

TEST CODE 9 1 3 2 0 4

MGP 2026

Time Allowed : One and Half Hours
समय : डेढ़ घंटे

Forum IAS

Maximum Marks : 125
अधिकतम अंक : 125

GENERAL STUDIES / सामान्य अध्ययन

Name Of Candidate परीक्षार्थी का नाम	TEJVEER		
Roll No./अनुक्रमांक	1910118705	Medium/माध्यम	English <input checked="" type="checkbox"/> हिंदी <input type="checkbox"/>
Center Code/परीक्षा केंद्र	GURUGRAM	Date/दिनांक	22/10/25

*Center Code : For Online - 1900 / Delhi : Karol bagh - 1901, ORN - 1902, Mukharji Nagar - 1903 / Patna : Boring, Rd. - 2001 / Hyderabad : Jawahar Nagar - 2101

INDEX TABLE / अनुक्रमणिका

INSTRUCTION / अनुदेश

Q. No. प्र.सं.	Max. Marks अधिकतम अंक	Marks Obtained प्राप्तांक	
1			
2			
3			
4			
5			
6			
7			
8			
9			
10			
Total/कुल अंक	125		

1. Please do furnish Name, Email, Roll No and Mobile in the answer sheet.
कृपया उत्तर-पुस्तिका में नाम, ईमेल, रोल नंबर और मोबाइल नंबर भरें।2. There are TEN questions printed in ENGLISH & HINDI, all questions are compulsory.
उत्तर पुस्तिका में अंग्रेजी/हिंदी में दस प्रश्न दिए गए हैं, सभी प्रश्न अनिवार्य हैं।3. The number of marks carried by a question/part is indicated against it.
प्रत्येक प्रश्न/भाग के लिए निर्धारित अंक उसके सामने अंकित किए गए हैं।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.
उत्तर प्रवेश पत्र में अधिकृत माध्यम में लिखे जाने चाहिए, जो कि दिए गए स्थान में इस प्रश्न-सह-उत्तर (क्यूसीए) पुस्तिका के कवर पर स्पष्ट रूप से लिखा जाना चाहिए।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.
प्रश्नों में शब्द सीमा, यदि निर्दिष्ट हो, का पालन किया जाए। प्रश्न-सह-उत्तर पुस्तिका में खाली छोड़े गये किसी भी पृष्ठ या पृष्ठ के भाग को स्पष्ट रूप से काट दें।

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Examiner's Discretion/मूल्यांकन कर्ता का विवेक :

Start Time/प्रारंभ करने का समय :

End Time/समाप्त करने का समय :

09:30 PM

Total Marks/कुल अंक :

Mode Of Examination/
परीक्षा की विधि :Online/ऑनलाइन Offline/ऑफलाइन

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*Examiner's Discretion is the marks awarded at the discretion of the examiner 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.
मूल्यांकन कर्ता का विवेक अंक, आपकी लिखावट, प्रस्तुति, आरेखों के उपयोग, प्लोचार्ट, तथ्यों और आंकड़ों या समग्र रूप किसी अन्य विषय वस्तु, जो मूल्यांकन कर्ता को आपकी कॉपी में पसंद आयी के आधार पर (लेकिन इन्हें तक सीमित नहीं) पर दिए गए अंक हैं।ECN CODE/
ईसीएन कोड :

EG/ईजी :

① ② ③ ④ ⑤

Evaluation Date/
मूल्यांकन तिथि :

Note: Students are expected to incorporate suggestions from the feedback provided in the answers. Discussion classes for the tests are also available online in your portal to aid in your preparation. Further, students are requested to see the good copies of the tests and learn from them. You can also discuss your copy with a Mentor and discover ways and means to improve your answers, or if you have any issues with this test / copy. Ask specific questions, to get specific answers.

