

TEST CODE : 5 1 3 2 3

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

ForumIAS

## GENERAL STUDIES

Name Of Candidate

Anugu Shiva Manjith Reddy

Roll No.

1910069210

Date:

20/07/22

Time Allowed: Three Hours

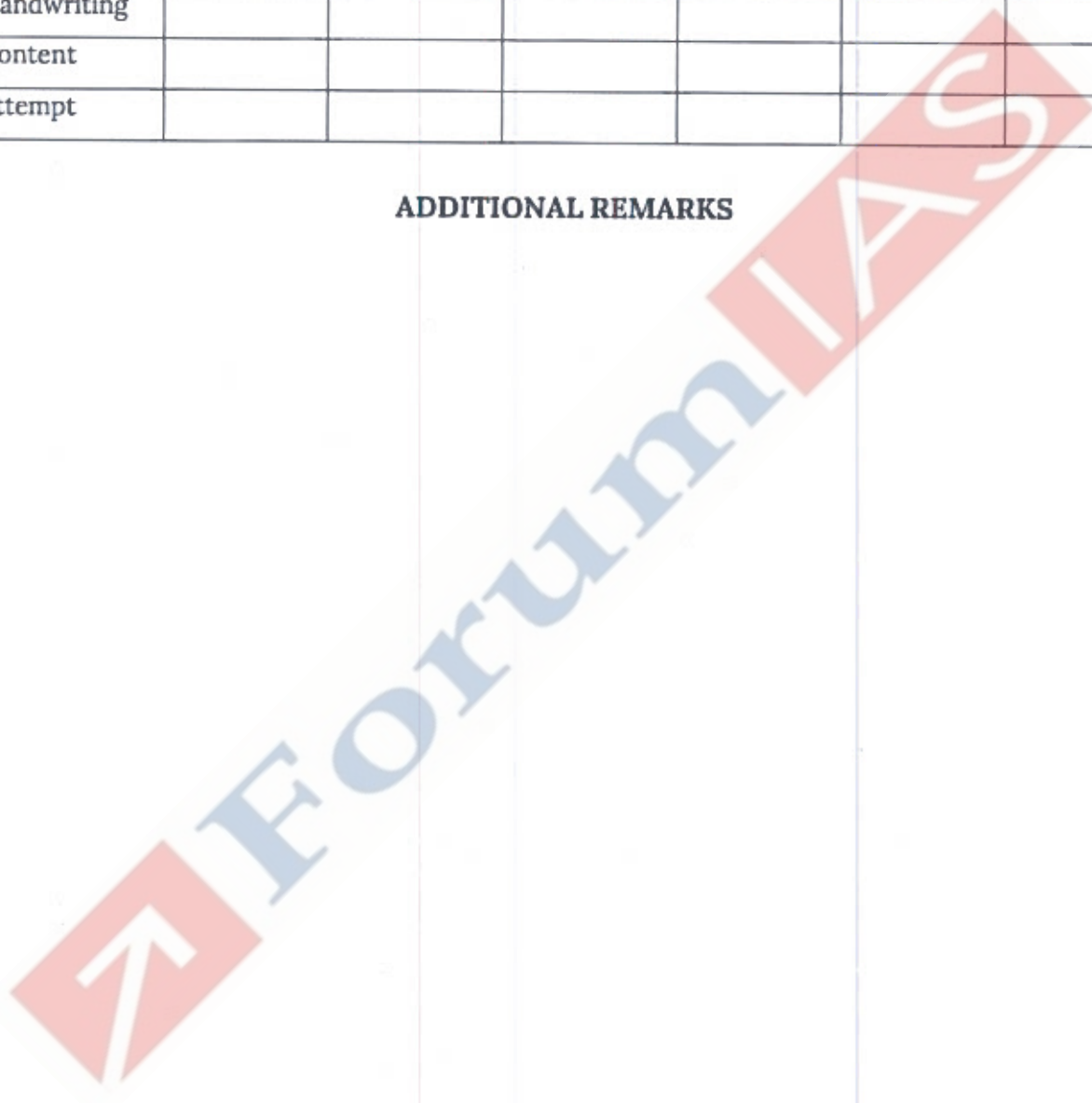
Maximum Marks: 250

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			<i>Any specific messages for ForumIAS Mentors/ Evaluators with respect to your copy? Write it here.</i>	
6			<i>Time crunch toward end.</i>	
7			<i>Took 5 minutes extra.</i>	
8			<i>Please suggest wherever flow charts could have been used.</i>	
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<b>Total:</b>	<b>250</b>			
<b>Evaluator's Discretion:</b>			<b>For Student Only</b>	
			Start Time   10:30	End Time   1:30 + 2min
<b>Total Marks:</b>			Mode Of Examination:	Online <input type="checkbox"/> Offline <input checked="" type="checkbox"/>
<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.			<b>For Office Use Only</b>	
			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						
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 अन्योन्याश्रित और परस्पर संबंधित हैं। विश्लेषण कीजिए। (10 अंक, 150 शब्द)

Unemployment in India remains a huge problem preventing India from reaping benefits from the demographic dividend.

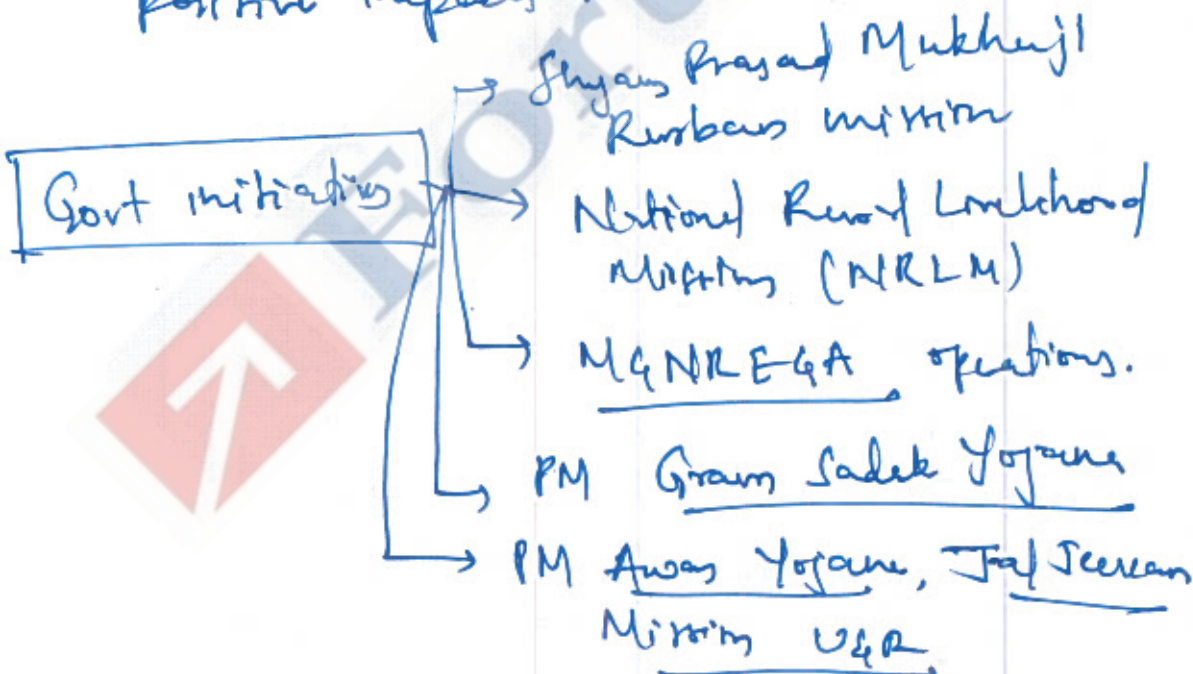
Different natures of Employment problems in urban and rural India:

- Rural
- Problem highly dependent upon agriculture sector
  - Employment linked to social realities
  - feminization of agriculture
  - Pushing population out due to lack of opportunities

- Urban
- Problems of income inequality and sectoral imbalance ex: services vs Manufacturing
  - Greater economic mobility available
  - low levels of Female labour force participation (part.)
  - Increased competition due to migration from rural areas.

Despite the differences in the nature of the problems, their solutions are interrelated.

- Developing rural markets can curb migration to urban areas.
- Developing market linkages between urban and rural areas can bridge gaps between them.
- Better connectivity, more employment opportunities in rural areas can have positive impacts.



In this way, solutions to unemployment in rural and urban areas are interrelated.

**Feedback**  
(For OFFICE use only)

Structure/ Presentation
Question Interpretation
Content
Value Addition
Total

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)

According to NITI Aayog India @ 75 documents India has to invest USD \$1.4 trillion on infrastructure by 2024-25 in order to develop into a \$5 tr economy.

In this context Public-Private Partnership (PPP) plays a huge role in infrastructure development

Industry experts

→ Crowding out private investment due to government borrowings

→ Lack of proper Dispute Resolution Mechanism

→ Weak contract enforcement (ranked 163 in EoDB report)

→ Bureaucratic red-tapism

Lukewarm response to Hybrid Annuity Model

Alternatives to HAM model.

→ models such as TOT (Total operate Transfer) model can be employed

→ National Monetization Pipeline (NMP) to unlock 'idle capital' of 'brownfield assets' is a step in the right direction.

→ Need to coordinate and consult with private industry for informed policy making and innovative methods of investment and PPP's.

To achieve the goal of \$5tr and unlock the potential of economy, we need to reduce logistics cost (14.2 GDP) to 11% by 2030. In this regard, PPP should be perused at a million footing.

**Feedback**

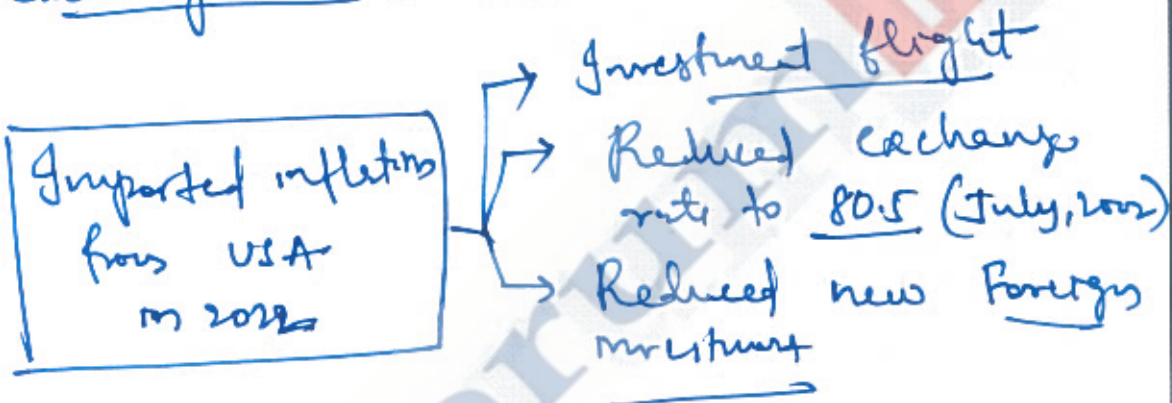
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Structure/ Presentation
Question Interpretation
Content
Value Addition
Total

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 पुनर्हाली की चुनौतियों को बढ़ा रही है। चर्चा कीजिए। (10 अंक, 150 शब्द)

Imported inflation refers to inflation in a foreign country moving inroads into domestic economy by affecting exchange rate, interest rates.



