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FIAS – 2020 – GS06

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GENERAL STUDIES

Name Of Candidate	ANANYA KIRTI		
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Mobile No.		Date:	11/05/2019

Time Allowed: Three Hours

Maximum Marks: 250

INDEX TABLE			INSTRUCTION		
Q. No.	Max. Marks	Marks Obtained	<p>1. Please do furnish Name, Email, Roll No and Mobile in the answer sheet.</p> <p>2. There are TWENTY questions printed in ENGLISH, all questions are compulsory.</p> <p>3. The number of marks carried by a question/part is indicated against it.</p> <p>4. 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.</p> <p>5. Word limit in questions, if specified, should be adhered to. Any page or portion of the page left blank in the Question-Cum Answer Booklet must be clearly Struck off.</p> <p><i>Any specific messages for ForumIAS Mentors/Evaluators with respect to your copy? Write it here.</i></p> <p>-----</p> <p>-----</p> <p>-----</p> <p>-----</p> <p>-----</p>		
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Remarks:			Start Time   12:00	End Time   3:00 PM	
			Mode Of Examination :		Online <input type="checkbox"/> Offline <input type="checkbox"/>
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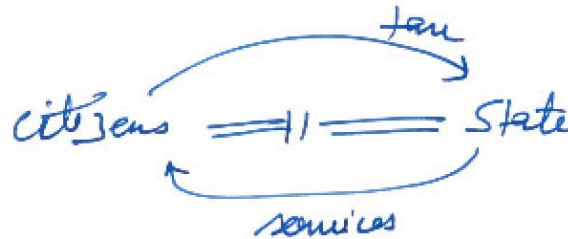


<b>Parameters</b>	<b>Excellent</b>	<b>Very Good</b>	<b>Good</b>	<b>Average</b>	<b>Poor</b>	<b>Very Poor</b>
Language						
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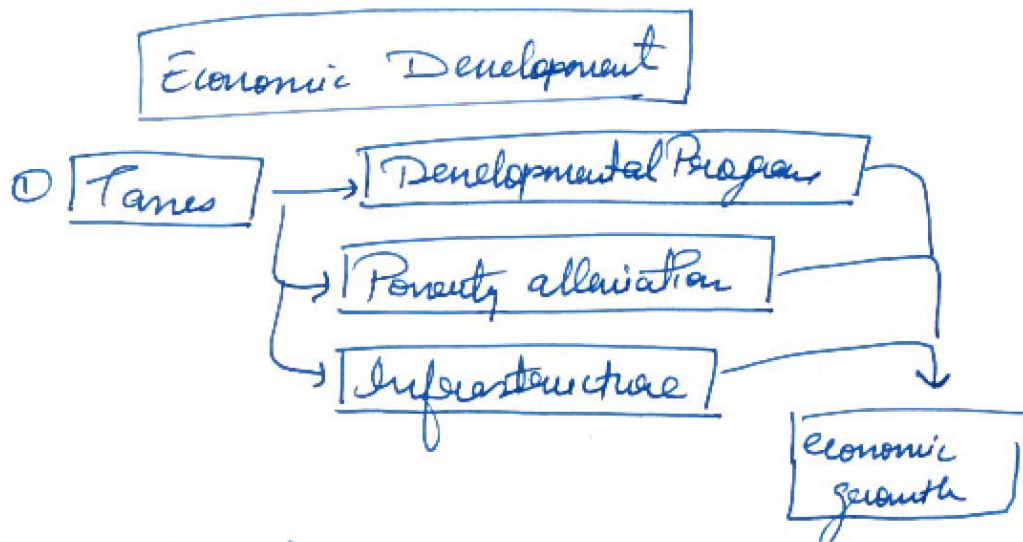
**ADDITIONAL COMMENTS**



**Q.1)** Taxation is not just a vehicle for raising state revenue but also a critical instrument for economic and political development. Discuss. (10 Marks, 150 Words)



Taxation is an important means for raising revenue for the state, for more than non-tax revenue.



- ② Taxation leads to re-distribution and thus reduces inequality.
- ③ State's role in disaster risk reduction, sustainable development goals require taxation
- ④ Most developed countries have high tax compliance

## Political development

① Free riders                      |                      "Exit"

Taxation

Economic Survey suggests taxation is a crucial part of political socialisation and keeps the government accountable.

② Promote active citizenship

③ Economic development requires taxation, which requires political development

④ Social contract between citizen & state depends upon taxation.

Thus taxation is not only about revenue generation, but economic & political development.

### Feedback ( For OFFICE use only )

Structure		Content	
Question Interpretation		<b>Total :</b>	





**Q.2)** The Government of India is opting for the overseas sovereign bond to mobilize funds. In the light of government's recent policy change for fund mobilisation, discuss the benefits and drawbacks of tapping overseas market for its sovereign bonds.

