



TEST CODE : 5 1 3 2 3

FIAS - MGP 2022 (C-9 Alt) - Sectional Test #5

# ForumIAS

## GENERAL STUDIES

Name Of Candidate	PRANITA DASH		
Roll No.	1910092061	Date:	25.07.2022.

Time Allowed: Three Hours

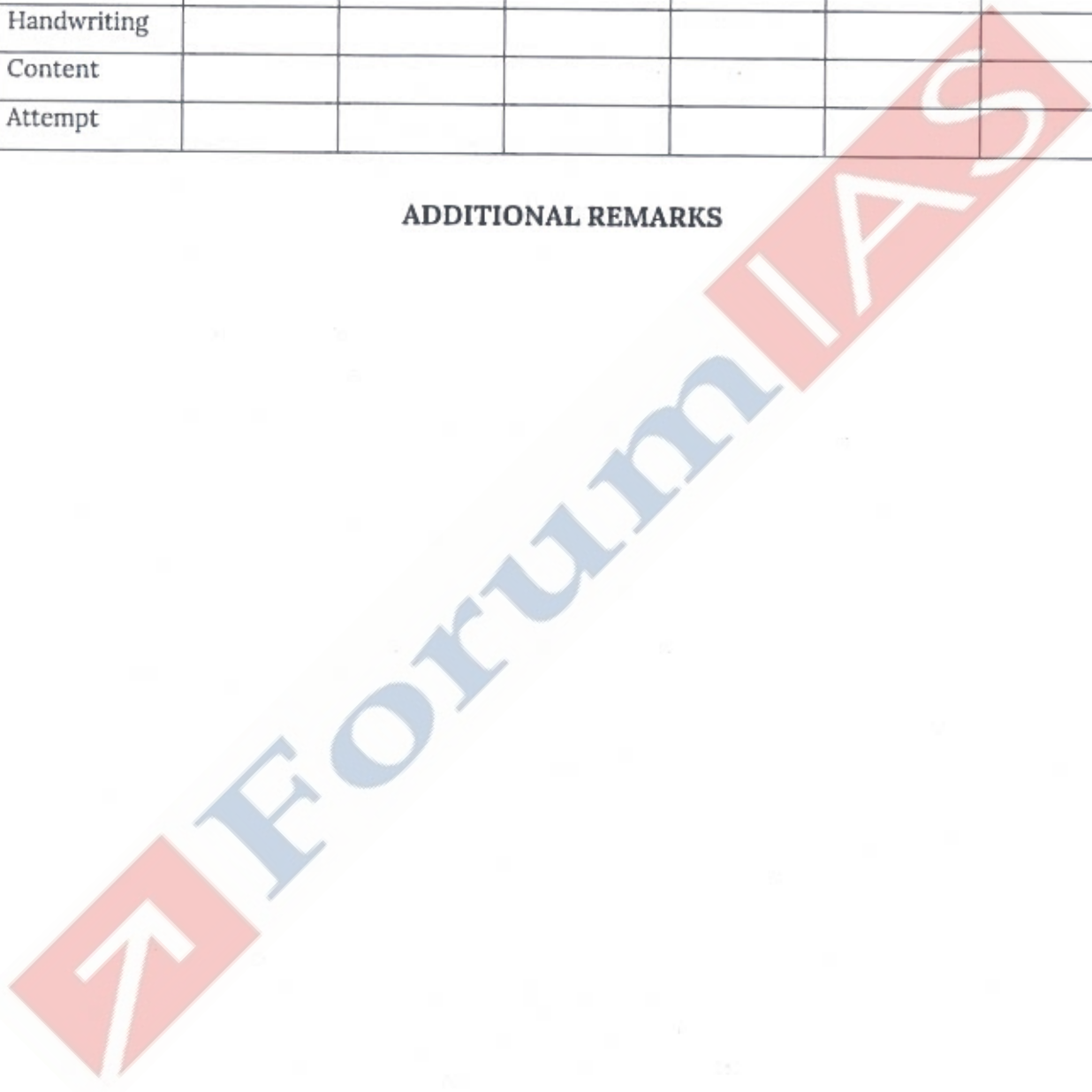
Maximum Marks: 250

INDEX TABLE			INSTRUCTION	
Q. No.	Max. Marks	Marks Obtained	1. Please do furnish Name, Email, Roll No and Mobile in the answer sheet.	
1			2. There are TWENTY questions printed in ENGLISH & HINDI, all questions are compulsory.	
2			3. The number of marks carried by a question/part is indicated against it.	
3			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.	
4			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.	
5			<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>	
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15			<p><b>For Student Only</b></p> <p>Start Time   1:50 pm   End Time   4:50 pm</p> <p>Mode Of Examination: Online <input type="checkbox"/> Offline <input checked="" type="checkbox"/></p>	
16				
17			<p><b>For Office Use Only</b></p> <p>ECN CODE:   EG:   Evaluation Date:</p>	
18				
19				
20				
<b>Total:</b>	<b>250</b>			
<b>Evaluator's Discretion:</b>				
<b>Total Marks:</b>				
<b>Evaluator's Discretion:</b> 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.				

