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GENERAL STUDIES (TEST CODE : 1325)

Name of Candidate	ARCHIT NIGAM		
Medium Eng./Hindi	ENGLISH	**Registration Number**	104282
Center	ORN-DELHI	**Date**	13/7/19

INDEX TABLE

Q. No.	Maximum Marks	Marks Obtained
1	12.5	
2	12.5	
3	12.5	
4	12.5	
5	12.5	
6	12.5	
7	12.5	
8	12.5	
9	12.5	
10	12.5	
11	12.5	
12	12.5	
13	12.5	
14	12.5	
15	12.5	
16	12.5	
17	12.5	
18	12.5	
19	12.5	
20	12.5	

Total Marks Obtained:

Remarks:

INSTRUCTIONS

1. Do furnish the appropriate details in the answer sheet (viz. Name, Registration Number and Test Code).
   उत्तर पुस्तिका में सूचनाएं भरना आवश्यक है (नाम, प्रश्न-पत्र कोड, विद्यार्थी क्रमांक आदि)।
2. There are **TWENTY** questions printed in **ENGLISH & HINDI**
   इसमें बीस प्रश्न हैं अंग्रेजी और हिन्दी में छपे हैं।
3. **All questions are compulsory.**
   सभी प्रश्न अनिवार्य हैं।
4. The number of marks carried by a question/part is indicated against it.
   प्रत्येक प्रश्न/भाग के अंक उसके सामने दिए गए हैं।
5. Answers must be written in the medium authorized in the Admission Certificate, which must be stated clearly on the cover of this Question-Cum-Answer (QCA) Booklet in the space provided. No marks will be given for answers written in medium other that the authorized one.
   प्रश्नों के उत्तर उसी माध्यम में लिखे जाने चाहिए जिसका उल्लेख आपके प्रवेश पत्र में किया गया है और उस माध्यम का स्पष्ट उल्लेख प्रश्न-सह-उत्तर (क्यूसीए) पुस्तिका के मुख्य पृष्ठ पर अंकित निर्दिष्ट स्थान पर किया जाना चाहिए। उल्लिखित माध्यम के अतिरिक्त अन्य किसी माध्यम में लिए गए उत्तर पर कोई अंक नहीं मिलेंगे।
6. Word limit in questions, if specified, should be adhered to.
   प्रश्नों में शब्द सीमा, जहाँ विनिर्दिष्ट है, का अनुसरण किया जाना चाहिए।
7. Any page or portion of the page left blank in the Question-Cum-Answer Booklet must be clearly struck off.
   उत्तर पुस्तिका में खाली छोड़ा हुआ पृष्ठ या उसके अंश को स्पष्ट रूप से काटा जाना चाहिए।

EVALUATION INDICATORS

1. Contextual Competence
2. Content Competence
3. Language Competence
4. Introduction Competence
5. Structure - Presentation Competence
6. Conclusion Competence

Overall Macro Comments / feedback / suggestions on Answer Booklet:

1.

2.

3.

4.

5.

6.

All the Best

Answer all the questions in NOT MORE THAN 200 WORDS each. Content of the answers is more important than its length. All questions carry equal marks.

12.5X20=250

1. Explaining the need and objectives of land reforms in India, assess the steps taken by the government in this regard.

भारत में भूमि सुधारों की आवश्यकता और उद्देश्यों की व्याख्या करते हुए, इस संबंध में सरकार द्वारा उठाए गए कदमों का मूल्यांकन कीजिए।

Land redistribution in India post independence was done to distribute surplus land from a few to a large population that was landless.

Need :-

1. Asymmetry in land ownership which led to overcrowding of agriculture
2. High poverty levels due to no livelihood
3. High unemployment levels
4. Socio economic justice and realising the ideals of welfare state.

Objectives

1. Land to landless to practice agriculture and settle down

Don't write anything this margin
(इस भाग में कुछ ना लिखें)

(2) Equal access to livelihood

(3) Agricultural growth and better food security

Steps →

(1) Land ceiling Acts to limit the amount of land owned by an entity

(2) Land redistribution i.e transfer of surplus.

(3) Bhoodan and Gramdaan, voluntary donation of land from haves to have nots

(4) Abolition of Zamindari, removal of intermediaries, reducing the tax incidence on farmers

(5) Tenancy laws for farmers cultivating on other lands.

Appraisal

(1) The effect of land redistribution was limited as people resorted to Benami transfer of land to relatives

(2) Nexus between the landed class and the state officials.

(3) Lack of political will in many states

(4) Transfer of waste lands or unproductive land via Bhoodan & redistribution.

(5) Bypassing, exploitation of loopholes in laws such as plantation farming, creation of trusts etc.