(10 Marks, 150 Words)



Bonds are a debt instrument, where the borrower promise to pay back the principal + interest or pay back the face value at no interest.

The government has decided to borrow money from foreign bond markets in what is called sovereign bond overseas.

### Benefit

- ① lower cost of capital formation due to lower interest rates abroad
- ② Stable ₹ and low inflation => lower risk
- ③ Integration with global economy
- ④ Forces the government to follow fiscal consolidation.

- ⑤ Domestic banks suffer from NPA's
- ⑥ Demand crowding out of private investment

## Draw backs

- ① African countries in 1980s borrowed from western countries → Crisis in 1990s
- ② Rupee is volatile, risk of currency de-valuation borne by government
- ③ Even in 1991, government did not borrow from outside bonds
- ④ global financial crisis of 2008 - threat of further crisis.

India has <5% of its public debt as foreign borrowings, and thus the government can borrow from external market if it wants to.

### Feedback ( For OFFICE use only )

Structure		Content	
Question Interpretation		Total :	



**Q.3)** Digitisation of PDS Scheme by Linking Ration Card with Aadhaar to curb leakages should not lead to "Digital exclusion" of marginalised section. In light of the above statement examine the challenges in digitisation of social welfare schemes.

(10 Marks, 150 Words)

Digital India → Digital Services enabled by Aadhaar

In an effort to curb corruption, ripping and fake ration cards, the government has linked ration card with bio-metric enabled aadhaar card in PDS.

"Digital Exclusion", where social exclusion is reflected in the digital era. Those who are socio-economically marginalised are most vulnerable.

eg death of a dalit woman due to hunger in failure of aadhaar card in "New India".

Challenges

- ① Targetting is difficult
- false positives  
↳ free riders
  - false negatives  
↳ exclusion or exit



- ② Socio-economic discrimination takes a digital platform
- ③ low digital literacy, with poor & marginalised most affected
- ④ Technology not a replacement for social reforms & revolution
  - ↳ can only aid, not replace

## Key features

- ① Sensitivity towards marginalised sections
- ② Not blind & rigid, but aware & flexible system
- ③ end goal is welfare, not rule following
- ④ Transitions will be difficult → pragmatic approach.

Feedback ( For OFFICE use only )

