

GENERAL STUDIES (Test Code : 487), 7 September

Name of Candidate	VANDANA RAO	Registration No.	7954
Schedule		Module	177
Place		Time	
Date			
Classroom		Distance Learning	
Classroom & Distance Learning			

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Q. No.	Maximum Marks	Marks Obtained
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Total Marks Obtained

Remarks:

Signature of Examiner

INSTRUCTIONS

- Do furnish the appropriate details in the answer sheet (viz. Name, ID Number and Test Code).
उत्तर-पुस्तिका में सूचनाएं भरना आवश्यक है (नाम, प्रश्न-पत्र कोड, विद्यार्थी क्रमांक नम्बर आदि।)
- There are TWENTY-FIVE questions printed both in HINDI and in ENGLISH.
इसमें पच्चीस प्रश्न हैं तथा हिन्दी और अंग्रेज़ी दोनों में छपे हैं।
- All questions are compulsory.
सभी प्रश्न अनिवार्य हैं।
- The number of marks carried by a question/part is indicated against it.
प्रत्येक प्रश्न/भाग के अंक उसके सामने दिए गए हैं।
- 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. No marks will be given for answers written in medium other than the authorized one.
प्रश्नों के उत्तर उसी माध्यम में लिखे जाने चाहिए जिसका उल्लेख आपके प्रवेश-पत्र में किया गया है और उस माध्यम का स्पष्ट उल्लेख प्रश्न-सह-उत्तर (क्यू.सी.ए.) पुस्तिका के मुख-पृष्ठ पर अंकित निर्दिष्ट स्थान पर किया जाना चाहिए। उल्लिखित माध्यम के अतिरिक्त अन्य किसी माध्यम में लिए गए उत्तर पर कोई अंक नहीं मिलेंगे।
- Word limit in questions, if specified, should be adhered to.
प्रश्नों में शब्द सीमा, जहाँ विनिर्दिष्ट है, का अनुसरण किया जाना चाहिए।
- Any page or portion of the page left blank in the Question-cum-Answer Booklet must be clearly struck off.
उत्तर-पुस्तिका में खाली छोड़ा हुआ पृष्ठ या उसके अंश को स्पष्ट रूप से काटा जाना चाहिए।

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1. What do you understand by Monetary Policy Trilemma? How can it be resolved in Indian context? 10

आप मौद्रिक नीति त्रिविधा (Monetary Policy Trilemma) से क्या समझते हैं? भारतीय संदर्भ में इसका समाधान किस प्रकार से किया जा सकता है?

Monetary Policy Trilemma is an economic model which posits that no country can simultaneously achieve all three of the following:

Stable Exchange Rate

Open economy for unhindered capital flows

Independent Monetary Policy.

For example if a country follows independent monetary policy and a fixed exchange rate then there have to be constraints on the capital flows.

Also if a country hikes the interest rates for keeping inflation in check the capital flows may increase

thereby affecting the exchange rate.

This would necessitate the intervention in forex market which

decrease the independence of monetary policy.

In India the trilemma has been resolved by adopting a middle path.

Due to selective controls on capital inflow in times of appreciation of domestic currency and control on outflow in times of depreciation and also intervention in the market when the currency fluctuates widely,

the Central Bank in our country has been able to achieve stable exchange rate. By above measures, we have been able to focus more on the 'dilemma' - the tradeoff between growth and inflation.

2. Indian manufacturing is lagging in the face of stiff competition from other developing economies in Asia and elsewhere, both in domestic as well as global markets. What are the main reasons that can be attributed for this scenario? Suggest few remedies for the same. 10

भारतीय विनिर्माण उद्योग, एशिया और अन्य क्षेत्रों की विकासशील अर्थव्यवस्था से कड़ी प्रतिस्पर्धा के कारण घरेलू एवं वैश्विक दोनों बाजारों में पिछड़ रहा है। इस स्थिति के लिए जिम्मेदार ठहराए जा सकने वाले मुख्य कारण क्या हैं? इसके लिए कुछ उपायों का सुझाव दीजिए।