Problems posed by Imported inflation to post pandemic recovery

- ↳ Affecting investor confidence
- ↳ investors choosing foreign country with higher interest rates due to inflation
- ↳ Affecting India's Import Bill →

- leading to depletion of forex reserves
- ↳ Challenges of rupee depreciation affecting its reputation as potential global currency.
  - ↳ Affecting Ease of Doing Business by disrupting value chains.
  - ↳ Imports getting costlier leading to decline in production and inflation in domestic economy.
  - ↳ Inflation eroding household savings and affecting mortgage payments.

Recent policy of Aatmanirbhar Bharat initiatives such as energy pool diversification are steps in the right direction to mitigate India from future threats of imported inflation.

**Feedback**  
(For OFFICE use only)

Structure/ Presentation.
Question Interpretation
Content
Value Addition
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)

Inclusive growth is defined by OECD as economic development that is fair and benefits disadvantaged sections along with higher growth for economy

Inclusive Growth as a process

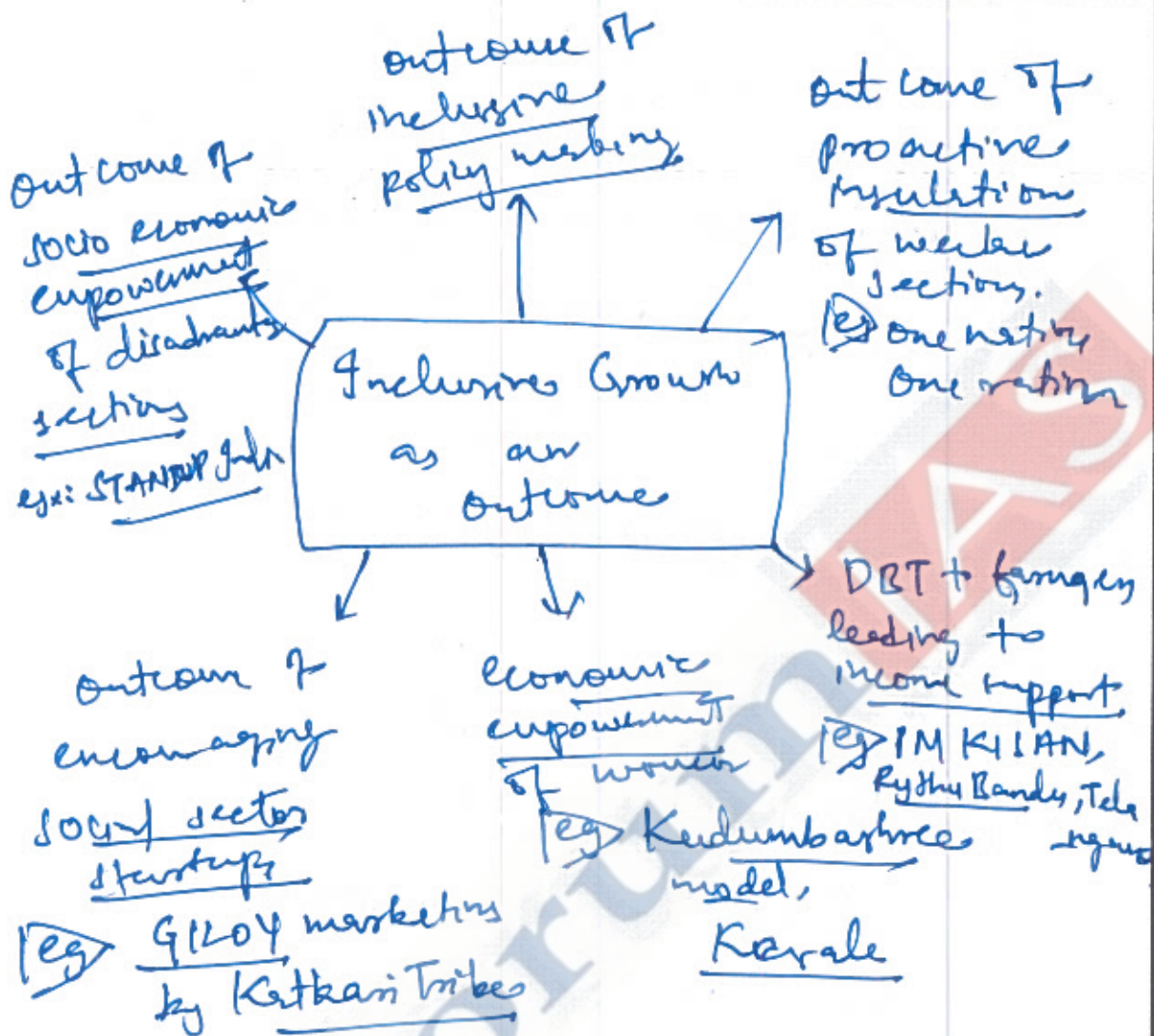
↳ Promoting cooperatives,

SHGs, PPOs, leading to socio-economic development

↳ Financial Inclusion along with innovation as seen in Ed-tech boom and Fin tech boom

↳ Digital inclusion by initiatives like PM e-Vidya during COVID-19 by ensuring accessibility.

↳ PM-wani & Rural Net.



Inclusive Growth in a country like India with intersecting inequalities is of utmost importance. The principle of "Sabke Sath, Sabke Vikas, Sabhi Prayas" should be followed as letter and spirit.

**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)

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)

"Tax is an essential glue that binds citizens and governments in a necessary two way relationship"

; Economic Survey 2020-21

Situation of Tax in India

Direct Tax to GDP ratio  
: 12% (OECD average: 32%)

less than 1% of population file & income tax

Indirect taxes (6%) are more than direct tax (5.6) collections.

Reasons for poor tax compliance in India

↳ loopholes in Income Tax act

↳ Corruption at lower levels of governance.

- ↳ low percent of tax offenders
- ↳ complex dispute resolution framework
- ↳ 90% of employment is informal in India.
- ↳ frequent tax breaks to corporates leads to mass hazards

## Means to improve tax compliance

- ↳ strict penalties for non-compliance
- ↳ Information, Communication and Education (ICE) activities
- ↳ Need of financial literacy initiatives from government.
- ↳ educate 'tax offenders' as 'social delinquency'
- Govt Initiatives such as Vivad se vikray: honouring the honest, faceless and seamless income tax returns are steps in the right direction.

### 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 इकोनमी 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)

According to Economic Survey 2018-19, only 8% of marine resources are processed in India.

Fisheries contribute to 15% of agricultural GDP. In this context, PM Matsya Sampada Yojana (PMMSY) is a huge initiative.

### Potential of PM MSY

- ↳ Promoting aquaculture clusters
- ↳ Boost Marine exports by (MPEDA)
- ↳ Coastal community development initiatives.
- ↳ Provision of modern vessels with technological advancement

- ↳ Socio-economic development of fishermen.
- ↳ Exploit the rich marine resources of India's Exclusive Economic zone (EEZ)
- ↳ Will improve quality and quantity of market processing and storage infrastructure (Cold-storage)
- ↳ In-situ breeding of fisheries by promoting Pisciculture.
- ↳ Integrate with Global supply chains  
India is the third largest producer of fisheries in the world with potential to become largest. In this regard, PMMSY can place India at the centre of global aquatic trade

**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)

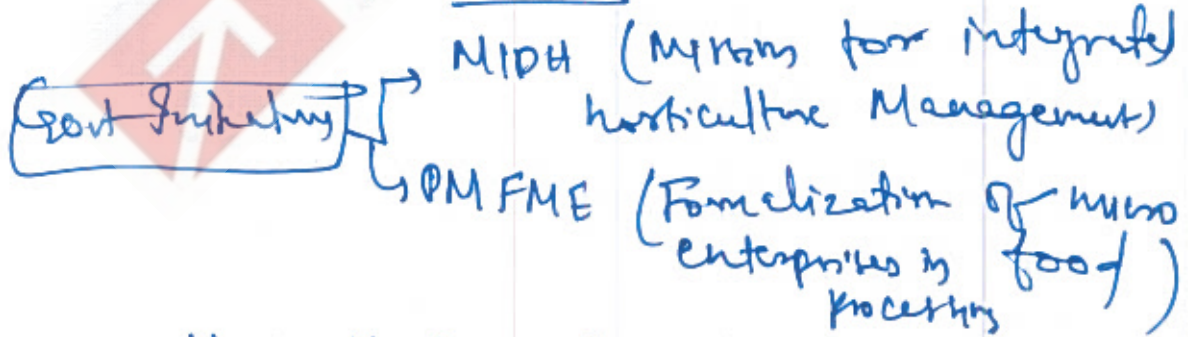
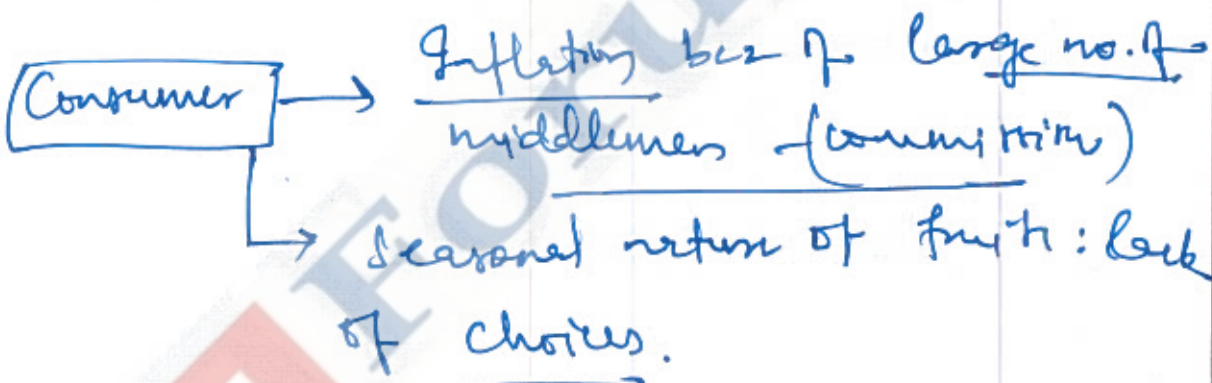
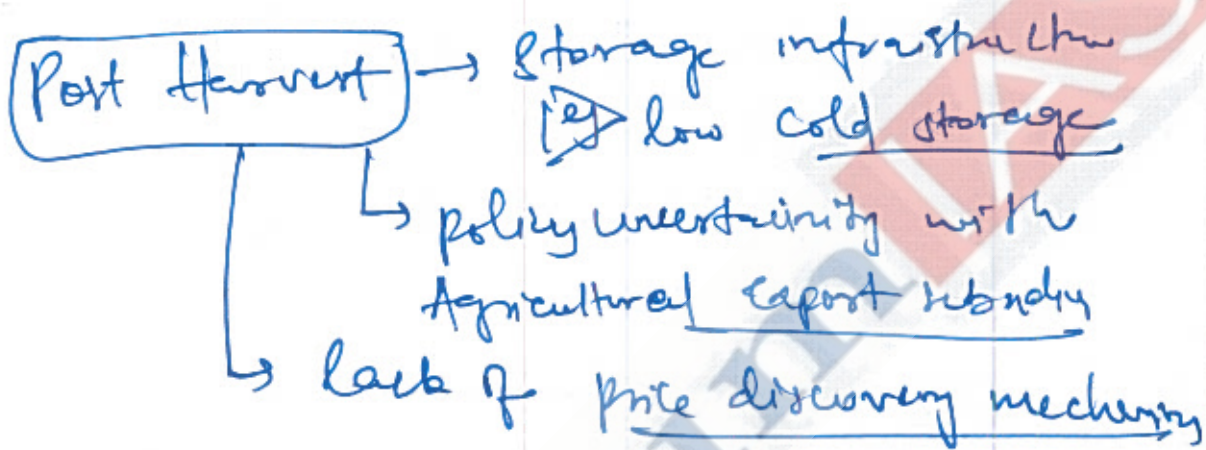
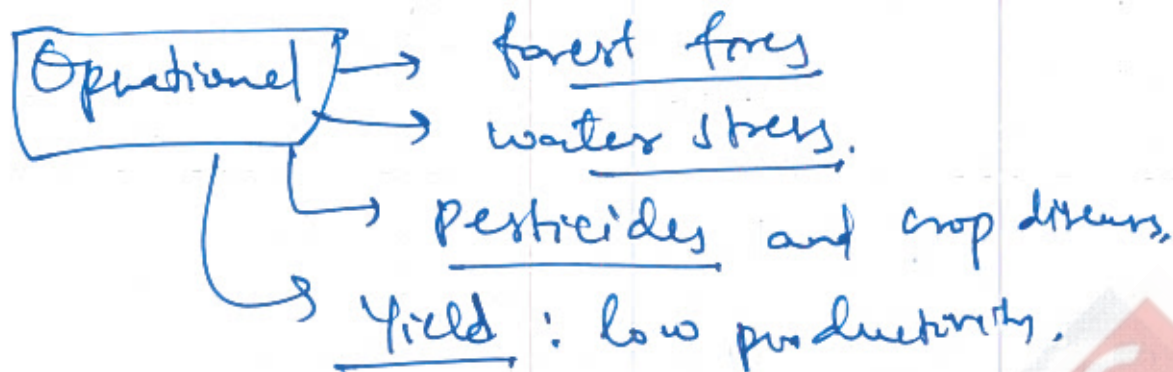
Horticulture contributes 33% to agriculture GDP despite occupying only 20% of Net Sown Area. It has huge potential in transforming agriculture in India.