Structure		Content	
Question Interpretation		<b>Total :</b>	

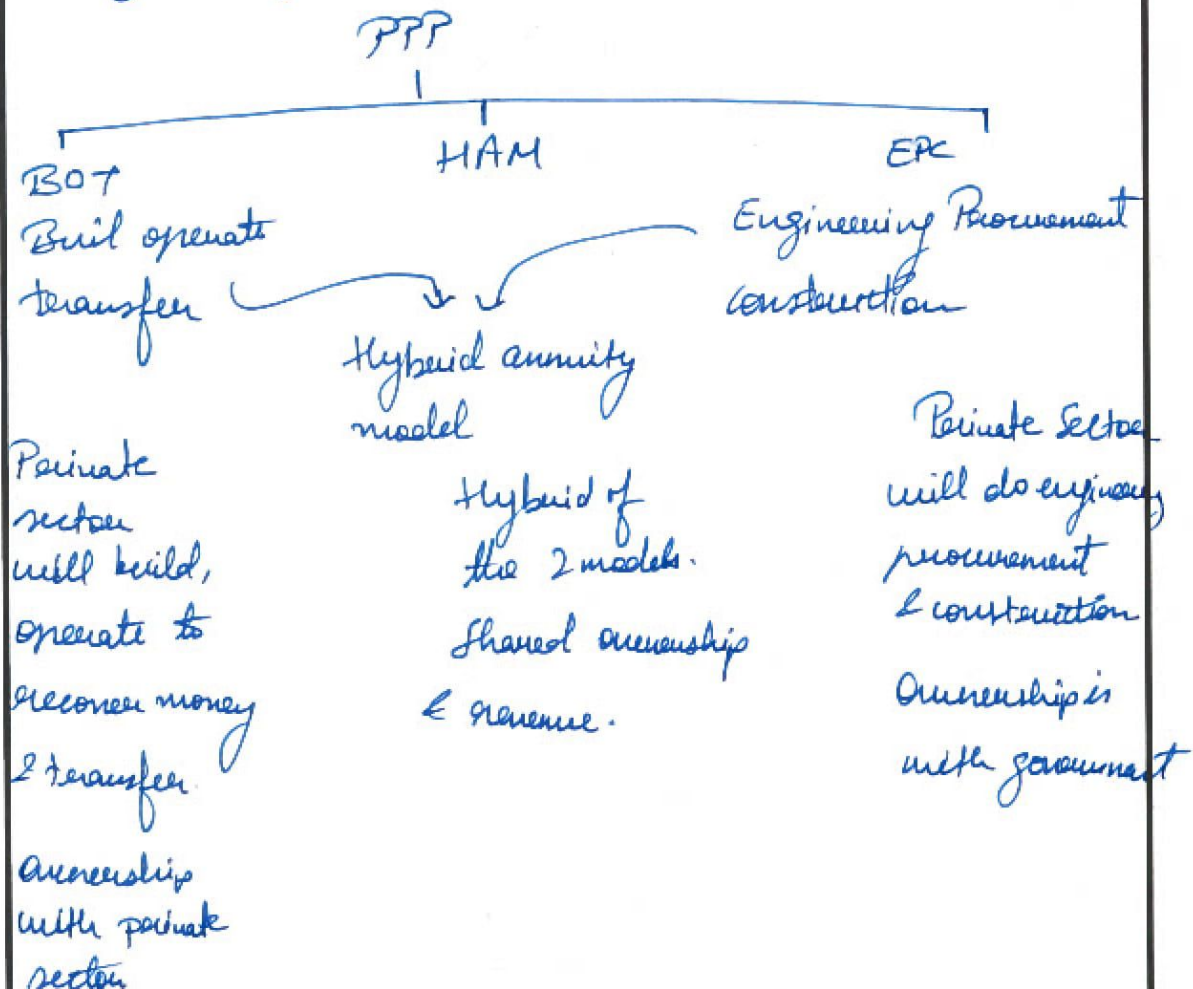




**Q.4)** Hybrid Annuity Model has been projected as one of modes of delivery for implementing infrastructure projects. Highlight the major issues that HAM faces viz a viz other investment model. (10 Marks, 150 Words)

According to World Bank, India needs to invest \$ 50 trillion by 2050 in Public infrastructure.

After 1991 LPG reforms, government has adopted Private - Public Partnership or PPP to fund infra project.



## Major issues

- ① Private Sector raises 60% of the capital, yet does not have a controlling stake
- ② Revenue sharing model reduces operational capital for the private sector
- ③ long gestation period
- ④ complex ownership, exit and transfer

It is an example of "Progressive  
Capitalism" of Joseph Stiglitz  
for the development of the country.

### Feedback ( For OFFICE use only )

Structure		Content	
Question Interpretation		<b>Total :</b>	





Q.5) India's service sector could help propel the country's economic growth in the future as the globalization of services has just begun. Examine in light of the challenges faced by the service sector in India. (10 Marks, 150 Words)

India's service sector is a global leader in services and contributes >50% to the GDP of India

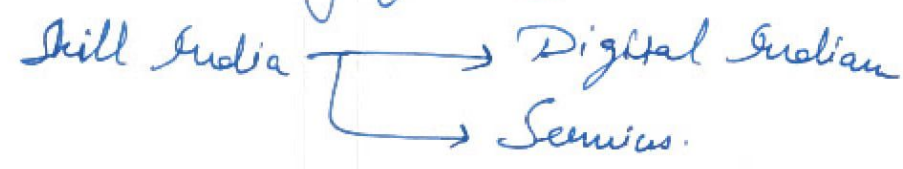
Propel economic growth

- ① globalisation of service promoted by 4<sup>th</sup> industrial revolution and expansion of information & communication technology
- ② WTO need emphasised on e-commerce & GD on free flow of data.
- ③ Rise of Gig economy and internet based startups
- ④ Pressure of young & skilled population, that speaks english and located at a strategic honeyone

## Challenges

- ① Informal nature of work in service sector
- ② Modern service sector jobs have not risen much
- ③ global rise of protectionist movement
- ④ WTO & other global groups like RCEP unable to arrive on consensus.
- ⑤ NITI Aayog's ~~recessed~~ outlook toward RCEP inward
- ⑥ Poor literacy and skill development
- ⑦ Disconnected between industry & education requiring re-training.

## Way forward



Better trade negotiations  
 Domestic sector reforms

Feedback ( For OFFICE use only )

Structure		Content	
Question Interpretation		Total :	





**Q.6)** Improved efficiency of livestock, with its various commodities and service products, is crucial to achieving sustainable agricultural development and food security, particularly in low-income, food-deficit countries. Discuss. (10 Marks, 150 Words)

Feedback ( For OFFICE use only )

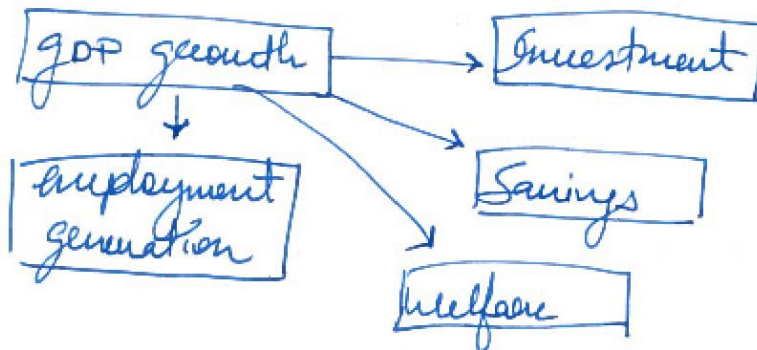
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**Q.7)** In the quest for new India, tackling the double whammy of India's economic slowdown and unemployment remains crucial. Discuss. (10 Marks, 150 Words)

