

ForumIAS			
GENERAL STUDIES			
Name Of Candidate	NEHA BYADWAL		
Roll No.	1910080440	Date:	11-12-2021

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 & HINDI, 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> <p>-----</p> <p>-----</p> <p>-----</p> <p>-----</p> <p>-----</p>
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Evaluator's Discretion:			For Student Only
			Start Time 9:30 A.M. End Time 1:00 P.M.
Total Marks:			Mode Of Examination: Online <input checked="" type="checkbox"/> Offline <input type="checkbox"/>
Evaluator's Discretion: This is the marks awarded at the discretion of the evaluator based on your overall presentation, use of diagrams, flowcharts, facts and figures or absolutely anything that he/she liked in your copy.			For Office Use Only
			ECN CODE: EG: Evaluation Date:

Note: You can discuss your evaluated copy with the Mentor. Raise a ticket from your portal to schedule a mentor call or visit the offline centre to meet mentor (all 7 days, Timings - 11 AM to 6 PM). Further if you are unsatisfied with the evaluation, you can seek re-evaluation of the copy.

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Parameters	Excellent	Very Good	Good	Average	Poor	Very Poor
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ADDITIONAL REMARKS

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Public sector is best suited as a facilitator and not as an engaged participant. Critically analyse this statement in context of new disinvestment policy.

(10 Marks, 150 words)

उदारीकृत अर्थव्यवस्था में राज्य की भूमिका एक सहभागी के रूप में नहीं, बल्कि एक सुविधाप्रदाता के रूप में सबसे उपयुक्त है। नई विनिवेश नीति के संदर्भ में इस कथन का समालोचनात्मक विश्लेषण करें।

(10 अंक, 150 शब्द)

liberalised economy is one that is based on the principles of freedom, openness, transparency, laizze faire for the government.

Public sector was given the role of "commanding heights" prior to 1991 as the private sector was too small to cater the market.

Post 1991, role of public sector was envisaged as a "facilitator" and thus the policy of disinvestment was introduced.

Disinvestment ~~refers~~ refers to the selling of shares held by public sector to the private sector.

In the ~~recent~~ ^{new} Disinvestment policy, it was proposed to :-

① Reduce the presence of public sector to only

core and strategic sectors, rest of the sectors should be for the private sector

- ② In every ^{strategic} sector, presence of one public sector understanding, along with the private sector
- ③ encourage the private sector participation in every sector

Role of state as a facilitator and not as an engaged participant :-

Advantages

- ① more space for the private sector
- ② private sector brings efficiency, quality, and competitiveness
- ③ State should focus more on the social sectors
- ④ Diversified products to match the taste of everyone

Disadvantages

- ① some sectors require huge investment with long gestation period which is fulfilled by the public sector
- ② private sector is profit-driven
- ③ private sector caters to the actual demand and not perceived demand

Public and private sector should engage in the Public-Private-Partnerships, Joint ventures etc. to better utilise their potentials.

Feedback (For OFFICIAL)
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Q.2) What are the major changes brought in the Deposit Insurance and Credit Guarantee Corporation (Amendment) Act 2021? How will it promote the interest of small account holders and depositors? (10 Marks, 150 words)

जमा बीमा और ऋण गारंटी निगम (संशोधन) अधिनियम 2021 में कौन से बड़े बदलाव लाए गए हैं? यह छोटे खाताधारकों और जमाकर्ताओं के हितों को कैसे बढ़ावा देगा? (10 अंक, 150 शब्द)

The recent Punjab and Maharashtra Cooperative (PMC) Bank crisis led to the enactment of Deposit Insurance and Credit Guarantee Corporation (Amendment) Act 2021 [DICGC Act 2021].

Provisions of the DICGC Act 2021 :->

- ① Maximum deposit insurance for the banks deposits raised to ₹ 5 lakhs (from the current ₹ 1 lakhs), it brings cooperative banks under it.
- ② RBI became the regulator of the cooperative banks.
- ③ RBI can become the head of the Board of a cooperative bank in case of failure.
- ④ After the crisis, banks won't shut down immediately, withdrawal of deposits is to be available to all the customers of the bank.

Benefits of the DICGC Act 2021 :-

- ① Raising insurance amount gives a sense of security to the depositors
- ② In case of bank failure, RBI will take over which provides a sense of security and avoid the case of bank-rush
- ③ It will promote small depositors to put their savings in the banks. These savings can be mobilised to raise investment in the economy and thereby the overall growth.

Cooperative Banks are self-regulated, peer-controlled banks aimed at providing funds to the small buyers. Thus, the new Act is in the right direction.

Q.3) A mature public private partnership (PPP) framework, along with a robust enabling ecosystem is required to accomplish the goal of Atmanirbhar Bharat. Comment. (10 Marks, 150 words)

आत्मनिर्भर भारत के लक्ष्य को पूरा करने के लिए एक मजबूत सक्षम परितंत्र के साथ एक परिपक्व सार्वजनिक-निजी भागीदारी (PPP) ढांचे की आवश्यकता है। टिप्पणी कीजिए। (10 अंक, 150 शब्द)

Atmanirbhar Bharat is envisioned on the lines of - Sabka Saath, Sabka Vikas aur Sabka Vishwas."

"Atmanirbhar Bharat" is self-sufficient, self-resilient and self-promoting. It is envisaged to utilise the resources efficiently, skilling the workforce, utilise the local potential to achieve higher production, exports and economies of scale.

Public-Private Partnership is an arrangement in which they agree on sharing resources, dividing responsibilities and focus on delivering the outcomes.

features of a mature PPP

- clear rules and Regulations
- Responsibilities are marked clearly.
- Both private and public sector handhold each other in the times of need.
- Transparency, Accountability and Openness

Enabling ecosystem in an economy would include :-

- ① Ease of Doing Business
- ② single window clearances
- ③ fast and Easy Grievance Redressal
- ④ less bureaucratic interference.

