

TEST CODE : 5 1 3 2 3 ForumIAS ACADEMY FIAS - MGP 2022 (C-11) - Sectional Test #5

ForumIAS

GENERAL STUDIES

Name Of Candidate	Aakriti Sethi		
Roll No.	1910026941	Date:	8/8/2022

Time Allowed: Three Hours

Maximum Marks: 250

INDEX TABLE			INSTRUCTION	
Q. No.	Max. Marks	Marks Obtained		
1			1. Please do furnish Name, Email, Roll No and Mobile in the answer sheet. 2. There are TWENTY questions printed in ENGLISH & HINDI, all questions are compulsory. 3. The number of marks carried by a question/part is indicated against it. 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. 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.	
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12			Any specific messages for ForumIAS Mentors/Evaluators with respect to your copy? Write it here. ----- ----- ----- ----- ----- ----- ----- ----- -----	
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Total:	250			
Evaluator's Discretion:			For Student Only	
			Start Time 11:35 a.m.	End Time 2:45 pm
Total Marks:			Mode Of Examination:	Online <input type="checkbox"/> Offline <input checked="" type="checkbox"/>
Evaluator's Discretion: This is the marks awarded at the discretion of the evaluator based on your overall impression, on the basis of (but not limited to) your handwriting, 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.

Parameters	Excellent	Very Good	Good	Average	Poor	Very Poor
Language						
Structure						
Presentation						
Handwriting						
Content						
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ADDITIONAL REMARKS

Q.1) Employment problems of rural and urban areas differ in nature, but their solutions are interdependent and interrelated. Analyze. (10 Marks, 150 words)

ग्रामीण और शहरी क्षेत्रों की रोजगार समस्याएं प्रकृति में भिन्न हैं, लेकिन उनके समाधान अन्योन्याश्रित और परस्पर संबंधित हैं। विश्लेषण कीजिए। (10 अंक, 150 शब्द)

The unemployment rates of 6-8% are a stark problem that our economy ~~is~~ ^{is} facing.

Rural areas	Urban areas
① <u>disguised unemployment</u> on the farms	① skilled unemployment i.e structural unemployment.
② Lack of <u>non-farm avenues</u> to work	② Also frictional unemployment due to mismatch of skills.
③ <u>MGNREGA issues</u> like <u>work not available</u> , dues not cleared etc.	③ Low female labour force participation.
④ Presence of unskilled labour	④ Migrants into urban areas seeking employment
⑤ Informal sector	⑤ Presence of low paying informal jobs

Though the problems of rural and farm employment are different

but interrelated solutions are required.

Rural sectors and Urban sectors } solutions

- ① Provisioning of non farm activities like food processing.
 - ↳ Reduce the rural distress
 - ↳ Reduce the migration from rural to urban → Reducing urban unemployment.
- ② Skilling of rural youth → surplus labour (Myrdal's model) can be used in the wage goods industries in cities.
- ③ Increasing the local manufacturing sector.
 - Jobs to people and thus not people to jobs.
- ④ Labour flexibility : both the rural and urban unemployment will be tackled.
 - To capitalise on the demographic dividend, employment and skilling are two keys to success.

Feedback	
(For OFFICE use only)	
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Q.2) Why has Hybrid Annuity Model (HAM), which was earlier proposed as a game-changer in Public Private Partnerships (PPP), received lukewarm response from private developers? What are the alternate PPP models that can be pursued for encouraging private investments?

(10 Marks, 150 words)

हाइब्रिड एन्युटी मॉडल (HAM), जिसे पहले सार्वजनिक-निजी भागीदारी (PPP) में गेम-चेंजर के रूप में प्रस्तावित किया गया था, को निजी विकासकर्ताओं से कम प्रोत्साहक प्रतिक्रिया क्यों मिली है? निजी निवेश को प्रोत्साहित करने के लिए वैकल्पिक PPP मॉडल क्या हैं जिन्हें अपनाया जा सकता है?

(10 अंक, 150 शब्द)

Hybrid annuity model requires the participation of both government and private sector, a mix of EPC and BOT model.

Lukewarm response from private developers

1. requires heavy initial costs
2. The clearances of land acquisition required time thus cost seen and delays.
3. Cost payment delays by the government
4. No set criteria of maintenance etc
5. Current NPA crises ~~led~~ and NBFC issues led to credit crunch.

Some features of HAM

- ① 40% payments to private builder at initial stages
- ② 60% later in annuities based on performance of maintenance
- ③ Toll collection will be done by government

Other PPP models that can be used

- ① Swift Challenge : Private can come up with options of their interest and then government can do an auction giving private player an edge over others.
- ② Toll operate transfer : Where the government can make, operate and then sell the profitable projects
↳ Monetization of assets
- ③ Build operate transfer model can be transformed into Build operate toll and transfer.
- ④ PPP projects can provide a solution to the heavy need of infrastructure building under the NIP scheme (National Infrastructure Pipeline). International cases can be studied for best solution to PPP problems.

Feedback

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Q.3) Imported inflation is compounding the challenges of post-pandemic recovery for the Indian economy. Discuss. (10 Marks, 150 words)

आयातित मुद्रास्फीति भारतीय अर्थव्यवस्था के लिए महामारी के बाद की पुनर्बहाली की चुनौतियों को बढ़ा रही है। चर्चा कीजिए। (10 अंक, 150 शब्द)

Imported inflation can be defined as the inflation which is triggered due to high global prices.

Imported inflation and challenges to recovery

① High fuel cost (Petrol, diesel, CNG)
 ↳ High burden on consumers
 ↳ will reduce the consumption and thus economic growth

② High CNG prices:
 ↳ further pose challenges in mobility
 ↳ High logistic cost (currently at high of 14%)

③ CPI and WPI inflation have breached the 6% benchmark
 ↳ May lead to tightening of benchmark rates
 ↳ Making the borrowing cost

at high level.

↳ This will reduce the infrastructure development.

④ High global prices have led to Fed (USA) bank to increase the interest rates

↳ Capital flight from India.