**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						
Attempt						

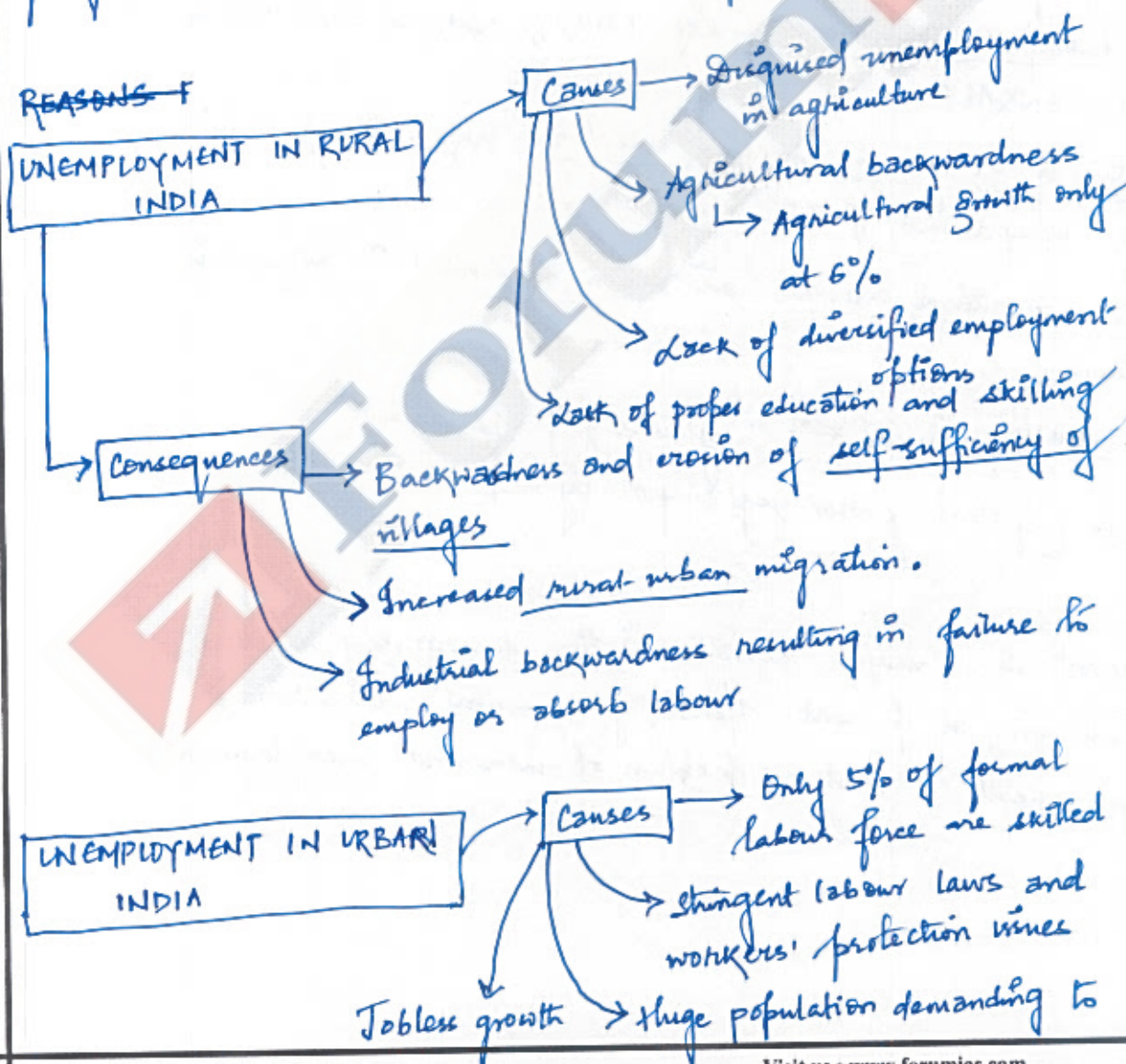
**ADDITIONAL REMARKS**

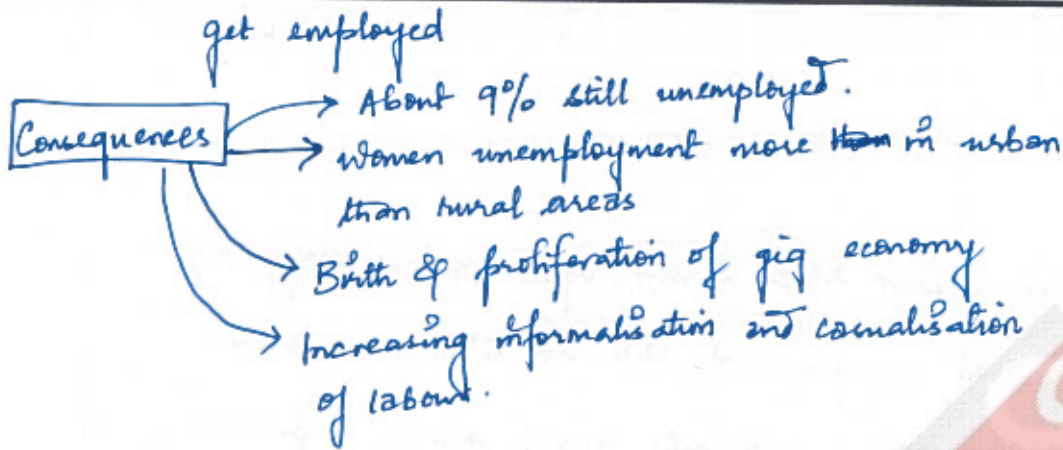


Q.1) Employment problems of rural and urban areas differ in nature, but their solutions are interdependent and interrelated. Analyze. (10 Marks, 150 words)

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

Ans. PLFS Periodic Labour Force Survey report outlines staggering statistics of rural unemployment still at 6% and urban unemployment at 8.3%. With only 41.6% of the population accounting for labour force, unemployment is a major policy issue in the Indian economy of today.





## SOLUTIONS TO RURAL & URBAN UNEMPLOYMENT :

- Increase no. of jobs in formal sector - about 80% of population still employed in informal sector.
- Skill development programs - like PMKVY, National Skill Mission STRIVE, SANKALP
- Protection to workers in informal sector - like Code on Social Security, Occupational Health standards etc
- Increase educational outcomes and award students with internship opportunities
- Wage equality to women - Gender gap persistent at 46%. (Global Gender Gap report by WEF).

Unemployment is a major obstacle to the demography dividend India is witnessing at present. Hence, governmental intervention is extremely crucial to sort the problem of increasing unemployment.

### Feedback

(For OFFICE use only)

Structure/  
Presentation

Question  
Interpretation

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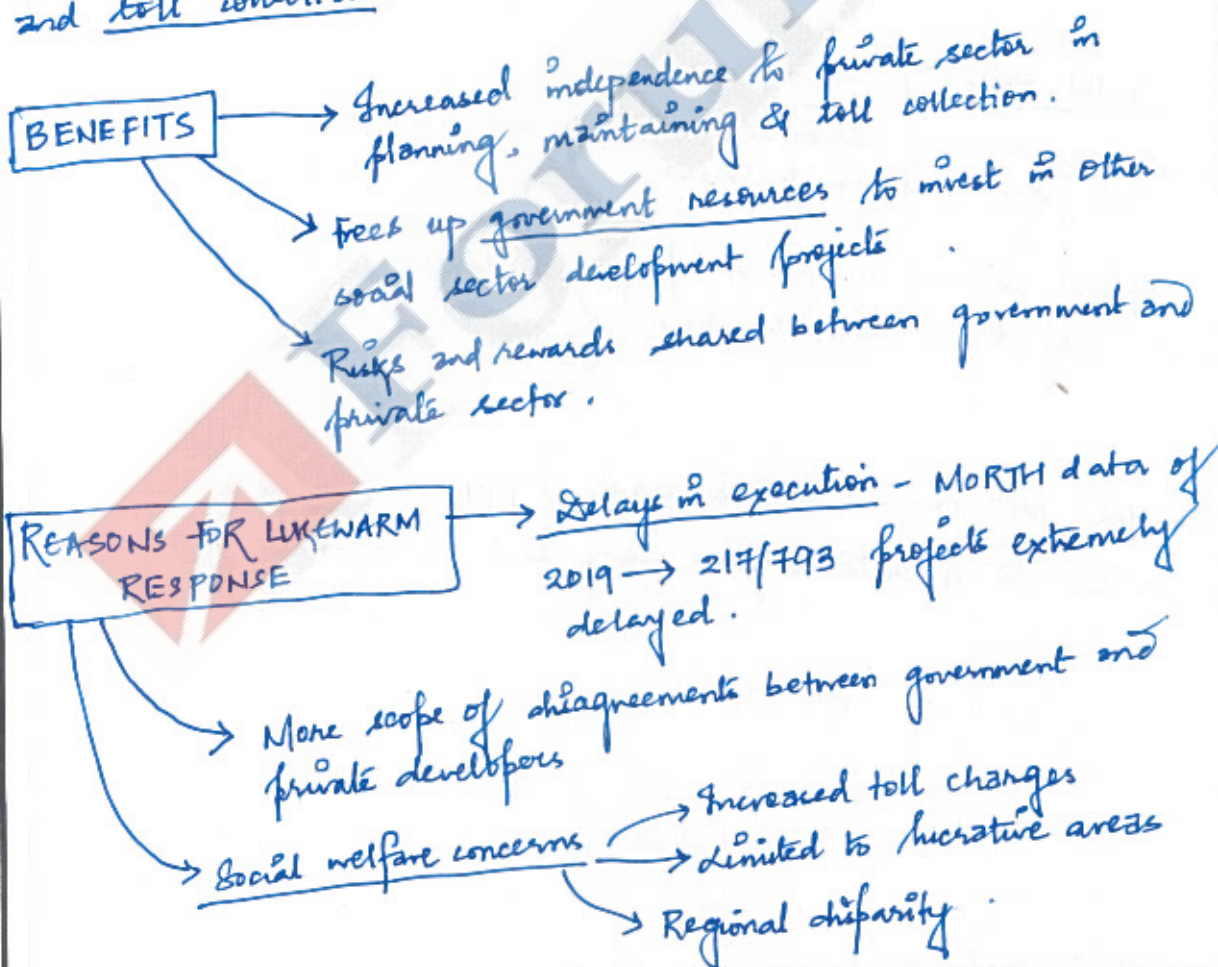
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Q.2) Why has Hybrid Annuity Model (HAM), which was earlier proposed as a game-changer in Public Private Partnerships (PPP), received lukewarm response from private developers? What are the alternate PPP models that can be pursued for encouraging private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

Ans. Hybrid Annuity Model is an investment model in which 40% of the project cost is borne by private developers who also maintain and the projects and get returns out of it. After a certain timeline, the projects are passed on to government who now assumes responsibility of maintenance and toll collection.