EXAMINER'S REMARKS

CRITERIA FOR THE FEEDBACK SECTION AT THE END OF EACH QUESTION

- AWIS = Answered What is Asked.** This means whether you have addressed the core demand of the question or not. Addressing the core demand of the question gets you an objectively fair score. It is examiner's perception if you have understood the question and if you know the answer in the first place. Creative answer writing, sometimes missing the core demand, may fetch very high or very low scores, and exposes your answer to the subjectivity of the examiner.
- CD & VA = Content Density & Value Addition.** Examiner will evaluate the quality and quantity of your content in the answer. In the same word limit or space limit have you (a) written what is asked (b) gone beyond what is asked (c) enriched answers through combination of (but not all!) suggestions, quotes, flowcharts, diagrams, facts and figures, data etc. This affects objective components of assessment.
- S & F = Structure & Flow =** Whether you have structured your answer properly or not. Whether the answer has been broken into parts and sub-parts or each part has been addressed appropriately or not. Whether the flow of the answer is maintained. Affects both subjective and objective components of assessment.
- P & R =** How your answer performs on the criteria of **presentation, ease of read, clarity and apparent effort** in writing the answer. This affects subjective components of assessment.

Q.1) Define potential GDP. What are the factors that prevent India from realizing its potential GDP?
(10 marks, 150 words)

संभावित सकल घरेलू उत्पाद (Potential GDP) को परिभाषित करें। वे कौन से कारक हैं जो भारत को अपनी संभावित GDP को साकार करने से रोकते हैं?
(10 अंक, 150 शब्द)

Potential GDP refers to highest level of GDP growth of a country with all its resources - Labour, Capital working at maximum efficiency without causing Inflationary pressure

Factors that prevent India from realizing its potential GDP

- ① Lack of investment and foreign investment [eg 80 billion \$ FDI in year 2024-25 only]
- ② Bureaucratic hurdles and red tapeism [In UP, 1 file moves through 21 Tables on an average]
- ③ lack of skilled labour force [eg 4.5% Indians received formal skillling in comparison to 96% in South Korea]

① Disguise Unemployment in Agriculture

[Original productivity = 0]

[45% of population dependent on Agriculture
(contributing only 19% of GDP)]

② Structural Unemployment due to

lack of skill matching

[eg Academia - Industry Mismatch]

③ Missing middle phenomenon in
Manufacturing sector

④ High level of corruption

[96th Rank in Corruption Perception
Index by Transparency International]

However, steps like "MAKE IN
INDIA" ; PM YUVA ; SKILL INDIA

PLI ; Employment linked incentives

are steps in right direction to
achieve 3 trillion \$ economy target
and become "VIKsit BHARAT" by 2047.

Q.2) "Both the Employment Linked Incentive (ELI) and Production Linked Incentive (PLI) schemes are intended to promote economic growth, yet they employ different approaches and focus on distinct outcomes." Elaborate. (10 marks, 150 words)

"रोज़गार से जुड़ी प्रोत्साहन (एम्प्लॉयमेंट लिंक्ड इंसेंटिव; ELI) और उत्पादन से जुड़ी प्रोत्साहन (प्रोडक्शन लिंक्ड इंसेंटिव; PLI) दोनों योजनाओं का उद्देश्य आर्थिक संवृद्धि को बढ़ावा देना है, फिर भी वे अलग-अलग दृष्टिकोण अपनाते हैं और अलग-अलग परिणामों पर ध्यान केंद्रित करते हैं।" सविस्तार वर्णन कीजिए। (10 अंक, 150 शब्द)

Employment linked Incentive (ELI) scheme is a direct employment benefit scheme which provides employers benefit on providing extra employment and the first time employees gets benefit of 15,000/- ₹ in two Installments.

However, production linked Incentive (PLI) scheme provides benefits to Companies in 14 sectors for Marginal increase in production and sales.

ELI	PLI
① Announced in July, 2025	① Announced in April, 2025
② Increase in employment as target [eg 3.4 cr by 2027]	② Increase in production as main targets

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ELI	PLI
③ demand side control of economy	③ supply side control of economy
④ budget of 1 Lakh cr	④ Benefits of around 1.6 lakh cr till 2025 & 16.4 lakh cr in sales
	⑤ Around 12 lakh direct or indirect jobs created

Both ELI & PLI targets economic growth but ELI focusses on Demand Side by increasing employment and creating jobs specially in manufacturing sector, whereas PLI focusses on Boosting domestic manufacturing, Increasing export and reducing dependency on imports to achieve "Aatmanirbhar Bharat" in true sense.