Solutions

① Behavioural change

↳ shift to biofuels, e-vehicles

↳ Reduce imports

↳ also gold bonds to be encouraged

② Countercyclical fiscal policies through tax cuts etc

Inflation, unemployment and growth are interlinked. Reducing the import dependence is the only solution to reduce the risks associated with imported inflation.

Feedback
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Structure/ Presentation
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Value Addition
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Q.4) Inclusive growth is both a process and an outcome. Discuss in Indian context.

(10 Marks, 150 words)

समावेशी विकास एक प्रक्रिया और परिणाम दोनों है। भारतीय संदर्भ में चर्चा कीजिए।

(10 अंक, 150 शब्द)

Inclusive growth can be defined as the growth which takes into accounts all sections and all geographical regions.

Inclusive growth as a process

- ① The structural transition from agriculture to industry to services ensure inclusive growth -
- ② The focus on village economies and bottoms to top model also ensures inclusive growth .
- ③ The reforms and breaking of gender barriers along the growth also lead to inclusive growth -
- ④ labour intensive and then a shift to capital based technologies ensure welfare for all -
- ⑤ Capabilities development removes poverty and ensures inclusive growth -

Inclusive growth as an outcome

- ① Higher growth leads to higher social overhead capital
↳ Trickle down approach -
- ② with higher growth → fiscal capabilities
↳ distributional schemes -
- ③ Inclusive development when the need based approach is followed rather than one size fits all.
- ④ Welfare schemes → Reducing malnutrition → increasing development

However, when inclusive growth is taken as process it leads to more sustained growth and equitable outcomes.

Feedback
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Structure/ Presentation
Question Interpretation
Content
Value Addition
Total

Q.5) A very small fraction of the adult population files tax returns and an even smaller portion pays taxes. In light of this observation, examine reasons for poor tax compliance in India. Also, suggest measures to improve income tax code in the country. (10 Marks, 150 words)

वयस्क आबादी का एक बहुत छोटा हिस्सा टैक्स रिटर्न फाइल करता है और यहां तक कि एक छोटा हिस्सा टैक्स का भुगतान करता है। इस अवलोकन के आलोक में, भारत में खराब कर अनुपालन के कारणों की जांच करें। साथ ही, देश में आयकर संहिता में सुधार के उपाय सुझाएं। (10 अंक, 150 शब्द)

As per the government report, around 6 crore people file the income tax return, whereas only 1.5 crore pay taxes and rest 4.32 crore does not.

Reasons for poor tax compliance

① High Tax expenditure

- ↳ Agricultural income non taxable
- ↳ Concessions and exemptions on tax payments.

② Structural reasons

- ↳ Existence of informal sector
- ↳ High presence of MSMEs that too in micro category
 - ↳ Perverse incentive to be small.
- ↳ Tax litigation pending.

- ③ MNCs they do not pay taxes in India.
- ④ Loopholes in the tax system
↳ Tax avoidance.
- ⑤ Presence of parallel economy -
(Black money)

Measures to improve the tax code

- ① Reducing the tax litigations.
- ② Schemes like Vivad se Vishwas to promote people to disclose incomes with less fines.
- ③ Direct tax code should come as immediately as possible.
- ④ Relook into the tax slabs and rationalizing them.

The government measures like digitization, GST has increased the tax base. To ensure these pay tax, the above measures can be adopted and the revenues can be increased >

Feedback

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Structure/
Presentation

Question
Interpretation

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Q.6) Evaluate the potential of Pradhan Mantri Matsya Sampada Yojana (PMMSY) to meet the goals of the Blue Economy and Neel Kranti mission. (10 marks, 150 words)

ब्लू इकॉनमी और नील क्रांति मिशन के लक्ष्यों को पूरा करने के लिए प्रधानमंत्री मत्स्य संपदा योजना (PMMSY) की क्षमता का मूल्यांकन करें। (10 अंक, 150 शब्द)

The fisheries sector holds immense potential as 7500 km of coastline, second largest producer of aquaculture and 7% share in global fish trade.

Potential of ~~PMMSY~~ PMMSY

1. It will increase the fisheries production to reach the targeted exports.
2. It also provides culture centres to provide good quality seeds for good quality fishes.
3. Provision of freezers and cold storage
↳ will improve the perishability of fishes.
4. Credit loans will be provided easily for farmers convenience.

5. Technological and scientific solution will be provided for ~~for~~ ^{maximum} yields.
6. will help in exports and will thus increase the farmers income

Blue economy is the government's mission to promote sustainable fish production and PMMSY is a step in the right direction.

Feedback

(For OFFICE use only)

Structure/ Presentation
Question Interpretation
Content
Value Addition
Total

Q.7) The Horticulture sector, though has potential to transform agriculture landscape of country, is beset with several challenges. Discuss. (10 Marks, 150 words)

बागवानी क्षेत्र, हालांकि देश के कृषि परिदृश्य को बदलने की क्षमता रखता है, बावजूद इसमें कई चुनौतियां निहित हैं। चर्चा कीजिए। (10 अंक, 150 शब्द)

Horticulture with just 20% of the cropped area forms 35% of the agricultural GVA → thus holding high potential

Changing food habits

Eg: Engel's law
Eg: Vegan food

- Too many firsts
- ① first in mango, guava, banana, lime and lemon
 - ② second largest vegetable producer

Horticulture sector and potential

Towards nutritional security of India (Addressing hidden hunger)

High global demand

- High value added crops
- ① Increase the farmer's income

Certain challenges being faced by horticulture

- ① High wastage of almost 30%
↳ Increase the farmers losses.

- ② Lack of food processing industries
↳ Only 20%
- ③ Lack of cold storage chains and infrastructural deficit.
- ④ High logistics costs (14%)
- ⑤ Farmers distorted cropping patterns
80% → wheat and rice.
- ⑥ High initial cost and 3-4 years for first products
↳ small farmers cannot afford it
- ⑦ Lack of price assurance schemes.