- ↳ Doubling farmer's income
- ↳ Agriculture food processing
- ↳ global horticulture trade etc.

Challenges in Horticulture Sector

Input Costs → requires plenty of water.

- ↳ long gestation period (10-24y) initially mangoes = 4-5y
- ↳ seasonal nature leading to Agro-climatic challenges: winds lead to falling of mangoes → loss



Horticulture's potential should be unlocked by methods such as "Agri Forestry".

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)

According to Economic Survey 2018-19,  
1% of food grains, 4% of poultry, 8% marine  
rearing and 2% of horticulture are processed  
in India showing the dire need to  
develop food processing sector which  
is a sunrise sector in India.

Reasons beyond Agriculture

↳ Employment: Can provide  
employment of  
upto 10 more jobs  
over next 2 decades

↳ Global value chains → exporting processed  
food can earn  
foreign revenues, and  
stabilize India's value chains  
with world trade.

Nutritional Security

→ valuable vitamins, proteins can be produced through processed food

(eg) vitamin A in golden rice, iron in peanut butter

Healthy snacks → Ragi chips  
i.e. processed millets

↳ Effective method to solve the 'hidden hunger' problems.

Consumer Demand

↳ rising demand for packed, processed food in rural and urban areas.

↳ rising purchasing power and nutritional consciousness

For these reasons beyond agriculture, Food processing sector should be developed

**Feedback**  
(For OFFICE use only)

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Interpretation

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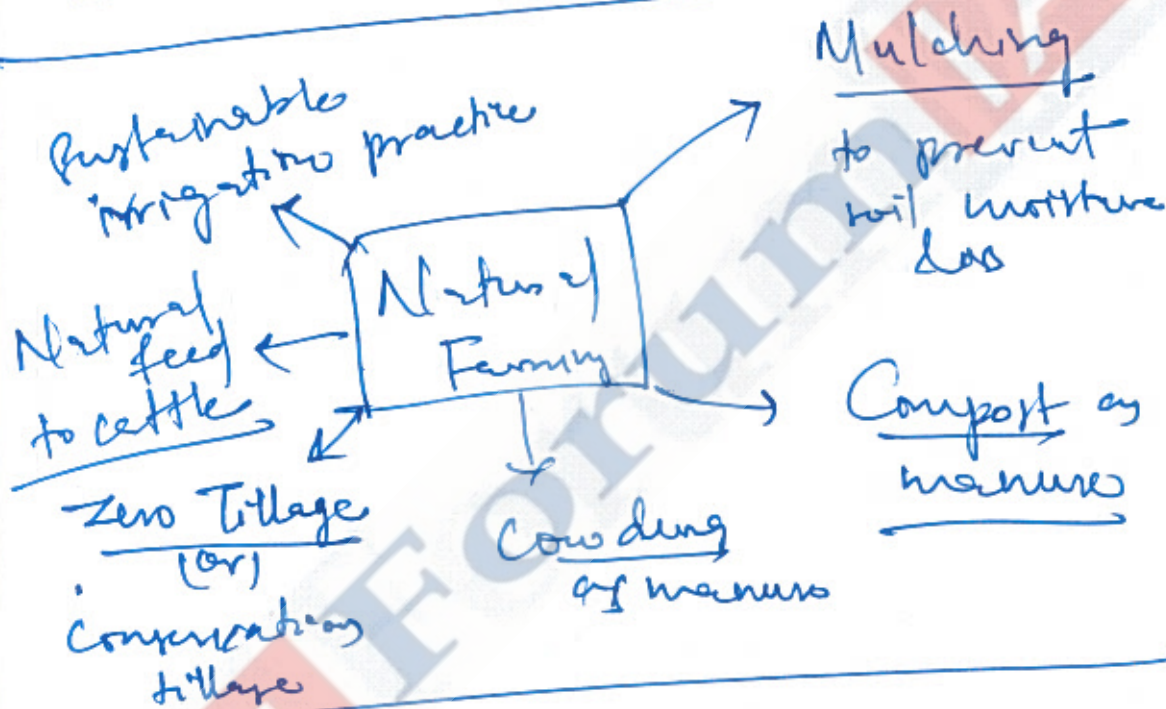
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Q.9) What do you understand by natural farming? How can it help in building climate resilient agriculture? (10 Marks, 150 words)

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 refers to organic methods used in farming as a sustainable alternatives to synthetic fertilizers.



Role in Climate Resilient Agriculture

- ↳ Reduce NO<sub>2</sub> emissions from leached Urea fertiliser
- ↳ Prevents fertilizer runoff into

Ponds or rivers

↳ No antibiotic use for animal rearing leading to low methane emissions.

↳ Using compost as bio-digester and increase microbial activity restricting CH<sub>4</sub> emissions.

Govt Initiatives

Nehru Mission for Sustainable Agriculture  
 Paramparagat Krishi Vikas Yojana  
Organic farming clusters

According to IPCC AR-6, Agriculture

contributes to 20-30% of CH<sub>4</sub> emissions.

∴ Sustainable agriculture is need of the hour

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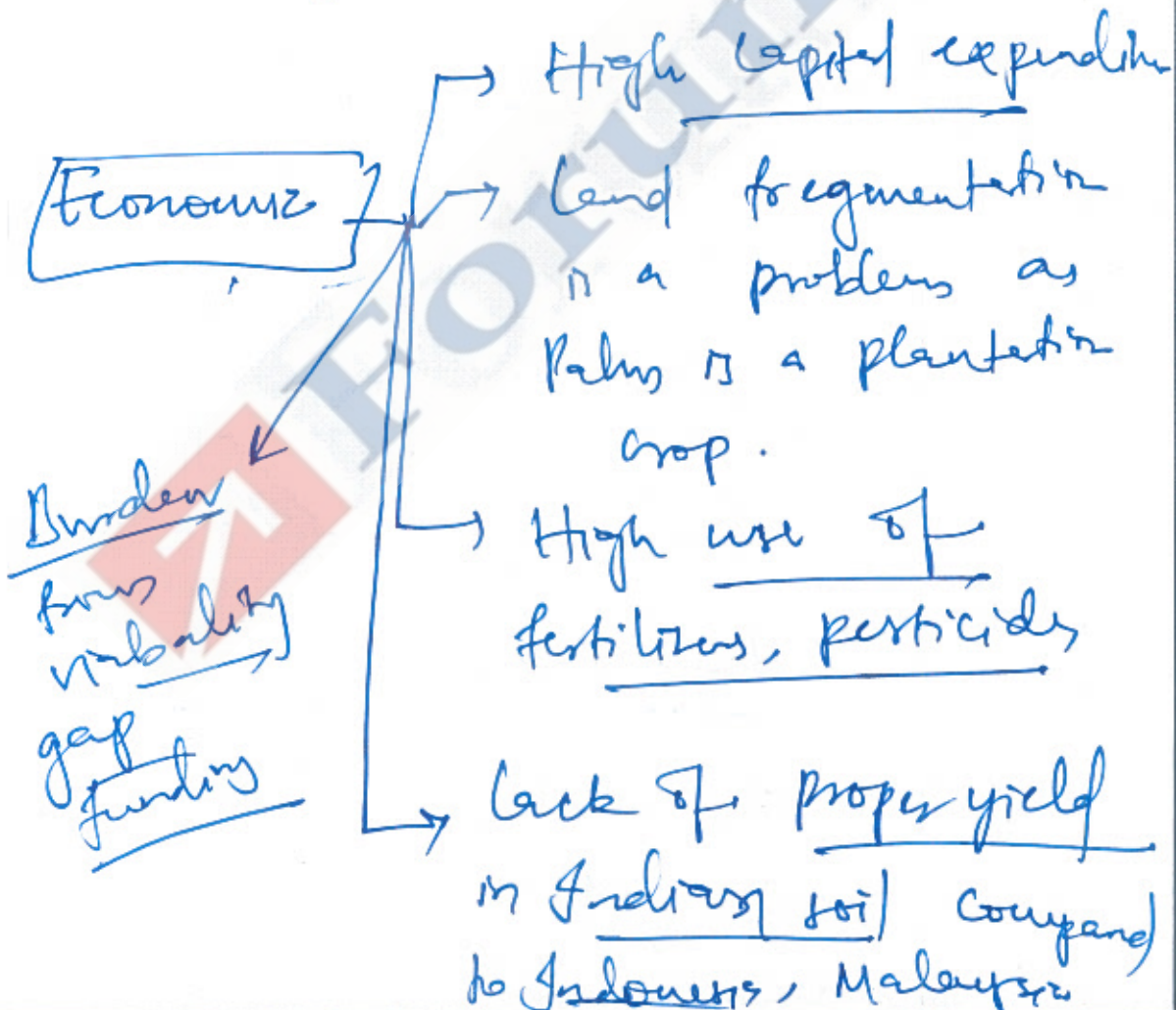
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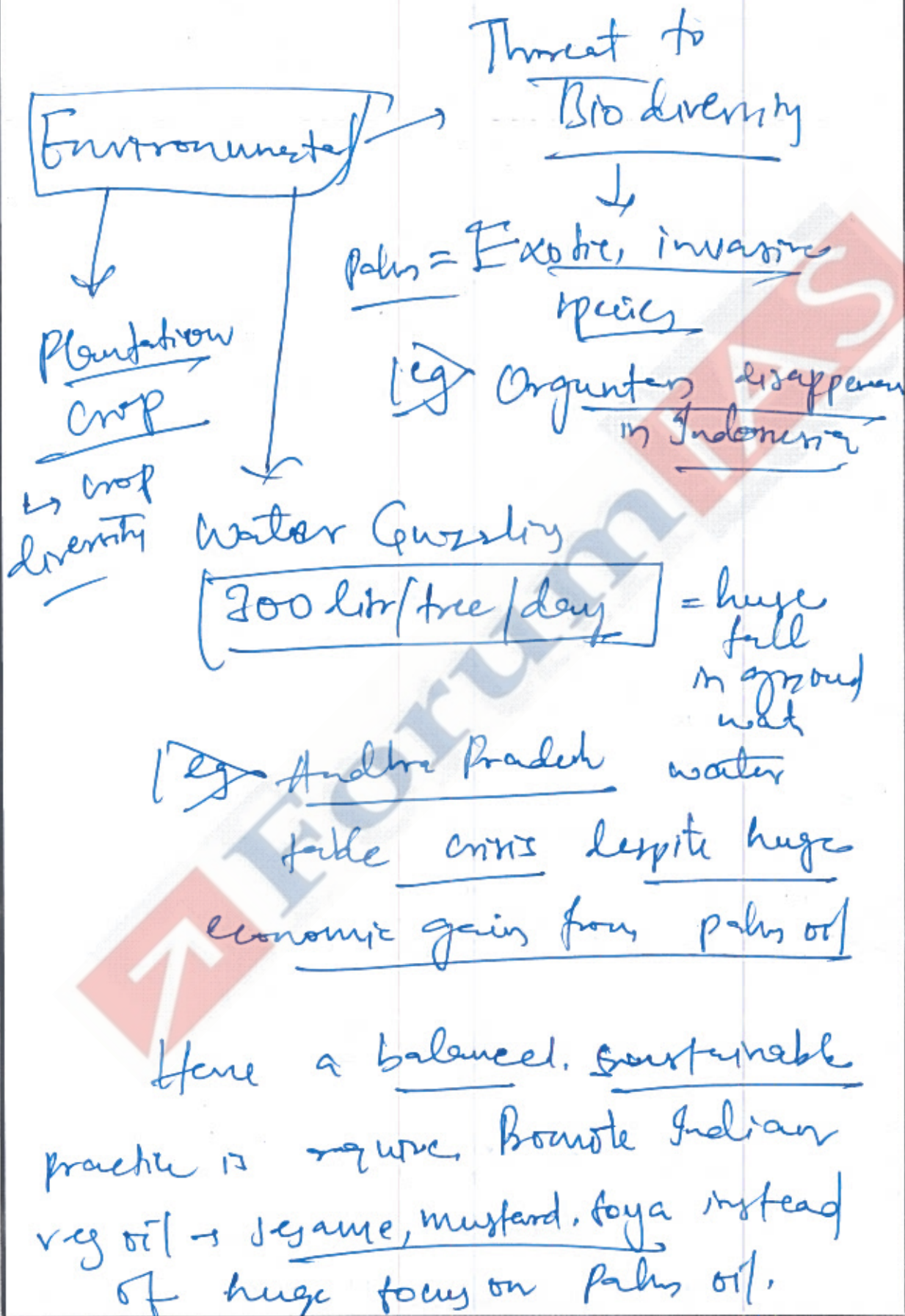
Q.10) In light of National Mission on Edible Oils-Oil Palm (NMEO-OP), critically examine economic and environmental implications of promotion of oil palm cultivation in the country.

