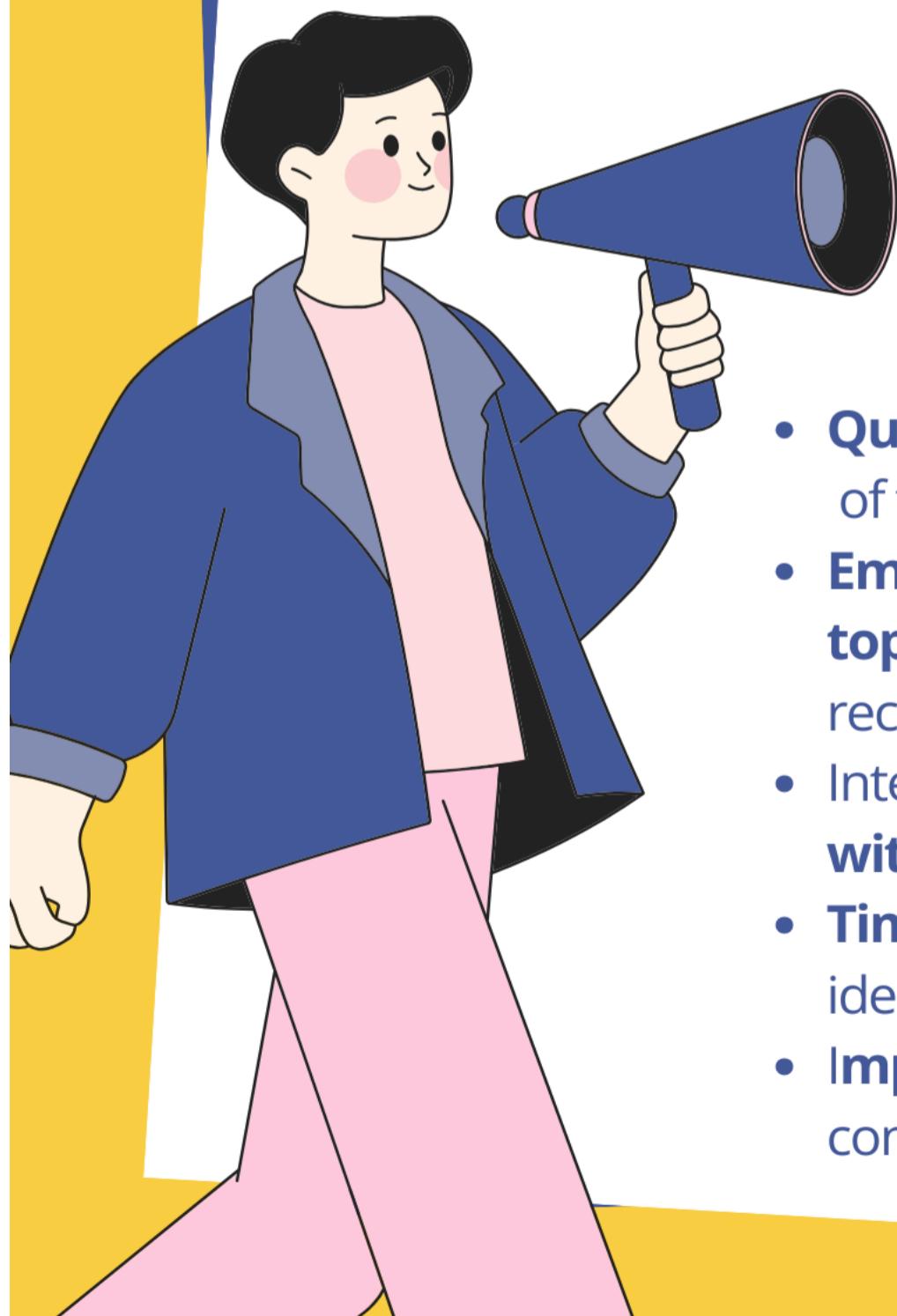


# CRASH COURSE – UPSC CSE (PRELIMS)

## ECONOMICS

**“UPSC does not test how much economy you remember, but how well you understand its impact on society, policy, and governance.”**



### Benefit:

- **Quick and focused revision** of the entire UPSC syllabus
- **Emphasis on high-yield topics** based on PYQs and recent trends
- Integration of **static concepts with current affairs**
- **Time-efficient preparation**, ideal for last-phase revision
- **Improves exam orientation**, confidence, and accuracy

# CRASH COURSE – UPSC CSE (PRELIMS) IQRA IAS (Indian Economy Module)

The Indian Economy segment in the UPSC Civil Services Examination (CSE) Prelims has emerged as one of the most decisive components of General Studies Paper I. On average, it contributes **15-20 questions every year**, testing a candidate's conceptual clarity, analytical ability, and awareness of recent economic developments. With changing global and domestic contexts, the trend has moved steadily toward **applied economics, current affairs integration, and data-backed policy understanding**.