- Difficulty in getting forest and environmental clearances
- Private sector are themselves plagued by stretched balance sheets which could lead to inferior quality projects.

## Alternative PPP models that could be used:

1. BOT - Build - Operate - Transfer - Here, private sector builds and designs a project, operates and collects its revenue and then transfers to government.
2. V-BOT - Here, either government and private sector can decide the terms and conditions.
3. BOOT - Build - Own - Operate - Transfer  
Private sector take ownership for few years and operate projects → then transfer to government.
4. EPC - Private sector designs a project, builds it and government only has to turn the key for operation.

Kelkar Committee recommended active usage of PPP models in economic activities to generate higher growth and development.

### Feedback (For OFFICE use only)

Structure/ Presentation
Question Interpretation
Content
Value Addition
Total

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)

Ans. Imported inflation pertains to the inflation caused by imported goods to a country.

More imports with high price → More domestic inflation rate.

### Challenges of Imported Inflation:

1. Excessive dumping of Chinese goods - cheap electronic and manufacturing goods can increase demand & prices.
2. Prices of inputs (raw materials) excessively high - ~~Inputs of~~ Fertilisers inputs higher than their output cost.
3. Indigenous industries take a hit as no consumer prefers to buy good at exorbitant prices.
4. Increasing Current Account Deficit due to more imports.

5. Harms to producers as well as consumers due to inflationary effects on demand & supply

6. Possibility of debt crisis which increases fiscal burden of the government.

Post-pandemic recovery requires increased government expenditure with sustained inflation. Imparted inflation therefore needs to be checked to the core to facilitate a sustainable recovery.

**Feedback**

(For OFFICE use only)

Structure/  
Presentation

Question  
Interpretation

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Total



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)

Ans. OECD defines 'Inclusive growth' as the growth in which its outcomes and benefits are distributed equally among the diverse sections of population. In a country like India that is plagued by inequality, inclusive growth becomes *sine-qua-non*.

## INCLUSIVE GROWTH : A PROCESS

1. **Bringing vulnerable into mainstream**
  - According to Raghuram Rajan, poverty is on rise in states with more SC/ST population (BIMARU)
  - Women empowerment to care economy, giving reservation, recognition, breaking pink collarisation.
  - According to Uma Kapila, political reservation to vulnerable sections can result in more participation in economy.
2. **Poverty reduction**
  - With more inclusive growth & equitable distribution of resources → poverty can be reduced.
  - Equitable distribution of social sector benefits like health and education.
3. **Skill development and Employment generation**
  - Introduction of RTE to improve educational outcomes, PMKVY for skill upgradation.

4. Financial Inclusion → With PMJDY's introduction, insurance and pension schemes, vulnerable can access financial services better.

## INCLUSIVE GROWTH: AN OUTCOME

- Banking accounts → skyrocketed with already 70% population with a bank account.
- Poverty reduction schemes of MGNREGA, NFSA → About 15 mn have been pulled out of poverty.
- Environmental sustainability → COP 26 pledges, Paris Pledge, OSOWOG etc.
- Regional disparities have been reduced → more financial devolution to north east & hilly areas.

Financial illiteracy and lack of digital infrastructure

### Challenges to Inclusive Growth

Extreme poverty & inequality

World Inequality Report  
Top 1% have 70% of wealth.

Unequal benefit distribution by Green Revolution

Agricultural backwardness  
↓  
Agri growth at only 2%  
& contributes only 15% of GDP

Pranab Mukherjee remarked 'Inclusive Growth is the way to sustainable development'. It is monumental in current demographic scenario in India and in India's efforts to become a 5 trillion dollar economy by 2025.

### Feedback (For OFFICE use only)

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)

व्यस्क 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)

Ans. Tax-to-GDP ratio in India is one of the lowest in the world with 25% in comparison to 43% in UK and 40% in US (Eco Survey 2021). In addition to these, tax evasion and non-compliance only compound the problem of tax collection in the country.

## REASONS FOR POOR TAX COMPLIANCE :

1. Complex Income Tax laws → Many terms are left vague and need assistance from experts to be understood.
2. Tax Evasion by industries by resorting to measures like Hawala Transactions, shell companies.
3. Poor financial literacy - World Bank's Financial Access Survey reports that only 28% of Indian population are financially literate.
4. Complex procedure of filing returns - Traditional archaic structure, red-tapism & bureaucratic pathology.

5. The Tax laws keep changing like different ways of calculating taxes (old & New laws).

6. high rates of corporate tax + slowdown in Indian Economy.

## WAYS TO IMPROVE INCOME TAX CODE :->

1. Faceless assessment to reduce role of intermediaries and enable accurate tax measurements.
2. Direct Tax code by CBDT to simplify tax procedures and enable easy filings.
3. Multi-lateral Convention to Prevent BEPS → signed by India to check tax evasion.
4. Operation Clean Money, demonetisation to check proliferation of ~~black~~ illegal activities & black money.

Tax compliance is monumental in increasing revenue base of the government and endowing government with resources to invest in social sector and infrastructural development activities.

### Feedback

(For OFFICE use only)

Structure/  
Presentation

Question  
Interpretation

Content

Value  
Addition

Total

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)

Ans. Pradhan Mantri Matsya Sampada Yojana is a centrally sponsored scheme undertaken by Ministry of ~~Food Processing~~ <sup>Animal Husbandry</sup> Industries, to bring a paradigm shift in the operation and governance of ~~Food Processing Industries~~ allied sectors (fisheries).

ROLE IN MEETING GOALS OF BLUE ECONOMY:

- Increase shares of fisheries in exports from mere 16% to above 25%.
- Can induce transportation infrastructure like lagarmats, shipping corridors, port development etc.
- ⇒ Inland waterways that account for most of fish production can also be enhanced.
- Waterways, being cost efficient & environment friendly can contribute to Paris Pledge.

CONTRIBUTING TO NEEL KRANTI (Blue Revolution)

- Can induce increased budgetary allocations to fisheries sector and its development.
- Increased credit availability for better seed quality & fodder for fisheries
- Enhancement of ponds under Krishi Sinchayi etc.

Pradhan Mantri Matsya Sampada Yojana is an excellent step by Govt to bring in Blue Revolution & ensure sustainable development of fisheries sector.

**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)

Ans. Horticulture sector in India contributes to about 40% of India's agricultural GDP. With increasing middle class and their changes in tastes and preferences, developing horticulture sector has become an absolute must.