Increasing the infrastructure, price assurance, and cost incentives will lead to doubling of farmers income. One ~~scheme~~ ^{district} one product is a good scheme to promote horticulture

Feedback

(For OFFICE use only)

Structure/
Presentation

Question
Interpretation

Content

Value
Addition

Total

Q.8) Food Processing sector must be developed as one of the principal industries in the country for reasons that go beyond agriculture. Elucidate. (10 Marks, 150 words)

खाद्य प्रसंस्करण क्षेत्र को देश के प्राथमिक उद्योगों में से एक के रूप में उन कारणों से विकसित किया जाना चाहिए जो कि कृषि से परे हैं। स्पष्ट कीजिए। (10 अंक, 150 शब्द)

Food processing sector has high potential for labour employment as one job in this sector increases two to three jobs in other sectors.

① Food processing → a solution to agricultural distress

(i) Non-farm employment

↳ increasing the farmers income

(ii) ↳ Reduced disguised unemployment

(iv) Better prices for farmers crop

(iii) Externalities or other infrastructure development -

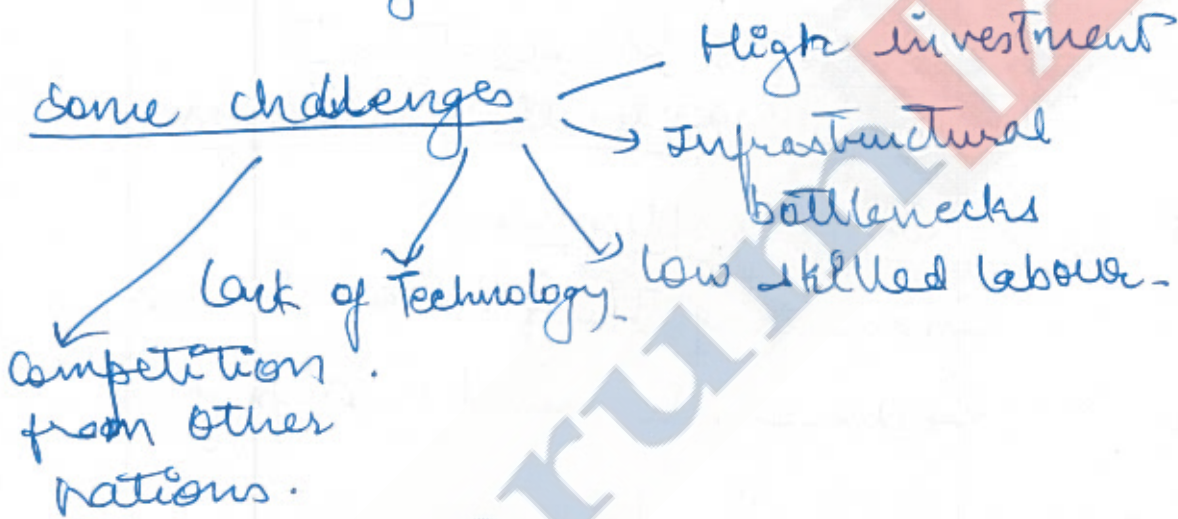
② Food processing → increasing agricultural exports.

(i) Processed foods → demand in global market

↳ Higher exports → Foreign exchange earnings.

③ Food processing → a solution to unemployment
 ↳ large labour can be involved
 ↳ reduce poverty
 ↳ Improve nutrition.

④ Food processing → a step further to reduce logistics cost.



Government measures like 100% FDI in food processing sector etc can provide a solution to this sector.

Feedback
(For OFFICE use only)

Structure/ Presentation
Question Interpretation
Content
Value Addition
Total

Q.9) What do you understand by natural farming? How can it help in building climate resilient agriculture? (10 Marks, 150 words)

प्राकृतिक खेती से आप क्या समझते हैं? यह जलवायु अनुकूल कृषि के निर्माण में कैसे मदद कर सकती है?

(10 अंक, 150 शब्द)

Natural farming is growing the climatically suitable crops with the available natural resources.

Features of natural farming

- ↳ Ecological suitable crops
- ↳ Use of natural fertilizers and pesticides.
- ↳ Use of traditional methods etc.

Help in climate resilient agriculture

- ↳ Natural farming will help sustain the crops during climate vagaries
 - ↳ Distorted rainfall patterns
 - ↳ Increasing global warming
- ↳ Global warming induced pest attacks can be tackled with natural methods like crops with pest resistance

↳ Natural farming can resolve the problem of water crises.

Climate resilient agriculture as the name suggests is the agriculture ~~type~~ which can withstand the changing climatic patterns.

Feedback

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Interpretation

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Q.10) In light of National Mission on Edible Oils–Oil Palm (NMEO-OP), critically examine economic and environmental implications of promotion of oil palm cultivation in the country.

(10 Marks, 150 words)

खाद्य तेलों-पाम ऑयल पर राष्ट्रीय मिशन (NMEO-OP) के आलोक में, देश में पाम ऑयल की कृषि को बढ़ावा देने के आर्थिक और पर्यावरणीय प्रभावों की आलोचनात्मक परीक्षण करें। (10 अंक, 150 शब्द)

National Mission on Edible Oil–oil palm seeks to promote the palm oil production in the country (special focus on North East) to reduce import dependency.

Economic implications

- 1. India → largest importer of palm oil
 - ↳ Reduce the foreign exchange outgo
- 2. Increase the farm income thus reducing farmers distress
- 3. Doubling the farm income
- 4. Reducing poverty etc.

Environmental implications

- 1. Palm crops are not suitable to grow in tropical countries (Equatorial crops suited to Malaysia, Indonesia)

2. It is an invasive crop which can reduce the soil fertility and impact the other crops.
3. It is a water intensive crop thus straining the already stressed Indian agriculture.
4. It will be a challenge to grow in these areas → pesticides etc.

Way forward

1. Promoting Indian traditional oil crops like groundnut and sunflower → by improving incentives through MSP
2. Biotechnology can be used to make India specific crops.

Consumer habits can be encouraged to reduce oil consumption, but increasing population needs a solution like NMEO-OP.

Feedback
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Q.11) Achievement of a 400 billion USD merchandise export is a result of concerted and collective efforts towards an Atmanirbhar Bharat. Identify various factors responsible for this feat. What measures will you suggest to place India at the centre of global supply chains?