**“Economics is not about numbers; it’s about understanding choices — and UPSC rewards those who understand them well.”**

## Trend Analysis (2017-2025)

### UPSC CSE Prelims – Indian Economy Trend Analysis (2017-2025)

Year	No. of Questions	Major Focus Areas	Nature of Questions	Remarks / Trend Shift
2017	25	GDP, Inflation, Fiscal Deficit, Monetary Tools	Conceptual & Factual	Core <b>NCERT-based</b> , minimal current linkage
2018	24	GDP, Inflation, Fiscal Deficit, Monetary Tools	Conceptual & Factual	Continuation of <b>static dominance</b>
2019	22	Banking Reforms, NPAs, GST, Macroeconomic Stability	Conceptual + Policy-based	Introduction of <b>policy orientation</b>
2020	23	Fiscal Stimulus, Atmanirbhar Bharat, Deficits	Conceptual + Current	<b>Pandemic-led economic measures</b>
2021	14	Agriculture Reforms, Digital Payments, RCEP	Analytical & Current	Shift towards <b>trade &amp; digital economy</b>
2022	18	Inflation, GST, SDGs, Poverty Indices	Conceptual + Index-based	Rise of <b>data &amp; report-based questions</b>
2023	17	UPI, Post-COVID Recovery, Trade Deficit, External Debt	Applied & Analytical	Strong <b>current affairs integration</b>
2024	17	AI, Green Economy, Labour Codes, MSMEs	Conceptual + Contemporary	Focus on <b>emerging sectors &amp; sustainability</b>
2025	21	Digital Economy, Fiscal Reforms, Sustainability, AI Jobs	Analytical + Policy-linked	Emphasis on <b>policy outcomes &amp; institutions</b>

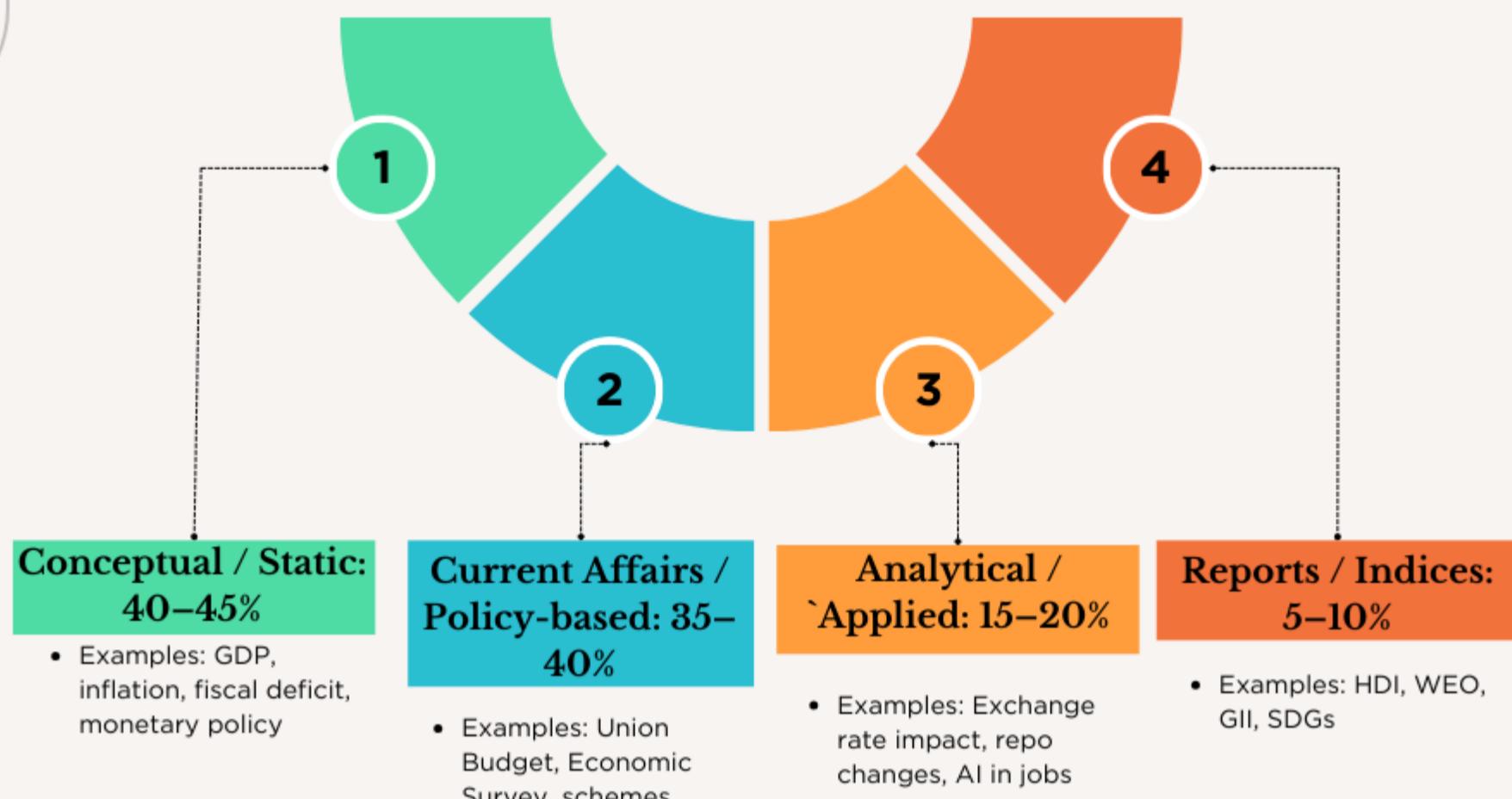
### Key UPSC Insights (For Prelims 2026)