The law redistribution was successful in a handful of states such as West Bengal and Kerala. In recent times the government tries to eliminate the hurdles such as digitisation of land records and GIS mapping to continue ahead in this endeavour

Don't write anything this margin (इस भाग में कुछ ना लिखें)

2. Explain how Fiscal Policy can be used to control inflation, accelerate the rate of economic growth and achieve economic stability.

व्याख्या कीजिए कि मुद्रास्फीति को नियंत्रित करने, आर्थिक संवृद्धि की दर को त्वरित करने और आर्थिक स्थिरता प्राप्त करने हेतु राजोकषीय नीति का उपयोग कैसे किया जा सकता है।

Fiscal policy relates to govt expenditures and revenues, tax rates, spending, borrowing, disinvestment etc.

Fiscal policy has far reaching effect, it can be used to tackle inflation, deflation, recession and stagflation.

To control inflation

1. Contractionary fiscal policy
2. Austerity, reduced spending, borrowing of govt, etc
3. Disinvestment, privitisation of loss making PSUs, targeting hoarding of essential commodities
4. Currency deregulation.
5. Increasing tax rates, reducing salary hikes, bonuses and pensions.
6. Reducing fiscal deficit or fiscal consolidation.
7. Tightening FDI, FPI movement.

To accelerate rate of economic growth

1. Expansionary fiscal policy
2. Increasing govt expenditure on social sector
3. Increasing borrowing to infuse money leading to greater fiscal deficit.
4. Increasing job creation, salary hikes, bonuses, pensions, MSP of crops, cheap loans, rolling out universal basic income, reduction in taxes
5. promoting FDI, FPI inflow.

To achieve economic stability

1. Prudential norms.
2. Banking reforms, better performance of PSBs and PSUs
3. Promoting financial inclusion, formalisation of economy, digitisation, improving tax base.
4. Inflation targeting, fiscal consolidation, increasing private sector role.
5. Promoting exports, diversifying oil import sources to reduce volatility.

(6) Increasing agriculture resilience to reduce price fluctuation through irrigation & insurance coverage.

Fiscal policy has been calibrated many times such as in the aftermath of 2008 global financial crisis to tackle adverse situations.

3. What do you understand by devaluation of a currency? How is it different from currency depreciation? Explain how an economy benefits or suffers because of depreciation.

मुद्रा के अवमूल्यन से आप क्या समझते हैं? यह मुद्रा मूल्यह्रास से किस प्रकार भिन्न है? व्याख्या कीजिए कि कोई अर्थव्यवस्था मूल्यह्रास के कारण किस प्रकार लाभान्वित होती है या क्षति उठाती है।

Devaluation of currency is purposely devaluing a currency with respect to other currencies. It is usually not linked to market forces and done by governments.

Currency depreciation on the other hand is a market driven approach which is affected by the demand and supply of the currency.

Currency depreciation has no governmental influence, but it may be affected by government transactions in the market such as open market operations.

Effect on Economy:

POSITIVES :-

1. competitive exports
2. Increased tourism
3. Investment via FDI & FPI.

(4) Helps in fiscal consolidation & Forex buildup
eg:- India devalued currency in the face of 1991 Balance of payments crisis.

(5) Helps to boost economic growth leading to stable environment, low volatility, speculation and outflow of Hotmoney.

NEGATIVES OF DEPRICIATION

(1) Increased value of imports
(2) Increased loan interest commitments
(3) Can lead to inflation, increase in interests
(4) Increased cost of living abroad for expatriates may result in decreased remittances.
(5) Impacts global standing of currency reducing internationalisation of Ruppee.

Countries often resort to devaluation to increase foreign capital investment, capture export markets and boost economic growth.

China has often been accused by Donald Trump for currency manipulation to impact balance of Trade.

4. What were the key components of the economic reforms undertaken in the Indian economy in 1991? What objectives were sought to be achieved through them? Examine how successful have they been in meeting them.

1991 में भारतीय अर्थव्यवस्था में किए गए आर्थिक सुधारों के प्रमुख घटक क्या थे? उनके माध्यम से किन उद्देश्यों को प्राप्त करने का प्रयास किया गया था? परीक्षण कीजिए कि उन उद्देश्यों की पूर्ति करने में वे कितने सफल रहे।

The economic reforms of 1991 were undertaken in the backdrop of Balance of payment crisis and erosion of Forex reserves.

main components

1. LPG → Liberalisation, privitisation and globalisation
2. Devaluation of currency.
3. Contractionary fiscal & monetary policies. to promote govt austerity.
4. Promoting exports
5. Banking reforms such as reduction in CRR, SLR etc
6. Ending inspector raj and compulsary licensing system.
7. Strategic disinvestment in PSUs.