The government has promised a GDP of \$5 trillion by 2024-25 AY and the Periodic labour force survey has pointed out the largest rate of unemployment in the last 4 decades

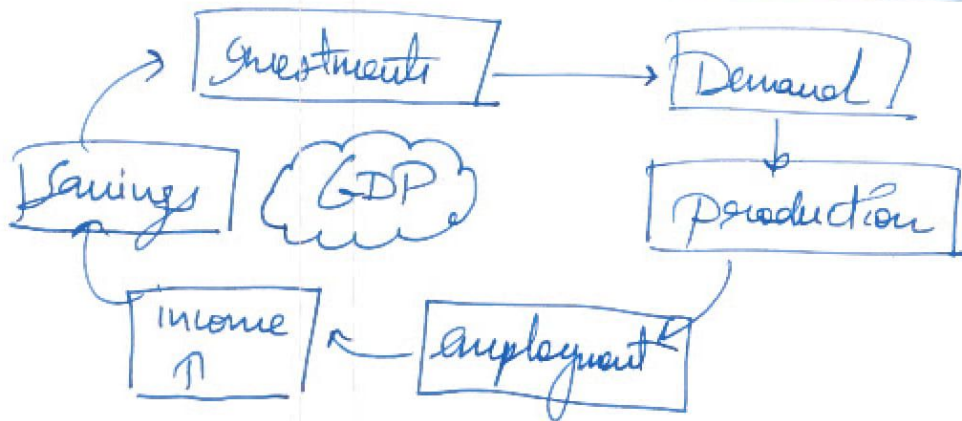


The Economic Survey<sup>18-19</sup> suggests to create a virtuous cycle of growth, investment, savings, and employment with the objective of growth & exports

Thus the problem of unemployment & slowdown should not be seen in silos, rather the whole macro-economic view should be taken

Sweeney suggests export and precinate investment as the real growth engines to solve the macro economic problem.

It suggests to rely on trickle down of growth to solve social problem.



New India

Feedback ( For OFFICE use only )

Structure		Content	
Question Interpretation		<b>Total :</b>	



Q.8) The Make in India, stuck in the judicious mix of economic prudence and administrative reforms, is yet to take off. Analyse. (10 Marks, 150 Words)

Make in India is an ambitious program for 22 sectors to boost growth in manufacturing & increase % of GDP to 25%.

yet to take off

- ① Global slowdown, global GDP growth at 3.5%
- ② Trade war between USA & China affecting India as well
- ③ Slowdown in overall Indian economy after demonetisation and introduction of GST
- ④ Structural reforms like labour laws yet to take place.
- ⑤ High cost of credit due to NPAs and slowdown in gross capital formation
- ⑥ Rise of Automation and Artificial intelligence in 4<sup>th</sup> industrial revolution



- ⑦ Complex land acquisition
- ⑧ Bilateral treaty with other countries was renewed
- ⑨ Policy instability: e-commerce laws & Data protection
- ⑩ Judicial delays → Risk averse investors
- ⑪ Strong environmental laws  
for make in India to succeed
- ① Reform labour code
- ② Promote inclusive banking for MSME & implement whole sale banks for larger infrastructure projects
- ③ SEZs and other tax benefits, with tax compliance regime to ease regime

Feedback ( For OFFICE use only )

Structure		Content	
Question Interpretation		Total :	



Q.9) Discuss how affordable, accessible and reliable energy can be a key driver for inclusive growth.  
(10 Marks, 150 Words)

Nitish Arora defines inclusive growth as "leave no one behind".

↓

individual → community → states → region → religion

Energy

① Affordable : everyone would be able to afford electricity & oil

- a) Higher learning outcome, children can study at night
- b) Law & order: safer streets
- c) Health: hospitals & clinics can function better health outcomes. 24x7

② Accessible : a) Reduce regional disparities  
b) Reduce migration tendencies  
c) emphasis on marginalised section to promote inclusive society

Reliable a) Agency to men & women, can control their life

b) women empowerment: women can choose when to perform what function

c) Transportation: integration of area to promote national spirit

The sustainable development goals are all connected to each other, and energy will have an impact on all of them.

Thus affordable, accessible and reliable energy is necessary for "Sats ke Saath, Sath ke ruke" to achieve New India.

Feedback ( For OFFICE use only )

Structure		Content	
Question Interpretation		<b>Total :</b>	