Thus, a mature PPP and enabling ecosystem would ensure that private sector participate enthusiastically and the public sector becomes efficient in delivery the outcomes. This will take the economy towards Atmanirbhar Bharat.

Feedback (For OFFICE use)

Structure/ Presentation

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Q.4) Direct monetization of deficit to increase government expenditure in pandemic hit economy is integral to the questions of reviving growth. Give your opinion. (10 Marks, 150 words)

महामारी प्रभावित अर्थव्यवस्था में सरकारी खर्च को बढ़ाने के लिए घाटे का प्रत्यक्ष वित्तपोषण संवृद्धि के पुनर्जीवित करने के प्रश्नों का अभिन्न अंग है। अपना सुझाव दीजिये। (10 अंक, 150 शब्द)

In the COVID-19 pandemic, economy faced the demand and supply crunch because of the lower incomes, job losses, low production, shutdowns of the industries etc.

To revive demand, following policies were pursued :-

- ① Easy monetary Policy - by reducing CRR, repo rate.
- ② Easy fiscal Policy - by spending increasing government expenditure

In the FY 2020-21, Indian economy faced a fiscal deficit of 9.3% of GDP and for the FY 2021-22, it is estimated at 6.5%

of GDP. Thus, government is looking towards monetization of deficit to fulfil the expenditure needs.

Monetization of Deficit - refers to the situation when government borrows by issuing bonds which are purchased by the RBI.

Monetization of Deficit

Direct

- RBI prints money and buys government bonds in the primary market
- discontinued in 1997 by introducing Ways and Means Advances

Indirect

- RBI prints money and buys government bonds in the secondary market

- Advantages of Direct Monetization
- Funds to the Government
 - ~~Reduce~~ ^{Don't increase} Fiscal Deficit
 - Revive demand in the economy.

- Disadvantages of Direct Monetization
- Inflation in the economy
 - Depreciation of the exchange rate
 - Reduce government incentive to reduce ^{surplus} expenditure

Monetization of deficit should be a short-term measure. In the long term, government should raise its revenues to fund expenditure. RBI shouldn't print money whenever government demands.

Q.5) Gig is an integral part of innovation driven economy, yet it can create its own divide. Analyze.

(10 Marks, 150 words)

गिग नवाचार संचालित अर्थव्यवस्था का एक अभिन्न अंग है, हालाकि ये अपने द्वारा एक अलग विभाजन का निर्माण कर सकता है। विश्लेषण कीजिए।

(10 अंक, 150 शब्द)

Gig economy is a part of informal economy wherein jobs are of informal nature, short-term, no social security and no assured long-term stream of incomes.

Informal economy constitutes around 90% of the total economy in India. It includes gig economy, platform economy etc.

Basis of the Gig economy

- Needs-based services, eg. URBAN COMPANY
- Service Aggregators, eg. UBER, Zomato
- Innovation based. and Innovation-driven by pursuing the potential benefits of technology

- App-based services
- Flexibility, customer-centric goods and services by proper feedback

More and more services have now become online connecting the small vendors and sellers. However, there can be a divide in this economy too —

- some are better placed to utilize the emerging technologies
- It require skills set — not possessed by all
- Competition from large firms who are becoming online too.
- Digital literacy to use the services

In the budget 2021-22 and the recent labour reforms, government is pursuing to bring the Gig Economy under the ambit of social security and insurance.

Q.6) Discuss how the food processing sector can be the panacea for addressing the triple whammy of low value addition, high post-harvest losses and disguised unemployment associated inherently with the Indian agriculture. (10 Marks, 150 words)

भारतीय कृषि के साथ स्वभाविक रूप से जुड़े कम मूल्यवर्धन, कटाई के बाद के नुकसान और प्रचण्ड बेरोजगारी के रूप में तिहरी मार की समस्या से निपटने के लिए खाद्य प्रसंस्करण क्षेत्र रामबाण कैसे हो सकता है। चर्चा करें।

(10 अंक, 150 शब्द)

The Food Processing Industry is termed as the "sunrise industry" which has huge potential to contribute to Income of the country.

Food Processing is defined as the process of adding value to the raw food products to increase their marketability.

Issues faced by the Indian Agriculture

- ① Huge Losses and wastages : Wastage of Food products stand at 35-40%. NITI Aayog puts it at ₹ 40,000 crore annually.
- ② Low processing - thus low value addition.
- ③ Huge dependence on the land - leading to overcrowding and disguised unemployment.

④ small farmers domination - producing low amounts

Solutions possessed by the Food Processing Sector

- ① It can increase the shelf-life of food products - reducing the losses and wastages
- ② It can reduce the migration from rural to urban and engage these farmers in the food processing.
- ③ Currently, level of ^{food} processing stands at 10%, which can be improved by investing in the Food Processing sector.
 High value addition → cater to current demands
 → more marketability
 → exportability
- ④ By adding micronutrients or fortification during processing, malnutrition can be tackled.

Food habits are changing and to cater these demands, food processing should be pursued more. Government has initiated the SAMPADA scheme which includes the creation of Mega Food Parks.

Q.7) What explains the paradox of higher farmer suicide rate in more prosperous states than in poorer states? (10 Marks, 150 words)

गरीब राज्यों की तुलना में अधिक समृद्ध राज्यों में किसान आत्महत्या दर के अधिक होने का विरोधाभास क्या बताता है? (10 अंक, 150 शब्द)

According to the NCRB data, states of Maharashtra, Karnataka, Gujarat etc. faces more suicide rates than the states of Bihar, Rajasthan, Jharkhand etc.

This is a paradox, - as more prosperous states would offer more income to farmers reducing their distress and thus suicide rates. However, the opposite is happening.