Don't write anything this margin (इस भाग में कुछ ना लिखें)

Objectives of Economic reforms

① Tackle the difficult Balance of payments crisis.
② Improve Forex cover for imports through inflow of investments via FDI & FPI
③ Increase efficiency and profitability of PSUs through privatisation and strategic disinvestment.
④ Improve competition in market by admiting private players giving more options to consumers.
⑤ Transfer of technology and expertise leading to capacity building of Indian Companies.
⑥ Stimulate economic growth

Critical appraisal

Positives :-
① Stable growth rate of approx 6% over 3 decades
② Forex reserves of around $400 Billion
③ Exponential increase in per capita income and reduction in poverty levels to ~20%

4) Development of service sector and MNC culture in urban areas.

5) GDP growth & becoming one of the largest economies in PPP terms.

6) Emergence of private companies through telecom revolution, aviation revolution such as airtel, Jet airways, etc

Negatives

1) Lopsided growth i.e disparities between rural and urban areas,

2) Not inclusive as service sector has appropriated most benefits

3) Income disparity as around 50% of wealth is owned by top 1% of the population

4) Increase in black money and corruption

5) Brain drain, pollution, monopoly of private players in some areas.

Thus the economic reforms have been a mixed bag in terms of outcomes.

5. Explain the process of credit creation by the banking system in an economy. Also, highlight the factors which limit the power of commercial banks to create credit.

अर्थव्यवस्था में बैंकिंग प्रणाली द्वारा साख सृजन की प्रक्रिया की व्याख्या कीजिए। साथ ही, उन कारकों पर प्रकाश डालिए जो वाणिज्यिक बैंकों की साख सृजन की क्षमता को सीमित करते हैं।

Banking system is creator of credit in the economy. It accepts deposits from people promising interest rates and forwards loans at higher interest rates. The difference is the revenue of bank.

Deposits → $\boxed{\text{Banks}}$ → Loans.
Interests ← Banks ← Interest

Apart from loans banks also issue instruments such as mutual funds, insurance, etc.

$\boxed{\text{Factors that limit banks}}$

① Poor financial inclusion, inadequate banking services penetration.

② Low financial literacy of the population

③ Priority sector lending norms.

(4) Use of barter system for certain services

(5) Blackmoney or shadow economy for payment, remittances and transfers/loans

(6) Excessive govt regulation especially appointments in Public sector Banks.

(7) Excessive dependence on bank deposits as source of investment by people. This generally puts pressure of rate transmission.

(8) Poor revenues due to NPAs and Stressed assets

(9) Statutory obligations of reserves i.e CRR & SLR

(10) Sterilization of excessive inflow of investments by RBI

Way Ahead

(1) Improve financial inclusion and digital literacy

(2) Improve banking penetration to reduce dependence on money lenders.

(3) Increase formalisation and digitisation of economy
(4) Resolve problems of NPAs
(5) Reduce reserve requirements
(6) Banking reforms
(7) Relaxation in priority sector lending in certain sectors

The govt has taken numerous efforts such as PM Jan Dhan Yojna, Bank Boards Bureau, Merger of Banks, reduction in SLR, CRR, digitisation of payments, resolution of NPAs through recapitalisation and roll out of Basel III norms to stabilise Banking sector.

Don't write anything this margin
(इस भाग में कुछ ना लिखें)

6. What is Outcome Budgeting? Explaining its relevance for management of public finance, highlight the challenges in implementing it.

आउटकम बजटिंग क्या है? सार्वजनिक वित्त के प्रबंधन हेतु इसकी प्रासंगिकता की व्याख्या करते हुए, इसके कार्यान्वयन संबंधी चुनौतियों पर प्रकाश डालिए।

Outcome budgeting refers to allocation of budgetary finances on the basis of outcomes and not on historical practices or simply because significant amount has already been used over the years.

It evaluates progress or impact on the basis of certain measureable indicators to judge ~~progress~~ annual improvement.

Importance

① Checks excessive expenditure on low performing schemes / departments

② Increases accountability, reduces irrational spending, instills austerity

③ Reduces corruption by focusing on measurable outcomes.

Don't write anything this margin (इस भाग में कुछ ना लिखें)

④ Channelizes resources as per demands of the economy.

⑤ Improves growth due to annual increments

⑥ Boost public trust in governmental institutions

Challenges in implementing :-

① Difficulty in identifying relevant outcomes / indicators to monitor.

② official antipathy, officers may resist changes.