(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)

Vegetable oil import costs  
 India 8.5 - 10 billion dollars  
 every year. 65% of vegetable  
oil imports is Palm oil





**Feedback**  
(For OFFICE use only)

Structure/  
Presentation.

Question  
Interpretation

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Value  
Addition

Total

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)

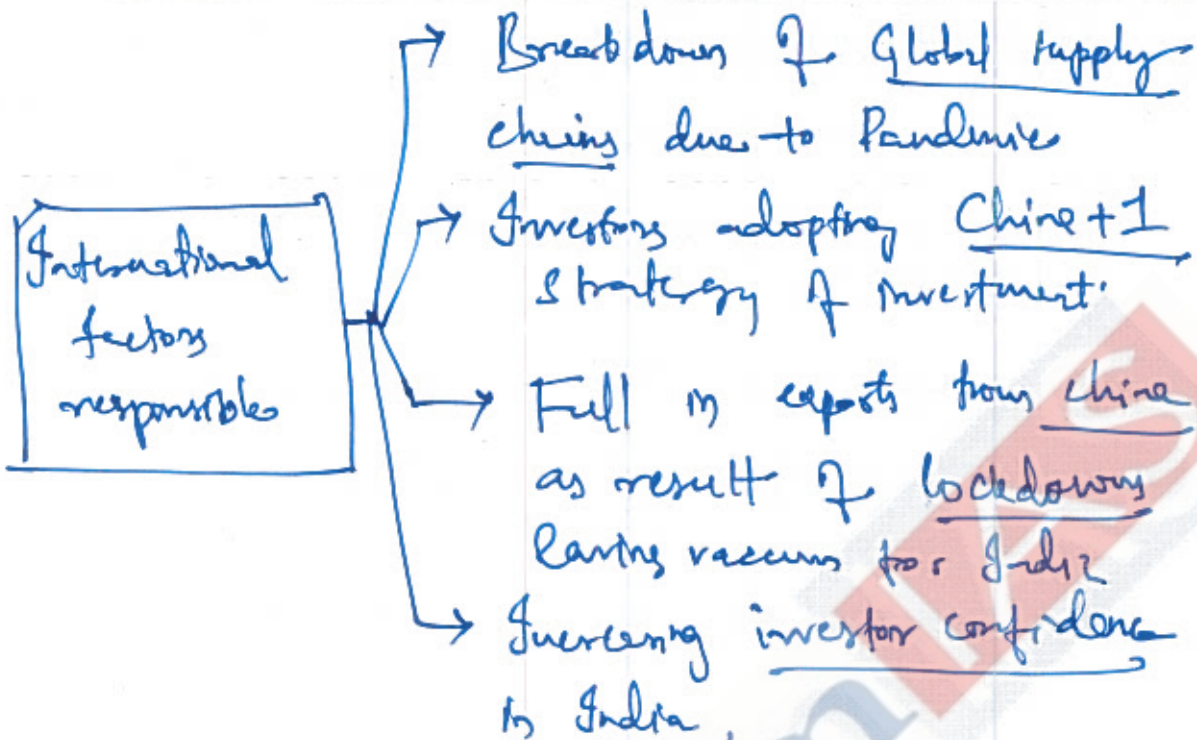
400 बिलियन अमरीकी डालर के व्यापारिक निर्यात की उपलब्धि एक आत्मनिर्भर भारत की दिशा में ठोस और सामूहिक प्रयासों का परिणाम है। इस उपलब्धि के लिए जिम्मेदार विभिन्न कारकों की पहचान करें। भारत को वैश्विक आपूर्ति श्रृंखलाओं के केंद्र में रखने के लिए आप क्या उपाय सुझाएंगे? (15 अंक, 250 शब्द)

India's merchandise exports have reached phenomenal feat of 400 billion USD before the target year 2022-23 completed.

## Factors Responsible

### Domestic factors Responsible

- 'Make in India' program
- Production Linked Incentives (PLI) scheme expansion to 12 sectors
- Rapid investment in infra  
- help to bring down logistics cost (14% of GDP → 11%)
- Promoting of Exclusive Economic Zones (EEZs)
- Reforms for Ease of Doing Business (Rank-63, 2019)
- Increase in FDI despite pandemic



Measures to put India at centre of Global supply chain

- ↳ Rapid investment in infrastructure to bring down logistical costs (14% of GDP)
- ↳ Promote startups (India has third largest startup ecosystem)
- ↳ Development of ports as transshipment ports on lines of Dubai, Singapore



↳ Promote PPP model of infrastructure development.

↳ Resolve supply chain bottlenecks in Special economic zones.

↳ Develop 'Brand India' and promote

'Assemble in India for the world'

-NIT Aayog India @75

Way Forward

To realize the goal of \$5 trillion economy by 2024-25, integrating with global supply chain to unleash the 'animal spirits' of the economy is of utmost importance.

**Feedback**  
(For OFFICE use only)

Structure/ Presentation
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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 व्याख्यात कीजिए।  
(15 अंक, 250 शब्द)

Universal Basic Income (UBI) refers to basic allowance to citizens irrespective of socio-economic background, as a measure of economic empowerment, poverty eradication and social justice.

UBI as cure for poverty

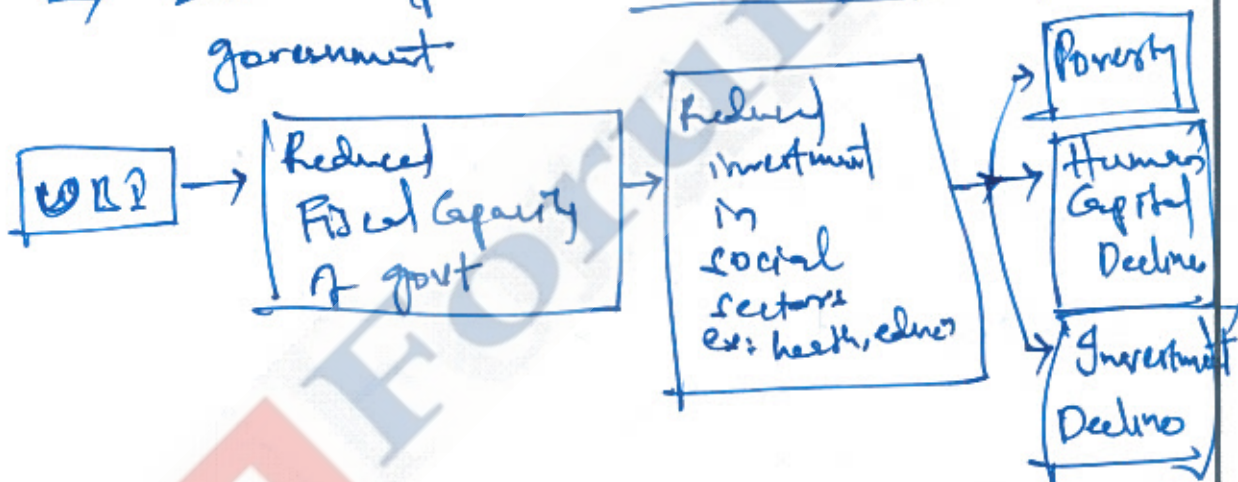
↳ Increases purchasing power of poor people, leading to better access and affordability to education, healthcare, housing etc.

↳ Measure to resolve socio-economic disparities in the society.

↳ Increase demand in economy thereby increasing employment opportunity and investment leading to virtuous cycle of economic growth

UBI as worse decrease for Economy

↳ Burden on 'fiscal capacity' of government



↳ 'Moral Hazard' → incentivizes unemployment  
 ex: UBI in USA during pandemic led to unemployment crisis where thousands of jobs with no seekers

↳ Investment decline in other sectors such as infrastructure to boost economy

Way Forward

While benefits of USB can be unparalleled, it is an idea whose time is yet to come. It poses multitude of challenges for a world that's trying to get back to pre-pandemic levels of productivity.