(Reasons behind this paradox)

- ① Risky ventures : Farmers of prosperous states engage in risky ~~but~~ practices and crops which are highly susceptible to diseases, pests etc.
- ② Advanced crops : eg farmers of Maharashtra

are the largest producers of Bt-cotton. These crops possess risk of biodiversity loss and infertility of soil in the long-run.

③ Heavy Borrowings : Farmers in prosperous states borrow more to meet their needs of advanced seeds, machinery, fertilizers etc. In the events of crop failures, they slip in to huge debts.

④ More exposure to international market as these farmers export more. Thus, global price fluctuations affect their returns.

Farmers in less-prosperous states produce using locally available fertilisers like cowdung, they borrow less and produce less-risky crops.

The zero-Budgeting Farming proposed by Sushash Palekar and the Sustainable Agriculture are the way ahead.

Q.8) Despite several steps taken to improve agricultural exports, they remain abysmally low with little policy transmission. Analyse. (10 Marks, 150 words)

कृषि निर्यात में सुधार के लिए उठाए गए कई कदमों के बावजूद, नीतिगत हस्तांतरण में इनका निम्नतम प्रभाव देखने को मिला है। विश्लेषण कीजिए। (10 अंक, 150 शब्द)

India is the largest producer of foodgrains, milk, second largest producer of vegetables and fruits.

Characteristics of Indian Agricultural Exports :-

- ① make up only 2.5% of world's agricultural trade.
- ② Highly skewed export destinations — major ones are USA, Saudi Arabia, Iran, Nepal etc.
- ③ Major export commodities — marine products, basmati rice, buffalo meat, raw cotton etc.

Reasons for low agricultural exports :-

- ① Low quality standards — compared to international standards

- ② Non-Tariff barriers by advanced economies like sanitary and phytosanitary and technical barriers to trade measures
- ③ Huge post-harvest losses due to low processing and poor cold chain infrastructure
- ④ Poor connectivity to land-locked states like Bihar and hilly states and north-eastern states to ports and terminals
- ⑤ Poor skill training of Indian farmers

Steps taken to increase Agricultural Exports

- ① Krishi UDAN scheme - to provide air connectivity to domestic and international markets
- ② Seeds Laboratory at the local levels
- ③ Impetus to e-Agriculture

more efforts in encouraging farmers to pursue quality seeds, technologies, etc. are required.

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Q.9) The shift towards promotion of millets as nutri-cereals will help in not only addressing the issues of dry-land farming region but also adds to dietary diversity. Discuss. (10 Marks, 150 words)

पोषक अनाज के रूप में मोटे अनाजों को बढ़ावा देने की दिशा में बदलाव से न केवल शुष्क भूमि वाले कृषि क्षेत्र की समस्याओं को हल करने में मदद मिलेगी बल्कि आहार विविधता में भी वृद्धि होगी। चर्चा कीजिए। (10 अंक, 150 शब्द)

In the recent times, focus has shifted to wheat and rice at the cost of cereals, pulses and millets.

Post the Green Revolution, rice and wheat have become dominant in the foodgrains production.

Government is now pursuing to promote millets for the following reasons :-

① Diversification of foodgrains production

② Tackling Malnutrition: Pulses are rich source of protein, Millets like Jowar is a source of iron and calcium. Thus, millets are nutri-cereals, they can provide nutrition

to the children and

③ Raising income of farmers of nutri-cereals. These farmers are mostly poor, produce less and produce for self-consumption.

④ Tackle soil salination, eutrophication and soil infertility.

⑤ Tackle ground-water exploitation as these crops require very less water and are mainly ^{produced through} dry-land farming.

India traditionally was a millet millet and coarse grains based economy which changed post-commercialisation of agriculture.

However, government is pursuing to promote millets by schemes like PM-AASHA, credit subsidies, Nation mission for millets, Pulses and oilseeds etc.

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Q.10) In recent years, there is rising demand for increase in Minimum Support Price. How far do you think that increase in MSP can be helpful in improving the condition of Indian farmers? Give reasons in support of your answers. (10 Marks, 150 words)

हाल के वर्षों में, न्यूनतम समर्थन मूल्य (MSP) में वृद्धि की मांग बढ़ रही है। आप कहीं तक सोचते हैं कि MSP में वृद्धि भारतीय किसानों की स्थिति में सुधार लाने में सहायक हो सकती है? अपने उत्तर के समर्थन में कारणों को दीजिए।

(10 अंक, 150 शब्द)

The policy of MSP (Minimum Support Price) was introduced in India in mid-1960s when India faced the food crisis.

The MSP is announced by the Cabinet Committee of Economic Affairs (CCEA) and determined by CACP (Cabinet Committee of Agriculture Costs and Prices) by using $A_2 + FL$ method. The Budget of 2018-19 fixed the MSP at 1.5 times the cost of production.

Advantages of MSP :-

- ① It emerged as price guarantee to farmers
- ② It is announced before the sowing period, nudging farmers to pursue

the production of various crops

- ③ It ensures a ^{profit of} 0.5 times the cost of production
- ④ Agricultural market offers poor price discovery mechanism, thus MSPs are announced.
- ⑤ Income security to farmers.

Disadvantages/shortcomings of MSP:

- ① Regional-inequality: as most of the benefits of MSP are cornered by selected states like Punjab, Haryana, western U.P.
- ② Highly-skewed food production - as more focus on rice and wheat
- ③ High MSPs increases the economic costs of FCI (Food Corporation of India)
- ④ High MSPs → Inflation in the economy

MSP distort the market-functioning by artificially fixing a price. Therefore, government is pursuing more market-based interventions like e-NAM, online futures trading in commodities etc

Q.11) While imposing a tax is a legitimate exercise of sovereign's power, retrospective taxation undermines the credibility of a nation as a stable legal regime and discourages international investments. Discuss in light of recent controversies. (15 marks, 250 words)

जबकि कर लगाना संप्रभु शक्ति का एक वैध परिपाटी है, पूर्व कराधान एक स्थिर कानूनी व्यवस्था के रूप में एक राष्ट्र की विश्वसनीयता को कमजोर करता है और अंतर्राष्ट्रीय निवेश को हतोत्साहित करता है। हाल के विवादों के आलोक में चर्चा करें। (अंक 15, शब्द 250)

The recent ICT (International Court of Justice) ruling in the Vodafone case went against India.