③ wastage of old expenditure incurred incase schemes or programs are scrapped

④ Some projects are difficult to gauge eg:- Toilet coverage v/s Toilet usage debate

⑤ May impact projects with long gestation periods
eg:- Education, capital infra, skills etc

⑥ Time consuming and complicated process.

Outcome budgeting is being increasingly adopted by countries wishing to improve good governance and fiscal consolidation. However we must not be totally dependent on empirical Standards affecting Social, political and environmental influences.

eg:- Social stigma of EWS Children enrolled in private schools as per ~~RE~~ RTE Act, 2009.

or

Learning outcomes v/s literacy rate debate.

Don't write anything this margin (इस भाग में कुछ ना लिखें)

7. Explain the concept of GDP Deflator. Can it be argued that it is a more accurate indicator of inflation, as compared to CPI and WPI?

GDP अपस्फीतिकारक (डिफ्लेटर) की अवधारणा की व्याख्या कीजिए। क्या यह तर्क दिया जा सकता है कि CPI और WPI की तुलना में यह मुद्रास्फीति का अधिक सटीक संकेतक है?

GDP deflator refers to the ratio of Nominal GDP to real GDP [at Constant Prices]

It helps to balance the effects of inflation on calculation of GDP.

GDP deflator is thus an indicator of inflation levels in an economy.

Comparison with WPI & CPI.

	GDP	WPI	CPI
①	Includes final goods and services produced within a territory	① Includes goods at intermediate or whole level. Does not include services	① Includes goods and services at retail or final level. ie prices faced by a consumer.
②	Covers all sectors and goods and services	② Only includes certain sectors with weights assigned differently	② Includes certain sectors, weights assigned differently

GDP Deflator as a measure of inflation

(1) It is much more representative of the totality of goods & services. As WPI & CPI have some selected items they do not reflect the real situation

(2) Weightage system skews the WPI & CPI incase of differences of prices
eg:- Depressed global crude oil prices led to negative WPI for many years from 2014-15.

GDP deflator can be considered much more representative but it is time consuming to calculate the deflator for the whole economy.

WPI and CPI are much more effective in showing inflation in the major sectors, they are quick and effective also.

8. The central bank adopts quantitative and qualitative methods to control credit creation by commercial banks. What is the difference between quantitative and qualitative methods? Also, explain the concepts of Repo Rate, Cash Reserve Ratio and Statutory Liquidity Ratio.

केंद्रीय बैंक, वाणिज्यिक बैंकों द्वारा साख सृजन को नियंत्रित करने के लिए मात्रात्मक और गुणात्मक तरीकों को अपनाता है। मात्रात्मक और गुणात्मक पद्धतियों के मध्य क्या अंतर हैं? साथ ही, रेपो दर, नकद आरक्षित अनुपात और सांविधिक तरलता अनुपात की अवधारणाओं की व्याख्या कीजिए।

Qualitative methods of credit control refers to credit regulation through consultations, ~~persuation~~ moral suation, changing margin requirements, Priority sector lending etc.

These are used when the quantitative methods fail to yield results directly.

Quantitative methods of credit control are much more direct and effective. it includes changes in reserve ratios, lending rates, currency infusion through open market operations etc.

Repo Rate / Repurchase obligations →
Rate at which banks can borrow from the RBI to manage their short term liquidity requirements.
Reduction in repo rate indicates banks to reduce lending rates.

Cash Reserve Ratio (CRR) →
Refers to the proportion of Net Demand and time deposits (liabilities) - NDTL that the banks must keep with RBI in the form of cash or gold.
It does not fetch interest earning and acts as cushion for banks during adversities.

Statutory Liquidity Ratio (SLR)
Proportion of NDTL that banks keep with them in the form of cash, gold, G-secs or other specified forms to hedge against bank run.
It earns interest and helps the RBI to fulfil its commitments towards sale of Gsecs for the govt.

Don't write anything this margin (इस भाग में कुछ ना लिखें)

Bank rate, repo rate, CRR, SLR are examples of quantitative credit control measures

Moral suation, margin requirements, priority sector lending are examples of qualitative measures.

9. Bring out the difference between proportional, progressive, regressive and degressive taxation. Also explain why progressive taxation is desirable and popular all over the world.

आनुपातिक, प्रगतिशील, प्रतिगामी और अधोगामी (अवक्रमिक) कराधान के मध्य अंतर स्पष्ट कीजिए। साथ ही, व्याख्या कीजिए कि प्रगतिशील कराधान वैश्विक स्तर पर वांछनीय और लोकप्रिय क्यों है।

Proportional taxation system -

where tax is levied as a proportion of the total income equally to everyone. This is based on notion of equal taxation by treating everyone alike.