### Scope of Horticulture sector :->

- India's ~~own~~ horticulture sector is currently registering 9% CAGR year on year & has scope to contribute about 6% of India GVA
- India's middle class is proliferating and with that their nutritional needs are changing to milk, poultry, fresh fruits and vegetables.
- India, due to its proximity to export importing nations like Middle-East can export its horticulture products
- Can absorb the increased labour force and migrated workforce. Employment potential of horticulture sector → 49 mn jobs by 2030.
- Devlopment of horticulture sector can induce investments

in infrastructure in cold storage facilities that can reduce wastages.

## Challenges to Horticulture Sector

- Infrastructural bottlenecks → lack of cold storages, effective transport networks in rural areas leading to wastages.
- Lack of upgradation and branding → People prefer branded produce
- Decreased indigenous innovation & R&D in scientific agricultural and marketing techniques.
- Lack of awareness and farmers' knowledge.
- Inaccessibility of farmers to institutionalised credit leading to agricultural indebtedness.

## Way Forward:

- Setting up of storage facilities.
- Direct Benefit Transfer to farmers to avail subsidies, credit etc
- Farmers' information portals like Kisan Suidha, Farm O-Pedia to be extensively used by farmers.
- Private sector participation in branding and contract farming.

### 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)

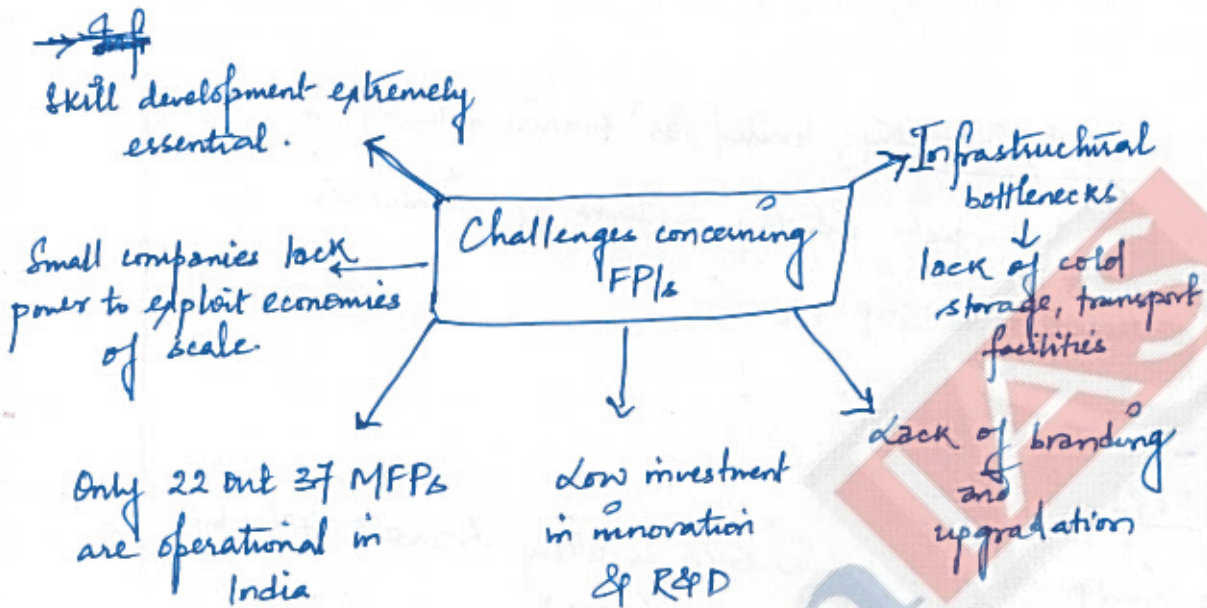
खाद्य प्रसंस्करण क्षेत्र को देश के प्राथमिक उद्योगों में से एक के रूप में उन कारणों से विकसित किया जाना चाहिए जो कि कृषि से परे हैं। स्पष्ट कीजिए। (10 अंक, 150 शब्द)

Ans. Food Processing Industry, hailed as 'sunrise industry' in India is the 5th largest industry in terms of production, export, contribution to GDP etc.

### Scope of FPI in India :

- Contribution of FPI to India's GVA is likely to cross 4% by 2025 according to Eco Survey (2021).
- India's surplus labour supply can be absorbed in Food Processing Industries as its employment potential is huge (16% in primary & 39% in secondary stage).
- India's farmers will have a chance to double income by making available fresh farm produce to industries (Ashok Dalwai Committee)
- With diverse climatic & soil variations in India (127 agri-climatic zones), FPIs hold huge potential.
- India's middle class is growing and their tastes are now tilted towards milk, frozen foods and ready to eat meals.
- India, due to its proximity to central Asia, Middle East

can export its produce. Export potential of FPIs → 45%.



Schemes undertaken by Government like PM Kisan Sampada Yojana, Operation Greens, Mega Food Parks Scheme can go a long way in ensuring sustainable development of Food Processing Industries beyond just agriculture.

### Feedback

(For OFFICE use only)

Structure/  
Presentation

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Interpretation

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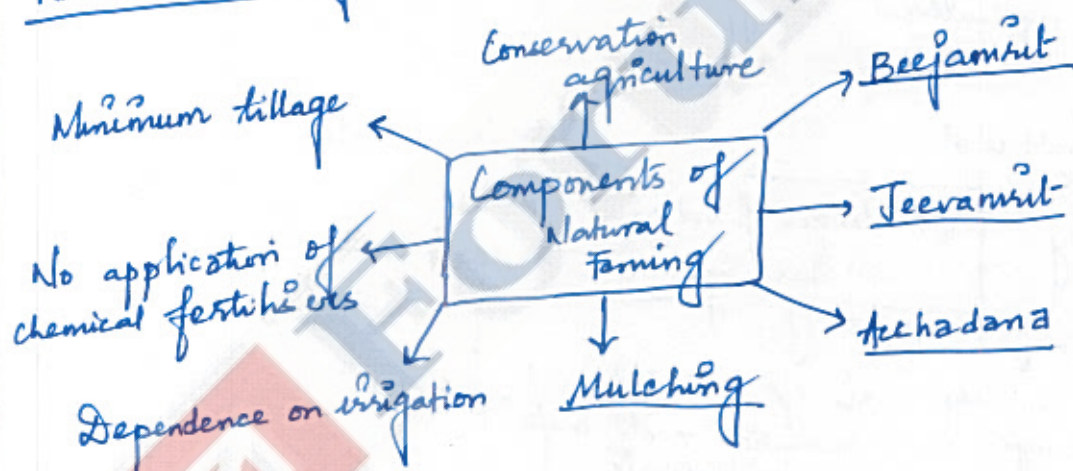
Total

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)

Ans. Natural farming pertains to the technique of farming where crops are grown using all natural inputs and no reliance on synthetic fertilisers, pesticides, HYVs etc.

Eco survey of 2019 advocated for 'Zero Budget Natural Farming'.



## ROLE OF NATURAL FARMING IN BUILDING CLIMATE-RESILIENT AGRICULTURE :

→ Natural Farming employs techniques of sprinkler irrigation, drip irrigation & micro-irrigation that use less water and thereby

reducing excessive dependence on monsoons.

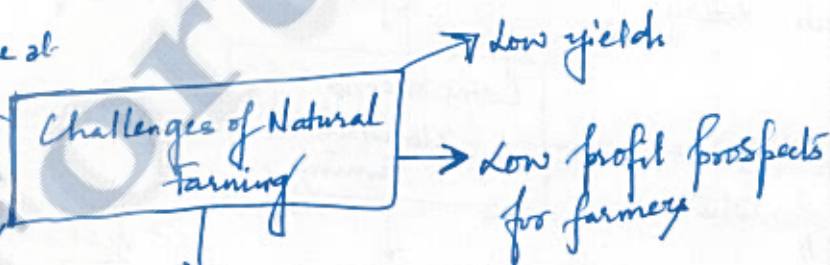
→ Natural farming uses mulching to protect crops from extreme weather events like wind storms, cyclones etc.

