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GENERAL STUDIES (TEST CODE : 1987)

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Medium Eng./Hindi	English	Registration Number	627010
Center	Hyderabad	Date	11/12/21

INDEX TABLE

Q. No.	Maximum Marks	Marks Obtained
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20	15	

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

1. **The move to establish a National Bank for Financing Infrastructure and Development (NBFID), to reverse the drag on India's growth potential will have its own set of challenges. Discuss.** **(150 words) 10**

भारत की संवृद्धि क्षमता संबंधी अवरोधों को व्युत्क्रमित करने के लिए एक राष्ट्रीय अवसंरचना वित्तपोषण और विकास बैंक (NBFID) की स्थापना के कदम की अपनी स्वाभाविक चुनौतियां होंगी। चर्चा कीजिए।

The setup of NABFID marks governments resolve to tackle gaps in financing infrastructure, NPA crisis and regulatory grey area

Benefits of NABFID
- streamlined credit flow
- sustained growth
- tackle liquidity crisis
- reduce liquidation threat
- loss cost finance to domestic industry
- core sector growth draws in private investments, jobs creation

Challenges involved in NABFID

1) Financial crunch of government, difficult to garner funds, in situation of fiscal deficit of 9.4%.

2) Regulatory vacuum - poor quality of oversight, creates threat of future NPAs

3) Political interference in working of NABFID lack of professionalism.

4) poor rating by foreign agencies like S&P, Moody ⇒ increases cost of financing.

5) policy uncertainity, pandemic effect slow down of economy.

6) long term loans, create its own challenges, assesment of projects is poor, need for skilled bankers

Government's initiative to establish NABFID is commendable, it needs independent board, private capital, right loan approval mechanisms to achieve dream of $5trillion economy

2. Mega Food Parks (MFPs) were considered to be a gamechanger for the food processing sector in India, but their progress remains stunted. Discuss. **(150 words) 10**

मेगा फूड पार्कों (MFPs) को भारत में खाद्य प्रसंस्करण क्षेत्रक के लिए एक महत्वपूर्ण चरण (गेमचेंजर) समझा गया था, लेकिन उनकी प्रगति अभी भी अवरुद्ध है। चर्चा कीजिए।

MFPs established under sampada yojana ~~have~~ have potential for inclusive growth & regional equity

gamechanger in food processing →
- economies of scale
- technical expertise
- forward & backward linkages
- export eg: Hyderabad
- brand value
- state of the art facilities

Issues involved

1) Slow uptake hardly 24 MFPs have been operationalised on Nov, 2019.

2) government clearances are pending. for most particularly by states.

3) Supply chains are fragmented, poor certainity of raw material due to wastage

4) logistics costs are high (14% of GDP). reducing competitive advantage, cold chain infrastructure is inadequate.

5) Electricity lapses, poor initiative by private agencies, informal nature of the Food processing sector

6) poor awareness of the scheme have delayed the success

government's Formalisation of micro Food processing industries & mission to establish 10,000 FPIs should be carried out in mission mode for women empowerment, food security & inclusive industrial growth (SDG-8, 9, 10)

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

3. Explain the working of Private Finance Initiative (PFI) model. Also, discuss its significance in the Indian context. (150 words) 10

निजी वित्त पहल (PFI) मॉडल की कार्यप्रणाली को स्पष्ट कीजिए। साथ ही, भारतीय संदर्भ में इसके महत्व की भी विवेचना कीजिए।

PFI model involves private capital in its own initiative to create infrastructure using its own agency & resources.

In this model private player puts memo of interest to government of its interest to develop certain project the state then evaluates & awards it the project

Significance for India

1) Financial crunch of government filled
2) private expertise utilised

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

3) private initiative in choosing projects
∴ better allocation of resources

4) Speed of completion of project is high

5) Multitude of players can involve
improves competition

6) Many type of projects can be chosen

Issues
→ Viability studies lacking
→ unimportant projects which are profitable chosen

Government can incorporate these models for projects with high returns & need for quick completion to enable creation of infrastructure in lines with dream of $2.4 trillion economy

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(इस भाग में कुछ ना लिखें)

4. Highlighting the significance of new labour codes for India, discuss the challenges associated with them. **(150 words) 10**

भारत के लिए नई श्रम संहिताओं के महत्व पर प्रकाश डालते हुए, उनसे संबद्ध चुनौतियों की विवेचना कीजिए।

4 labour codes recently passed mark progress in factor market reforms stuck post-1991

Significance of new labour codes

1) Simplification of law (144 ⇒ 4 laws) - ease of doing business for industry, ease of compliance ⇒ growth & employment due to expansion. Centre & state cooperation

2) higher standard of living of labour, uniform wage structure, occupational safety & social security

3) Higher investment flows, improved performance of manufacturing sector, ↑ exports.