- **Static → Applied Shift** after 2019
- Growing weight of **policy-linked, analytical questions**
- Increasing importance of **reports, indices, and contemporary sectors**
- Economy questions now test **inter-linkages** (fiscal–monetary–real economy)

From **2017 to 2025**, UPSC moved beyond static definitions to **application-based economics**. Questions increasingly test the candidate's understanding of **linkages** — between fiscal measures, monetary policy, and real-world outcomes such as inflation, employment, or trade dynamics.

The **Indian Economy in UPSC CSE Prelims 2026** will continue to reflect India's evolving economic priorities — from **digital innovation and green growth** to **fiscal prudence and inclusive development**. Aspirants who master both **core concepts and policy linkages** through systematic study, updated awareness, and rigorous practice will have a distinct advantage.

# Average Pattern: 2017–2025



## High-Yield & Hot Topics

- Money, Banking & Finance:** RBI's role, monetary tools (Repo, CRR, MSF), digital payments: UPI, CBDC (e-Rupee), fintech regulations, financial markets (Money, Capital and Derivative Markets).
- Fiscal Policy & Budgetary Framework:** FRBM targets, fiscal deficit trends, GST reforms, Union Budget and Economic Survey, Debt-GDP ratio, government schemes and policies.
- Trade & External Sector:** BOP, exchange rate management, export promotion, FTAs, India's forex reserves above \$700 billion; shifting trade dynamics post-tariff measures.
- Economic Development & Social Sector:** Poverty (MPI, SECC data), employment, social welfare schemes; NITI Aayog's 2022–23 report: poverty fell to around 12%.
- Agriculture & Food Management:** Agri value chains, MSP reforms, PLI scheme, agri subsidies, agri credit, agri policies.
- Emerging & Contemporary Areas:** Artificial Intelligence, Green Economy, Sustainability, Climate Finance; India's renewable energy target: **500 GW by 2030**; gig economy & labor codes; Green Hydrogen Mission; cooperatives; MSME credit access.

## Hot Topics for UPSC Prelims 2026

**“What is contemporary today becomes conceptual tomorrow.”**

- Budget 2026–27 & Economic Survey 2025–26:** Fiscal consolidation roadmap, taxation reforms, infrastructure boost, survey insights (AI-driven productivity, climate-resilient agriculture).
- Monetary Policy & Price Stability:** RBI's stance, repo trends, liquidity management, inflation targeting.
- Digital and AI Economy:** UPI, e-Rupee, fintech, AI-driven governance; NITI Aayog's AI strategy — *AI for All*.
- Green Growth & Energy Transition:** National Hydrogen Mission, carbon markets, renewable investments, COP outcomes, SDGs.

- **Employment & Labor Reforms:** New labor codes, gig economy formalization, social security for platform workers.
- **Global Economic Developments:** Trade tensions, tariff impacts, global value chains, IMF & World Bank projections, WTO and India.