(15 Marks, 250 words)

400 बिलियन अमरीकी डालर के व्यापारिक निर्यात की उपलब्धि एक आत्मनिर्भर भारत की दिशा में ठोस और सामूहिक प्रयासों का परिणाम है। इस उपलब्धि के लिए जिम्मेदार विभिन्न कारकों की पहचान करें। भारत को वैश्विक आपूर्ति श्रृंखलाओं के केंद्र में रखने के लिए आप क्या उपाय सुझाएंगे?

(15 अंक, 250 शब्द)

Exports are a sign of a strong and growing economy as high exports ensure growth, international importance, increase domestic employment and also provide capital investments. India recently crossed target of 400 billion dollars.

Factors responsible for this achievement

1. Government's push on self-reliant India → "Vocal for local"

1.1 Also one district one product approach → increases specialisation

2. The government's various export incentive policies:

2.1 NIRVIK scheme to provide funds to the exporters through guarantee based schemes.

2.2 Exemption or Remission of duties (RODTEP) which makes

exports costlier.

2.3 Tax reforms through rationalising the custom duties rates etc

2.4 Single window clearances thus promoting Ease of Doing business.

3. Production linked incentive scheme in various sectors like pharma, geotextiles etc.

4. Credit through EXIM banks to relax the fund shortages.

5. Global scenario:

5.1 China withdrawing from global supply chains leaving the space for India

5.2 Ukraine - Russia war and India's increased exports of agricultural products.

5.3 Depreciating INR which makes exports competitive.

Measures to make India a hub of GVCs

① Diversifying the India's export baskets

1.1 From low value tradition primary

- goods to high end products
- 1.2 Focus on the high value crops like horticulture, food processing etc keeping in mind the shift in food consumption habits.
 - ② Taking the benefits of comparative advantage in labour intensive goods. like textiles.
 - ③ India as a knowledge hub → can be utilised to provide technical products like semiconductors
 - ④ Promoting R&D in various sectors especially pharma as India can sustain to be "Pharma capital of the world".

Global value chains are important to provide specialised technical competence and produce economies of scale. India's knowledge + technical competence + demographic dividend is the best trio to achieve integration of GVCs.

Feedback

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Value Addition
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Q.12) Supporters of the universal basic income present it as a cure for poverty while few opponents call it a worse disease for the economy. Which view do you subscribe to? Explain your stand. (15 Marks, 250 words)

यूनिवर्सल बेसिक इनकम (UBI) के समर्थक इसे गरीबी के निदान के रूप में प्रस्तुत करते हैं जबकि कुछ आलोचक इसे अर्थव्यवस्था के लिए एक बदतर रोग मानते हैं। आप किस मत का समर्थन करते हैं? अपने मत को व्याख्यात कीजिए। (15 अंक, 250 शब्द)

Universal basic income is providing the unconditional basic minimum income to all irrespective of the economic status.

Universal Basic income - a cure of poverty

1. It will give choice to the beneficiary to spend according to his/her needs.
2. It will be more handy as subsidies do not give choice and thus cost more to the fiscal exchequer.
(Food subsidy vs Cash payments debate)
3. It will increase the incomes, thus reducing poverty.
4. This basic income will give assurance to the poor and they can thus utilise other earning for getting skills and education
↳ Breaking the vicious cycle of poverty

5. Break the lifecycle approach of poverty as women will have more benefits

↳ Autonomy to spend

↳ Reduces anaemia (NFHS-5: 50% are anaemic)

However giving universal basic income may not be as beneficial as it seems to be.

UBI - a worse disease for economy

1. Burden on fiscal exchequer (as all will ~~give~~ get few income)
2. Wastage of public money.
Eg: The rich may get the benefits more as compared to poor.
3. Populist measure, can be used as vote bank politics.
4. It will increase the unemployment rate, as labour force may feel lethargic to work
5. May increase the social-ill activities

eg: Increasing alcohol consumption by men.

6. It may increase domestic violence as women do not have autonomy on the spending.

Way forward

1. UBI in India may not be possible due to large population.
 - ↳ Conditional basic income can be introduced.
2. As the basic minimum will be very less, only for sustenance
 - ↳ thus increasing lethargy is redundant concept.
3. To safeguard the women rights,
 - ↳ some social safety nets to be provided to women.
4. To reduce the burden on fiscal expenditure other subsidier needs to be reduced or eliminated.

Comprehensive efforts to reduce poverty by increasing capabilities (as Amartya Sen said) should complement the conditional basic income.

Feedback

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Q.13) The 1991 economic reforms provided a leap forward and lifted millions out of poverty; however, comprehensive structural reforms remain incomplete resulting in sectoral imbalances and heightened inequalities. Comment. Also, discuss the key areas which should be the focus of reform 2.0. (15 Marks, 250 words)

1991 के आर्थिक सुधारों ने तीव्र छलांग लगाई और लाखों लोगों को गरीबी से बाहर निकाला; हालाँकि, व्यापक संरचनात्मक सुधार अधूरे रहे जिसके परिणामस्वरूप क्षेत्रीय असंतुलन और असमानताएँ बढ़ी। टिप्पणी कीजिए। साथ ही, उन प्रमुख क्षेत्रों पर चर्चा करें जिन पर सुधार 2.0 का फोकस होना चाहिए। (15 अंक, 250 शब्द)

The LPG reforms of 1991 provided a kick start to the Indian economy and India was able to reduce the poverty level from as high as 35% in 2000s to 22% in 2012-13.

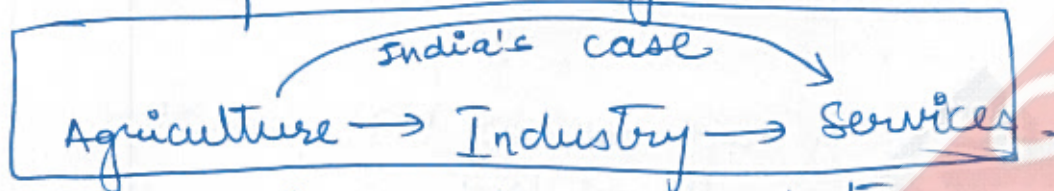
Structural imbalances			
	Agriculture	Industry	Service
Pre-reforms (Share in GDP)	38%	24%	38%
Post reforms (Share in GDP)	18%	26%	56%

1] The share of agriculture has reduced ~~the~~ in the GDP while the share of services sector increased.