→ Minimum tillage means min<sup>m</sup> soil disturbance thus reducing nutrient leaching & soil salinisation.

→ ZBNF means 'no overall cost of production' leading to farmers's losses to minimum in case of crop failures due to natural hazards or low monsoon etc.

→ Natural Farming doesn't depend on synthetic fertilizers that minimise the risks of eutrophication & damage to marine life in case of agricultural runoff.

Farmers adopting it could be at disadvantage due to low crop productivity.



Lack of farmer knowledge about efficient usages

No proved data, statistics on its impact on climate

Natural Farming is the need of hour with in the backdrop of increasing risks of climate change and global warming.

### Feedback

(For OFFICE use only)

Structure/  
Presentation

Question  
Interpretation

Content

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Addition

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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)

Ans. National Mission on Edible Oils - Oil Palm is an initiative by Government to encourage palm oil production in India and decreasing reliance on imports. Currently, about 70% of India's palm oil needs are imported from Malaysia, Singapore etc

## PALM OIL CULTIVATION IN INDIA :

1. Economic Impacts → With 70% of India's palm oil consumption imported, India's 'current account deficit' rises.
  - More fiscal burden on the government to ensure debt sustainability
  - Can lead to skyrocketing inflation in case of disruption in global value chains.
  - Inaccessibility to agricultural credit & agricultural indebtedness pose as major obstacles.
  - Cheaper imports reduce motive of industries to spend more on contract farming with indigenous farmers

2. **Environmental Impacts** → Extremely sensitive to ground water depletion.
- More imports → more spending on transport that increase carbon footprints.
  - Usage of fertilizers & pesticides in oil palm production could lead to increased agricultural runoff and lead to problems of eutrophication & damage to marine life.
  - Oil palm production → extremely sensitive to wastage losses. Hence, more infrastructural spending required leading to more emissions.

National Mission of Edible Oils - Oil Palm is an excellent step in revolutionising oil palm production in the country and decreasing reliance of on imports, thereby checking deficit of debt sustainability.

**Feedback**  
(For OFFICE use only)

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Question Interpretation
Content
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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)

Ans. India's merchandise exports currently recorded an amazing feat of 400 billion USD worth of exports. This has for the very first time resulted in India recording a current account surplus in the first half of 2020 as well as 2021.

Factors responsible for this

1. Atmanirbhar Bharat → Increasing indigenous industries' competitiveness through Start-up India, PLI scheme.

→ India's excellent performance in World Bank's EODB report (65<sup>th</sup> in 2021 from 102<sup>nd</sup> in 2010)

→ Push to start-up economy through Start-up India, Start-ups under PSL, tax incentives.

→ Make-in India scheme to attract FDI in home grown industries.

2. India's involvement in global value chains through being a part of SCRI, Indo-Pacific cooperation.

3. Infrastructure financing → Rs 111 lakh crore National Infrastructure Pipeline  
 → National Monetisation Pipelines  
 → PM Gati Shakti Master plan to enhance transport connectivity.

4. Delicensing → Regulatory norms relaxed.  
 → Amendment in ECA to relax stocking limits.

5. Disinvestment & Privatisation have enhanced competitiveness of PSUs.

6. Support to SEZs, NIMZs etc



## Measures to place India at the centre of global value chains :

- Increased sovereign credit ratings to encourage FDI inflow & business activity.
- Increased simplification of clearance system (Single Window clearance), tax regulatory systems
- Effective implementation of infrastructural initiatives like NIP, PM Gati Shakti, Sagarmala to improve connectivity
- Phased liberalisation and local content requirements.
- ~~from~~ leverage the private sector through asset monetisation, privatisation to involve expertise and finances.

### Feedback

(For OFFICE use only)

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Interpretation

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Addition

Total



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 व्याख्यातित कीजिए। (15 अंक, 250 शब्द)

Ans : Universal Basic Income was recommended in the Budget of 2011-12. It refers to disbursement of stipulated cash and income support to all citizens of the country irrespective of their employment situation, contribution to GDP etc.

UBI as a cure for poverty :

- Endowment of cash to vulnerable & poor :
  - ↑ change in consumption patterns → better nutritional standards
  - Spend on better health & educational facilities thereby increasing prospects for employment.
  - Can use such cash for investment in agriculture and increased crop productivity.

2. Women empowerment → Financial independence of women → break glass ceiling

→ Could break out of 'gender' roles like care economy, pink collarisation of jobs

→ Feminisation of agriculture could be rationalised

3. Social sector development - There will be enough cash with the poor for out-of-pocket expenditure.

4. Income support during unemployment like seasonal & structural unemployment phases.

5. Old age people, not eligible for pension can benefit immensely out of UBI.

6. Agricultural indebtedness can be countered → ↓ probability of debt traps → ↓ farmers' suicides.

However, few opponents have UBI as the worst disease for economy due to the following reasons: →

→ Could make labour force lazy as there is already a constant source of income.

- Reduced labour productivity
- Problems of inclusion - exclusion of beneficiaries - while many people can avail it through double fake cards, but others might miss out due to Aadhaar linkage
- Less incentive for school students to work hard & get employment opportunities.

Although the system is available in countries like Canada, it has not translated into huge benefits. I subscribe to the second version and therefore advocate that in case of UBI, performance-based pay, subsidies and DBTs are more rational & sustainable.

### 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 चलांग 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)

Ans. New Economic Policy adopted in 1991 was a major structural program aimed at re-transforming the Indian economy through all aspects of industry, foreign trade, agriculture, public finance etc.