Background :

- In 2007, Vodafone sold some shares of Vodafone India to Vedanta due to some internal restructuring.
- It became a case of indirect selling of Indian assets. However, Income tax rules prevailing that time couldn't tax it.
- In 2012, Government of India (GoI) amended the Income Tax Act, 1961 by Finance Act, 2012. to tax indirect selling or purchasing of Indian assets retrospectively.

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- Vodafone filed a case in Bombay High Court which ruled in its favour.
- The case was then taken to SC.

Recently, Govt enacted the Income Taxation Law (Amendment) Act, 2021 to discontinue the retrospective taxation prior to 28th May 2012 by amending Finance Act, 2012 and Income Tax Act, 1961.

Impact of Retrospective Taxation on India

- ① Shows India in the poor light
- ② Reduces investment, FDI and FII by foreign investors due to poor taxation laws
- ③ Poor policy stability - would harm ease of doing business.

- ④ "Principle of certainty" is violated
- ⑤ Poor macro-economic stability due to frequent policy changes
- ⑥ Loss of credibility and Legitimacy of Indian laws - a possible roadblock to future Free Trade Agreements and Business deals.

Power to taxation is a sovereign right,
however, Taxation should be based on
some principles - like Principles of certainty,
Principle of simplicity, Principle of predictability
 etc.

Thus, retrospective taxation should be
pursued with caution. Its not specific
to India, many advanced nations like UK,
USA, Canada etc. pursue retrospective taxation.

Feedback
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Q.12) India's stressed asset and bankruptcy reforms started on a good note, but now seems to have lost steam. Identify various issues faced in effective implementation of Insolvency and bankruptcy code in the country. How can the newly created Bad Bank help in overcoming the problem of bad debt and stabilizing the financial system? (15 marks, 250 words)

भारत की दबावग्रस्त संपत्ति और दिवालियापन सुधार एक अच्छे नोट पर शुरू हुए, लेकिन अब लगता है कि यह महत्व खो रहे हैं। देश में दिवाला और दिवालियापन संहिता के प्रभावी कार्यान्वयन में आने वाले विभिन्न मुद्दों की पहचान करें। नव निर्मित बैड बैंक खराब कर्ज की समस्या पर काबू पाने और वित्तीय प्रणाली को स्थिर करने में कैसे मदद कर सकता है?

(अंक 15, शब्द 250)

Stressed assets include NPAs (Non-Performing Assets), Sub-standard Loans and Lost Assets.

Currently, NPAs stand at 7.5% in the Public Sector Banks. The problem of NPAs came into the light post 2013-14 after the Twin Balance sheet problem was highlighted when the firms started defaulting on their repayments.

The problem became clear post the Asset Liability Review (ALR) conducted in 2015 followed by Prompt Corrective Action (PCA).

Steps taken by the Government to tackle the stressed assets :-

- ① SARFAESI Act, 2002 : focused on establishing Asset Reconstructive Companies
- ② Sustainable structuring of Stressed Assets Schemes.
- ③ Insolvency and Bankruptcy Code, 2016 -
aimed at time bound resolution (IBC)

Reasons behind failure of IBC, 2016 :-

- ① Lack of manpower
- ② Human resource involved is poorly trained.
- ③ The Code mandates the resolution plan to be complete within 180 days, however, the resolution plan takes more than a year.
- ④ The sale of stressed companies is not easy as there is less incentive for buyers because of high haircuts.

The Budget of 2021-22 proposed the selling up of Bad Banks. Recently, Government established a Bad Bank called National Asset Reconstruction Corporation Limited (NARCL).

Benefits of Bad Banks :-

- ① They take up the stressed assets from banks reconstruct these assets and earn profits
- ② They clean up the Bank Balance sheet - giving more space for lending
- ③ They are established by the Government - giving a sense of credibility.

In the long-term, Bad Banks should be discontinued and more focus should be given to the healthy development of Industries and Banks.

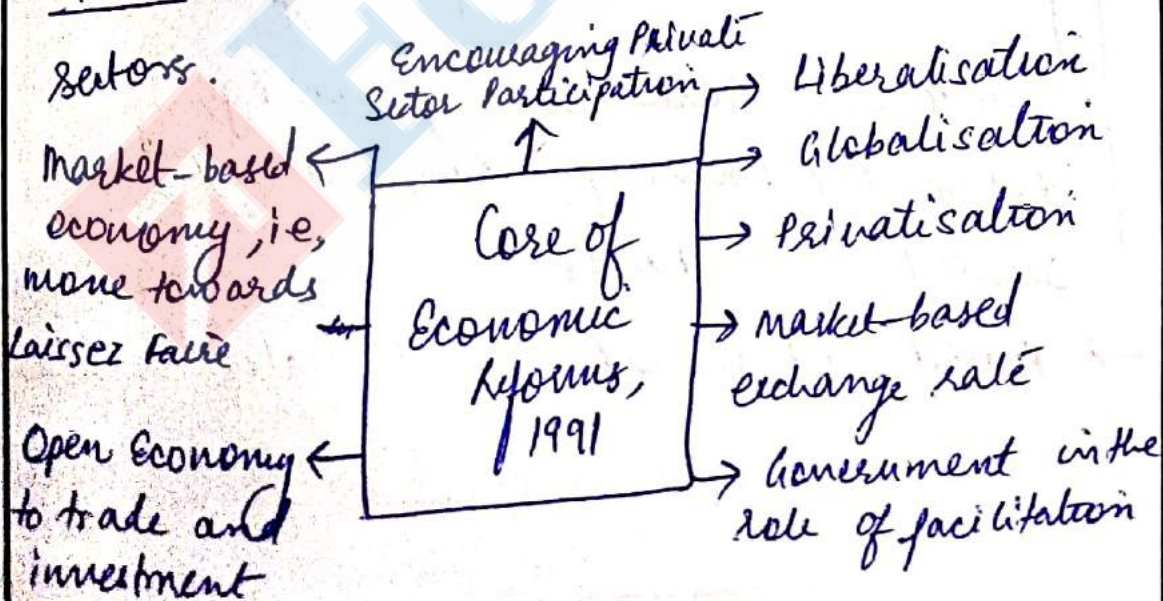
Q.13) The 1991 economic reforms have brought profits and ease of doing business at the center while people and human development have been relegated to periphery. Do you agree?