2] The structural transition involves the ~~the~~ following steps:
 2.1 The share of agriculture in the

GDP reduces Industry increases.

2.2 The share of capital and labour move from Industry to services.



2.3 We missed the second stage, while capital moved from agriculture to services, labour did not move
 ↳ Increasing disguised unemployment in agriculture.

Increasing inequalities

- ① Before reforms, the top 10% hold 20% of the wealth.
- ② After reforms, the wealth of the rich increased more
- ③ As per Oxfam inequality report today, bottom 50% hold 17% of the resources while top 1% hold more than bottom 10%.

Key focus areas of reform 2.0

- ① Labour intensive sectors: * & *
 Eg: Textiles → the most labour intensive
 Food processing → Increasing investment

in this will provide maximum employment.

② Skilling to reap the demographic dividend of India.
(65% population below 35 years of age)

③ Technology and Industry 4.0
Providing jobs and skills in the technology
Eg: AI, IoT etc

④ Focus on increasing the women participation in the labour force
(Least, currently at around 20%)
McKinsey report says, equal labour force participation will increase the economic growth of India by 60% by 2025.

⑤ Global supply chains : Eg the case of China and tomb of buttons of China where 80% of world's buttons are made.

⑥ Last but not the least, manufacturing

To enjoy demographic dividend, India needs to work on its competencies and achieve a 3 trillion dollar economy.

Feedback
(For OFFICE use only)

Structure/
Presentation

Question
Interpretation

Content

Value
Addition

Total

Q.14) Despite a focused approach on manufacturing sector through initiatives such as Make in India, the share of manufacturing sector in the Gross Domestic Product (GDP) has stayed stagnant. In this context, bring out the reasons for subpar performance of manufacturing sector. Also, suggest reforms that can enable the sector to meet the targets of National Manufacturing Policy 2011.
(15 Marks, 250 words)

मेक इन इंडिया जैसी पहलों के माध्यम से विनिर्माण क्षेत्र पर एक केंद्रित दृष्टिकोण के बावजूद, सकल घरेलू उत्पाद (जीडीपी) में विनिर्माण क्षेत्र का हिस्सा स्थिर रहा है। इस संदर्भ में विनिर्माण क्षेत्र के खराब निष्पादन के कारणों का उल्लेख कीजिए। साथ ही, उन सुधारों का सुझाव दें जो इस क्षेत्र को राष्ट्रीय विनिर्माण नीति 2011 के लक्ष्यों को पूरा करने में सक्षम बना सकें।
(15 अंक, 250 शब्द)

India's manufacturing sector has remained stagnant at around 16% of the GDP since 3 decades.

Reasons for the subpar performance of the manufacturing sector

① Infrastructural backwardness as most manufacturing units still use the obsolete technology.

② Labour rigidities: strict and rigid rules to hire and fire labour → increase in capital intensive goods.

③ Government's policies post reforms to provide incentives to the services sector

Recent initiatives to improve manufacturing

- ① Changing the definition of MSMEs
- ② Make in India
- ③ Self Reliant India
- ④ Start-up India and Stand up India
- ⑤ Insolvency and Bankruptcy code etc

3.] Low investment in services sector are required.

4] Lack of Technological know how to reap the global supply chain benefits.

5] Jobless growth post reforms.

6] Lack of FDI in manufacturing due to policies like:

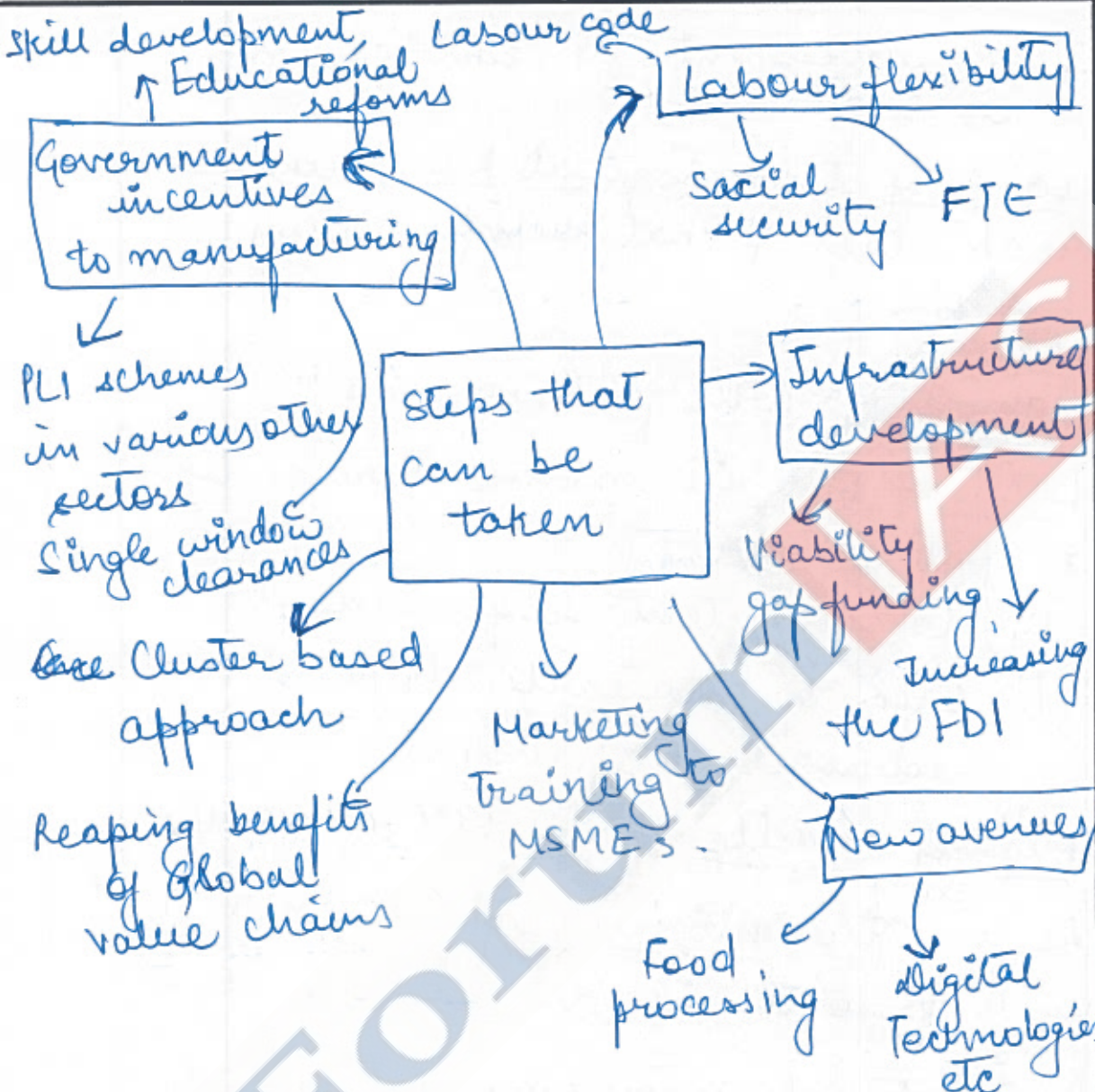
- (i) local content requirement
- (ii) Lack of bilateral dispute redressal mechanisms.