Indian manufacturing sector contributes only about 15% of Indian GDP. While the nations in East Asia and China have leveraged their manufacturing sector to catapult their economic growth, India has failed to do so primarily due to following reasons :-

- (1) Lack of Hard Infrastructure : Roads, railways, ports, electricity and telecommu-
nications infrastructure ^{are} the foremost
requirements of any industry which are
very scarce and staggered in India
- (2) Soft infrastructure :- Though India has
approximately half its population in
working age, the absence of adequate
skills is hindering their absorption
in the work force. To remedy this though
National Skill Development Mission
has been undertaken. Apprentice Act is being
amended.
- (3) Labour Laws : The presence of labour
laws which are incompatible with
present economic needs, as is hindering
expansion of firms. This also
constrains the firms to adopt those
production techniques and product
types which are capital intensive.
Though the govt has initiated

several reforms in the Factories Act, Industrial Disputes Act, more remains to be done. The states have to step up and take charge.

1) Incomplete Reforms: The 1991 reforms have stalled and completion of them like capital account convertibility, labour market reforms and ease of doing business measures can do a lot to improve our manufacturing sector.

2) High cost of Doing Business: India routinely figures on the lower ranges of such indices. Simplifying the regulations, using ICT, reducing bureaucratic discretion and amending or deleting redundant regulations can definitely go a long way.

3. What is inflation targeting? Describe the major recommendations of the Urjit Patel Committee for it. 10

मुद्रास्फीति लक्ष्यीकरण क्या है? इसके लिए उर्जित पटेल समिति की प्रमुख सिफारिशों का वर्णन कीजिए।

Inflation Targeting is the policy in which the Reserve Bank of India would make a public statement of achieving a particular inflation rate and using monetary policy tools like interest rate to achieve it.

Recommendations of Urjit Patel Committee :-

- It has recommended a target of $4 \pm 2\%$ inflation rate. The RBI has declared its objective to achieve 8% inflation by Jan 2015, 6% by 2016. The CPI is taken as the benchmark inflation.
- It has also recommended use of Repo rate under Liquidity Adjustment Facility to be kept such that it is above the current inflation rate.

(3) For achieving more accountability and transparency in the monetary policy determination and fixing responsibility, constitution of a Monetary Policy Committee is proposed consisting of the Governor, Deputy Governor, Executive Director and two external members, who will ~~consensuously~~ consensually decide on the policy followed and fix their responsibility in case of a failure through a public statement.

(4) Also it was ~~also~~ recommended that the government should do its part and rein in the fiscal deficit and the subsidies which push the inflation on the higher side.

4. "To ensure that banks give adequate attention to Financial Inclusion, they must view it as a viable business proposition rather than a regulatory obligation". In this context, discuss the challenges faced in Financial Inclusion in India with special reference to Nachiket Mor Committee recommendations. 10

इस बात को सुनिश्चित करने के लिए कि बैंक वित्तीय समावेशन के लिए पर्याप्त ध्यान दें, उन्हें यह सुनिश्चित करना होगा कि वे इसे एक करने योग्य व्यवसाय के रूप में न कि नियामक दायित्व के रूप में। इस संदर्भ में, नचिकेत मोर की सिफारिशों के विशेष संदर्भ में भारत में वित्तीय समावेशन के समक्ष आ रही चुनौतियों पर चर्चा कीजिए।

Nachiket More committee recommends ambitious targets of each person having Electronic Bank Accounts by 2016, by when the Aadhaar Enrollment would have been completed.

This is not quite feasible. One problem would be unreliability of finger print identification for manual workers. other.

problem would be inavailability of physical infrastructure at every habitation. MoS Committee defines financial inclusion as:

Access to Basic Banking (Deposits and withdrawal, payment facilities)

Access to credit

Insurance

Access to investment options

Adequate consumer protection, financial literacy

The MoS Committee lays down a basic schema where instead of Brick and

Mortar Branches, technology can be leveraged along with the Banking correspondent. But to earn a decent

margin, adequate number of transactions need to be carried

out and availability of power and

adhaar numbers is mandatory.