Progressive taxation system →

Tax is levied according to income, ie higher incomes are taxed at higher rates and lower incomes at lower rates. This is based on the notion of treating only likes alike.

Regressive taxation system →

Tax is levied according to income but here higher incomes attract lower tax and lower incomes attract higher tax

Degressive taxation system:
Only certain sections are taxed exempting the higher incomes from taxation.

Advantages of Progressive taxation system

1. Redress inequalities of income
2. Affects disposable incomes of people in equal manner
3. Improves social harmony
4. Increased tax base
5. Improved tax compliance and tax collections.

Most modern democracies have adopted progressive taxation system to improve social mobility and economic growth with equity. It reduces income inequalities and balances the tax incidence on different sections of society.

Don't write anything this margin (इस भाग में कुछ ना लिखें)

10. What are the different approaches for measurement of National Income? Explain the difficulties in estimation of national income by each of these approaches. What steps have been taken in recent times to improve accuracy in national income accounting?

राष्ट्रीय आय के मापन के विभिन्न दृष्टिकोण कौन-से हैं? इनमें से प्रत्येक दृष्टिकोणों द्वारा राष्ट्रीय आय की गणना में आने वाली कठिनाइयों की व्याख्या कीजिए। राष्ट्रीय आय लेखांकन की सटीकता में सुधार के लिए हाल में क्या कदम उठाए गए हैं?

Different approaches for measurement of national income are used for better verification and validation of data,

They are :-

(1) Consumption method
(2) Income method
(3) Output method.

India uses the output method to calculate GDP using GVA [Gross value added] at factor cost.

Steps taken to improve accuracy

(1) Change in base year to 2011-12 to make it more representative of the times

(2) Expansion of basket, including new goods and reassigning their weightage based on relevance.

(3) Using MCA 21 database to extrapolate output for informal sector.

Don't write anything this margin
(इस भाग में कुछ ना लिखें)

11. What is the rationale behind government tapping into private resources for large infrastructure projects? In this context, highlight the various problems that can arise in a PPP contract and list the measures that have been taken to minimise them.

बृहद् अवसंरचना परियोजनाओं के लिए सरकार द्वारा निजी संसाधनों का दोहन करने के पीछे क्या औचित्य है? इस संदर्भ में, PPP अनुबंध में उत्पन्न हो सकने वाली विभिन्न समस्याओं पर प्रकाश डालिए और उनके न्यूनीकरण हेतु किए गए उपायों को सूचीबद्ध कीजिए।

PPP [Public private partnership] refers to collaboration between private companies and the State for creation, maintainence and operation of infrastructure projects.

Rationale :- Reduced risks and financial outlay to the govt, Assured income and project ownership for cost recovery.

Types of PPP

① BOT → Build operate Transfer
② BOOT → Build own operate Transfer
③ EPC → Engineering procurement & construction
④ Hybrid Annuity Model.

Problems in PPPs

1. NPAs affect access to credit
2. Delays in clearances
3. Problems of land acquisition
4. Poor maintainence.
5. Rigging of bids
6. Delays in payment
7. Challenges in cost recovery if project fails to generate revenue
8. Public resentment as tolls on highways can escalate logistics costs

Measures to reduce problems of PPP

1. online submission of bids.
2. New techniques such as Swiss Challenge method
3. Hybrid Annuity model → where the govt provides upfront payment of 40% of cost & rest is done by annual payments [annuities]
4. Faster clearances, use of plug & play model where all clearances and

acquisitions are readied beforehand

(5) Resolution of NPAs and increasing funds through NIIF, NHB etc to rejuvenate Brownfield projects.

(6) Special purpose vehicles to guide and channelize efforts.

PPP models are necessary to boost infrastructure deficit and at the same time stimulate growth and employment generation.

12. Development of ports is the mandatory first step for port-led development to succeed and India to improve its ease of doing business. Discuss the issues that have constrained the growth of port infrastructure in the country. Also, suggest some ways to overcome them.

पत्तन आधारित विकास के सफल होने तथा भारत को अपने इज ऑफ़ डूइंग बिज़नस में सुधार लाने के लिए पत्तनों का विकास अनिवार्यत: पहला कदम है। देश में पत्तन अवसंरचना के विकास को बाधित करने वाले मुद्दों की चर्चा कीजिए। साथ ही, इनपर नियंत्रण प्राप्त करने के कुछ तरीकों का भी सुझाव दीजिए।

Ports are gateways to trade and commerce in a country, they are necessary for economic growth, import export, employment generation and creation of infrastructure

Ease of doing Business refers to the ease with which business enterprises can setup and carry out day to day operations.