(15 marks, 250 words)

1991 के आर्थिक सुधारों ने लाभ और व्यवसाय करने में सुगमता को केंद्र में रखा है जबकि लोग और मानव विकास को निर्वासित कर परिधि पर ला दिया है। क्या आप इससे सहमत हैं? (अंक 15, शब्द 250)

In the 1990s, India faced the Balance of Payment crisis and as it was left with the forex reserves sufficient for only 2 weeks of imports.

India took a conditional loan from IMF on the promise of pursuing reforms. Thus, India introduced the Economic Reforms of 1991, which covered almost entire economic sectors.



Benefits of the 1991 Economic Reforms

- ① Industries
 - ↳ Ease of Doing Business
 - ↳ Growth of over 6% p.a. in 1990s
 - ↳ Diversification in production
 - ↳ De-regulation and De-reservation through disinvestment policies.
- ② Agriculture : more technologically driven,
focus on farm mechanisation etc. Food processing sector emerged as a sunrise sector.
- ③ Banking :
 - ↳ Entry of Private sector and Foreign Banks
 - ↳ competitiveness, efficiency, etc.
 - ↳ Customer-centric banking, for eg, fragmented banking, Payment Banks, Small finance banks.
 - ↳ Market-determined interest rates

- ④ Free-floating exchange rates introduced in 1992.
- ⑤ India's GDP^{growth} has been above 8% p.a. post 2004.
- ⑥ India is the highest recipient of FDI investments.
- ⑦ Ease of Doing Business Report of World Bank placed India at 63rd position.

Shortcomings of 1991 Economic Reforms :-

- ① Poverty which was 36% in 1950-51, was 13% in 2011-11. Poverty and inequality still persists.
- ② Recent Global Hunger Index puts India at 119th position.
- ③ India's agri cultural growth has been below 3%.
- ④ Problem of malnutrition, poor education, learning illiteracy (according to World Bank)

Thus, though ^{India} fared well in the ease of doing business, it lacks in the social and human parameters.

Feedback

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Q.14) The Production linked incentive scheme by itself can do little in achieving its objectives unless the entire production ecosystem is reformed. Do you agree? Give reasons to support your answer. (15 marks, 250 words)

जब तक पूरे उत्पादन पारिस्थितिकी तंत्र में सुधार नहीं किया जाता है, तब तक उत्पादन से जुड़ी प्रोत्साहन योजना (Production linked incentive scheme) अपने समुचित उद्देश्यों को प्राप्त नहीं कर सकती है। क्या आप सहमत हैं? अपने उत्तर के समर्थन में कारण दीजिए। (15 अंक, 250 शब्द)

During the novel coronavirus pandemic, Industrial sector of the Indian economy was badly hit due to both demand-side and supply-side factors.

Demand - Side factors

- Low incomes
- Poverty
- Loss of jobs

Supply-side factors

- Industrial shutdowns
- Lockdowns
- Unavailability of labour

Government of India extended the production linked incentive (PLI) scheme to "10" strategic sectors like electronics, mobiles, pharmaceutical equipments, medicines etc.

The PLI schemes is an outcome and

production-based incentive schemes and incentives are given on the incremental-basis. Incentives vary between the sectors, eg; electronics sector get a PLI of 4-6%.

Advantages of PLI schemes :-

- ① Targeted production
- ② Incentives are given once production is complete
- ③ sector-wise approach can be followed.
- ④ Regional-inequality can be solved by targeting industries based in backward regions.
- ⑤ Bring investment and promote make-in India

Shortcomings of PLI schemes :-

- ① Skewed development of industries
- ② Promoting production without developing the business and market

ecosystem may turn counter-productive.

- ③ Difficult to identify sectors
- ④ more focus on ^{high} export-potential sectors, neglecting the domestic needs.

Way Forward :

Holistic Development by multi-dimensional and multi-stakeholder approach should be pursued. Business friendly practices like single window clearances, easy land acquisition, easy entry and exit by proper exit clauses etc. should be pursued.

Q.15) The Micro Small and Medium enterprise (MSME) sector has been the focus of successive governments due to its potential to propel economic growth and social development, yet it continues to be plagued by dwarfism and the problem of missing middle. In this context, examine the challenges faced by the sector and suggest measures to improve its performance.