Challenges associated

1) minimum wages fixed are very less lesser than living wages standards of ILO

2) reduced protection to labour in industrial relations, ease of lay off. trade unions weakened.

3) Centre-state issues can rake up due to concurrent list

4) implementation (by states) of minimum wages seems difficult, due to informalisation (92%) of manufacturing sector ⇒ not covered.

Government must work with all stakeholders & protect interests of all agencies for inclusive industrial growth. regular revision of minimum wages, default registration in social security, Labour information system can help.

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

5. **The Public Distribution System (PDS) in India is not only a significant anti-poverty measure but also serves as an instrument of raising nutritional security. Discuss. (150 words) 10**

भारत में सार्वजनिक वितरण प्रणाली (PDS) न केवल एक महत्वपूर्ण निर्धनता-रोधी उपाय है, अपितु यह पोषणात्मक सुरक्षा बढ़ाने के एक साधन के रूप में भी कार्य करती है। चर्चा कीजिए।

PDS programme was started to tackle rural poverty, hunger & malnutrition

The NFSA Act ensures, inclusive growth & compassionate society.

Significant anti-poverty measure

1) Reduces burden of spending on food grains

2) ensures adequate supply of food & other essentials - sugar, kerosene etc

3) Ensures food security by establishing fair price shops in all localities & monthly rations supplied

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

4) Coverage of 85% of population reduced chance of exclusion error

Raising nutritional security

1) PDS programme enables supply of grains, sugar, salt helps in calorie balance intake

2) 35 kg given to Antyodaya households

Issues remain

* proteins lacking, micronutrients absent, anaemia (68% in children - NFHS-5), stunting (35%) wasting (19%) are major backlogs

Way forward
→ Food Fortification
→ provision of millets & pulses
→ inclusion of migrants by completion of one nation one ration card implementation

PDS loopholes needs to be fixed by channeling digitisation - Chattisgarh model to reduce siphoning out

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

6. It is argued that excessive state intervention in itself has created multiple hurdles in the agricultural marketing system in India. Explain with adequate evidence. **(150 words) 10**

यह तर्क दिया जाता है कि स्वयं राज्य के अत्यधिक हस्तक्षेप ने भारत में कृषि विपणन प्रणाली में अनेक बाधाएं उत्पन्न की हैं। यथोचित साक्ष्यों के आधार पर स्पष्ट कीजिए।

The APMC Acts have been assessed to have throttled the vibrancy of agricultural markets

Multiples hurdles of state intervention

1) Fragmentation of market, across states

2) lack of space for private markets

3) political interference in issuing market licenses eg: U.P APMC issue

4) poor infrastructure – warehousing & storage – 256 MT storage capacity only

5) Delays in payouts to farmers

6) Essential commodities Act reduces private initiative in investing in storage infrastructure → artificial low supply

7) Difficulties in export of commodities, due to lack of exemption

8) Multiplicity of levies – which vary with state – delhi – 11%, punjab – 25%.

9) High wastage – 36% in fruits & vegetables

Way forward

→ strengthening e-NAM, bring more mandis under it

→ A council on lines of GST council for agriculture – uniform levy rates, exemptions for niche export products

→ States implementing provisions of model APMC Act

Agricultural markets need to be gradually liberalised, opened to private participation for higher incomes to farmers & low cost for consumers

7. **Identifying the need for a climate resilient agriculture in India, discuss how it can be achieved. (150 words) 10**

भारत में जलवायु प्रत्यास्थ कृषि की आवश्यकता की पहचान करते हुए, चर्चा कीजिए कि इसे कैसे प्राप्त किया जा सकता है।