If the model adopted by the banks for inclusion has to be scaled up for earning revenue, then it has to be technology neutral and the banks have to perceive it as a business opportunity rather than an obligation.

The last mile connectivity for making banks accessible to the people, keeping the transaction costs minimal is the real hurdle, which hasn't been adequately addressed by the Mos committee.

cost of financial literacy, informed choice are left undefined and unallocated.

Having a bank account doesn't ensure full participation in full banking system.

Also electronic cash transfers are not the only use for people. Access to reasonable credit lines is important too.

5. India is being accused of sabotaging the trade facilitation agreement with its rigid stance on the issue of public stockholding of food grains. Bring out the major reasons for India's stand at WTO negotiations related to the Trade Facilitation Agreement (TFA). Do you think India's stand was justified? 10
- अनाज के सार्वजनिक भंडारण के मुद्दे पर कठोर रुख अपनाने के कारण भारत पर व्यापार सरलीकरण समझौते को विफल करने का आरोप लगाया जा रहा है। व्यापार सरलीकरण समझौता (टीएफए) के सम्बन्ध में डब्ल्यूटीओ वार्ता में भारत के इस रुख के प्रमुख कारणों को स्पष्ट कीजिए। क्या आपको लगता है कि भारत का रुख जायज़ था?

The Bali Ministerial Conference in Dec 2013 offered a peace clause to India and other developing nations with regard to the public stockholding of food grains. It would have allowed India to buy food grains at the Minimum Support Price and sell them to the poor at nominal prices through the Public Distribution System (Fair Price Shops), without facing appeals from other WTO members. This agreement was valid only for four years till 2017. But there is a possibility that if a permanent solution

to this intractable problem as not found before. The deadline and India allows the Trade Facilitation Agreement to go ahead, she would lose her bargaining chip for negotiations.

TRA is mainly a hassle free custom agreement which would benefit all countries but the developed ones in particular.

I think India's stand is justifiable. The maximum support India can provide to its farmers is capped at 10% of total agricultural produce (calculated at the prices two decades ago), whereas the industrialised countries provide agriculture subsidies to the tune of billions of dollars. But these fall within the green box.

To feed its population, India needs vast amount of food grains and the

de minimus level needs to be revised.
If TFA goes through India may be
subject to litigation, without finding
a solution for its problem. India is
TFA compatible any way and is
working towards it without it being
in force.

6. What is gender budgeting? Is setting up of the 'Bharatiya Mahila Bank' a genuine attempt to bring women in the mainstream or is it merely a symbolic gesture? 10

जेंडर बजटिंग या लिंग आधारित बजट क्या है? क्या 'भारतीय महिला बैंक' की स्थापना महिलाओं को मुख्यधारा में लाने के लिए एक वास्तविक प्रयास है या महज एक प्रतीकात्मक संकेत है?

Gender Budgeting is an exercise to
bring the gendered concerns to the
main stream. It attempts to distri-
-bute the resources particularly but
not limited to monetary ones in
a gender-equitable way. In this
exercise the needs of women are
identified and prioritised. The
expenditure towards gender mainstre-

- aining is monitored and the outcomes are tracked. In sum the gender budgeting seeks to allocate resources towards the needs of females to facilitate their social and economic development.

The Bharatiya Mahila Bank was established with an initial capital of ₹ 1000 cr. It is meant to advance loans mainly to the female entrepreneurs. It is a hugely symbolic move but its importance for gender mainstreaming can't be overlooked.

This bank would employ a mostly female staff which would be more welcoming and reassuring to the female customers. But ultimately the success of the bank depends on the financial products it is capable of offering.

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Women generally don't have collateral to offer to the banks, if the BMB is able to provide cheaper loans without collateral, it may greatly increase credit access to the women entrepreneurs.

Also capacity development of the female employees and the loan seekers would also help in bridging the skill gap and ensure greater chances of the business being successful.

Also ~~parten~~ partnering with various corporations for forwarding loans to women for asset ~~owning~~ ownership would lead to their empowerment and mainstreaming.