(15 marks, 250 words)

सूक्ष्म, लघु और मध्यम उद्योग (MSME) क्षेत्र में आर्थिक और सामाजिक विकास को बढ़ावा देने की क्षमता है जिसके कारण यह लगातार सरकारों का ध्यान आकर्षित करता रहा है, फिर भी यह लघुता और माध्य की अनुपस्थिति की समस्या से ग्रस्त है। इस संदर्भ में, इस क्षेत्र के सामने आने वाली चुनौतियों का परीक्षण कीजिये और इसके प्रदर्शन में सुधार के उपायों का सुझाव दीजिए।

(15 अंक, शब्द 250)

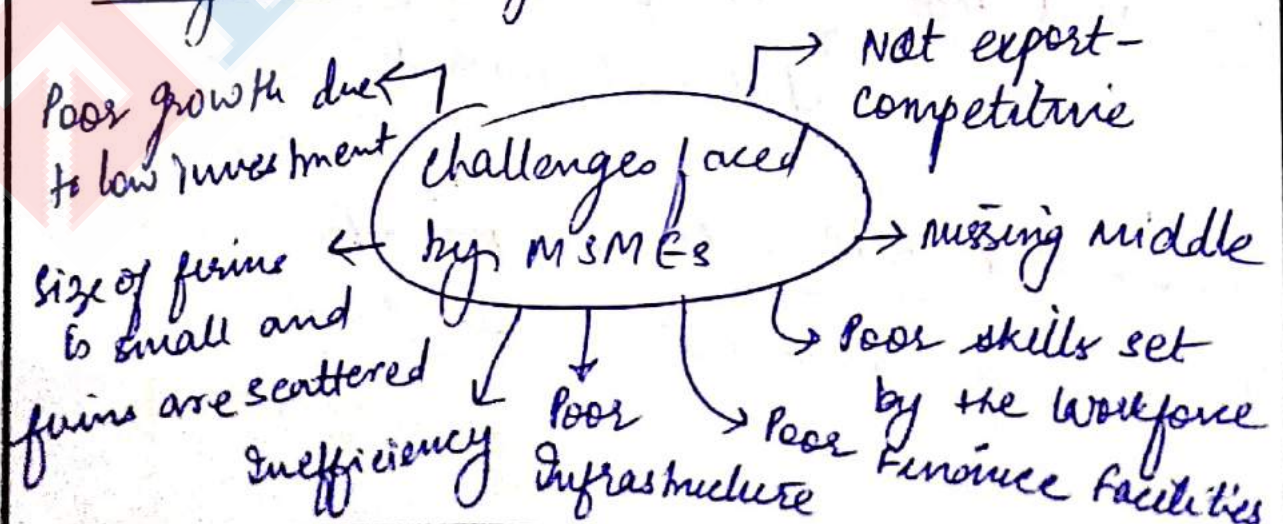
The micro Small and medium Enterprise (MSME) sector has been the focus of successive government post-independence.

Government passed the MSME Act, 2006 to properly designate the MSMEs and Government reserved some sectors only for MSMEs.

MSMEs - as a tool of economic growth and social development :- →

① Industrial growth : MSMEs provide produce basic raw materials for larger industries.

- ② Produce forward and backward linkages in the economy.
- ③ MSMEs act as a bridge and link between the Agricultural sector and Industrial sector.
- ④ MSMEs is dominated ^{by} the informal sector and employs ~~more~~ more than 50% of workforce.
- ⑤ MSMEs control the rural-to-urban migration by providing employment opportunities.
- ⑥ MSMEs encourage vocational training, skilling of the rural labour → thus promote inter-generational growth



Problem of missing middle refers to the presence of either very small industries or very large industries. "Problem of Dwarfism" refers to size of industries very small. Both these problems are faced by Indian Industries as Indian economy jumped from agriculture to services missing out the Industrial sector. They can be solved by promoting development of the MSMEs.

Measures to improve the MSME sector :-

- ① Easy Credit facilities : eg., ₹10 lakh loan in 59 minutes scheme, e-banking etc.
- ② Investment in infrastructure and logistics
- ③ Skilling mapping to setup MSMEs according to the skills set.
- ④ Regular monitoring
- ⑤ Labor codes should be properly enacted.

The Public-Private - People Partnerships should be pursued in the development of MSMEs.

Feedback

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Total



101266_41089_1910080440 (2021-12-12 00:12:43) to develop agriculture in India as an enterprise.

Q.16) Stagnant farm incomes, present
Discuss how the new farms laws can help in development of farming as an enterprise and increasing the farm incomes. (15 marks, 250 words)

स्थिर कृषि आय, भारत में कृषि को एक उद्यम के रूप में विकसित करने के लिए एक मजबूत केस प्रस्तुत करती है। चर्चा करें कि कैसे नए कृषि कानून कृषि को एक उद्यम के रूप में विकसित करने और कृषि आय बढ़ाने में मदद कर सकते हैं।

(15 अंक, शब्द 250)

Agricultural growth has been stagnant at 3% p.a. since the economic reforms in 1991. Agricultural exports make up only 2.5% of world's Agri Trade.

Challenges faced by the Agricultural Sector

- ① Over-dependence on land resource - leading to over-crowding and fragmentation
- ② Low farm-mechanisation - which stands at 45% at all-India level as against 95% in USA, 80% in Canada, 65% in Australia etc
- ③ Poor and slow credit facilities - due to unavailability of mortgage with the farmers
- ④ Ground water exploitation - Agriculture

in India uses 78% of freshwater.

- ⑤ low Price - Discovery in Agri markets
- ⑥ over-reliance on the APMCs where farmers are exploited by middlemen.
- ⑦ stagnant farm incomes

Since the commercialisation of agriculture, agriculture should be perceived as an enterprise. The New Farm Bills can play a significant role :-

- ① The Farmer's Produce, Trade and Commerce Act, 2020 facilitates the ~~se~~ selling of farmers' produce by encouraging them to sell in the ~~de~~ registered-trade areas outside the APMC mandis. This help in getting better prices by giving them high bargaining power.
- ② The Farmers Agreement on Price Assurance

and Farm Services Act, 2020 enables farmers to enter into contracts ~~with~~ directly with the retail stores eg. Reliance Fresh & Co. Provisions

Features of the Act:-

- 1) Written contracts - with prices and delivery time written
- 2) Dispute resolution mechanism in the contract.
- 3) The Essential Commodities (Amendment) Act, 2020 enables the regulation of certain commodities like oilseeds, pulses, raw cotton etc only in times of high deflation and low production. Thus, artificial ~~scarcity~~ scarcity and hoarding can be controlled giving assured and better prices to farmers.