Q.3) To what extent, in your opinion, is GDP the best measure of a country's development?

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(10 marks, 150 words)

आपके विचार में सकल घरेलू उत्पाद किस हद तक किसी देश के विकास का सर्वोत्तम माप है?

(10 अंक, 150 शब्द)

GDP refers final value of all goods and services produced within the country.

India recently became 4th largest economy by having 4.1 trillion \$ economy.

GDP is Good measure of development

① GDP data tells about the level of production.

[eg Higher GDP value implies higher production]

② GDP data usually correlates with employment opportunities

[eg Higher GDP value implies higher level of employment opportunities]

③ GDP data tells us about standard of living of people of a country

[eg GDP per capita value indicates average income of individuals]

However, GDP data doesn't reflect the true color of country's economy due to following reasons -

- ① level of income inequalities are not reflected in GDP data
[eg Top 1% of indians hold 40% of country's wealth]
- ② Doesn't reflect the quality of life of people [eg Although India stands at 4th largest economy, but stands at 69th position in Global inclusiveness Index]
- ③ Environmental degradation is not included in GDP data
- ④ other parameters like health and education are not reflected in GDP data.

Although GDP data shows how much wealth does a country have, but other parameters like Green GDP, Global Happiness index, poverty Index reflects the quality of life of people

Q.4) The Female Labour Force Participation Rate (FLFPR) has seen a significant increase in recent years. What are the reasons for this rise? Discuss the opportunities it creates for inclusive development.

(10 marks, 150 words)

महिला श्रम बल भागीदारी दर (FLFPR) में उल्लेखनीय वृद्धि देखी गई है। इस वृद्धि के क्या कारण हैं? समावेशी विकास के लिए इससे उत्पन्न होने वाले अवसरों पर चर्चा करें।

(10 अंक, 150 शब्द)

Female Labour force participation Rate refers to % of female participating in work force.

India's FLFPR stands at 41.7% in 2023-24 compared to 23% in 2017-18

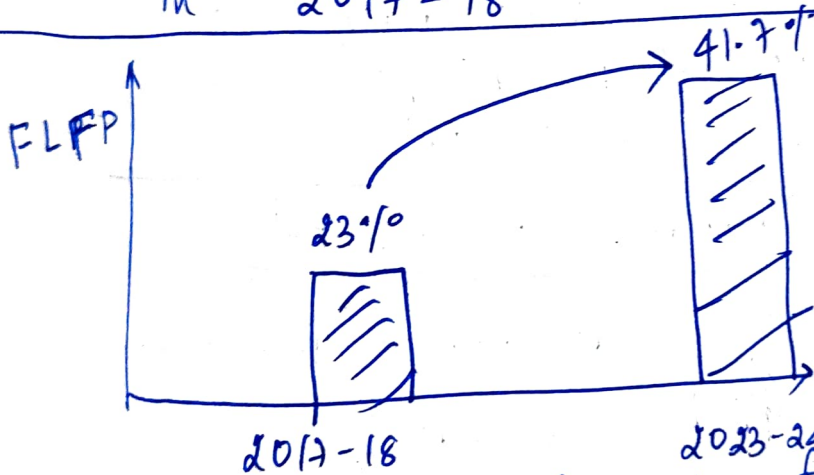


Fig: Rise of female Labour force participation

However, Rural female labour force participation stands at 47.6% in comparison to 27% in urban areas, highlighting higher participation by rural women due to self employment and feminisation of agriculture [Eco survey 2017-18]

Reasons for Rise in FLFP in India

- ① Increasing educational opportunities
[eg 45% women in higher education Institute]
- ② Increasing Awareness among Citizens
- ③ Government policies [eg PM NANO
DRONE DIDI]
- ④ Post-pandemic distress in economy leading to increased women participation
- ⑤ self-employment opportunities & Rise of self-Help Groups
[eg ICR SHGs - ICR women]

opportunities for inclusive development

- ① Achievement of Sustainable development Goal-5 [Gender equality]
 - ② Rising FLFP leads to social equality along with economic equality
 - ③ Leads to decline in poverty and hunger due to availability of food and better health facilities
 - ④ Achievement of better health facilities
- Rising Female Labour force participation (FLFP) and inclusive development, (SABKA SAATH, SABKA VIKAS)