Instead of pursuing USB, better productive capital expenditure for infrastructure, both physical and social is needed. Investment in education and healthcare to reap the benefits of demographic dividend is need of the hour than USB.

**Feedback**  
(For OFFICE use only)

Structure/ Presentation-
Question Interpretation
Content
Value Addition
Total

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 1991 sweeping LPG (Liberalization, Privatization and Globalization) reforms proved to a watershed moment in India's economic growth and lifted millions (290 million) of people out of poverty, as to Jagdish Bhagwati in "In defence of Globalization".

Incomplete structural reforms

↳ Bureaucratic red-tapism persists despite push for free-market reforms

↳ State monopoly in fields Tej Life Insurance still exists.

↳ presence of Public Sector Enterprises

↳ High government borrowing, leading

to crowding out of private investment

↳ Contract enforcement (rank-163/190 by World Bank)

## Incomplete Social Sector Reforms

↳ low Female labor force participation (FLFP)

of 20%. (China = 65%, Japan = 60%)

↳ social-economic inequalities, Regional economic disparities preventing unlocking

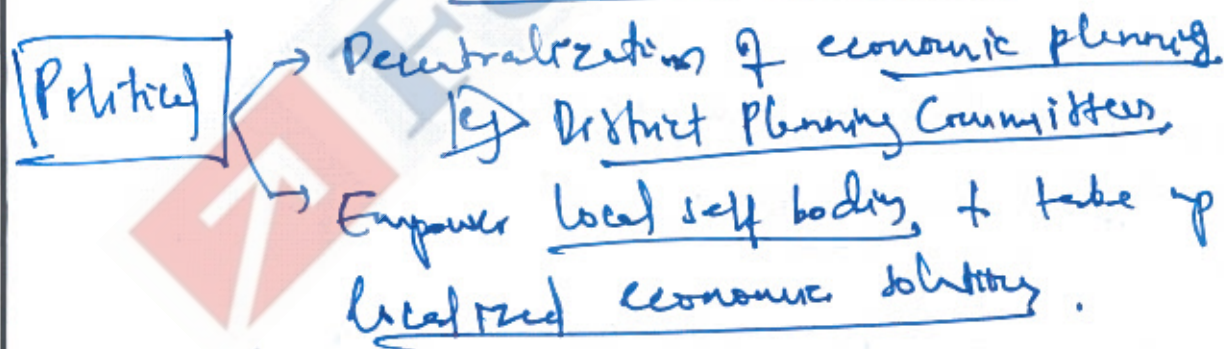
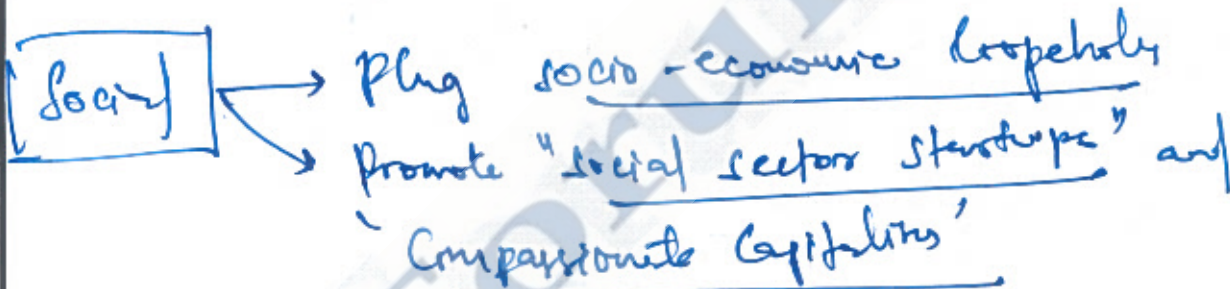
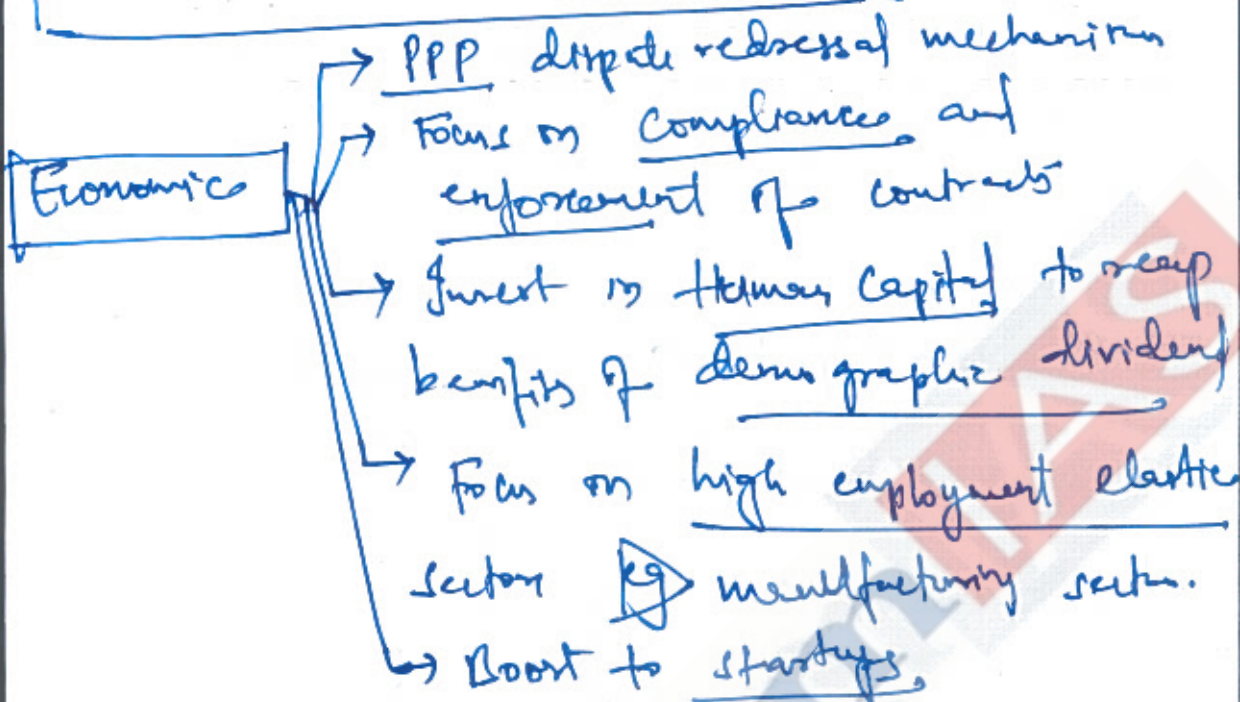
of true economic potential of India.

## Sectoral Imbalances

↳ Service sector (60% of GDP) grew at faster pace than manufacturing sector (20% of GDP)

↳ Urban growth rate faster level compared to Rural Agrarian districts and poverty.

## Areas for focus of Reforms 2.0



In this way, a multi-pronged approach is required to fulfill the ambition of \$5tr economy by 2047 with reforms 2.0 approach.

### Feedback

(For OFFICE use only)

Structure/  
Presentation

Question  
Interpretation

Content

Value  
Addition

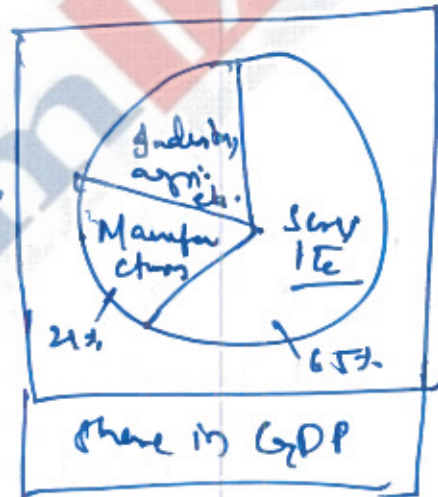
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**Q.14)** Despite a focused approach on manufacturing sector through initiatives such as Make in India, the share of manufacturing sector in the Gross Domestic Product (GDP) has stayed stagnant. In this context, bring out the reasons for subpar performance 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)

Manufacturing sector has disproportionate share in GDP (21%) compared to service sector (65%), which has remained stagnant since 1991 while service sector undertook economic boom:

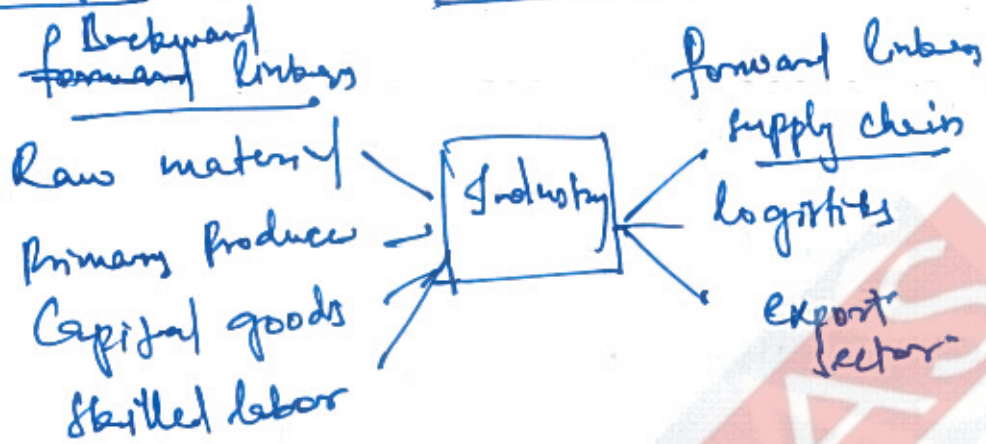


Reasons for subpar performance of Manufacturing sector

- ↳ High cost of logistics (16% of GDP) while China = 9% of GDP
- ↳ Lack of forward and backward



linkages to manufacturing sector



Policy issues

↳ Inverted duty structure  
higher import duty on raw material  
than on finished goods

↳ Policy uncertainty preventing concerted  
push to manufacturing sector by  
successive governments

↳ Promoting "Dwarf firms" [Economic Survey 2018-19]

↳ 'Chakravyuh Challenge'  
unable to shut down despite low  
performance due to labour laws [E.S. 2018-19]

↳ Incompetency in PSUs

Reforms to meet targets of National Manufacturing Policy, 2011

- ↳ High infrastructures growth and capital expenditure
- ↳ resolve Policy uncertainty
- ↳ Build investor confidence
- ↳ Boost Make in India and Brand India
- ↳ Promote startups & incubation.
- ↳ Sunset clause on government incentives to resolve Dwarfism of MSMEs (E.S. 2018-19)
- ↳ Logistics boost
  - ↳ Dedicated Freight Corridors
  - ↳ Increase freight movement speed 50kwh → 80kwh
  - ↳ Bharat Mala, Sagar Mala projects
  - ↳ Expressways and econoures corridors

Manufacturing sector has high employment elasticity. It's development plays crucial role to boost exports and realize \$5tr dream.