Thus, the New Farm Laws ensure that farmers get access to new markets, not become subject to poor contracts and get market-linked prices improving their incomes.

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Q.17 Assess the performance of PM-KISAN in the light of various criticism in its design and implementation. (15 marks, 250 words)

पीएम-किसान के प्रारूप और उसके कार्यान्वयन के तरीकों की आलोचनाओं के आलोक में इसके प्रदर्शन का आकलन कीजिये। (15 अंक, शब्द 250)

The Governments all over the world is pursuing the Universal Basic Income (UBI) Scheme giving unconditional minimum income to all.

Constitution of India under Article 42^{and 43} mandates the state to ensure welfare of all by giving them minimum wages.

PM-KISAN is an experiment of UBI at a very narrow level. It was introduced in 2019 by the Government of India at an all India level. Provisions :

- ① A sum of ₹6000 per year to all the land-owning farmers with quarterly

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payments of ₹ 2000 in every 4 months.

② Identification of beneficiaries - responsibility of state governments

③ Income transfer by the DBT (Direct Benefit Transfer) in the Aadhaar-linked Bank accounts

CRITICAL ANALYSIS OF THE SCHEME

BENEFITS / SUCCESS :-

- ① An annual financial security - by a stream of assured income flows
- ② more than 8 crores beneficiaries are identified.

ISSUES / SHORTCOMINGS :-

- ① Misplacement of income :- in a recent RTI reply, Ministry of Agriculture stated that a

sum of ₹ 1364 crore is misplaced in non-declaring beneficiaries summing to around 20 lakhs. such beneficiaries

- ② Amount is meagre
- ③ Landless and peasants and tenants are neglected.
- ④ Issue of Ghost beneficiary
- ⑤ Due to non-linkage of Aadhar card with the bank account, beneficiaries are left-out.

PM-KISAN as a concept is novel and well-demanded. However, it needs to be expanded to include non-land owning beneficiaries.

Various states have come up with similar schemes such as Rythu Bandhu in Telangana, KALIA in Odisha etc.

Feedback

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Q.18) How has the green revolution affected ground water availability, crop diversity and cropping pattern in Northern India? What is its impact on health and well-being? (15 marks, 250 words)

हरित क्रांति ने उत्तर भारत में भूजल उपलब्धता, फसल विविधता और फसल पैटर्न को कैसे प्रभावित किया है? स्वास्थ्य और कल्याण पर इसका क्या प्रभाव पड़ा है? (15 अंक, शब्द 250)

faced in the food crises in mid-1960s,
Indian Government pursued the technological interventions in agriculture by importing the dwarf quality of wheat from Mexico and later dwarf quality rice from Philippines.

Green Revolution started in 1965 and had the following components -

- ① ^{chemical} Fertilisers
- ② High Yield Variety seeds
- ③ Pesticides
- ④ Irrigation

It resulted in food self-sufficiency by 1975 and later on, India emerged as the exporter of food grains.

Impact of Green Revolution (GR)

- ① Ground Water Availability : GR is based on irrigation as it uses chemical fertilisers and pesticides. It exploited the groundwater as Government provided power subsidy.
- ② Crop Diversity : GR is focused on the production of wheat and rice. Around 90% of benefits of GR are cornered by wheat and rice. Crops like pulses, millets, coarse cereals were neglected.
- ③ Cropping Pattern in Northern India : GR was first introduced in Punjab, Haryana and Western U.P. due to favourable conditions offered by them. These regions grew more creating regional inequality. Punjab and Haryana originally produced

maize, pulses, coarse cereals, shifted to wheat and rice.

④ Health and Well-Being

- GR favoured wheat and rice neglecting pulses and nutri-cereals → malnutrition in poor population
- Incomes of farmers of pulses, oilseeds reduced sharply.
- Use of fertilisers and pesticides — harm soil fertility
- farmers were faced with huge debts as they borrow more to pursue GR.

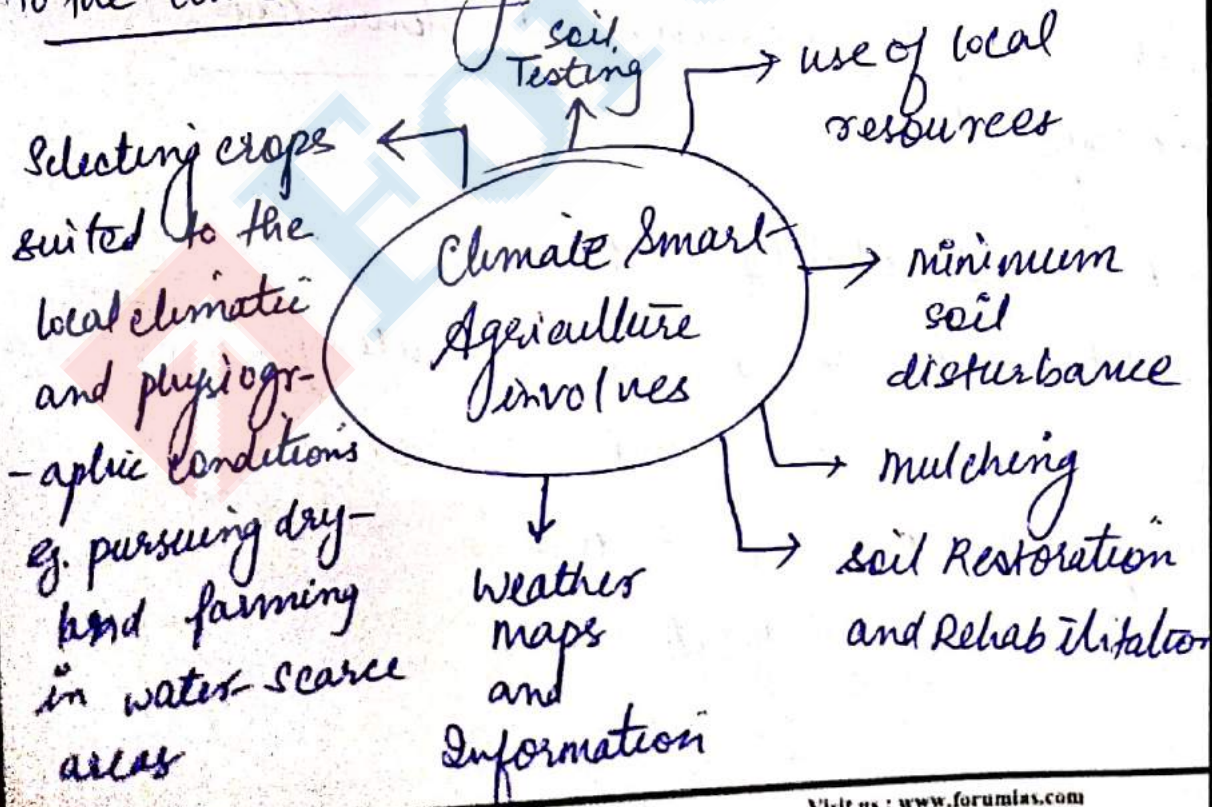
There should be a move to GR 2.0 based on sustainable agriculture and climate-smart agriculture.