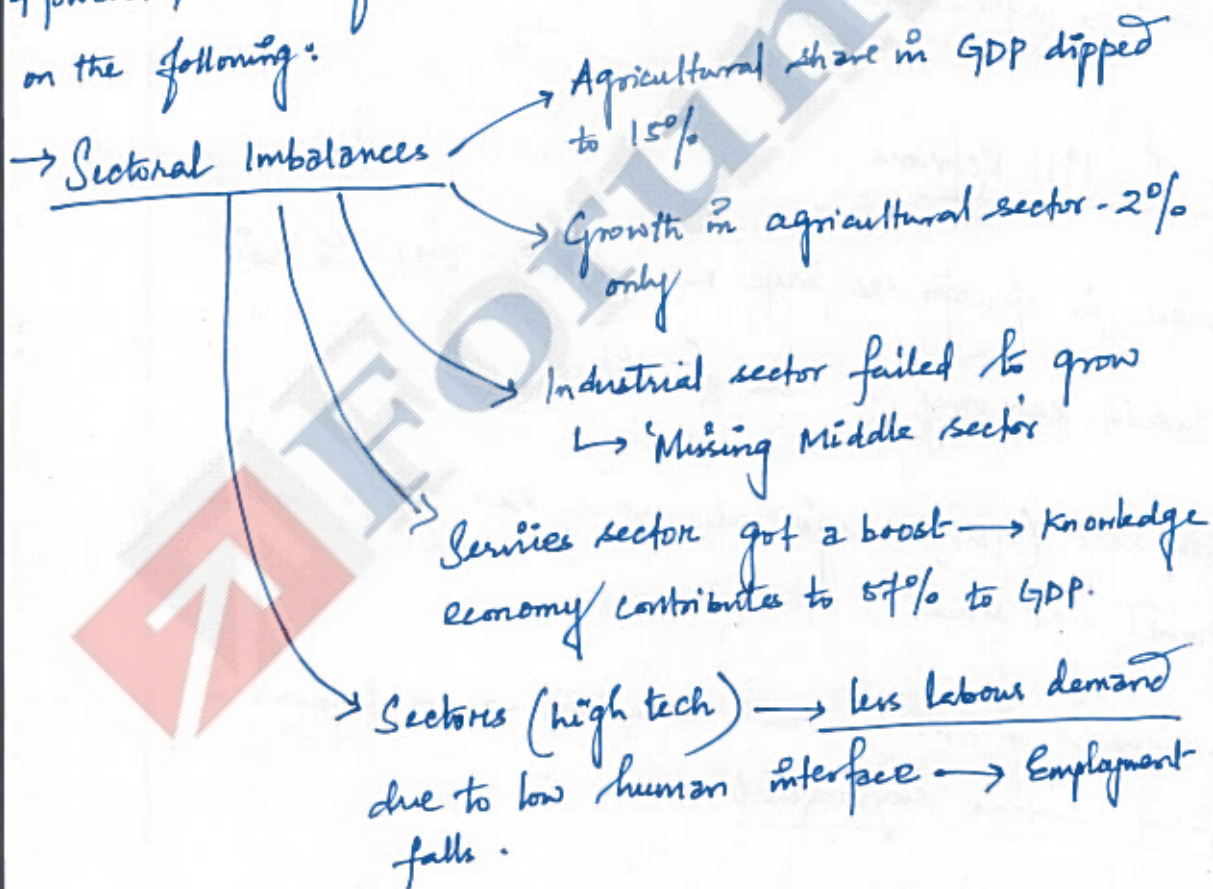
### Benefits of 1991 Reforms

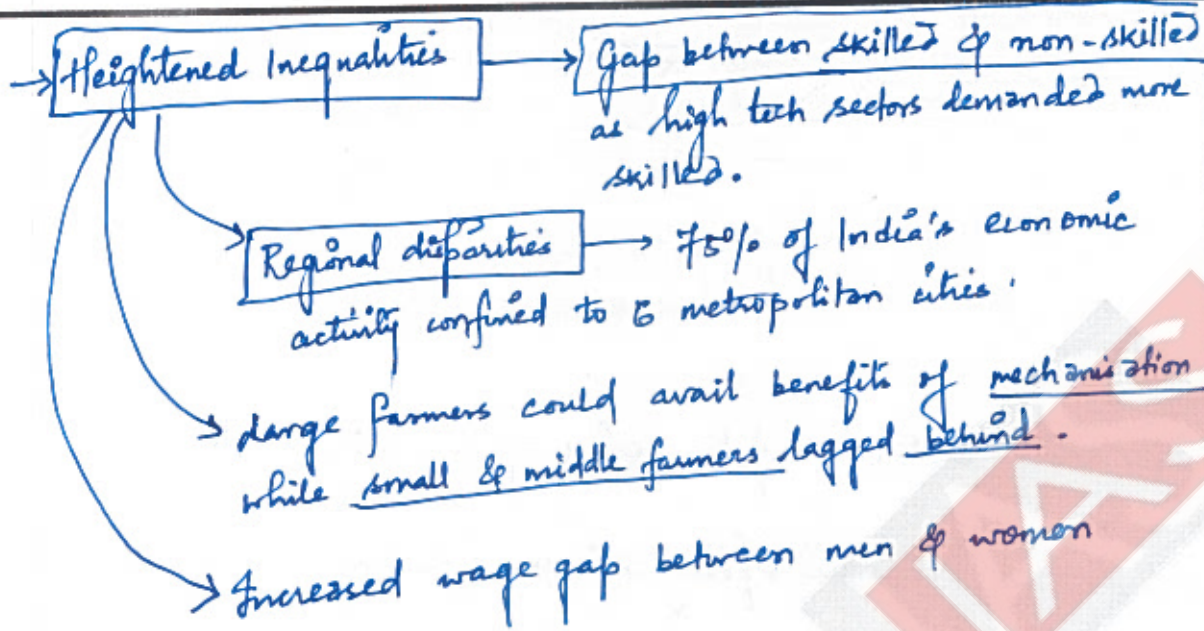
1. Increase in foreign exchange reserves with RBI to bail out Indian economy in case of distress.
2. Growth rate (GDP) registered more than 7.5% and has sustained ever since.
3. With increase in FDI in Indian industries → employment in non-farm sectors skyrocketed.
4. Boost to services sector that now contributes about 57% to India's GDP.

5. Increased technology transfers gave boost to R&D sector in India that brought out mechanisation reforms in agriculture, better quality seeds, sustainable fertilisers etc.

6. With opening of economy, banking and credit proliferated → less agricultural indebtedness.  
(P.J. Nayak Committee).

However, such reforms also had their adverse consequences on the following:





## Key areas for focus of Reform 2.0

- 1. Agricultural development**
  - Enhanced credit
  - Reduced disguised unemployment
  - Doubling farmers' income (Ashok Dalwai Committee)
- 2. Industrial development**
  - Effective tariff structure
  - Tax incentives & PLI for development
  - Proper implementation of Make-In-India, Start-up India
- 3. Entrepreneurial spirit** to be encouraged [70 companies became unicorn in 2021].
- 4. R&D sector** to be enhanced in backdrop of diseases and health concerns
- 5. Expenditure on social sector** dev to be maximum — through Ayushman Bharat, Digital Health IDs etc.

### Feedback

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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)

Ans. Manufacturing sector, despite being given heightened importance in the economic policy space (through Nehru-Mahalanobis Model, New Economic Policy of 1991 as well as schemes like Make-in-India) only contributes about 25% to India's GDP.

Reasons for subpar performance of Manufacturing sector :-→

1. Complex British heritage → Industries in pre-independence were extremely restricted and not allowed to flourish through unilateral taxation systems etc.
2. On independence, Nehru-Mahalanobis strategy did translate into good results (8% growth in 1958) but it couldn't



be sustained due to Indo-China War, burden of food aid etc.

3. Anti-competitive policies like MRTP Act proved to be an obstacles → led to persistence of crony capitalism & licensing Raj.
4. Toblen growth → Many industries account for informal sectors that are not accounted for in GDP.  
Manufacturing industry has also failed to create quality jobs.
5. Growth of services sector leaving behind the manufacturing sector.
6. Stringent labour laws → obstacle in employment.
7. Sectoral imbalances → sectors dominated by high-tech grow while labour-intensive, small-scale MSMEs left out.

National Manufacturing Policy, 2011 aims to increase share of manufacturing in GDP to 25%.

Reforms needed are

1. Boost to indigenous industries
2. Create simple jobs and measures for skill development
3. Encourage entrepreneurial spirit.
4. Boost to Food Processing Industries
5. Protection & job security to workers
6. PLI scheme to increase industrial economy
7. 100% FDI in greenfield investment
8. Effective transportation under Bharatmala, Sagarmala, Gati shakti for connectivity.

### Feedback

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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)

Ans. In 2021, out of 78 companies that became unicorn, 68% of those were fintech companies. Fintech companies pertain to such companies that revolutionise the financial sector through increased use of technology, Artificial Intelligence, Big Data etc.

### Significance of Fintech Companies

1. Make payments easier like apps of Google Pay, PayTM, RuPay.

2. Easier business transactions between industries through Bharat Pe.

3. Easier credit management - SLICE, CRED

They help monitor your income & savings and give a fair idea of expenditure every month.

4. Enable lending - LAZYPAY in case of resource crunch.

5. Help industries manage payrolls, bonuses all in one interface.

Although, fintech companies are becoming the order of the day now, they are not short of critical hurdles.