Ports play an important role in determining the ease of doing business, but India has faced numerous problems in this department

ISSUES

① High load on ports, due to less

no. of major and minor ports.

(2) High turnaround time for ships that are in transhipment

(3) lack of enabling infrastructure such as connecting roads, warehouses, cold storage, banking facilities etc

(4) less depth in harbours which do not allow heavy and large ships from entering the port.

(5) Inefficient management of Port regulatory bodies.

Measures

(1) Creation of more no. of major and minor ports to make India into a logistical hub

(2) Increasing draught depth in ports to allow heavier vessels to enter

(3) Infrastructure development through ~~development~~ convergence of Sagarmala project and CEZ [Coastal economic Zone]

Don't write anything this margin (इस भाग में कुछ ना लिखें)

(4) Better berthing facilities, Customs formalities Streamlining to reduce turnaround time of Ships

(5) Devolution of powers to Port management boards, reducing govt interference through nominees.

(6) Integrating ports with inland navigation system.

India has a huge coastline and a strategic position in the Indian ocean region placing it in a strong position to exploit port led development in coastal states.

Don't write anything this margin
(इस भाग में कुछ ना लिखें)

13. While electrification of all inhabited villages is a significant achievement, much more is needed to ensure that electricity demand of every household is fulfilled. Discuss.

यद्यपि सभी बसे हुए गाँवों का विद्युतीकरण एक महत्वपूर्ण उपलब्धि है, तथापि यह सुनिश्चित करने के लिए कि प्रत्येक परिवार की विद्युत की माँग पूरी हो, इस हेतु अभी बहुत कुछ और किए जाने की आवश्यकता है। चर्चा कीजिए।

Last year the government managed to achieve the target of 100% rural electrification under the Deen Dayal Upadhyaya Gram Jyoti Yojna.

Despite being a laudable achievement many questions have been raised on its relevance

(1) Household coverage is still not upto the mark.

(2) Definition of electrification is faulty as it considers only 10% of households or electrification of basic infrastructure

(3) Poor supply, erratic availability and inefficiency in grid leading to poor revenue streams for Discoms

To achieve last mile connectivity the govt recently launched the Saubhagya yojna.

1. Targets household coverage.
2. Solar packs for homes not connected to grids
3. No subsidy component to ensure profitability of discoms.

Measures to ensure fulfillment of household demand

1. Expansion of grid to remote locations
2. Integration with renewable energy.
3. Reduction in transmission losses and operational losses [thefts]
4. Rejuvenating Discoms saddled with NPAs
5. Digital meters to better realise revenues of the Discoms
6. Deregulation in geographical monopoly of Discoms, inducing competition in electricity pricing

The demands of ~~ad~~ electrification and consumption will only increase with time. India needs to take proactive steps such as National body for procurement and pricing of electricity to realise the potential of this Sector

Don't write anything this margin (इस भाग में कुछ ना लिखें)

14. What is Inclusive Growth? Identifying its important features, discuss why it is an important objective of India's growth plans.

समावेशी विकास क्या है? इसकी महत्वपूर्ण विशेषताओं की पहचान करते हुए, चर्चा कीजिए कि यह भारत की विकास योजनाओं का एक महत्वपूर्ण उद्देश्य क्यों है।

Inclusive growth refers to growth that includes all sections of the society excluding no one.

Features of Inclusive growth

Economic

- Reduction in income disparity
- Increase in per capita income across all classes
- Better GDP growth and developmental prospects
- Economic convergence between various regions, sections and classes

Socio - Political

- Removal of Gender pay gap
- No occupational segregation eg:- Manual Scavenging for Dalits.
- Bridging rural-urban divide
- Cooperative and Competitive federalism
- Better Human Development Indicators eg: IMR, MMR, literacy rate

Importance in India's growth plans

1. To effectively reap benefits of demographic dividend
2. Proper utilisation of talent, creation of egalitarian and inclusive society
3. Better literacy rates, health indicators to create valuable workforce
4. To create meritocracy with equal life outcomes
5. Reduce social friction and tensions due to poverty, hunger etc
   eg:- Demand for reservations, Protests for MSP etc

Inclusive growth is the main pillar of redistributive justice and welfare state, the State has already taken steps such as MGREGA, PDS system, affirmative action, Sarva Sikha Abhiyan etc in pursuance of this goal.

15. What is Industrial Revolution 4.0? Critically discuss the effects it may have on Indian economy.

औद्योगिक क्रांति 4.0 क्या है? भारतीय अर्थव्यवस्था पर इसके संभावित प्रभावों की समालोचनात्मक चर्चा कीजिए।

Industrial revolution 4.0 utilizes cyberphysical systems and leverages technologies such as artificial intelligence, IOT [Internet of things], quantum computing, Big data etc

It is perceived as the next phase of industrial revolution post the information and technology era.