**Feedback**  
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Structure/ Presentation
Question Interpretation
Content
Value Addition
Total

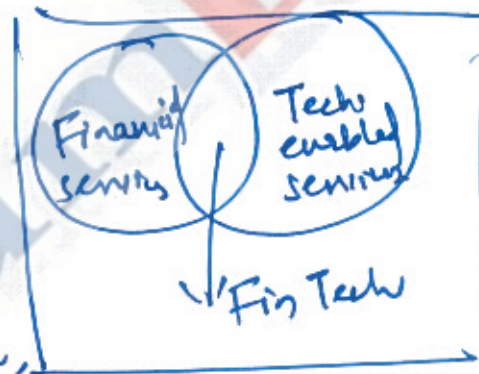
Q.15) Fintech is facilitating financial inclusions through innovations, but reaping its developmental potential requires overcoming critical hurdles. Analyze. (15 Marks, 250 words)

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)

Fin Tech refer to financial services being offered through technological means, i.e. Internet, app-based services etc. It

integrates banking services and Technology

→ India observed a 'boom' in fintech startup space with unicorns → Phonepe, Bhartix, Paytm



which developed on UPI platform of NPCI

Financial Inclusion by innovations of FinTech

- ↳ Increased accessability, availability and affordability of financial services
- ↳ Paperless banking and loan services.

- ↳ Concept of Neo-banks
- ↳ Micro finance services, and "Buy Now Pay Later" services, helped middle class empowerment
- ↳ m-banking (mobile banking)
- ↳ Increased demand in economy due to ease of digital payments
- ↳ Increased access to 'institutional finance' to small business firms.

Hurdles in keeping its developmental potential

- ↳ Digital Divide on top of the social and economic divide  
 eg only 60% of rural population has access to internet, let alone smartphone
- ↳ Cyber security threats  
 eg Proliferation of chinese fake apps with "predatory lending" activities.

- ↳ Regulatory vacuume  
↳ recently, RBI flagged irregularities in 'Buy now Pay now' services by fin techs.
- ↳ Threat of monopolization of fin tech space
- ↳ high rate of interest pushing middle class into a 'debt trap'

## Way Forward

Financial Inclusion plays a huge role in development. To boost India's credit-GDP ratio (67%) while OECD average = 137% development.

Democratizing fin tech space is the need of the hour while plugging the regulatory loopholes and balancing it with enabling approach to let the fin tech space flourish.

### Feedback

(For OFFICE use only)

Structure/  
Presentation

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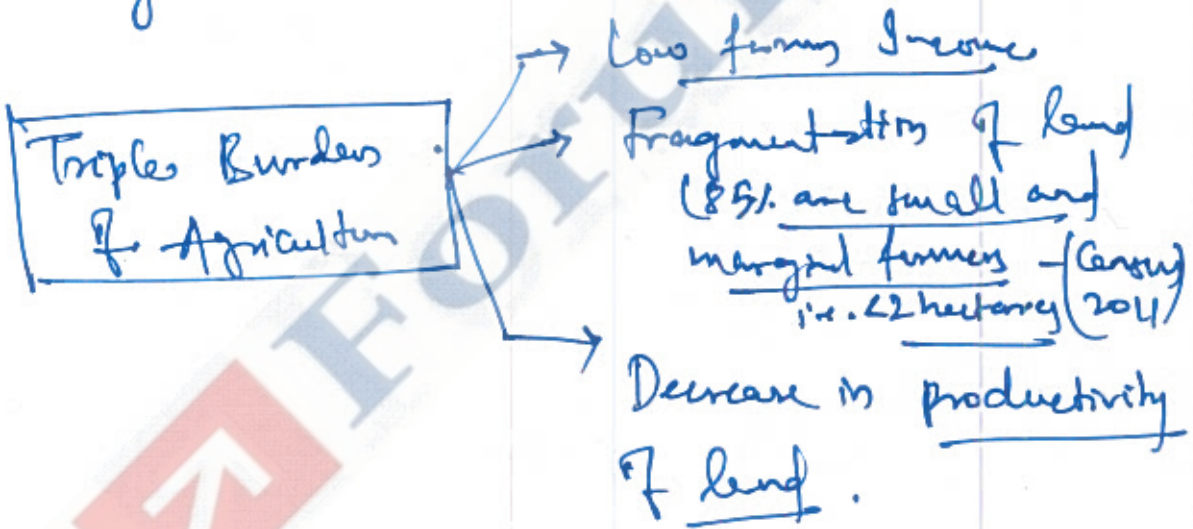
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Q.16) Encouraging livestock through mixed farming can be the answer to the triple burden of low farm income, increasing land fragmentation and plummeting productivity in the agriculture sector. Discuss. (15 Marks, 250 words)

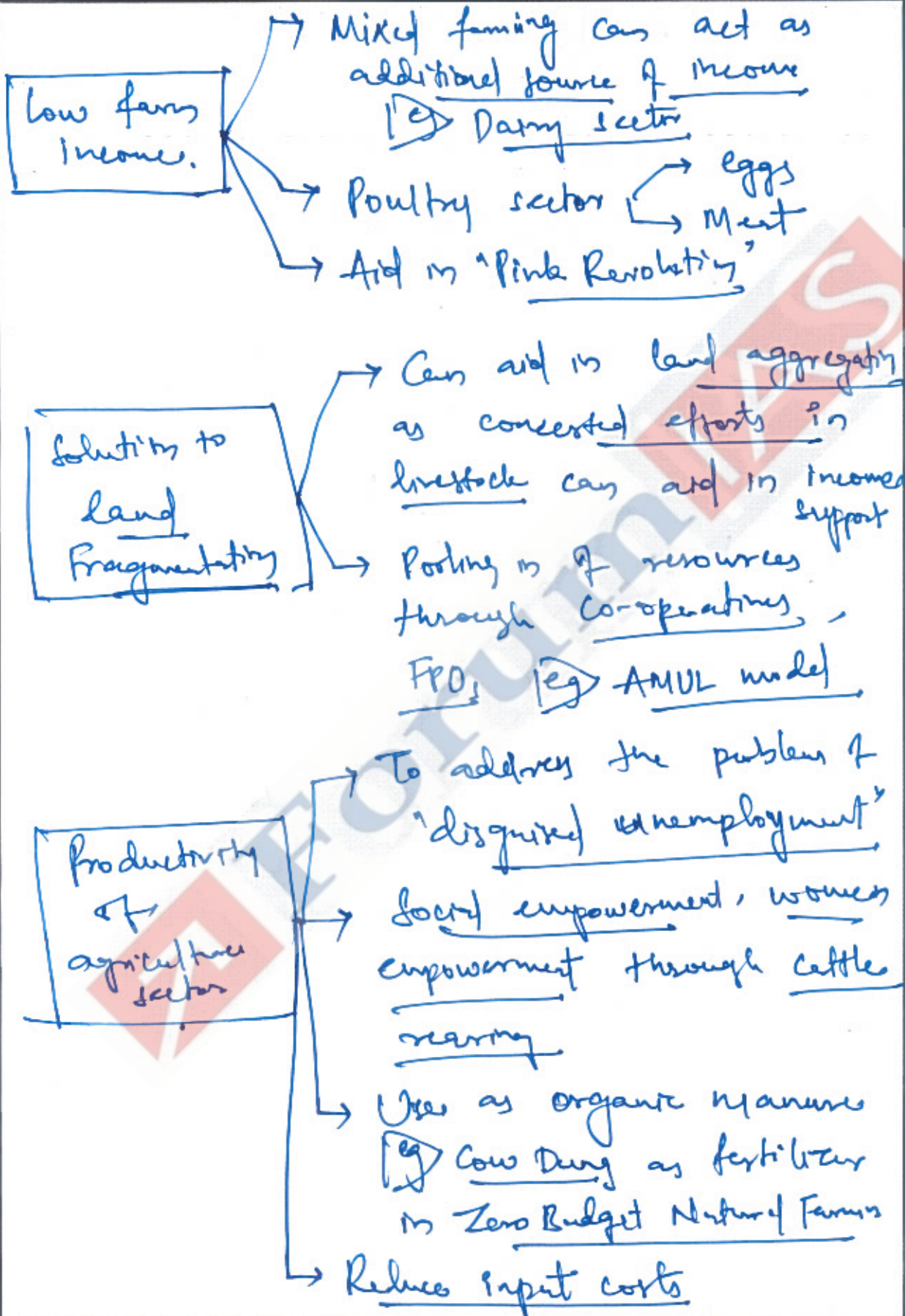
मिश्रित खेती के माध्यम से पशुधन को प्रोत्साहित करना कृषि क्षेत्र में कम कृषि आय, भूमि विखंडन में वृद्धि और उत्पादकता में गिरावट के तिहरे बोझ का जवाब हो सकता है। चर्चा कीजिए। (15 अंक, 250 शब्द)

India's agriculture sector employs 65% of population (Census-2011) while contributing to only 17% of GDP. In this context, growth of agriculture sector plays huge role in 'inclusive growth'

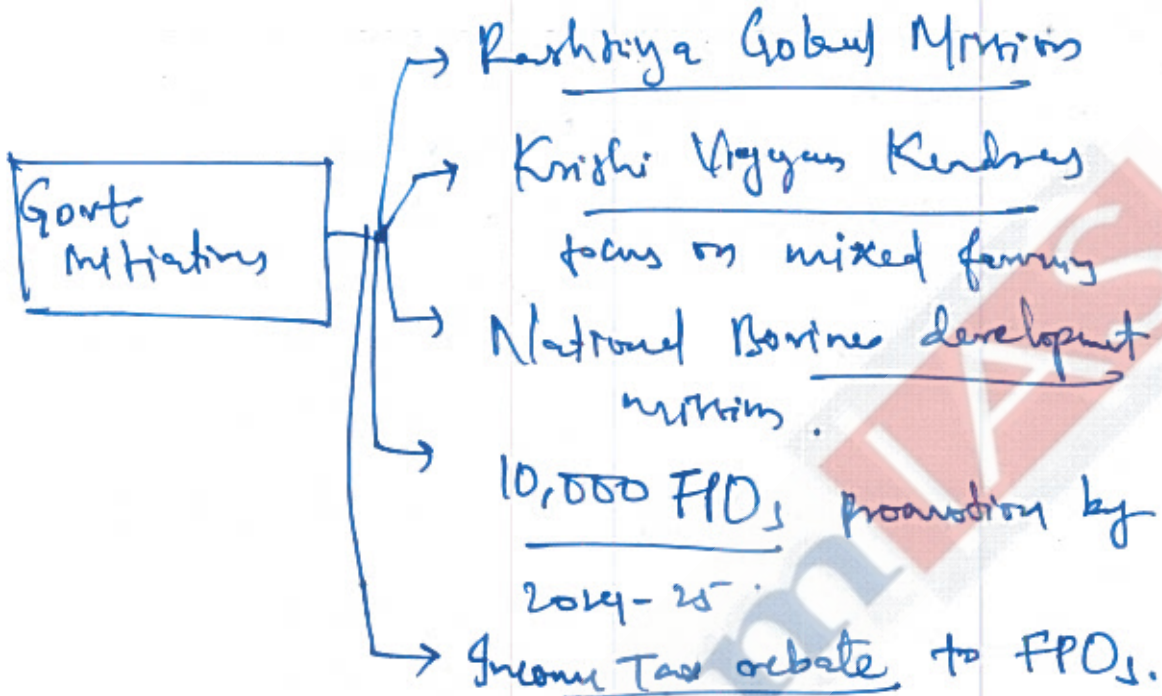


## Role of Mixed Farming in resolving crisis

Mixed farming refers to livestock rearing along with farming to boost farmer's income



↳ source of bio-gas production



To resolve agricultural distress and to double farmers income (Ashok Dahewal Committee) promotion of mixed farming is the need of the hour.