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Q.5) How do you understand by fiscal deficit? Why is it necessary for a country to keep its fiscal deficit under check? (10 marks, 150 words)

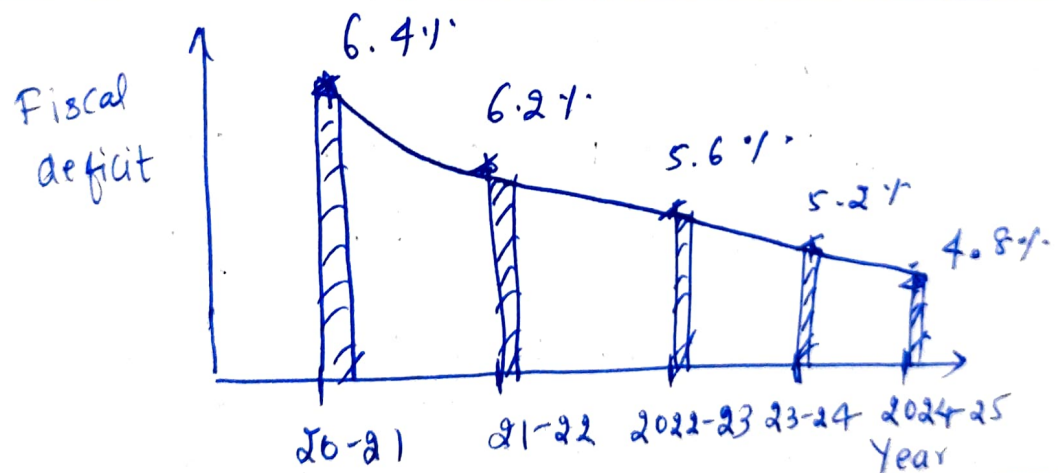
राजकोषीय घाटे से आप क्या समझते हैं? किसी देश के लिए अपने राजकोषीय घाटे को नियंत्रण में रखना क्यों आवश्यक है? (10 अंक, 150 शब्द)

fiscal deficit refers to Government expenditure less Government receipts (excluding borrowing &)

$$\text{Fiscal deficit} = \text{Govt. expenditure} - \text{Govt. Receipts (with Borrowing)}$$

$$\text{Fiscal deficit} = \text{Net Borrowing by government}$$

India recently have achieved fiscal deficit of 4.8% of GDP



Why is it necessary for a country to keep its fiscal deficit under check

① Uncontrolled fiscal deficit leads

to higher borrowing costs for domestic firms.

- ② Rising Inflationary pressures due to rising fiscal deficit
- ③ Reduced FDI in a country with High level of fiscal deficit
- ④ Rising fiscal deficit becomes unsustainable for long term and leads to intergenerational equity.
- ⑤ Higher fiscal deficit due to revenue expenditure doesn't create meaningful capital and hence bad for economy.

However, Almost all countries of the world has fiscal deficits to finance their developmental projects and infrastructure projects which are necessary for development of the country but FRBM Act, mandates fiscal deficit to be reduced to 3% of GDP & Tax to GDP ratio to be 60%.

Q.6) Distinguish between physical and human capital. How does human capital formation contribute to the economic growth of a nation? (15 marks, 250 words)

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भौतिक और मानव पूंजी के बीच अंतर स्पष्ट कीजिए। मानव पूंजी निर्माण किसी राष्ट्र की आर्थिक संवृद्धि में किस प्रकार योगदान देता है? (15 अंक, 250 शब्द)

Physical Capital refers to tangible Infrastructure which can be used to improve productivity

[eg Buildings; Machinery; Tools]

However, Human Capital refers to intangible Capability of individual to improve the productivity in the economy

[eg Health of individuals; Education, Skills of individuals]