Effect on Indian economy

Positives :-

① Increased ease of living
② Increased productivity, access to knowledge, per capita income and GDP growth
③ Boost to knowledge economy, R&D in these sectors
④ Employment generation
⑤ Economic and Social convergence i.e removal of disparities.

Negatives :-

① Increased automation can lead to frictional unemployment and need of reskilling

② Privacy concerns i.e. cyber security challenges, espionage and identity theft.

③ Deepening of digital divide

④ Creation of surveillance state,

⑤ Digital literacy in urban areas can create rural urban divide.

⑥ Diverts govt expenditure from social sector schemes.

India needs to balance the quest for Industrial Revolution 4.0 and its socio economic stability.

Don't write anything this margin (इस भाग में कुछ ना लिखें)

16. Highlighting the objectives of Public Distribution System in India, discuss the issues associated with it. Also, critically discuss the role technology can play in addressing these issues.

भारत में सार्वजनिक वितरण प्रणाली के उद्देश्यों पर प्रकाश डालते हुए, इससे संबद्ध मुद्दों की चर्चा कीजिए। साथ ही, इन मुद्दों को हल करने में प्रौद्योगिकी द्वारा निभाई जा सकने वाली भूमिका की समालोचनात्मक चर्चा कीजिए।

Public distribution System is a setup where the govt procures food grains from the farmers and then distributes it at affordable prices to the public through fair price shops.

Components :-
1. Procurement through MSP
2. Distribution at fair prices.

Issues →
1. Leakages i.e. fake beneficiaries, duplication of ration cards and hoarding cut off the actual beneficiaries
2. Inefficient procurement and distribution
3. Increasing logistics and warehousing costs.
4. Affects market prices, triggers inflation
5. Rotting food grains at Food Corporation of India warehouses.

(6) Skewed cropping pattern in favour of certain crops.

(7) Increasing burden of food subsidies.

Role of Technology in addressing issues

(1) Eliminating of ghost beneficiaries
(2) Aadhaar linked subsidiary payments prevent corruption and leakages
(3) DBT of subsidy helps to reduce market price distortion or diversion of good quality cereals from Fair price shops to open market
(4) Managing of inventory using Block chain technology
(5) Tracking procurement & distribution and storage in warehouses.

PDS system of India is a substantial chunk of India's subsidy bill. Use of technology and policy interventions such as Price deficiency payments, PM-AASHA, Private led procurement, KALIA and Rythu Bandhu Income support schemes can check issues with PDS system

Don't write anything this margin (इस भाग में कुछ ना लिखें)

17. Explaining the various problems with the current agricultural marketing system in India, suggest measures that are needed to address these.

भारत में वर्तमान कृषि विपणन प्रणाली से संबद्ध विभिन्न समस्याओं की व्याख्या करते हुए, इन्हें दूर करने हेतु आवश्यक उपायों का सुझाव दीजिए।

Agriculture still employs approximately 45% of India's workforce contributing to their livelihoods.

However sluggish growth and poor incomes are putting farmers in distress. The govt has taken the objective of doubling farmer's income by 2022 and the Ashok Dalwai committee has recognized agriculture marketing as a hurdle to increasing incomes.

Problems

① Rigging of auction process by colluding with buyers. This leads to lower price realisation for farmers

② Middlemen who take heavy commissions from both the buyers & farmers to cause increase in prices.

(3) Lack of Storage and gradation facilities, it leads to distress sale of perishable produce by farmers.

(4) Compulsion to sell via APMC in a district

(5) Delays in disbursal of payments and other charges such as registration, mandi fees, storage fees etc

(6) No whole sale buying of horticulture and value added produce.

The centre has come out with Model APMC Act in 2003 and the NITI Aayog has suggested measures but the adoption has been slow by states as agriculture is in the state list.

MEASURES

(i) Rolling out and expanding contract farming which give income security to farmers.

② Elimination of middlemen and capping of mandi fees to upto 5% of value of sale

③ Promote FPOs [Farmer Producer organisations] and given them powers to sell the produce of members.

④ Storage facilities in APMCs and provision of selling on the basis of samples. This would reduce hauling costs for farmers.

⑤ Expand coverage of e-NAM to diversify potential markets for farmers

⑥ Promote commodity derivates and futures, better access to credit through warehouse scrips

Agriculture is still the mainstay of the economy in terms of food security and employment, marketing reforms will go a long way in maintaining its pre eminence.

Don't write anything this margin
(इस भाग में कुछ ना लिखें)

18. Explain the significance of the food processing sector in India and highlight the challenges it faces. What steps have been taken by the government in recent years for the development of this sector?