## Challenges of Fin Tech Companies

→ Privacy Concerns → Credit card details of zomato customers were leaked in 2020.

→ Financial illiteracy → About 40% of population in India have no clue about their finances, according to a RBI Study.

→ Lack of financial infrastructure & penetration in rural, hinterlands, NE areas and hilly areas.

→ Lack of awareness ab among people about the multitude of fintech innovations.

→ Many companies use data from fintech customers to determine behavioural aspects.

e.g - Russian company judging electoral results of US Presidential election from data of customers.

Fintech companies are extremely convenient for transactions & business purposes in India. However, their privacy concerns need to be checked.

### Feedback

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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)

Ans. Livestock in India accounts for 53% of total world livestock, according to Agricultural census data. Being top contributor to dairy, poultry & marine production, India has a huge comparative advantage in the livestock sector.

## Role of livestock & Mixed Farming

I. In increase farm income

→ Insurance against crop failure → as income can now be earned through livestock produce like dairy products, poultry products etc.

→ Excellent way to double farmers' income (Ashok Dalwai Committee)

→ Reducing resources required → Manure of crops

are faecal matter of livestock.

→ <sup>Good</sup> Same amount of yield and productivity can be ensured by employing same amount of labour.

## II. Land fragmentation

→ Both crop & livestock can be reared in the same land, one above the other

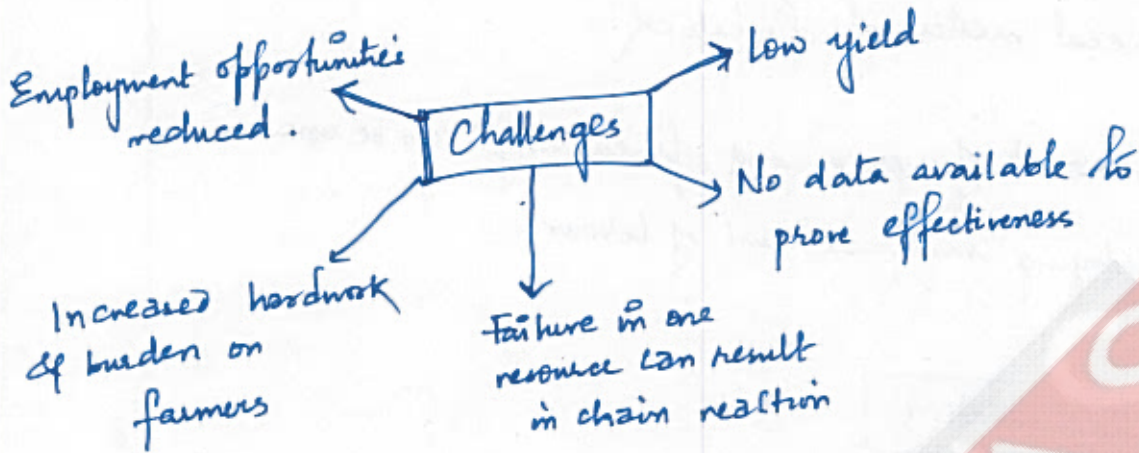
→ farmers' lands put to best and efficient use.

## III. Increasing Productivity

→ labour productivity enhanced as they don't have to juggle between different lands

→ Disguised unemployment reduced to an extent.

→ Produce of livestock can also satisfy consumption needs of farmers



Mixed Farming is an excellent way to double farmers' income as recommended by Ashok Dalwai Committee.

**Feedback**

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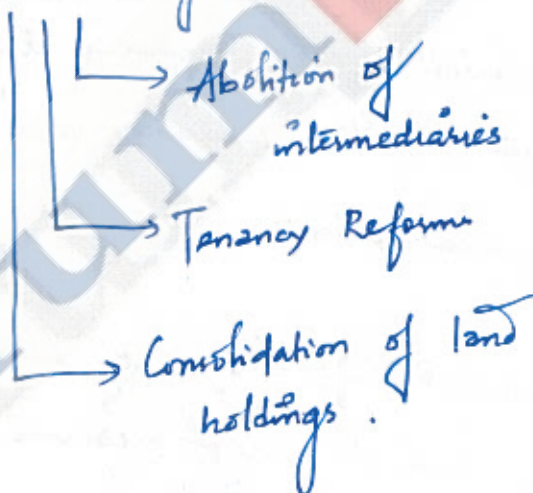
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Q.17) Explain the relationship between land reforms and agricultural productivity. Also, discuss various difficulties in designing and implementation agriculture friendly land reforms policies in the country. (15 Marks, 250 words)

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)

Ans. Land reforms were introduced in post independence era by the Government to check the inefficiencies caused by archaic land practices of British era. Introduced as part of 1st 5 year plan, they aimed at 3 things:



Relationship between land reforms & agricultural productivity :->

-> With abolition of intermediaries, land records became accurate. Farmers entitled to their own lands. This resulted in increased investment in lands & productivity.

- Agricultural lands were divided among landless thereby giving the landless farmers to cultivate & earn incomes.
- Under tenancy reforms, many farmers came together to cultivate lands which increased investments in agricultural mechanisation.
- Intermediaries' removal reduced dependence on informal moneylenders, thus reducing agricultural indebtedness and farmers' suicides.
- land digitisation gave sense of ownership to peasants that incentivises them to adopt measures to increase yields through fertilisers, HYVs, irrigation etc.
- land security → can be used as collateral for availing credit.

## Difficulties in designing agricultural friendly land reforms

1. Consolidation of land holdings → fragmented lands  
↓  
Reduced economies of scale and crop yields.
2. Many farmers used loopholes in land reform acts to transfer lands to relatives.
3. Inclusion - exclusion of beneficiaries - Aadhaar linkage required for land records digitization. Many farmers don't have it.
4. With small lands, farmers incentivised to grow crops that are guaranteed procurement under MSP, thus leading to monocropping & reducing crop diversification.

Land Reforms like SWAMITVA and National Land Monetisation Corporation & digitization of land records can go a long way in ensuring sustainable agricultural development

### Feedback

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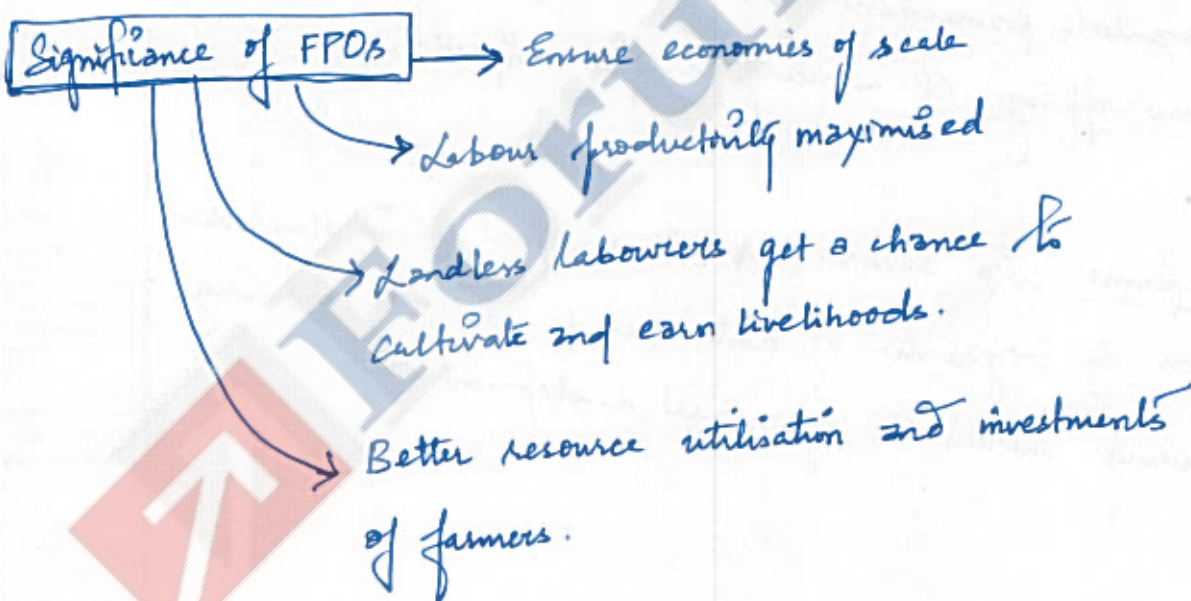
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**Q.18)** Community institutions in agriculture offer small farmers an opportunity to increase their productivity, income, and resource efficiencies. In light of this statement, enumerate the various challenges faced by the Farmers Producer Organisations (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)