Physical Capital

Human Capital

① Tangible

① Intangible

② Can't move from one country to another country

② Can move from one country to another

③ Can be exchanged between individuals

③ Can't be exchanged between individuals

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Human Capital formation leading to Economic Growth of the Nation

- ① Investment in human Capital leads to demographic dividend
[eg skill development of youth leads to Job opportunities]
- ② Human Capital like Health is necessary for strong workingforce of Country
[eg Mental Health issues leads to loss of 1 billion days loss a year to world]
- ③ Education and Health of Citizens leads to productivity increase of various sectors
- ④ Higher education of Citizens leads to research and development in the Country [eg 60,000 patents per Year by India].

5 Investment in well-being of citizens leads to peace and prosperity in country [eg crime free country]

6 Moral values supported by human capital leads to corruption free society and inclusive growth of individuals.

Challenges in Human Capital formation

1 Lack of investments towards human capital [eg 4.5% indians have formal skilling, south korea - 46%]

2 High population burden leading to thin distribution of resources

Human Capital ~~is~~ ~~not~~ like a flowing river which can flourish the plains of the country with its regular flow of water

Feedback

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#	G	A	P
AWIS			
CD & VA			
S & F			
P & R			

Please put tick marks in the above table. Here G is Good, A is Average and P is Poor.

TOTAL MARKS	
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Q.7) Bring out the causes of persistent high food inflation in India and suggest measures for ensuring long-term price stability. (15 marks, 250 words)

भारत में लगातार उच्च खाद्य मुद्रास्फीति के कारणों को उजागर करें तथा दीर्घकालिक मूल्य स्थिरता सुनिश्चित करने के लिए उपाय सुझाएँ। (15 अंक, 250 शब्द)

Recently food inflation has touched (14-15)% in some states like Tamilnadu, delhi and karnatka. Even prices of basic commodities like Tomato touched 100 ₹/kg in some parts of country.

Above data highlights the persistent high food inflation in india.

Causes of persistent high food inflation

① Supply side:

- a) overdependency of agriculture on Monsoon [eg 48% Agriculture dependent on Monsoon]
- b) poor yield seeds leading to low productivity of crops

eg wheat → India - 10 Q/hac
→ Global average - 23 Q/hac

c) Supply side Bottlenecks and large number of middlemen

2) Demand side

a) Rising population and Rising income levels [eg population - 1.45 billion people and average income touching 2,00,000/year]

b) changing eating patterns due to Consumerism

[eg Fast food and processed food ~~not~~ supply not able to match up demand]

3) policy level and Bureaucratic challenges

a) MSP announced on around 24 crops leading to high prices of food items

b) APMC Mandis not able to cover complete areas

expected Area	80 Km ²	→ Area Covered by 1 APMC mandis
Actual Area	496 Km ²	

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Measures for ensuring long term price stability

- ① Investment in R&D of high yield seeds to achieve sufficiency in yield
- ② Infrastructure improvement [eg cold storage development]
- ③ Food processing units to reduce wastage [eg 30% horticulture wastage]
- ④ supply chain bottlenecks to be improved and number of middlemen to be reduced.
- ⑤ Improvement in Irrigation facilities across states

Irrigated land

Punjab	98%
West Bengal	20%

⑥ Improving health of soil to improve productivity [eg soil health card] schemes like "MEGA FOOD PARKS" and "PM SAMPADA YOJANA" are steps in right direction to give some relief to ^{Indian} soaring food prices middle class from

Feedback
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#	①	②	③	④	⑤	⑥
AWES						
CD & VA						
S & F						
P & R						

Please put tick marks in the above table.
Here G is Good, F is Fair, Average and P is Poor.

TOTAL MARKS

Q.8) How does absolute poverty differ from relative poverty? Do you think the Multidimensional Poverty Index (MPI) provides a more comprehensive measure of poverty? (15 marks, 250 words)

निरपेक्ष निर्धनता सापेक्ष निर्धनता से किस प्रकार भिन्न है? क्या आपको लगता है कि बहुआयामी निर्धनता सूचकांक (MPI) निर्धनता का अधिक व्यापक माप प्रदान करता है? (15 अंक, 250 शब्द)

Absolute poverty refers to lack of basic necessities like food, clothing and housing which results due to lack of income.