7] Missing Middle: As 99% of MSMEs are in the micro segment, not much presence in the middle sector.

8] Agricultural unemployment which reduces the demand for wage-goods.

9] Exit options were very cumbersome (closing a firm required ~~to~~ 4.5 years)

National manufacturing policy set the target of increasing the manufacturing share to 25% of GDP.



As China is stepping back, India needs to gear up its efforts towards increasing the manufacturing. It is also a solution to the problem of unemployment. Lessons can be learnt from Vietnam in this regard.

Feedback	
(For OFFICE use only)	
Structure/Presentation	
Question Interpretation	
Content	
Value Addition	
Total	

Q.15) Fintech is facilitating financial inclusions through innovations, but reaping its developmental potential requires overcoming critical hurdles. Analyze. (15 Marks, 250 words)

फिनटेक नवाचारों के माध्यम से वित्तीय समावेशन की सुविधा प्रदान कर रहा है, लेकिन इसकी विकास क्षमता का लाभ उठाने के लिए महत्वपूर्ण बाधाओं को दूर करने की आवश्यकता है। विश्लेषण कीजिए। (15 अंक, 250 शब्द)

Fintech is the financial technologies which helps in making the financial sector more approachable, accessible and inclusive.

⑦ Since COVID, digital transactions increased manifold.	⑧ Banking to all thus providing insurance towards risks	① It increases the penetration of financial instruments at far away areas.
⑥ Compliance to different forms like maintaining historical records	Fintech facilitating financial inclusion	② Fintech promotes regional banking more need based rather than one size fits all.
⑤ Easy payments thus improving business.	④ DBT provides targetted approach and reduce leakages (1.15 lakh or saved since 2015)	③ All the social classes like SC, ST, minorities can be included

The fintech though is a very potent tool but also is faced with many challenges.

Challenges faced by fin tech

- ① Digital illiteracy of the people as the maximum population is unaware of technical terms and is thus susceptible to
 - ↳ Cyber crimes
 - ↳ Financial frauds (increased since 2019)
- ② Only 40% population has digital penetration
 - ↳ Gender divide : Females (more than 60%) do not use internet
- ③ Phishing activities in banking portals
- ④ Internet speed is very less (only 5 Gbps , in USA it is high)
- ⑤ The connectivity issues in the rural areas.
- ⑥ Acceptability issues
 - ↳ as older age people do not accept the financial transactions

⑦ Scower problems ; as India lack the competency in this.

Way forward

- ① Increase the digital literacy and digital penetration
- ② CERT-in should do more active work in targetting the cyberattacks.
- ③ Employees skill enhancement
- ④ RBI's regulatory sandbox is a good measure to increase innovation
- ⑤ Incentivise the innovators and increase spending on R&D.

Fintech is not only economically beneficial but also has socio-economic advantages. Its optimum use will build positive ecosystem which will increase the economic growth.

Feedback

(For OFFICE use only)

Structure/
Presentation

Question
Interpretation

Content

Value
Addition

Total

Q.16) Encouraging livestock through mixed farming can be the answer to the triple burden of low farm income, increasing land fragmentation and plummeting productivity in the agriculture sector. Discuss. (15 Marks, 250 words)

मिश्रित खेती के माध्यम से पशुधन को प्रोत्साहित करना कृषि क्षेत्र में कम कृषि आय, भूमि विखंडन में वृद्धि और उत्पादकता में गिरावट के तिहरे बोझ का जवाब हो सकता है। चर्चा कीजिए। (15 अंक, 250 शब्द)

Mixed farming is the technique of farm user by mixing crop production with livestock sector and other sectors that use the products of each other to maximise gains and minimise the losses.

Eg: Natural waste of cattle can be used as organic fertilizer for the fields, while feeding crops will increase the farms livestock feed → improving the yield.

Livestock as answer to farm income

① High potential in the dairy sector

1.1 1st in production of milk in the world.

1.2 This milk can be used for processing (only 20% processing now) and target the European market

1.3 Shift to urban cities and the

shift in consumption pattern to more protein and calcium rich diet.

1.4 This can supplement the farm income.

② Livestock also ^{provides} ~~is~~ ~~more~~ ~~or~~ fertilizers and biogas.