**Feedback**  
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Structure/ Presentation
Question Interpretation
Content
Value Addition
Total

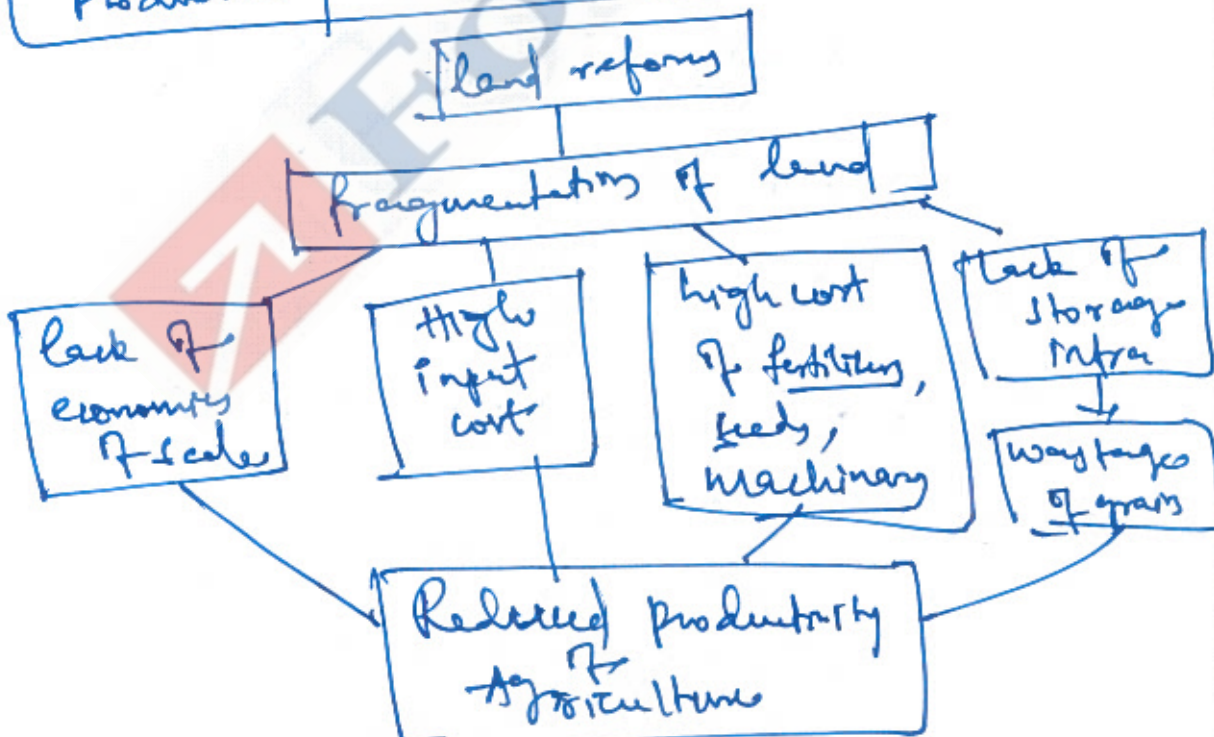


Q.17) Explain the relationship between land reforms and agricultural productivity. Also, discuss various difficulties in designing and implementation agriculture friendly land reforms policies in the country. (15 Marks, 250 words)

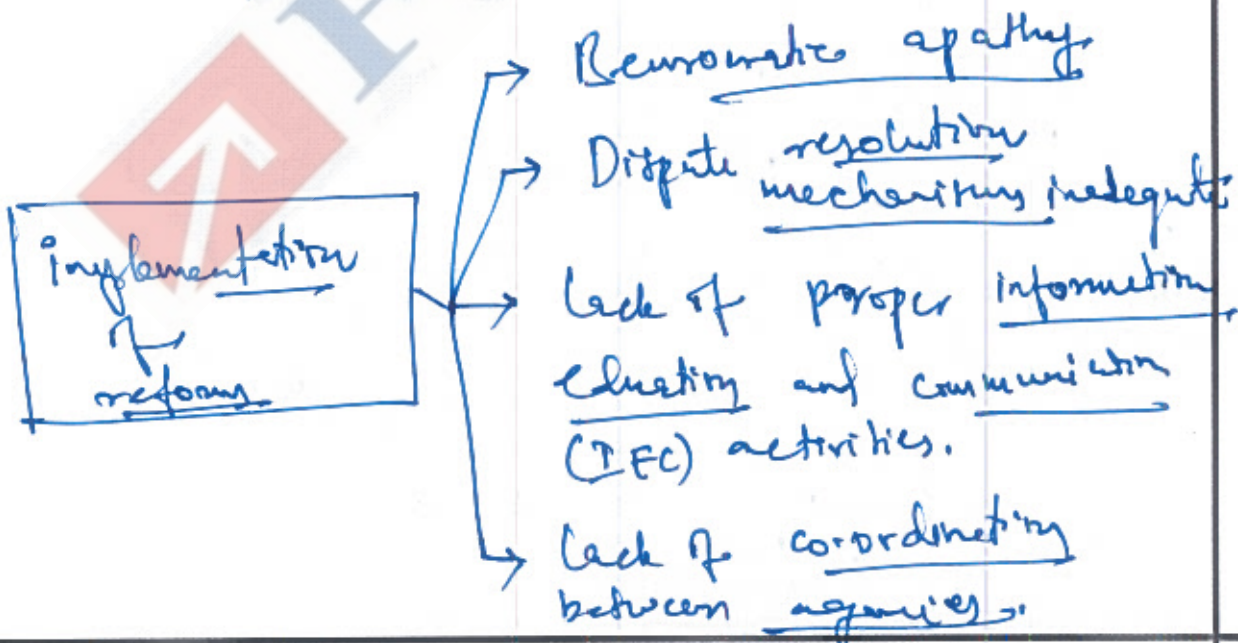
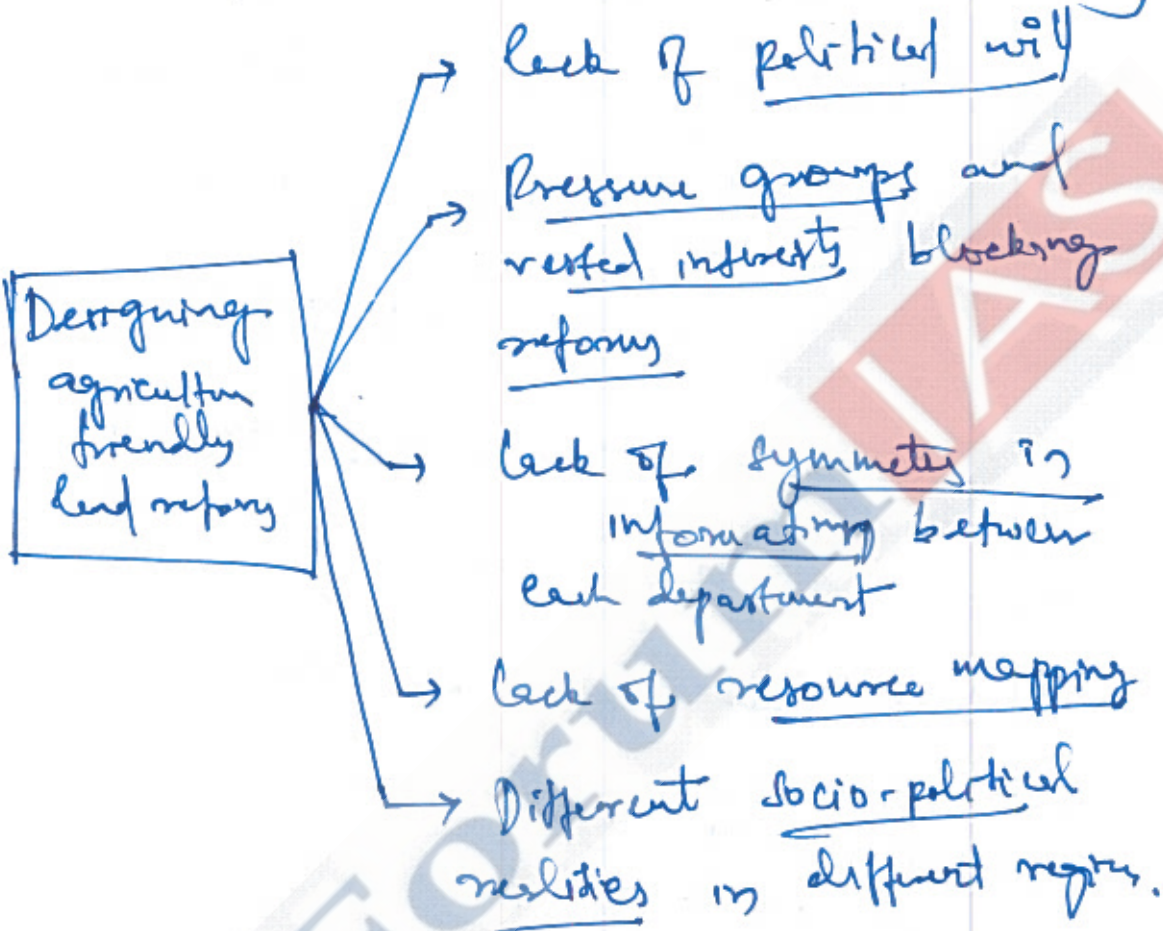
भूमि सुधार और कृषि उत्पादकता के बीच के संबंध की व्याख्या करें। इसके अलावा, देश में कृषि अनुकूल भूमि सुधार नीतियों का प्रारूप तैयार करने और उन्हें लागू करने में आने वाली विभिन्न कठिनाइयों पर चर्चा करें। (15 अंक, 250 शब्द)

Land Reforms refer to the discourse of land redistribution as a means of social Justice. It aims to empower rural sector by giving source of income through agriculture.

Relation between Land reforms and Agricultural Productivity



Hurdles in designing agriculture friendly lead reforms in country



↳ Gap in policy shift  
 (eg) protests after farmers laws  
 leading to recall..