However, relative poverty refers to comparison of individuals based on their income levels.

Absolute poverty

- ① Poverty line remain fixed
[eg 3.5 \$ / day as per world Bank]

Relative poverty

- ① poverty line varies as income level of individuals
[eg people with income less than 50% Median income are poor]

- ② Poverty line doesn't changes with location

- ② poverty line changes with location, countries

Multidimensional poverty Index (MDPI) released by UNDP Not Just Consider income levels to measure poverty but other parameters like Health and education to measure poverty.

MDPI → Health (1/3)	education (1/3)	Level of income (1/3)
• child Mortality rate (1/6 th)	• years of schooling (1/6 th)	• Housing (1/18 th)
• Nutrition (1/6 th)	• school attendance (1/6 th)	• Assets (1/18 th)
		• Electricity (1/18 th)
		• Cooking fuel (1/18 th)
		• Sanitation (1/18 th)
		• Drinking water (1/18 th)

Multidimensional poverty Index as a Comprehensive measure of poverty

- ① Consider overall quality of life instead of just income levels [eg Health and education]
- ② MDPI also consider the access to most basic necessities [eg electricity - 1/18th contribution]

③ MDPI Not only considers level of income as highlighted in housing ($\frac{1}{18}^{th}$) and assets ($\frac{1}{18}^{th}$) but also consider child health as child mortality [$\frac{1}{6}^{th}$] and nutrition [$\frac{1}{6}^{th}$]

④ Focuses on Human capital development
[eg years of schooling ($\frac{1}{6}^{th}$) & school attendance ($\frac{1}{6}^{th}$)]

Limitations of MDPI

- ① Comprehensive data required at regular interval of time for correct index ranking
- ② Doesn't cover other aspects of life [eg environment cleanliness]

Multidimensional poverty index is excellent measure of poverty, However needs to add some more criteria like Banking ~~habits~~ account and Maternal Health included by NITI AAYOG