Climate resilient agriculture is a novel concept adopted in context of climate change to establish sustainable agro-ecosystems

[Need for Climate resilient agriculture]

1) 56% of cultivated land is rainfed with rising uncertainity of monsoon & 49% of population dependent on agriculture, its adoption is necessary

2) sea level rise ⇒ salt water ingress contaminates water ⇒ irrigation challenges

3) higher temparature ⇒ ↓ yields wheat (23% per 1°C rise) ⇒ food security issues

4) new pests & diseases infect food systems

5) increased droughts, floods hailstones due to climate change. poor awareness of farmers

How to achieve it

1) Research & development of resilient varieties eg:- Kuttanad rice – salt tolerant

2) water smart agriculture ⇒ micro irrigation

3) adoption of varities with short maturity period.

4) Creation of central agency for creation of policy, roadmaps & its implementation

5) scaling up best practices, involving model farmers for extension activities by krishi vigyan kendras

6) financial incentives via MSP to shift cropping pattern

Climate smart agriculture is need of the hour, higher budget outlays, multi stake-holder involvement is necessary for success.

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

8. **Despite a vast coast line and a number of waterways, why has India not been able to achieve its potential in bringing a significant modal shift from rail and road to waterways? (150 words) 10**

विस्तृत तट रेखा और अनेक जलमार्गों के बावजूद, भारत रेल और सड़क परिवहन प्रणाली से जलमार्गों की दिशा में महत्वपूर्ण प्रणालीगत परिवर्तन (मोडल शिफ्ट) करने हेतु अपनी क्षमता को सार्थक करने में क्यों असमर्थ रहा है?

India's vast coastline of 7500 km and ~~$~~ 50,000 km of inland waterway potential is largely underutilized with only ~0.5% share in modal mix of ~~and~~ Inland waterway

Reasons for poor modal mix

1) 111 waterways declared but only 25 opened up for cargo & passenger traffic

2) poor infrastructure on the river coasts. to unload ~~&~~ goods

3) Intermodal connectivity is inadequate & fragmented

4) haulage limitations due to less depth due to siltation of rivers

5) Inland water authority of India (IWAI) lacks financial autonomy, regulatory prowess, poor personnel

6) Environmental concerns of development of rivers eg:- gangetic dolphin - NW-1
Religious sentiments attached to rivers

7) shipping capacity is low, poor standard of vessels, outdated ships.

8) navigation infrastructure is poor, higher tariffs by government

9) Ro-Ro / Ro-pax services are inadequate

10) only 6 - National waterways are developed rest are in nascent stage

Government needs to upscale the Jal Marg like project give tax incentives, sign bilateral protocol routes like with Bangladesh to improve modal mix

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

9. Highlighting its potential, discuss the challenges that are being faced in the dairy sector in India. Also suggest some steps, which can be taken in this regard. (150 words) 10

डेयरी क्षेत्रक की क्षमता पर प्रकाश डालते हुए, भारत में इस क्षेत्रक द्वारा सामना की जा रही चुनौतियों की विवेचना कीजिए। साथ ही, इस संबंध में उठाए जा सकने वाले कुछ कदमों का भी सुझाव दीजिए।

Indian dairy sector is the largest producer of milk - 295 mT per annum

potential of the sector

1) Rural development, equitable growth without dependance on land ownership
2) Social security to farmers, exports of milk value added products.
3) Rising market demand due to urbanization
4) higher yielding breed varities availables
5) presently sector contributes 2% of GDP can grow to 5% by 2030

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

Challenges faced

1) small ~~pa~~ holdings average below 10.

2) Fodder availability - cost & quality is low

3) poor presence in 2° & 3° sectors like ice creams

4) veterinary services lacking, productivity has stagnated, unscientific farming,

Steps to better the sector

1) White Revolution 2.0 - hub & spoke model for high tech inputs & brand value development with ~~ma~~ export market exploration

2) Development of domestic breeds - SUTRA-PIC scheme

3) incentives for setting up ~~ved~~ processing industry

4) National centres for knowledge dissemination, Artificial insemination resources etc

Dairy sector has potential to transform rural Indian land scape by 2024 ⇒ 5 trillion economy

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

10. It has been argued that remedying the exclusion of the majority of women from access to and control of rural land in India is one of the most significant steps that could be taken towards enhancing the country's rural livelihoods. In this context, identify the challenges in access to land rights by women. What measures can be taken to strengthen these rights?