↳ Reduce the need of chemical fertilizers → Reducing the input cost

↳ Organic crops also are more priced and thus more profits

Livestock and answer to land fragmentation

① It is more equitable than land distribution:

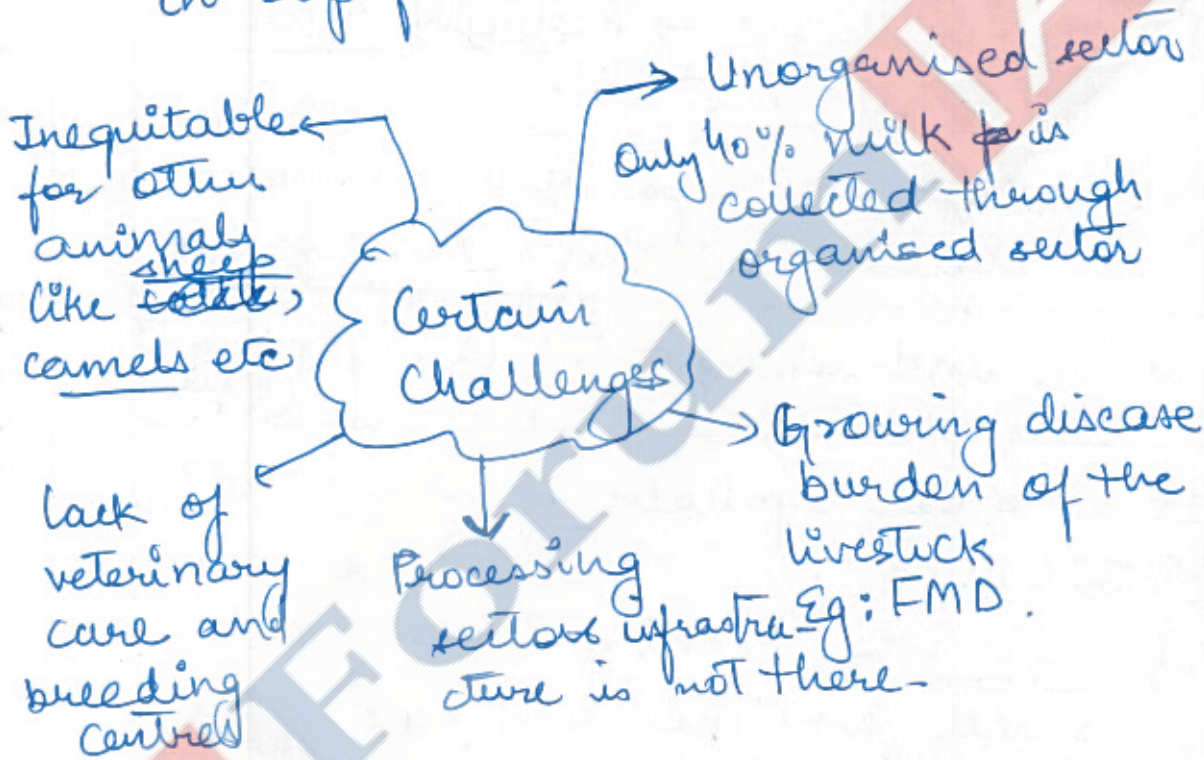
(i) Land wise: 80% farmers are small and medium.

(ii) Livestock wise: 80% households own 70% of the livestock population

② Inclusive → as all the castes and communities even the landless can take the advantage of higher income

Livestock and ^{its} benefits, of lower agricultural productivity

- ① The crop yields are reducing, due to climate change, or reduced soil fertility
- ② Livestock provides income security in crop failures.



To also become a part of RCEP and challenge the New Zealand's milk industry, farmers empowerment is necessary. Ashok Dalwai committee also recommended using livestock to double the farmers income.

Feedback

(For OFFICE use only)

Structure/
Presentation

Question
Interpretation

Content

Value
Addition

Total

Q.17) Explain the relationship between land reforms and agricultural productivity. Also, discuss various difficulties in designing and implementation agriculture friendly land reforms policies in the country. (15 Marks, 250 words)

भूमि सुधार और कृषि उत्पादकता के बीच के संबंध की व्याख्या करें। इसके अलावा, देश में कृषि अनुकूल भूमि सुधार नीतियों का प्रारूप तैयार करने और उन्हें लागू करने में आने वाली विभिन्न कठिनाइयों पर चर्चा करें। (15 अंक, 250 शब्द)

Land reforms include the reforms in the tenancy, reforms in the shareholdings and cooperatives strengthened to improve the state of agriculture.

Relationship between land reforms and agricultural productivity

① Land reforms and cooperative farming:

①.1) The land fragmentation issues like reduced crops productivity, lack of economies of scale can be tackled.

①.2) Increased mechanisation will be possible only when land is at large scales
eg: China's communes system

①.3) Credit availability to large farmers is possible
thus FPOs can be promoted.

② Land reforms and sharecroppers' rights

2.01 This will provide security of tenure to the sharecroppers

2.02 Long term plans and capital investment thus will be increased

2.03 Equitable resources will ensure more income and thus reduce the farm distress.

③ Land reforms through ceiling of landholding have no such direct relation with productivity.

④ Reduce the feminisation of agricultural distress through women's empowerment

Case: Women form 60% of the labour study but own only 11-12% of the assets.

Difficulties in implementation of land reforms

① Agricultural land as the status symbol of people, thus consensus building is difficult.

- ② ~~It~~ may cooperativisation also needs technological education, peaceful cooperatives and knowledge of large farming → absent in India.
- ③ Land records are disputed and not digital → political apathy.
- ④ Crop diversification is not adopted due to distorted policies.
- ⑤ Threats of contract farming and crony capitalism.

Way forward

1. Farmer friendly measures with more rights to farmers in case of disputes under contract farming.
2. Immediate digitalisation of records
3. Local based policy measures.

Land reforms 2.0 are the need of the hour to make agriculture more profitable, reduce the agricultural stress and doubling farmers income

Feedback

(For OFFICE use only)

Structure/ Presentation
Question Interpretation
Content
Value Addition
Total

Q.18) Community institutions in agriculture offer small farmers an opportunity to increase their productivity, income, and resource efficiencies. In light of this statement, enumerate the various challenges faced by the Farmers Producer Organisations (FPO's) in the country and suggest measures to reform them. (15 Marks, 250 words)

कृषि में सामुदायिक संस्थान छोटे किसानों को उनकी उत्पादकता, आय और संसाधन क्षमता बढ़ाने का अवसर प्रदान करते हैं। इस कथन के आलोक में, देश में किसान उत्पादक संगठनों (एफपीओ) के सामने आने वाली विभिन्न चुनौतियों के साथ-साथ उन्हें सुधारने के उपायों का उल्लेख कीजिए। (15 अंक, 250 शब्द)

Farmer Producer organisations are the cooperative groups including 300 to 400 farmers, which work as a cooperative for the maximum profits of the farmers.