## Indian Economy Module (Prelims-Oriented)

S/N	Unit	Particulars
1	<b>Fundamentals of Economy and Economics and Growth and Development</b>	<ul style="list-style-type: none"> <li>• Concept of Economic Activities</li> <li>• Meaning of Output and Input</li> <li>• Classification of Goods</li> <li>• Central problems of an economy</li> <li>• Economic thoughts and systems</li> <li>• Micro and Macro Economics</li> <li>• Capital Output Ratio</li> <li>• Economic Progress (Economic Growth and Economic Development)</li> <li>• Measurement of growth and development</li> <li>• Various indices (HDI, IHDI etc.)</li> </ul>
2	<b>National Income Accounting</b>	<ul style="list-style-type: none"> <li>• Concept of national income</li> <li>• Domestic vs National Approach difference</li> <li>• Domestic territory and Normal Residents</li> <li>• Concept and types of GDP</li> <li>• Economic Growth and Economic Cycle</li> <li>• GDP vs GVA</li> <li>• GDP vs GNP</li> <li>• Concept of Depreciation</li> <li>• Methods of estimation</li> <li>• Organisations estimating national income</li> <li>• Private, personal and personal disposable income</li> <li>• Other related concepts</li> </ul>
3	<b>Inflation and Related Aggregates</b>	<ul style="list-style-type: none"> <li>• Concept and impact of inflation</li> <li>• Types of inflation (on the basis of different variables)</li> <li>• Inflation vs Deflation</li> <li>• Measurement of Inflation</li> <li>• Different policy initiatives to control inflation</li> <li>• Other contemporary and current issues</li> </ul>
4	<b>Public Finance</b>	<ul style="list-style-type: none"> <li>• Meaning and significance of Fiscal Policy</li> <li>• Concept of Budget and its parts (Revenue vs Capital Budget)</li> <li>• Types of government accounts, steps of presenting budget, cut motions etc.</li> <li>• Budgetary Deficits and Deficit financing (Short and Long Term)</li> <li>• Debt GDP Ratio vs Deficit GDP Ratio</li> <li>• Fiscal Discipline and Fiscal Consolidation (Recent Government Initiatives)</li> <li>• FRBM Act, 2003</li> <li>• Indian Tax System</li> <li>• Tax Mitigation, Avoidance and Evasion</li> <li>• Methods and Types of Taxation</li> <li>• Types of Direct and Indirect Taxes</li> <li>• Proposed and recent taxation reforms</li> <li>• Double Tax Avoidance Agreement, Tax Heaven Nations, Round Tripping, Hawala, Shell Companies, etc.</li> <li>• Other relevant and related topics of taxation</li> <li>• Finance Commission (Article 280) – centre-state relations</li> <li>• Transfer to states by the centre (Article 270, 275 and 282)</li> <li>• 16 vs 15 Finance Commission, etc.</li> </ul>
5	<b>Indian Financial System</b>	<ul style="list-style-type: none"> <li>• Money (Basics, Money Supply, Monetary Aggregates, Money Multiplier, Monetary Policy etc.)</li> <li>• Banking and Non Banking Financial Institutions</li> <li>• Lending Rates in India (PLR, BPLR, Base Rate, MCLR etc.)</li> <li>• LIBOR vs MIBOR</li> <li>• NPA and related concepts</li> </ul>

		<ul style="list-style-type: none"> <li>• Measures to overcome NPA in India</li> <li>• Twin Balance Sheet Problem</li> <li>• Financial Markets (Money, Capital and Derivative)</li> <li>• Securities of Financial Markets</li> <li>• Mutual Funds (Concept, Types and Significance)</li> <li>• Share market in India</li> <li>• Pension Fund, Provident Fund, Insurance Sector in India</li> <li>• Online Payments, Cryptocurrency, CBDC, Digital Economy, etc.</li> </ul>
6	<b>Agriculture and Food Management (Prelims Oriented)</b>	<ul style="list-style-type: none"> <li>• Agri Support (Subsidies, MSP, CACP, WTO's Boxification of subsidies etc.)</li> <li>• Agri Pricing</li> <li>• Agri Credit and Financing</li> <li>• Crop Insurance</li> <li>• Public Distribution System</li> <li>• Food Security in India</li> <li>• Government policies and initiatives</li> </ul>
7	<b>Social Sector</b>	<ul style="list-style-type: none"> <li>• Poverty (Concept, Approach, Types, Measurement, Methodology, Government Initiatives, etc.)</li> <li>• Unemployment (Concept, Approach, Unemployment Data – LFPR, WFPR, UR etc., methods of collecting data, government policies and initiatives, etc.)</li> </ul>
8	<b>External Sector</b>	<ul style="list-style-type: none"> <li>• Balance of Payments</li> <li>• Current vs Capital account</li> <li>• Twin Deficit Syndrome</li> <li>• Capital Flows and its types</li> <li>• Exchange Rate Regimes (Fixed vs Floating)</li> <li>• System of exchange rate in India</li> <li>• Currency Appreciation, Depreciation, Revaluation and Devaluation</li> <li>• India Forex Reserve</li> <li>• Giffen Paradox</li> <li>• Special Drawing Rights</li> <li>• Reserve Tranche Position</li> <li>• Regional Trade Agreements</li> <li>• International Economic Institutions (World Bank, IMF, ASEAN, BRICS Bank etc.)</li> </ul>
9	<b>Miscellaneous</b>	<ul style="list-style-type: none"> <li>• Current Economy (Domestic and Geo-nomics)</li> </ul>

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