भारत में खाद्य प्रसंस्करण क्षेत्रक के महत्व की व्याख्या कीजिए एवं इसके द्वारा सामना की जा रही चुनौतियों पर प्रकाश डालिए। हाल के वर्षों में इस क्षेत्रक के विकास के लिए सरकार द्वारा क्या कदम उठाए गए हैं?

Food processing sector generally comprises of value added products in cereals, fruits, vegetables, meats, alcohol, honey etc

India is among the largest producers of the ~~othe~~ above but lags behind in export of processed food items.

Significance

(1) Employment generation
(2) Creation of infrastructure via forward and backward linkages
eg:- Roads, cold storage, warehousing, electricity lines
(3) Increased incomes to farmers
(4) Forex through exports.

Challenges faced by the sector

1. Sanitary and phyto sanitary trade barriers due to health concerns by developed nations
2. Poor infrastructure facilities and a non existent supply chain mechanism
3. Dependence on monsoon leads to inconsistent yields
4. MSP based production by large farmers and subsistence based production by small farmers.

Steps taken by the Govt:

1. Mega food parks scheme
2. Fisheries policy to harness blue revolution
3. PM Krishi Vikas Yojna - RAFTAAR
4. Collateral free loans to SHGs, FPOs for food processing projects

(5) Development of Integrated cold storage System

(6) Rashtriya Gokul Mission for dairy Sector

(7) TOP Scheme [Tomato Onion Potato]

(8) Incentives under MEIS [Merchandise export from India Scheme] and better branding / packaging norms for countering non tariff trade barriers.

Food processing Sectors encompasses the rainbow revolution which can give a thrust towards doubling farmers income by 2022

19. Explain the significance of solar energy for meeting India's energy demands. What are the challenges that lie in harnessing its potential? What steps have been taken to address them?

भारत की ऊर्जा माँग पूरी करने में सौर ऊर्जा के महत्व की व्याख्या कीजिए। इसकी क्षमताओं का दोहन करने में निहित चुनौतियाँ क्या हैं? इनसे निपटने के लिए क्या कदम उठाए गए हैं?

Solar energy is a form of renewable energy which converts the incident sun's rays to electricity using photovoltaic cells.

Significance for India

(1) Being a tropical country India is a solar surplus nation

(2) Help to achieve growth targets and at the same time meet environmental commitments of INDCs of Paris Agreement

(3) Reduce dependence on oil and coal imports which trigger inflation due to price volatility.

(4) last mile electricity coverage as seen in Saubhagya yojna.

(5) Employment generation

Challenges :

(1) Land aquisition for Mega Solar Power Park projects.

(2) Sustaining a balance between affordability and profitability in the pricing regime.

(3) Credit for projects as most NPAs are from the power sector making bank lending less.

(4) International challenges like USA's WTO dispute on Domestic Content requirement.

(5) Resistance to shift to Rooftop Solar panels due to high cost and maintainence challenges.

Steps taken

(1) International Solar Alliance with France

(2) Putting Renewable sector projects under Priority Sector lending norms

(3) Target of 100 GW power generation from solar energy by ~~2023~~ 2022

(4) Solar mitras cadre for servicing and maintainence of solar panels

(5) Converting govt buildings to solar energy

Solar energy is the tool for sustainable development which satisfies the needs of New India of 21st century and also respects the environment in accordance to our ancient ~~for~~ cultural ethos.

Don't write anything this margin (इस भाग में कुछ ना लिखें)

20. What do you understand by Human Capital? Highlight the prospects and challenges of human capital formation in India.

मानव पूँजी से आप क्या समझते हैं? भारत में मानव पूँजी निर्माण की संभावनाओं एवं चुनौतियों पर प्रकाश डालिए।

Human capital refers to the valuable population or human assets which plays a major role in the development

Pre requisites of Human Capital

1. Literacy / education
2. Health
3. Skill / employability.

Prospects of Human Capital

1. Demographic dividend i.e a youthful population which can lead us to exponential growth
2. Comparative advantage for exports in Service and manufacturing Industry
3. Source of investment as a youthful

population driven by consumption demands is an attractive market for investors

(4) Especially with ageing populations in South East Asia and Europe India can fill the vaccum making it an economic superpower.

Challenges

(1) Poor literacy levels
(2) Abysmal health infrastructure
(3) High incidence of poverty and unemployment
(4) Poor employability / skills as only 4% of labour force is skilled/trained.
(5) Slow transition to labour intensive manufacturing
(6) Jobless growth / predominance of service industry
(7) Social fabric riddled with casteism, communalism and bigotry.