7. "Unspent provisions in a grant or appropriation indicate either poor budgeting or shortfall in performance or both". Elaborate this statement in the context of budgeting in India. Also suggest few remedies to overcome it.

10

अनुदान या विनियोग में अव्ययित प्रावधान या तो घटिया बजट या निष्पादन में कमी या दोनों की ओर संकेत करते हैं। भारतीय बजट के संदर्भ में इस कथन की व्याख्या कीजिए। इसे दूर करने के लिए कुछ उपायों को भी सुझाइए।

Every year before the announcement of Budget and beginning of the new financial year, India experiences a 'march rush'. Here departments sanction large scale expenditures to prevent the lapse of the funds budgeted to them previously.

This phenomena indicates the poor budgetary forecast and expenditure management of the government departments.

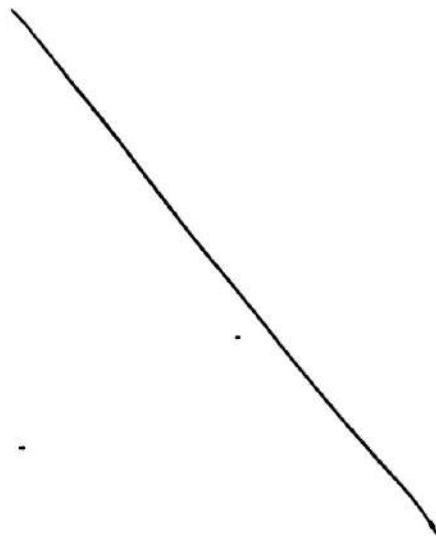
→ Budgeting in India is lengthy and complicated process. The departments assess their own requirements and send them to Budget division of Finance Ministry.

The broad head expenditures are already decided and the departmental demands are accommodated inside them.

This process sanctions the budgets on the basis of previous allocations or trends. This could be replaced by zero base budgeting where every head has to be explained to ascertain its relevance.

→ Moreover the difference in the actual and estimates should be analysed and the reasons of large shortfall investigated.

→ Moreover for every department expertise or capacity should be developed for accurate assessment of finances and budgetary process.



8. "Public debates in India often reflect either an uncritical faith in market (market mania) or a blind opposition to it (market phobia). However, there is a deep complementarity between market efficiency and state action." Comment on the applicability of this statement with respect to the current state of the Indian economy. 10

“भारत में सार्वजनिक बहसों अक्सर या तो बाजार के प्रति एक हितैषी विश्वास (बाजार उन्माद) या तो बाजार के प्रति एक अन्ध विरोध (बाजार भय) दर्शाती हैं। यद्यपि, बाजार दक्षता और राज्य कार्रवाई के बीच एक गहरी पूरकता है।” इस कथन की प्रयोज्यता पर वर्तमान भारतीय अर्थव्यवस्था की स्थिति के संबंध में टिप्पणी कीजिए।

After the Independence, the government decided on a large state role for the nascent Indian Economy. But gradually the state expanded its reach from capital goods to consumer goods, financial services and basically most of the economic endeavour.

1990s began

the reform process when licenses, quotas, price controls were eschewed.

Since then the discourse has veered towards the extremes of market phobia and market mania.

Indian economy would be better off if it follows the middle path. There are services like health care, education and infrastructure which are basic and essential and should be provided by the state.

In the era of globalisation, private sector has gained the expertise in all spheres of economic activities. In this case state should act as a facilitator.

The roles have been highly differentiated but the bottom line is every sphere should do what it is best skilled to do. State has the responsibility to provide the social security net,

pensions and disability and unemployment support. But it has no business doing business, this should be left to the private sector. It should be kept in mind though that the private endeavour on its own can't fulfill its mandate. In absence of state's regulation the "invisible hand of market" may founder.