(150 words) 10

यह तर्क दिया जाता है कि भारत में ग्रामीण भूमि तक पहुँच और उस पर नियंत्रण से अधिकांश महिलाओं के बहिष्करण का समाधान, देश की ग्रामीण आजीविका में उन्नति की दिशा में उठाए जा सकने वाले सर्वाधिक महत्वपूर्ण कदमों में से एक है। इस संदर्भ में, भूमि अधिकारों तक महिलाओं की पहुँच में विद्यमान चुनौतियों की पहचान कीजिए। इन अधिकारों को सुदृढ़ बनाने के लिए क्या उपाय किए जा सकते हैं?

78% of rural women are involved in agrarian sector but only 13% women own land shows the feminisation of agriculture without equal rights:

How it will enhance rural livelihoods?
- initiative by women to improve productivity
- fast decision making as per ground needs
- easy institutional credit by pledging land as collateral (KCCs)

Challenges involved

1) patriarchal mindset – women not granted land rights due to traditional attitude

2) Women not included in definition of farmers (Nandini Sundar) in State laws

3) domestic politics – defacto control is exercised by male member of the family

4) High competition for land, laws don't recognise women inheriting ancestral land (Coparcenary rights)

Measures to be taken

1) land granted as compensation for land acquisition be under name of women.

2) ~~Add~~ waive off registration fee for transfer to women

3) amend the laws, to gender sensitisation of ~~agri~~ rural banks to grant credit

4) Cooperatives led by women to run agriculture

Uttarakhand governments lead in granting houses in women's name must be followed, skilling done to enable equal rights of women

11. There is an increasing recognition to move ahead to an effective medium term fiscal framework from the annual budget cycles, for political and economic sustainability of fiscal policies. Discuss. **(250 words) 15**

राजकोषीय नीतियों की राजनीतिक और आर्थिक संधारणीयता के लिए वार्षिक बजट चक्रों से प्रभावी मध्यावधिक राजकोषीय ढांचे की ओर जाने की स्वीकार्यता बढ़ती जा रही है। चर्चा कीजिए।

The recent debacles in the implementation of FRBM Act brought out structural issues in annual targets

Issues with Annual targets

1) too small time to contain multitude of stimulus & agents acting

2) Uncertainties (droughts, pandemic) — domestic & external curtail the policy elbow room.

3) strict targets bring in rigidity of policy

4) no scientific evidence for the 3% target, lack of consensus

5) Regular ~~...~~ changing over of deadlines reduces trust & confidence in Rating agencies

6) Rigid targets ⇒ loopholes exploited eg:- off budget borrowing (1-3% of GDP)

7) Excessive state intervention & regulatory complexity

Benefits of Medium term fiscal framework

1) right amount of time to take stock of fiscal policy effect.

2) Balances extremities occuring in one (or) two years to establish secular trends.

3) Effective time interval to show the effect of specific policy interventions to monitor its effect & course correction.

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

4) Better quality of scrutiny of fiscal policy

5) Reduces political overzeal during election years. (sustainable political economy)

6) Reduces overambitious & unrealistic budget figures ⇒ better planning

eg:- 2.7 lakh crores of disinvestment planned only 83,000 crore achieved in Budget 2019-20.

7) Ease of gliding target attainment.

8) gives scope for co-existence of fiscal discipline and welfare state motto.

A new fiscal policy framework needs to be evolved on lines of N.K.Singh committee recommendations, with independent agency for regular scrutiny & enforcement of standards for fiscal prudence

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

12. Analyze the causes and consequences of growing economic inequality in India. Also, suggest some measures needed to deal with it. **(250 words) 15**

भारत में बढ़ती आर्थिक असमानता के कारणों और परिणामों का विश्लेषण कीजिए। साथ ही, इससे निपटने के लिए आवश्यक कुछ उपायों का भी सुझाव दीजिए।

The Oxfam India report, 2020 reports 1% hold 70% of wealth and number of billionaries grew during the pandemic and 85% of wealth created in the year was grabbed by them shows the magnitude of the issue

Causes of growing inequality

1) Receding state from economy, growing private monopolies => reduces fair competition in market

2) poor adoption of fiscal policy with only 55% of tax revenue from direct taxes

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

lack of compassion & equity in taxation

3) Tax evasion - panama papers with treaty shopping & round tripping

4) higher cost of capital and rising inflation.