Feedback

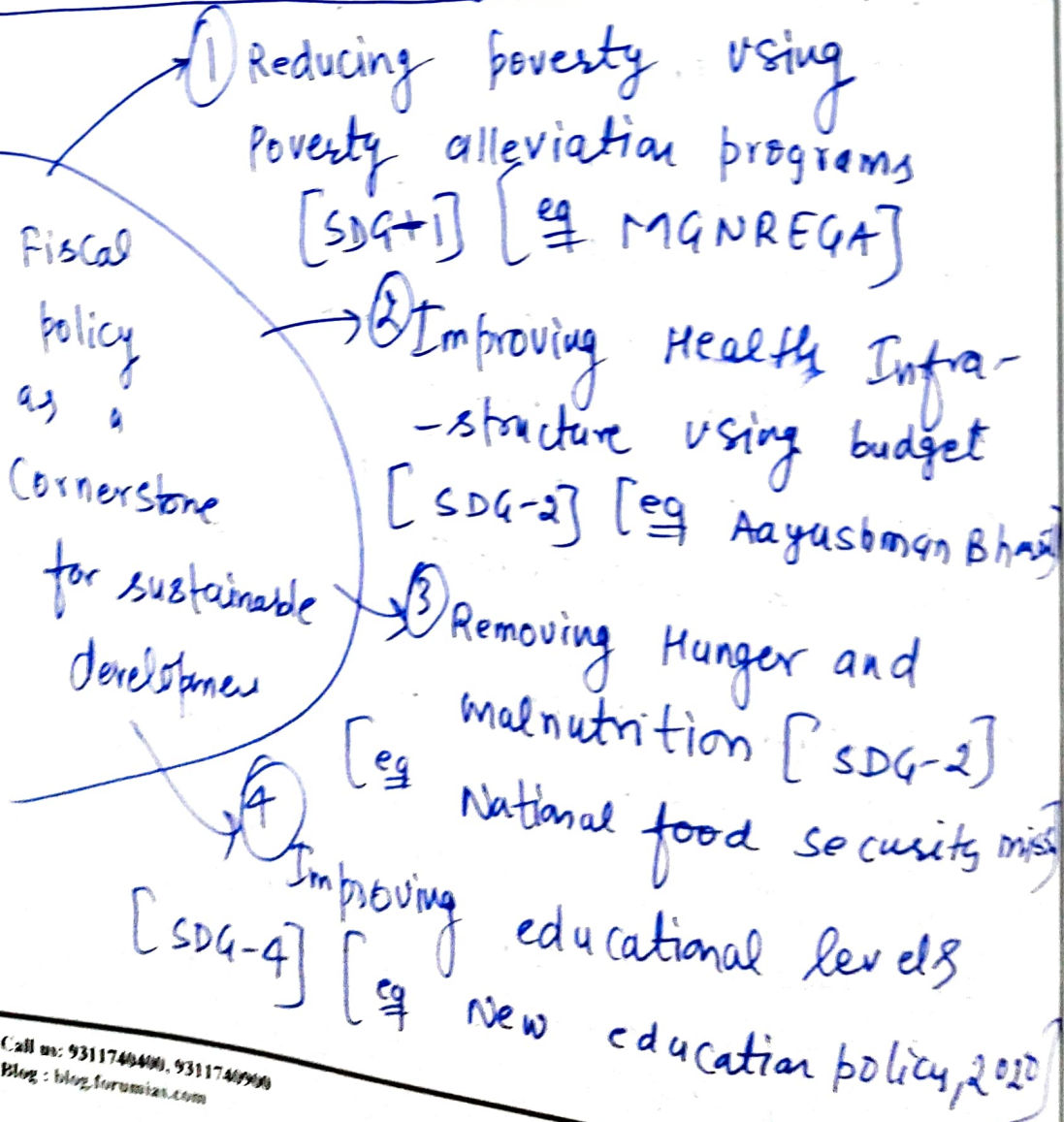
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#	⊙	Ⓐ	Ⓟ
AWIS			
CD & VA			
S & F			
P & R			
Please put tick marks in the above table. Here G is Good, A is Average and P is Poor.			
TOTAL MARKS			

Q.9) "Fiscal policy can serve as a cornerstone for sustainable development". In light of this statement, discuss the significance of fiscal policy in a developing economy like India. (15 marks, 250 words)

राजकोषीय नीति धारणीय विकास के लिए आधारशिला का काम कर सकती है। इस कथन के आलोक में, भारत जैसे विकासशील अर्थव्यवस्था में राजकोषीय नीति के महत्व पर चर्चा करें। (15 अंक, 250 शब्द)

Fiscal policy refers to decision making of government on public expenditure and receipts to make the country progress in right direction.



⑤ Achieving Gender equality through gender budgeting [SDG-5]

Gender budgeting

2024-25	6.6%
2025-26	6.8%

⑥ Improving Tax to GDP ratio for future generations

Significance of fiscal policy in India as a developing country

① Reducing inequality using taxes and subsidies

[eg 1% of Top individuals hold 40% of Country's wealth]

② Improving Infrastructure of the Country and increasing capital expenditure [eg India needs 1.5 trillion \$ investment by 2030 to become 5 trillion \$ economy]

- (3) Eradicating poverty and hunger
 [eg 35% of child below age of 5 are wasted]
- (4) policy Implementation to achieve gender equality. [eg 6400 cr outlay on Namo drone didi scheme]
- (5) Giving support to most vulnerable sections of the society
 [eg 6000 cr for SMILE scheme for transforming lives of transgenders and beggers]
 [eg PM SVANIDHI scheme for street vendors]

India's fiscal policy Mandated by Fiscal responsibility and budget management [FRBM Act, 2003] keeps fiscal deficit in check and redistributes the money and keeps inflation in check.