9. An efficient financial system is regarded as an essential prerequisite for higher economic growth. In this context, elaborate on the recommendation given by FSLRC for strengthening the Financial Sector in India. 10

“एक कुशल वित्तीय प्रणाली को उच्च आर्थिक विकास के लिए एक आवश्यक शर्त के रूप में माना जाता है।” इस संदर्भ में, भारत में वित्तीय क्षेत्र को मजबूत बनाने के लिए FSLRC द्वारा दी गई सिफारिशों पर प्रकाश डालिए।

The Financial Sector Legislative Reform Commission has sought to make the financial regulatory structure in India more accountable, simpler and transparent. It has proposed the establishment of a Unified Financial Regulatory Authority subsuming all the regulators for sectors like securities, market, pensions, insurance and commodities. It has also sought to separate public debt management office from the RBI which would solely focus on monetary policy formulation. Moreover the unified regulator would now utilise the synergies developed by being under one roof. Also the regulatory decisions would be subject to

appeals and a grievance redressal authority is also proposed under FSLRC for consumer protection.

The UFRA would reduce the turf wars and regulatory overlap. FSLRC has also recommended the Financial Sector Code which is a kind of model act for policy making. It mandates that every legislative proposal would be subjected to cost-benefit analysis before its promulgation so as not to clutter the financial regulation space. Moreover many redundant acts would be deleted.

As the Indian Economy is growing the financial markets would deepen to serve the economy better. To regulate the various stakeholders better it is desirable that the regulators find strength from each other rather than

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engage in turf wars. Also simplification of financial legislations would greatly aid the development of a flexible and efficient financial system.

10. List out the strategies that can be employed to make India a global leader in the aviation sector. 10
- भारत को उड्डयन के क्षेत्र में वैश्विक अधिनायक बनाने हेतु आवश्यक रणनीतियों की सूची बनाइए।

India has the potential to become the third largest aviation market by 2020 and the existing size of fleets owned by airlines would double.

Only a miniscule proportion of Indian population use the aviation sector and a vast hinterland along with tier II and III cities are unconnected.

In this given situation a lot can be done for expanding the aviation sector such as:-

- 1) Construction of new airports as well as the connecting infrastructure for the existing ones.
- 2) Code sharing for the domestic flights so that passengers can access the routes not offered by others.
- 3) Rationalising sales tax on the Aviation Turbine Fuel as it constitutes a major cost for the airlines.
- 4) Safety regulations of the international standards should be ensured by the DGCA so that Indian Airlines don't face operational hurdles chief amongst them denial of code sharing arrangement.
- 5) Relaxing the regulations for the FDI and the 5/20 rule which states that an airline has to operate for 5 years in the domestic area.

and should own 20 airplanes before being allowed to operate international flights.

- 6) The development of Maintenance, Repair and Overhaul services here in India which is presently outsourced to third party vendors thus increasing costs and depriving India of a good business opportunity of becoming an MRO hub for the South & South Asian markets keeping in mind its strategic location.

11. PPP based infrastructure projects have displayed good progress in some sectors, whereas limited success in others. Substantiate. Also explain the various challenges being faced by them. 10

सार्वजनिक निजी भागीदारी आधारित परियोजनाएं कुछ क्षेत्रों में अच्छी प्रगति को प्रदर्शित करती हैं जबकि कुछ क्षेत्रों में सीमित सफलता को प्रदर्शित करती हैं, पुष्टि कीजिए। इनके सामने आने वाली विभिन्न चुनौतियों की भी व्याख्या कीजिए।

There are several successful examples of PPP projects in Airport renovations and greenfield airports like terminal T3 in Delhi, airports in Hyderabad, Bengaluru etc.

But this mode has experienced failures too like Delhi Airport Metro link where the private partner sold its share to the government after only a few years.

So the record of the PPP projects in infrastructure is rather a mixed one. There are several reasons for it :-

(1) Delay in clearances :- The environmental clearances and a plethora of regulations that the developers are required to get before the projects gets off the

ground are a key hazard.

2) Issues over revenue sharing: Due to inadequate projection of traffic or revenue potential and cash flows the conflict over revenue sharing arise and the dispute redressal mechanisms are slow and inefficient

3) Inadequate expertise in risk allocation:

The PPP projects are mainly about allocating risks to the parties best suited to bear them. But the model concessionaire agreements in India are inefficient and the expertise to draft fair and equitable contracts is lacking

4) Land Acquisition: Land is very scarce in India and the requirement of land for projects drive up the costs sky high, resulting in delay in acquisitions because the buyers and sellers can't agree on a satisfying price.