5) Rising cost of living & higher costs of opportunity access to high paying jobs.

6) Crony Capitalism, higher returns on Capital ~~with~~ vis-a-vis other factors of production

Consequences of growing inequality

1) Reduced social mobility, growth of social tensions => distrust in society Social fabric & social capital erode

2) growth of violence in society

3) Demand shocks become frequent in economy

4) Regulatory capture by elites, frequent collapse in economy => recessions & lay offs ↑

5) Investments ↓ due to uncertainity, savings ↓ political instability ↑, human capital erodes happiness ↓

Measures needed

1) Wealth tax, higher & progressive tax structure with simple laws to ↑ compliance.

2) Financial intelligence cooperation to check tax evasion

3) greater spending on health, education. make essential services "public goods"

4) Regulatory alertness to check monopolies encourage competition

5) Affordable credit to MSMEs, small industry, startups to enable "constructive destruction"

India needs to tackle inequality for sustainable polity & economy & achieve SDG-10.

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

13. A number of initiatives in recent years have focussed on the MSME sector. Why is there a need to focus on this sector? Also, identify the measures taken by the government and further scope of action. **(250 words) 15**

हाल के वर्षों में अनेक पहलों ने MSME क्षेत्रक पर ध्यान केंद्रित किया है। इस क्षेत्रक पर ध्यान केंद्रित करने की आवश्यकता क्यों है? साथ ही, सरकार द्वारा उठाए गए कदमों और आगे की कार्रवाई के दायरे की पहचान कीजिए।

MSMEs are small scale engines of growth of Indian economy, they form majority of growth impulse agents, with higher multiplier factor for growth and employment

need to focus on MSME sector

1) 11 crore employment generation

2) contribute to 45% of exports

3) 30% of GDP is MSME contribution

4) smaller capital necessary to setup

5) Adapt to work new technology, disruptive sectors

6) Intensively employs women, SCs, STs necessary for social justice

Issues faced by sector

1) credit access, cost of credit - high
2) delay in payments by public agencies
3) obsolete technology, poor infrastructure
4) small scale => poor cost advantage
low productivity
5) low brand value => exports potential is unrealised

Initiatives of the government

1) RoDTEP scheme to improve exports
2) MSME sampark, 59 min portal to start business fast

3) budget promise to pay the delayed payments

4) Inclusion in priority sector lending, MUDRA loans, SIDBI to promote loans

5) startup-India scheme, tax exemptions.

6) New definition in amended Act.

Further scope for action

1) brand value development ⇒ tax incentives for scaling up & employing more

2) stock exchange separately to pool capital

3) enabling FDIs in MSME e.g. UK model

4) Cheap capital — U.K. Sinha committee

modernization & skill development - sector skill councils

MSMEs are agents of socio economic developments, they need to be nurtured for post-pandemic recovery of Indian economy

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

14. Critically analyse the suggestion of allowing large corporate and industrial houses to act as promoters of banks. **(250 words) 15**
बड़े कॉर्पोरेट और औद्योगिक घरानों को बैंकों के प्रवर्तकों के रूप में कार्य करने की अनुमति देने के सुझाव का समालोचनात्मक विश्लेषण कीजिए।

The RBI panel recently was asked to scrutinize the question of private corporate promotion of banks to deal with economic woes.

Issues arising

1) Connected lending by promoters and industry

2) Unfair competition in industry due to unequal access to capital.

3) Monopolisation of banking & industry

4) Regulatory failure to check financial malpractices in the economy

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

5) Complex books & accounts ⇒ difficult to identify frauds ⇒ NPAs ↑

6) Bypass RBI regulation ⇒ increases threat loss of monetary policy effectiveness due to control by private corporates.

7) public trust in economy ↓ ⇒ savings and investments ↓ ⇒ growth becomes unsustainable

Benefits the ensue

1) Banks are in dire state with liquidity crisis & unplanned mergers need for capital that can be provided by corporate agencies

2) Will kick start the economy, increase credit offtake, allow banks to lend

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

3) reduce state excesses in fiscal & monetary policy ⇒ fiscal & monetary discipline

4) private participation and improved scrutiny of loans to checks NPAs.