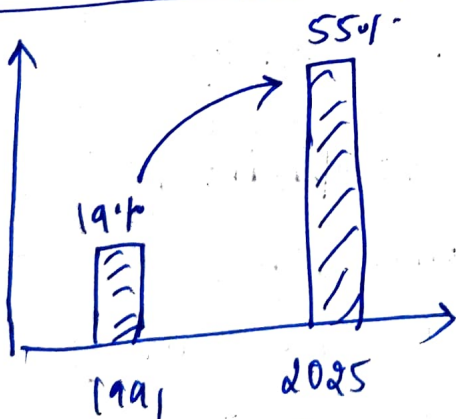
Q.10) Identify the reasons behind the significant growth of the services sector relative to the industrial sector in the country. Also, elaborate on the importance of a strong industrial base for a 'self-reliant India'. (15 marks, 250 words)

देश में औद्योगिक क्षेत्र के सापेक्ष सेवा क्षेत्र की महत्वपूर्ण वृद्धि के पीछे के कारणों की पहचान करें। साथ ही, 'आत्मनिर्भर भारत' के लिए एक मजबूत औद्योगिक आधार के महत्व पर विस्तार से चर्चा करें। (15 अंक, 250 शब्द)

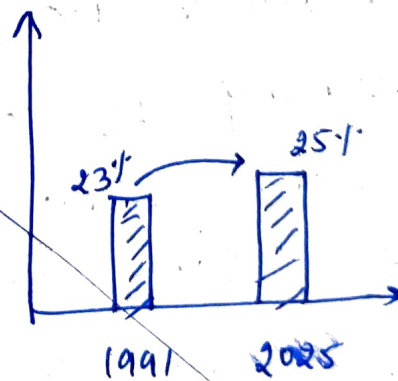
India's Service sector contributes to around 55% of GDP, and IT sector alone employs 55 lakh individuals.

Above statement highlights the importance for significant growth of Service Sector.

While Industrial sector contributes to around 25% of GDP which was 23% in 1991



Service sector in 1991 and 2025 exceptional Growth [IT sector, BPO,]



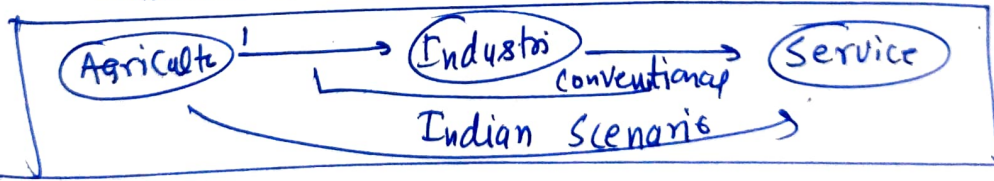
Industrial sector in 1991 and 2025 Stagnant sector.

Reason for rise of service sector compared to industrial sector

- ① High private investments in service sector [eg BPO, IT sector]
- ② Less bureaucratic hurdles in comparison to industrial sector [eg lengthy land acquisition processes in industrial sector]
- ③ Complex labour laws in industrial sector
- ④ Availability of educated and skilled labour force for services sector.
- ⑤ Outsourcing by foreign companies in service sector. [Tellecollar jobs]
- ⑥ Less capital required in case of services sector in comparison to industrial sector.
- ⑦ Government policies supporting services sector [eg Land policies]

Importance of strong industrial base for "self reliant india"

- ① More Number of jobs created per Capita Invested
[eg 1 ₹ invested in Labour intensive sectors like leather creates 4 ₹ in output]
- ② Job opportunities to semi skilled and unskilled labour force.
- ③ Limited jobs in services sector.
- ④ huge burden on agriculture
[eg 45%o population engaged in Agriculture contributing 14% of GDP]
- ⑤ Industries are one step forward of Agriculture.



Indian Government's schemes like production linked incentive (PLI); "make in India" are step in good direction to make india "Viksit Bharat" by 2047 with help of industries.

Feedb:
(For OFFICE)

#	①
AWIS	
CD & VA	
S & F	
P & R	
Please put the marks in the table.	
Here G is Good, Average and Poor.	
TOTAL MARKS	

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
20 Marker	7.75 - 10	6 - 7.5	< 6
✓✓	Key / Relevant Point		
✗	Vague / Irrelevant		

* Subject to change without prior notice