12. "Despite being one of the largest employers in the world, the Indian Railways is several decades behind global standards when it comes to safety." Comment.

दुनिया के सबसे बड़े नियोक्ताओं में से एक होने के बावजूद जब सुरक्षा की बात आती है तो भारतीय रेलवे वैश्विक मानकों से दशकों पीछे है, टिप्पणी कीजिए।

Indian railways transport millions of tons of freight traffic and billions of passengers every year. India has the fourth highest railway network but the safety record of railways leaves more to be desired.

Kakodkar

committee has listed several causes of fatalities and casualties

arising out of :-

- Unmanned crossings
- derailments
- Collisions
- Fires.

Railways have no authority looking specifically after the safety aspect.

It would be desirable to constitute an authority or a member in the Railway board for solely this purpose.

Other recommendations for improving the Railway's safety record would be:-

(1) constructing the overhead bridges to eliminate the unmanned crossings.

This would also ease the passage of the trains which get held up due to the traffic at the crossings (when manned)

(2) Fire and smoke detector system - Sensors that can alert the central control room about fire or which can trigger the emergency response. like

water sprinklers should be established in each coach.

Anti Collision System: This system automatically applies the brakes when the system overshoots the red signal. It has been tested in European trains and could be customised to Indian needs.

Manpower: The train operators are overworked and under rested which lead to accidents due to human error. Hiring further skilled manpower can address this problem.

13. Rational energy prices provide the right signal to both producers and consumers and also lead to a demand-supply match. Highlight the steps taken by the government for rationalizing the energy prices in different sectors. 10

तर्कसंगत ऊर्जा कीमतें उत्पादकों और उपभोक्ताओं के लिए सही संकेत उपलब्ध कराती हैं एवं माँग-आपूर्ति की बराबरी सुनिश्चित करने का कार्य भी करती हैं। विभिन्न क्षेत्रों में ऊर्जा की कीमतों को युक्तिसंगत बनाने के लिए सरकार द्वारा उठाए गए कदमों पर प्रकाश डालिए।

Rational energy prices can have the effects of moderated consumer demand when the domestic prices are similar to the imported ones. If the fuel remains underpriced it may lead to intemperate usage and the producer may experience losses and it may affect its ability to invest further. Keeping this in mind, the Indian government has rationalised several sectors and is in process of rationalising some more.

1) Coal: The pricing of coal has been decided to be calculated by Gross Calorific value (GCV) instead of Useful Heat value (UHV). GCV gives more accurate, verifiable measure of coal quality.

Petrol, Diesel: The administrative price mechanism has been done away with. The prices will reflect the international prices.

LPG: The number of cylinders per household have been capped at 12 which may be reduced in the future and the subsidy has been limited too.

Petroleum Natural Gas: Though Rangarajan committee recommended the doubling of gas prices but several issues regarding the production sharing contracts have held up the decision. When they are resolved the producers may be able to sell the gas at the market determined prices.

These measures have eliminated the under recoveries of the oil marketing companies. As the fuel subsidies exert adverse pressure on the current account deficit of India, since India imports

70% of us fuel requirements. The rationalisation of fuel prices would financially bolster Indian companies and encourage consumers to temper the consumption too.

14. Highlight the problems in the BOT mode for road transport. How will switching to the EPC mode solve these problems? 10

सड़क परिवहन की बीओटी प्रणाली की समस्याओं पर प्रकाश डालिए। ईपीसी प्रणाली अपनाने पर इन समस्याओं का समाधान कैसे होगा?

Build, Operate, Transfer (BOT) mode for road transportation projects transfers risks to the developers with the concomitant cash flows through either tolling charges, user fees or annuity payments after the completion of the project.

But the BOT mode has run into several problems of late like:-

(1) Insecure financing :- With many projects languishing, the rising risk of NPAs

has squeezed the funding for the infrastructure projects which are usually long running.