5) solve liquidity crisis and enable post-pandemic economic recovery

6) Creation of Big Banks (only 1 in top 100 today - SBI) to enable growth of Indian economy enables creation of big scale lending new & suitable financial products will be created.

The RBI panel's recommendations must be looked into, to create such banks but with strict transparency, independent board members, strong regulations for right ~~[illegible]~~

15. Financial stability is generally the domain of monetary authority; however, the fiscal policy of the government has the potential to either facilitate or undermine it. Analyse in the context of India. **(250 words) 15**

वित्तीय स्थिरता सामान्यत: मौद्रिक प्राधिकरण का कार्यक्षेत्र है; हालांकि, सरकार की राजकोषीय नीति में या तो इसे सुगम बनाने या कमजोर करने की क्षमता होती है। भारत के संदर्भ में विश्लेषण कीजिए।

Financial stability is the regularity in flow of credit, streamlined inflation, vibrant functioning of institutions though majorly regulated under monetary policy, it is enmeshed with fiscal policy outcomes

Facilitation of financial stability by fiscal policy

1) Fiscal discipline by government produces trust in banking system.

2) Fiscal spending for welfare measures improves savings & spending and enables better flows into banks.

3) proper fiscal policy gives more elbowroom and flexibility for monetary policy.

4) proper fiscal policy reduces government dependence on institutional credit hence crowds in private investment & improve effectiveness of monetary policy.

5) Coherence of fiscal & monetary policy creates positive effect & achievement of efficacy of targets (eg) tax exemptions for MSMEs & special windows for lending given by RBI

Undermining ~~monetary policy~~ financial stability

1) Irregularity in tax proposals creates supply shocks in economy => reduces financial stability

2) larger borrowings and higher public debt increases cost of capital to private enterprises (crowding out) and reduces financial stability

3) higher tax rates, reduces compliance and increases burden on poor, disturbs financial stability.

4) excessive state spending without prudence creates misallocation of financial resources disturbs financial stability

5) Excessive borrowing → liquidity crisis in banks (NPA crisis)
→ poor infrastructure creation
these check growth & financial stability

6) Higher populist spending ⇒ Inflation, reduces financial stability.

Hence fiscal policy must work hand in hand with monetary policy for establishing financial stability at level of institutions, credit flows and policy certainity for robust systems

16. Discuss the issues plaguing crop procurement in India. Also, suggest measures to strengthen the procurement framework. **(250 words) 15**
भारत में फसल खरीद को बाधित करने वाले मुद्दों की विवेचना कीजिए। साथ ही, खरीद ढांचे को मजबूत बनाने के उपायों का भी सुझाव दीजिए।

Crop procurement under MSP is plagued by multitude of challenges since its inception

Issues involved

1) only 6% farmers benefit

2) It degraded cropping patterns

2a) high fertilizer use ⇒ environmental degradation

3) only 6 states – UP, Bihar, Punjab, M.P, A.P, Telangana account for 96% of procurement, East India is poor in procurement (Shanta Kumar Comm)

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

4) MSP has created issues at WTO

5) MSP has become roof price instead of minimum support

6) Is biased → it disrupts market as it guides which crops are planted

7) Implementation is limited to Rice and wheat

8) Only large farmers benefit as poor farmers sell produce to local merchants.

9) ~~Storage infrastr~~ Causes inflation in economy

10) Storage infrastructure is weak procurement centres are few

Measures to strengthen procurement

1) procurement concentration in east India - Shanta Kumar committee

2) procurement of only excess amount - S. Rangarajan

3) Involve private agencies in procurement

4) Increase no. of procurement centres and reach in rural areas

5) Awareness campaigns to poor farmers

6) allowing pooled procurement for better bargaining power

procurement standards need to be imposed & regional bias checked to achieve its goals by renewed vigourous implementation

17. What do you understand by e-agriculture? Explaining how information and communication technology (ICT) can help the agriculture sector, highlight some initiatives taken by the government in this regard. **(250 words) 15**