Q.19) What is climate smart agriculture? Despite its critical role in climate change mitigation and substantial state intervention to promote climate smart agriculture, the progress made in adoption of climate smart agriculture is unimpressive. Discuss. (15 marks, 250 words)

जलवायु स्मार्ट कृषि क्या है? जलवायु परिवर्तन उपशमन में इसकी महत्वपूर्ण भूमिका और जलवायु स्मार्ट कृषि को बढ़ावा देने के लिए पर्याप्त राज्य के हस्तक्षेप के बावजूद, जलवायु स्मार्ट कृषि को अपनाने में की गई प्रगति अप्रभावी है। चर्चा करें। (अंक 15, शब्द 250)

Climate Smart- agriculture refers to the agricultural practices pursued while taking into account the local climate conditions, local resources available and local physiography.

It aims at making agriculture - resilient to the climate changes.



Role of Climate Smart Agriculture :-

- ① Control exploitation of groundwater resources
- ② ~~By~~ Ensure minimum soil coverage at all times
- ③ make agriculture resilient to climate changes by mapping the soil needs
- ④ Proper advisories to farmers on selecting seeds, crops, fertilisers etc.
- ⑤ Promotes organic farming

Steps taken by the Government towards ^{climate} Smart Agriculture

- ① Nutrient-Based subsidy to farmers
- ② soil Health Cards to farmers indicating 12 parameters and accordingly suggesting the crops, fertiliser combinations
- ③ soil Testing Labs at local levels.

④ Information through Apps like mkrishi, e-sagu etc.

Progress in Climate-Smart Agriculture is unimpressive due to following reasons:-

- ① Digital illiteracy in rural people - only 23% of rural population can use digital appliances.
- ② Its about changing attitudes, instead of a top-down approach giving advisories and directions to the farmers
- ③ Infrastructural bottlenecks - poor connectivity, poor internet and communication etc.
- ④ Manpower involved is not skilled properly

As a way forward, farmers' education should be pursued at the university level. Government should aim at "nudging farmers" to shift to climate-smart agriculture.

Feedback
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Q.20) Analyze the critical challenges in implementation of 'One Nation One Ration Card' (ONORC) scheme, with special emphasis on concerns raised by the states. Can the ONORC scheme resolve problems faced by Public Distribution System (PDS)? (15 marks, 250 words)

राज्यों द्वारा उठाई गई चिंताओं पर विशेष जोर देते हुए 'वन नेशन वन राशन कार्ड' (ONORC) योजना के कार्यान्वयन में महत्वपूर्ण चुनौतियों का विश्लेषण कीजिये। क्या ONORC योजना सार्वजनिक वितरण प्रणाली (PDS) के सामने आने वाली समस्याओं का समाधान कर सकती है? (15 अंक, शब्द 250)

Amidst the novel corona virus pandemic, India faced a huge migrant crisis when millions of people migrated from urban to rural areas.

Thus, Government rolled out the 'One Nation One Ration Card' (ONORC) scheme to create one ration card that will be applicable at all India level.

Advantages of ONORC

- Migrants can avail ration at any fair price shops (FPS) in the country
- Migrants don't have to apply for multiple ration cards.

Critical challenges in ONRC

① Infrastructural challenges

- lack of manpower
- lack of POS machines
- lack of connectivity ~~with~~ between the Fair Price Shops (FPSs)

② Corruption and hoarding due to

- huge funds will be required to monitor the flow of foodgrains from FCI godowns to FPSs
- lack of database

③ Concerns of the states

- some states offer additional commodities like pulses, milk, eggs etc. to ~~the~~ the residents of the state. Thus, they

have to spend more as migrants come and take ration under ONORC.

- Some states fear that this might increase migrants inflow creating demographic changes

Can the ONORC scheme resolve PDS issues?

(Yes)

→ By integrating the PDS, easy flow of foodgrains according to the needs of consumers

→ Duplication of beneficiaries can be resolved

(NO)

→ with poor tracking infrastructure, there will be more hoarding and corruption in PDS

→ States will reduce expenditure on additional commodities that they offer.

Decentralising the PDS should be pursued along with proper tracking and monitoring of PDS supply chains.

Mentor Feedback Questions

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- 3
- 4
- 5

Test Goal

- 1
- 2
- 3

Outcomes

-
-
-
-

Marking Scheme

Mark	Good	Average	Below average
10 Marker	3.75 – 5.0	3.0 – 3.5	< 3.0
15 Marker	5.75 – 7.0	4.0 – 5.5	< 4.0
✓✓	Key / Relevant Point		
✗	Vague / Irrelevant		

* Subject to change without prior notice.