High risks due:- @ Inaccurate projection of traffic volumes,

(b) Unstable cash flows. specially if revenue stream is based on non core services like advertising or retail instead of tolling, user fee.

(c) Resistance to pay

(d) Delay in land acquisition and regulatory approvals.

The BOT projects usually take 16-18 months to start and keeping in mind the above listed risks the time and cost over run possibilities are high.

EPC as the solution:-

Engineering, Procurement & Construction projects transfers the construction risk to the contractor who has to deliver a complete project or service in a fixed amount of time and cost.

The government provides the funds for the projects.

The advantages are:-

1) The pre-project works gets completed in about 3-4 months and the private contractor bears the responsibility for time bound delivery as the payment is output based ~~not~~ ^{not} input payment based as BOT mode.

2) The projects which developers find unprofitable can be undertaken and completed by this EPC mode.

3) The government decides even on the deadline of land acquisition and land transfer, rather than the private sector having to grapple with the uncertainty of land acquisition.

4) EPC projects are normally used for building 2 lane highways where traffic volume is less and hence may be unattractive for BOT mode.

5) EPC contracts have defect liability too which is absent in the BOT mode.

15. The National Land Reforms Policy 2013 focuses on those aspects of land reforms, which if implemented in true letter and spirit will have the potential to tilt the balance in favor of the landless and poor. Critically Analyse. 10

राष्ट्रीय भूमि सुधार नीति 2013, भूमि सुधार के उन पहलुओं पर केंद्रित है जिन्हें यदि अक्षरशः और सही भावना से लागू किया गया तो, यह संतुलन को भूमिहीन और गरीब लोगों के पक्ष में मोड़ सकती है। आलोचनात्मक व्याख्या कीजिए।

National Land Reforms Policy 2013 has enumerated many worthy aims which if implemented in full can counter widespread poverty, inequality and agricultural stagnation. It has sought to decrease land ceilings, regulate tenancy, protection of tribals from land alienation, restoration of alienated land, reducing exemptions for religious, educational trusts etc and setting up price for land acquisition.

But there is a big hurdle in achieving these aims which haven't been dealt with in the policy adequately. The computerisation of land holding records, size, ownership, location etc is patchy and going at a slow

face. This would make difficult the enforcement of ceilings. Moreover registration of tenancy may drive it underground leading to increased exploitation of the tenants.

Moreover for preventing land alienation, prevention of distress sale is important and the identification of distressed land owners and provision of adequate credit is an administrative nightmare.

Also one important issue has been ignored in the policy, it is the land consolidation for small farmers who could benefit from this.

Moreover limits on the religious educational or charitable institutions may encounter powerful vested interests but they can be countered only with political will and administrative capacity.

16. India has seen significant progress towards increasing production, yield levels and crop diversification in last three decades. Still, the agricultural productivity in India is among the lowest in the world. In this context, analyse the reasons for low productivity and suggest some measures to improve the same. 10

भारत ने पिछले तीन दशकों में बढ़ते उत्पादन, उपज के स्तर और फसल विविधीकरण की दिशा में महत्वपूर्ण प्रगति देखी है। फिर भी, भारत में कृषि उत्पादकता दुनिया में सबसे कम है। इस संदर्भ में कम उत्पादकता के कारणों का विश्लेषण कीजिए और इसको सुधारने हेतु कुछ उपायों को सुझाएं।

17. (a) What are the sources of Irrigation in India? Mention the contribution of each source in the total irrigation capacity and their geographical distribution.

5

भारत में सिंचाई के क्या स्रोत हैं? कुल सिंचाई क्षमता में प्रत्येक सिंचाई स्रोत के योगदान का उल्लेख कीजिए और उनके भौगोलिक वितरण को भी बताएं।

The sources of irrigation in India chiefly are:

- ① Canals
- ② Tanks
- ③ Wells.

Wells irrigated approximately 60% of total irrigated land in India. It is popular in Northern states mainly Punjab where water table is decreasing rapidly.