↳ Few rich farmers (6%) benefiting  
 from status quo (eg) APMC middlemen

Way Forward

To resolve rural agrarian distress  
 and sustain agricultural growth coupled  
 with socio-economic empowerment, land  
reforms should be a major focus area  
 in agriculture development discourse

**Feedback**

(For OFFICE use only)

Structure/  
Presentation

Question  
Interpretation

Content

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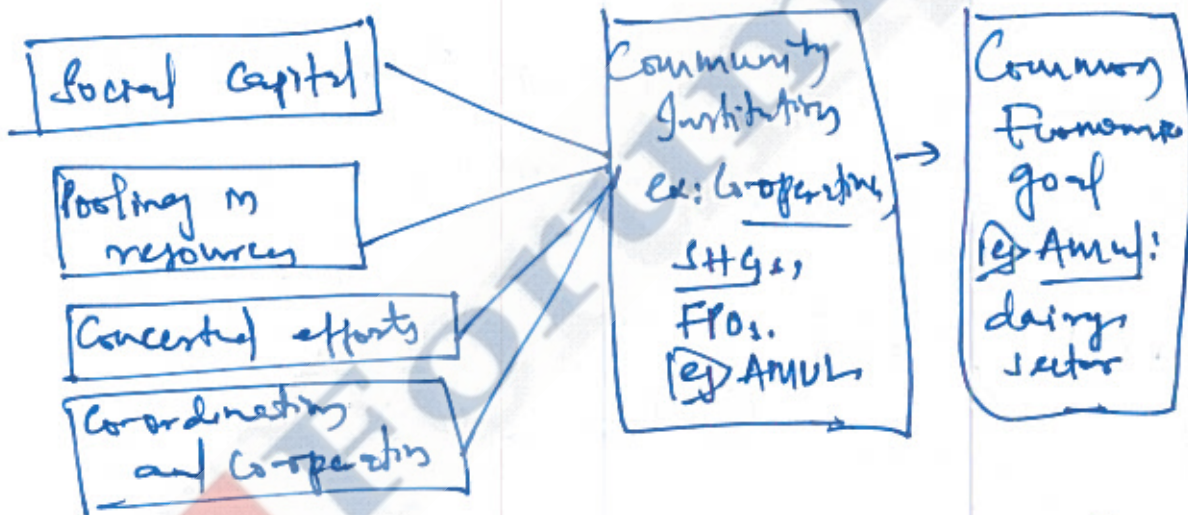
Total



**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)

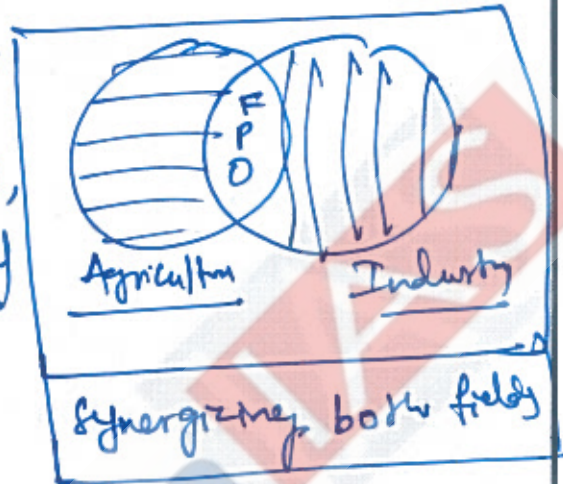
Community institutions refer to groups of voluntary individuals with common goals to pool in efforts for an economic activity



They boost resource efficiency, productivity and income through better management of resources and planning economic development. They are based on principles of "Mutual aid" and "Common economic benefit".

## Farmer Producer Organizations (FPOs)

Voluntary organizations of more than 10 individual farmers for grading, testing, marketing, producing of agricultural produce.



## Challenges Faced by FPOs

- ↳ Improper management
  - ↳ lack of capacity building
  - ↳ lack of market connectivity
  - ↳ Information asymmetry between producers and market dynamics
- ↳ Inadequate linkages with platforms
  - ↳ lack of integration with supermarkets for efficient delivery
- ↳ Lack of supply chain management

↳ lack of vertical integration of services affecting profitability.

↳ Political interferences in decision making.

## Measures to reforms in FPO

↳ expedite govt policy of promoting 10,000 FPOs by 2024-25

↳ Capacity building exercises at periodic levels

↳ private partnership to integrate services and better price discovery mechanism

↳ Cluster based approach to reap benefits of economies of scale.

↳ broader food processing sector among FPOs.

Incentives such as Income Tax rebates

to FPOs is a step in the right direction.

Comprehensive FPO reforms to realise goals of Agriculture Export Policy, 2017.

### 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)

Agriculture in India suffers from various handicaps such as primitive practices, inefficient mechanization etc. It contributes only 17% to GDP despite employing 45% of our population.

Availability of resources for Agriculture

- Irrigation through major river systems, ground water, monsoon.
- Fertilizers at subsidized rates [eg] NBC, Urea.
- Mechanization
- Innovation in [eg] HYVs [eg] PUSA Arhar-16 for high yield pulses by ICAR.
- working population (45%)

Despite availability of resources, agriculture's remunerativeness and productivity depends on efficient and effective use of resources.

### Water usage

- ↳ efficient usage required as 33% of country is water stressed and 55% of agricultural land is irrigated
- ↳ practices such as micro-irrigation, drop irrigation, sprinkler irrigation

### Employment

- ↳ problem of disguised unemployment
- ↳ high operational costs due to mechanization of agriculture
- ↳ Proper utilization of human, mechanical, financial resources is required for profitability and productivity

### Fertilizers

- ↳ overutilization of fertilizers
- ↳  $\text{Plural N:P:K} = 32.5:8:2$  against recommended 4:2:1
- ↳ leads to soil salinity, decline in soil productivity etc.



↳ practices such as ZBNF (zero budget Natural Farming by Subhas Palekar) and legume intercropping, compost pits can increase soil productivity.

**Post Harvest**

↳ efficient use of post-harvest infrastructure to prevent grain wastages (40% according to UN FAO)

↳ Cold storage infrastructure for horticulture storages

**Govt Initiatives**

- ↳ Kisan Rail
- ↳ PM Kisan Sanchayi Yojana
- ↳ PM KISAN
- ↳ Paramparagat Kishi Vikas Yojana (organic agri)
- ↳ Integrated watershed management
- ↳ PM Kisan SAMPAD A Yojana

Efficient utilization of resources can

help in doubling farmer's income (Arbok Dalwai Committee) and ensure profitability of agriculture

**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)

Agriculture needs to commercialize in India to solve the triple burden of Indian agricultures, i.e. land fragmentation, low productivity and low farm income.

## Benefits of Commercialization of Agriculture

- ↳ leads to land aggregation.
- ↳ leads to economies of scale and efficient market connectivity.
- ↳ Makes agriculture a profitable venture by better price discovery mechanisms.
- ↳ Better professional management of agricultural resources [eg. livestock farming in USA]

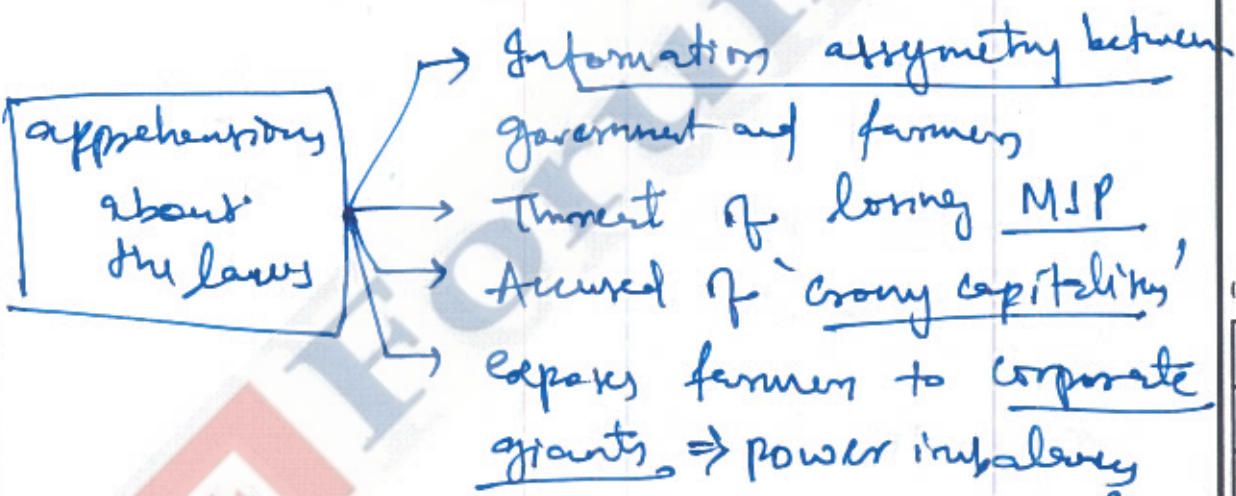
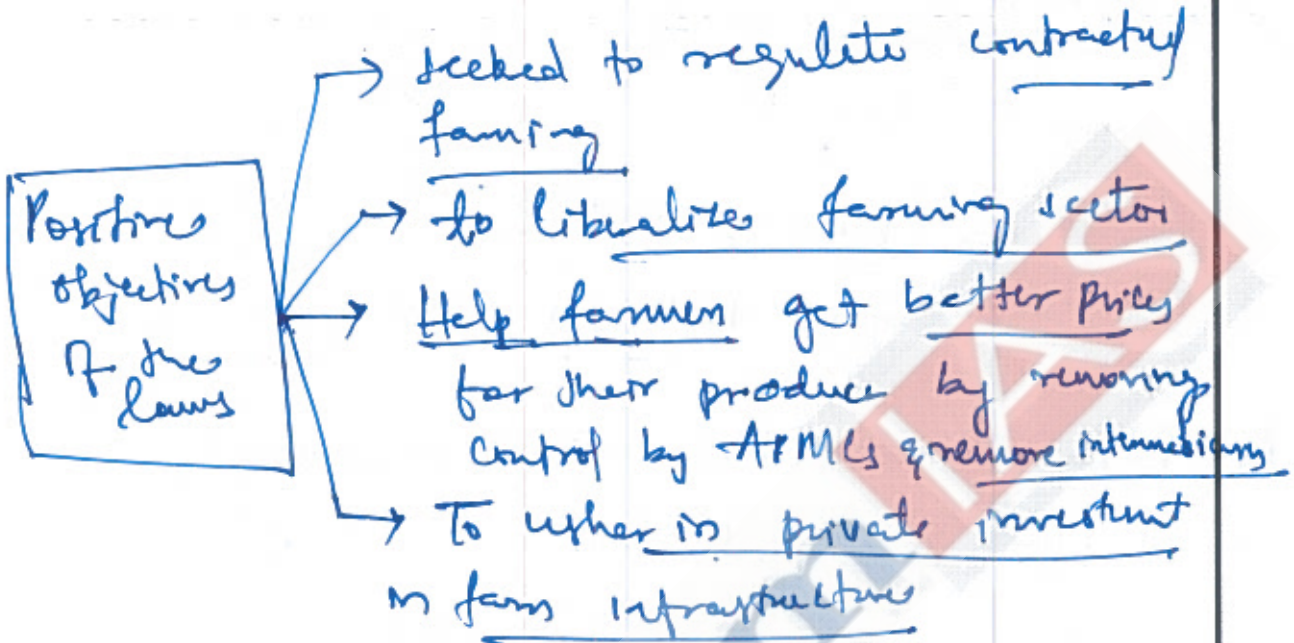
## Challenges posed by Commercialization of Agriculture

- ↳ Corporatization of agriculture
- ↳ Lack of price guarantee to small and marginal farmers (85% of total farmers)
- ↳ Monopolization of food processing sector and production can lead to food inflation and hoarding.
- ↳ Spill over of low agricultural income into other spheres of life of farmers dependent families (eg) education, health.
- ↳ Threat of farming becoming unprofitable venture.
- ↳ Can lead to farmer suicides, (eg) 28 farmer suicides/day in 2019 (NCRB)

## Recent Government initiatives

- ↳ Recently government of India passed

Three farm laws which had to be called back owing to huge protests by farmers



While recent nations were steps in the right direction, better coordination and consultations is required. Making farmer "Agripreneur" based on "farmgate to fork" model is advocated by (NITI Aayog India@75)

**Feedback**  
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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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