Ans. Farmers Producer Organisations are clusters of many farmers coming together to cultivate a land and pool in resources to enhance crop productivity and boost incomes.



Challenges faced by FPOs :

- Agricultural Credit - Banking institutions reluctant to lend to small income farmers due to lack of collateral security
- Increased dependence on moneylenders
- No land record maintenance as many farmers come together to cultivate a land.
- Lack of power infrastructure for irrigation and mechanisation available.
- Difficulties of Green Revolution : Farmers rely on rice and wheat production → Reduced crop diversification
- Lack of knowledge and awareness of digital initiatives like Kisan-Suksha, Shetkari Magazine etc.
- Subsidies sometimes are inaccessible due to no Aadhaar card.

## Measures to reform FPOs :

- Land records modernisation → Codified rules and tenancy reforms
- ⇒ Direct Benefit Transfer — like PM-KISAN & KALIA .
- Effective disbursement of power and irrigation subsidies
- Implementation of PMFBY and PMJDY to ensure financial independence
- Encourage private sector participation & contract farming.

FPOs have enormous potential in revolutionising the agrarian economy of India. Economic Survey of 2020 marks its increasing use in Indian agriculture.

### Feedback (For OFFICE use only)

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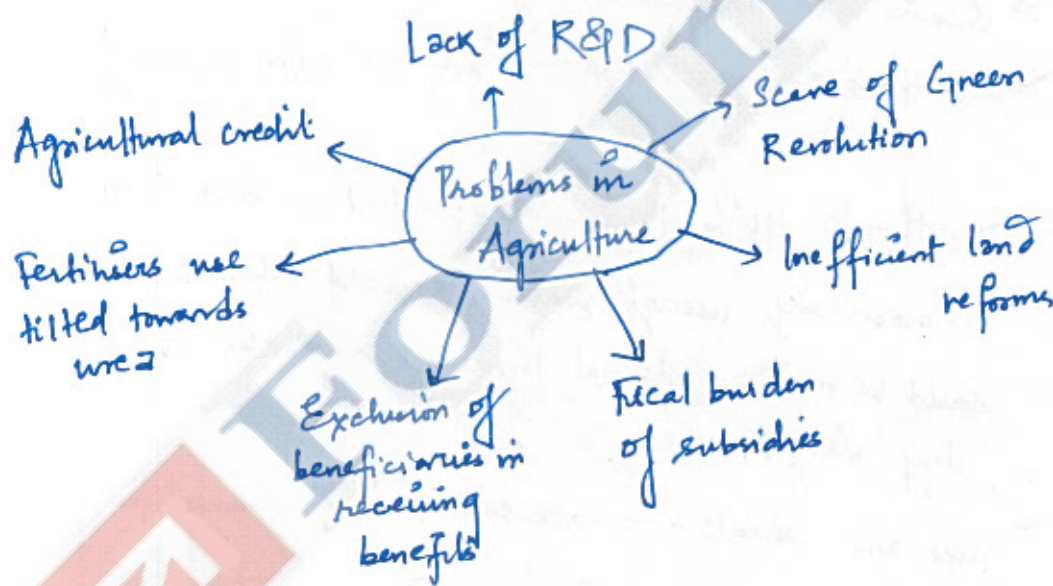
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Q.19) The fundamental problem in agriculture is not the availability of resources, but their inefficient use. Comment. (15 Marks, 250 words)

कृषि में मूलभूत समस्या संसाधनों की उपलब्धता नहीं, बल्कि उनका अकुशल उपयोग है। टिप्पणी कीजिए। (15 अंक, 250 शब्द)

Ans. Agriculture, although employs 47% of labour force of India, contributes only a mere 17% to GDP. Agricultural sector has also been backward in the sense year-on-year agricultural growth is recorded to be at just 2%.



Agricultural growth in India is not plagued by resource availability, but their inefficient use like :-

1. Fertilisers use
  - NPK ratio in India 7:5:3:1 against recommended 4:2:1
  - Due to urea subsidy, fertilisers application heavily tilted towards urea.
  - Fertilisers decolonisation
2. Seeds
  - low seed replacement rate
  - uneven distribution of HYV seeds
  - Scare with implications of HYV seeds
  - clearances from GEAC [only BT Cotton allowed]
3. Water
  - About 40% land → dependent on irrigation
  - Unnecessary use of water for yield when some could be made optimal through sprinkler or drip irrigation
  - Rice and wheat → excessive water consumption  
↓  
Ground water depletion.
4. Credit → More reliance on money lenders leading to debt trap.



Ways to Reforms

1. Kisan Suidha Portal, Farm-O-Pedia by CDAC for agricultural extension services.
2. Plantix app to monitoring soil health and give how proper manure fertilizers can be given for certain crop & soil types
3. AI-sowing app by ICRISAT to reduce seed wastage
4. Village Storage Scheme announced in Budget 2020-21.
5. e-NAM and GRAM for marketing of agricultural produce
6. Soil Health Card and bringing urea under NBS.

Efficient usage of resources in agricultural can go a long way in making its growth sustainable & equitable

**Feedback**

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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)

Ans. Commercialisation of agriculture takes place when agricultural production is not done for domestic consumption but for sale in distant markets. Agricultural marketing, thus becomes extremely important in this regard.

## Challenges in Agricultural marketing

- Increasing wastage due to low availability of storage & cold storage facilities.
- About 40% fresh vegetables and fruits wasted every year
- Difficulties in establishing transport infrastructure in hilly areas, NE areas.
- Lack of standardisation & branding.

→ Agricultural credit is inaccessible to small farmers. 80% farmers still depend on moneylenders

→ inefficiency of roadways to cater to the demands of agricultural marketing

## Recent Govt Initiatives

Changes needed in agricultural marketing:

- Kisan Rail Scheme & Krishi Udan scheme
- Encourage commodity trading & future trading
- e-NAM and iFFO i-Mandi for efficient buying and selling of agricultural produce
- PMFBY and PM-KISAN to ensure financial independence of farmers.
- Proper infrastructural changes like transport, cold storage facilities etc -

### Feedback

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Recent Government initiatives to transform agricultural into  
Enterprise :

- Boost to Contract farming by Economic Survey.
- Krishi Udan and Rail Schemes for marketing of  
produce
- Soil Health Card scheme & Plantix to monitor soil  
health.
- Drone Technology and Robotics to ~~enhance~~ monitor crop  
losses etc.
- Aim to enhance agricultural exports to above 50%.
- Direct Benefit Transfer to farmers to increase investment  
in agriculture.