FPOs → an opportunity for small farmers

① To increase productivity

1.1 Farm mechanisation on large collective fields.

1.2 Sharing of the burden of losses and reaping the extra income from large produce.

1.3 Scientific measures can be adopted for crop diversification.

1.4 Government support to community institutions to improve crop yields

1.5 Credit availability through banks & easy.

② To increase the farm income

2.01 From sustainable cropping pattern to market oriented cropping system.

2.02 Proper research based cropping provides more yields and more income.

2.03 Individual farmers time is saved for other non-farm activities and increasing the earnings.

③ To increase the resource efficiency

3.1 Best use of farm implements
↳ Economies of scale

3.2 High value yielding seeds are made available.

3.3 Solar pumps can be used to save energy

Various challenges faced by the FPOs

↳ Lack of awareness among the farmers on working of such groups.

2. Reluctance to share their ~~lands~~ ^{lands} as farmers consensus building require behavioural changes.
3. Lack of skilling on how to work on such groups.
4. Technological know how of farmers is limited.
5. Limited bargaining power.

Reforms and measures to improve them

- ① Consensus building among farmers
 - ② scientific handholding by the Krishi Vigyan Kendras.
 - ③ Model village development to act as role model for other producer organisations.
 - ④ Incentivising through interest subvention schemes to provide easy credit to FPOs
- In changing agricultural scenario, FPOs holds the key to agricultural revolution in India. A consistent political will is required for it.

Feedback
(For OFFICE use only)

Structure/ Presentation
Question Interpretation
Content
Value Addition
Total

Q.19) The fundamental problem in agriculture is not the availability of resources, but their inefficient use. Comment. (15 Marks, 250 words)

कृषि में मूलभूत समस्या संसाधनों की उपलब्धता नहीं, बल्कि उनका अकुशल उपयोग है। टिप्पणी कीजिए।

(15 अंक, 250 शब्द)

The distorted fertilizer use in the ratio of 28:4:1 shows the inefficient resources in agriculture where the optimum ratio of N:P:K is 4:2:1.

Inefficient use of resources

→ As said above, misuse of fertilizers (fertilizer subsidies)

↳ Power subsidy has led to indiscriminate use of groundwater

↳ Consequences

* High salinity of soils

* Soil becoming infertile

* Groundwater levels going down

(Alarming levels in UP, Punjab).

↳ The misuse of Kisan credit cards in building household infrastructure

↳ Populist measures of farm loan waivers

↳ MSP had led to distorted crop practices.

↳ Green revolution led to rice-wheat based farming
(course cereals only have less net cropped area)

↳ Monocultural practices → declining soil fertility.

However agricultural outcomes are not only due to resource inefficiencies it is also due to resource unavailability

① Lack of technological inputs like low farm mechanisation.
↳ low farm productivity.

② Lack of cooperatives.
↳ land fragmentation and reduced profits.

③ Credit (still dependent on Arhatiyas and moneylenders) which have high cost.

④ Lack of high yielding seeds.
As 80% use their own seeds (farm produced)

- ⑤ ~~Lack~~ ^{low level} of research and innovation in agriculture
- ⑥ Bt crops did not get government's approval.
- ⑦ Lack of private mandis to sell.
- ⑧ Government recent initiatives

- ① PM-Kisan
- ② Focus on horticulture and food processing.
- ③ Farm bills (though repealed)
- ④ eNAM, eRAKAM portal
- ⑤ GRAMS portal

Way forward

- ① Resource efficiency and resource availability through rationalising of subsidies and provisioning of other resources
- ② Reducing disguised unemployment to increase the village incomes.
- ③ Forming of FPOs
Resource availability and efficiency go hand in hand, both must be provided.

Feedback

(For OFFICE use only)

Structure/
Presentation

Question
Interpretation

Content

Value
Addition

Total

Q.20) Commercialization of agriculture into agribusiness is necessary to uphold the spirit of farming as a profitable venture. Discuss in light of changes needed in agriculture marketing. Analyze the recent govt initiatives in supporting the transformation of agriculture into enterprise.

(15 Marks, 250 words)

एक लाभदायक उद्यम के रूप में खेती को बनाए रखने के लिए कृषि का कृषि व्यवसाय के रूप में व्यावसायीकरण आवश्यक है। कृषि विपणन में आवश्यक परिवर्तनों के आलोक में चर्चा कीजिए। कृषि को उद्यम के रूप में बदलने के समर्थन में हाल की सरकारी पहलों का विश्लेषण करें।

(15 अंक, 250 शब्द)

Commercialization of agriculture means changing the agriculture from a subsistence sector to a profitable sector through shifts in cropping and marketing patterns.

Potential to increase farmers income

1. For better price recovery, a shift from foodgrains to horticulture is required.

2. Tools like cooperative farming hold the potential for economies of scale.

3. Assured returns to farmers through contractual farming etc.

Changes required in Agricultural marketing.

1. The monopoly of APMC's need to be broken
 - ↳ As farmers get less benefits while commission agents take most benefits.
2. One nation one mandi system for better price recovery and profits.
3. The essential commodities act needs to be reformed to increase the storage facilities
 - ↳ Reduce the farmers' distress
 - ↳ More bargaining power to farmers
4. Online marketing
 - ↳ Futures trading for actual demands in the market and thus production.

Recent government initiatives

① Farm bills:

- 1.1 Contract Farming act
 - ↳ Crop diversification
 - ↳ Value for crops

1.2 Abolition of ECA

- ↳ Improve warehousing infrastructure
- ↳ better price discovery
- ↳ Reduced distress selling.

1.3 Interstate trade through mandi reforme.

(wider markets for farmers product)

② eNAM

- ↳ online sale of goods to increase the farmers income -

③ GRAMS

- ↳ Regional cluster based approach

However the farmers concerns needs to be addressed to provide more powers to the farmers and securing their interests. Evergreen revolution and agricultural reforms holds the key for farmers problems.

Feedback (For OFFICE use only)	
Structure/ Presentation	
Question Interpretation	
Content	
Value Addition	
Total	

Mentor Feedback Questions

1

2

3

4

5

Test Goal

1

2

3

Outcomes

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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.

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