ई-कृषि से आप क्या समझते हैं? यह स्पष्ट करते हुए कि सूचना और संचार प्रौद्योगिकी (ICT) कैसे कृषि क्षेत्रक की सहायता कर सकती है, इस संबंध में सरकार द्वारा की गई कुछ पहलों पर प्रकाश डालिए।

e-agriculture is the usage of ICT technologies to aid productivity, production improvements and achievement of cost advantages by modernisation of the traditionally backward sector

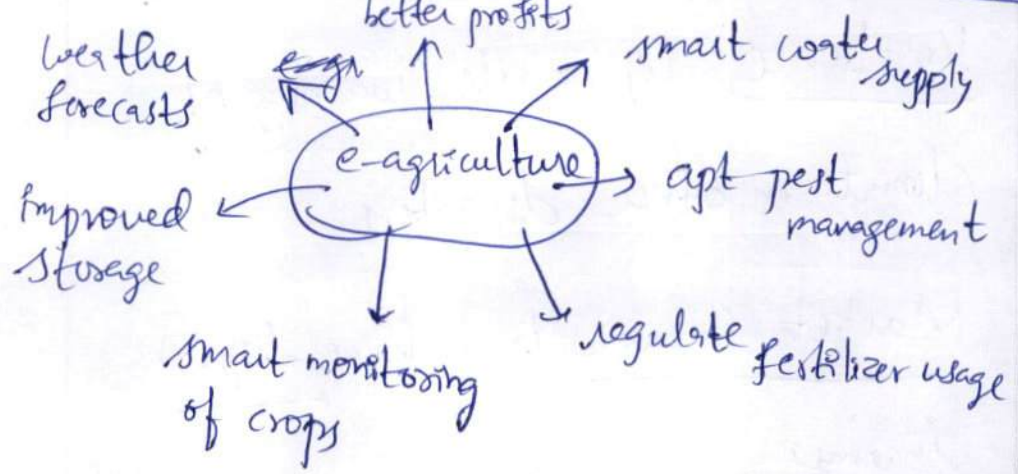

Fig: Illustration of e-agriculture

[How ICT can help agriculture sector]

1) It can reduce cost of inputs used

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

2) Efficiency in cropping patterns, by adopting scientific methods

3) Customized application of inputs, to achieve higher yields

4) reduce dependence of labour eg drone spraying of pesticide

5) Resilience by early warning of climate & other disasters

6) Market linkage to achieve higher incomes

7) choosing of better quality seeds

8) Better awareness & outreach via Krishi Vigyan Kendras

Initiatives of the government

1) e-NAM portal to enable one market for all India

2) ~~F~~ Weather forecasting via messages (SMS) in rural areas

3) Farmer awareness programmes via radio (AIR)

4) PMFasal Bima Yojana - satellite monitoring & smartphone photos to verify claims

5) Farm app to give all round inputs on agriculture

6) e-yatra to book conveyance of food grains

government needs to evolve policy on e-agriculture for achieving broad based development of rural society - SDG-5, 10.

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

18. Explaining the concept of Integrated Water Resource Management, discuss how it can help in addressing the gaps in the present system of water management in India. **(250 words) 15**

एकीकृत जल संसाधन प्रबंधन की अवधारणा की व्याख्या करते हुए, चर्चा कीजिए कि यह भारत में जल प्रबंधन की वर्तमान प्रणाली में व्याप्त कमियों को दूर करने में कैसे सहायता कर सकता है।

Water resources are extremely strained today with 21 cities to go water free by 2021 (UNESCO report), 70% of sources polluted, 56% of blocks overstrained - CGWB report, 2019

. Integrated water resource management (IWRM) involves the holistic view of water in all its forms to reduce wastage, enable adequate access & availability by usage of technical inputs & modern practices in comprehensive management of water resources eg- Israel use of waste water via recycling.

eg- Madras mandatory rainwater harvesting in ~~urban~~ residential areas

(How it can help tackle water crises)

* (Demand side)

1) reduce excessive demand via awareness
2) improve efficiency of usage ⇒ its wastage
3) usage of waste water to reduce demand on pristine resources.
4) align agriculture & industry to value water, reduce water intensive crops like sugarcane & paddy to choose crops as per agro-climatic zones & usage of treated water in industry

Supply side

1) recycle used water - U.K model

2) enable rejuvenation of sources

3) checking equitable access by gradation of fees for water services ep Hyderabad municipal board

4) Rationing of water by water use planning, water ATMs in stressed areas, hydrological mapping to monitor water flows

Mihir Shah committee recommend-ations need to be looked into, strengthen policy capacity of Central water commission instill cooperative federalism in states for SDG-5

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

19. Skilling the Indian population faces a 3E challenge - Education, Employment and Employability. Discuss. Also suggest interventions required to effectively manage this challenge. **(250 words) 15**

भारतीय जनसंख्या को कौशल युक्त बनाने में 3E चुनौतियों, यथा- शिक्षा (एजुकेशन), रोजगार (एम्प्लॉयमेंट) और नियोजनीयता (एम्प्लॉयबिलिटी) का सामना करना पड़ता है। चर्चा कीजिए। साथ ही, इन चुनौतियों का प्रभावी ढंग से प्रबंधन करने के लिए आवश्यक हस्तक्षेपों का भी सुझाव दीजिए।

India has 65% of population bellow 35 years, this can be used to ~~avail~~ attain demographic dividends, yet faces challenges like

Education

1) only 25% access higher education
2) Pratham report states 35%. class V students can read class II book shows poor educational outcomes.
3) rural-urban divide in ICT in education in COVID context, exclusion of vulnerable groups
4) Vocational education is poor standard.

5) Skill framework hasn't been adopted in schools

Employment

1) 92% of jobs are in informal sector
2) skill certification is poor
3) low availability of decent paying jobs
4) labour intensive industry is weak posing further threats to skilling
5) poor hiring of apprentices, low placement of trainees of Industrial training institutes
6) fast evolving demands of new skills from industry

Employability

1) only 2% are formally skilled vis-a-vis 96% in South Korea
2) only 46% of graduates are employable

India skills report, 2019

3) Vocational education is alienated, poor quality, inadequate regulation

4) Skill orientation is missing, skilled personnel are leaving country for greener pastures

5) poor standards of skills of persons

Measures required

1) Sector skills Councils - autonomy

(NITI @75 strategy)

2) Implementation of National skills qualification framework, incentives to industry to hire apprentices - Apprentice protsahan yojana

3) Regular revision of skills programmes for upskilling & reskilling - maintaining databases of persons

4) International collaboration
- Germany - vocational education
- Japan - manufacturing

5) revision of school curriculum, mainstreaming vocational skills, skill center evaluation

Adoption of dynamic policy can help India emerge as skill hub of the world

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

20. Examine the importance of foreign capital for a developing country, like India. **(250 words) 15**

भारत जैसे विकासशील देश के लिए विदेशी पूँजी के महत्व का परीक्षण कीजिए।

Developing country India has received $26 bn in April-october 2020 highest till now shows rising FDI flows. 2.1 lakh crore (net) FII flowed in in 2020 (Economic survey-2019-20). World Investment report of UNCTAD says India is 9th largest destination for foreign investment

Importance of foreign capital

1) Fills capital deficit due to colonial past

2) Eases liquidity and reduces cost of capital to industry

3) prudent allocation of financial resources

4) Fills gaps in savings (31% - 2019) due to poverty (21% below BPL)

5) Brings in technical & managerial expertise

6) enables exports & growth ⇒ jobs creation

7) Improves forex reserves to check financial stability ⇒ improve ratings by agencies like S&P, Moodys

8) reduces violence & tensions in society arising from unemployment

Issues with foreign capital

1) ~~Sudden~~ Uncertainity ⇒ external factors decide financial stability eg:- US fedex increases bank rates capital leaves India

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

2) threat of global slowdown due to crisis in one corner eg Asian financial crisis, 1997 & 2008 financial crisis

3) Neo-colonialism - influence on political policy eg IMF & IBRD curtail welfare spending for loans

4) Sudden leaving of capital ⇒ collapse of domestic economy ⇒ loss of strategic autonomy

5) threat of litigation → government burden

Government needs to liberalise more sectors for 100% FDI like multi-brand retail, Insurance defense for easing flow of capital, sign convention on settlement of investment disputes (ICSID) while creating corpus to hedge sudden flight of FIIs to ensure comprehensive development & stability