Tanks irrigate only about 3% of land which is under irrigation. Southern states like Tamil Nadu, Andhra Pradesh have higher proportion of tank irrigation. Maharashtra too has greater percentage of tank use.

Canals are used for irrigating ~26% of irrigated land. Western states like Rajasthan, Gujarat and Maharashtra are the leaders in canal use. Orissa, MP and Andhra Pradesh also have

substantial share.

17. (b) What are the methods of irrigation used in India? Give few positives and negatives of each. 5
भारत में सिंचाई की क्या पद्धतियाँ हैं? प्रत्येक के कुछ सकारात्मक और नकारात्मक बिन्दु बताइए।

The methods of irrigation used in India are:-

1) Surface irrigation methods including:

- flooding
- Basin
- Border
- Furrow irrigation:

The biggest negative of the surface irrigation would be the water lost in evaporation. There is a concern about water wastage and field sun-off.

They can be used if water is abundant and there is no danger of erosion

(2) Sub surface irrigation: often takes place in nurseries where the surface below top soil is impervious. It is efficient. There is no danger of evaporation and no water logging but there is danger of soil getting saline

(3) Drip irrigation: very efficient and provides the plants exactly the amount needed for a day. Negative is: the system is expensive to lay out.

(4) Sprinkler or overhead = efficient system than flooding. Can be used in uneven topography. uniform distribution of water. Negative would be initial costs are high and they are ineffective in windy conditions.

18. One of the principal aims of improving agricultural marketing is to make agriculture more viable for the small farmers in India. In the above context, comment on the strengths and weaknesses of Cooperative and Contract farming in India. 10

कृषि विपणन में सुधार लाने के प्रमुख उद्देश्यों में से एक, भारत में छोटे किसानों के लिए कृषि को और अधिक व्यावहारिक बनाना है। उपरोक्त संदर्भ में, भारत में सहकारी और अनुबंध खेती की शक्तियों और कमजोरियों पर टिप्पणी कीजिए।

Agriculture in India would become viable if the farmer gets remunerative prices for the produce. The main issue is the marketing of the produce at prices which are the best the farmers can get. The Agriculture Produce Marketing committees were formed for the purpose that producers can get fair prices and not get exploited. But this has not worked as planned. Several alternatives have been tried like contract farming in states which have reformed APMC acts and cooperative farming.

Cooperative Farming:

This method achieves economies of scale. The prices of inputs per acre gets reduced if a number of farmers

collaborate and contribute lands & inputs.

In this societies are formed which get subsidised seeds & fertilisers etc from the govt. These societies either lease the land or own it and the cultivators get either wages or profit in the ratio of their land. The cooperatives are non profit.

Limitations:

- 1) Apathetic Bureaucracy can stifle such genuine efforts
- 2) Big farmers can masquerade as cooperative farmers and dupe the system.
- 3) Domination of powerful landowners at the expense of small holders.

Contract farming:

It is the type of farming in which a food processor, marketing or retailing firm signs a contract with a number of farmers to purchase their produce at a fixed price, in a

specific quantity of a certain standard.

Strengths:

Farmers get assured price, market access, technology and extension services.

Limitations:

enforcement of contracts in event of price rise or glut in the market

Monopoly can compromise farmer's bargaining power

Farmers may become overdependent on advances.

19. What is precision farming? What are its benefits and limitations? Examine whether it can be used in India for agricultural development. 10

सूक्ष्म कृषि क्या है? इसके लाभ और सीमाएं क्या हैं? परीक्षण कीजिए कि क्या इसको भारतीय कृषि के विकास के लिए प्रयोग किया जा सकता है?

Precision farming is the use of information and technology-based system for crop management. The data collecting by remote sensing and aircrafts along with the GPS system can help farmers in 'precise' application of farm inputs like water, fertiliser, pesticides at the exact time and place (which is the precision part).

Benefits:

(1) Cost saving in the application of costly inputs like fertilisers & pesticides.

Environmentally sound as the excess application is curbed

Productivity is enhanced.

Back breaking work is done by machines saving on labor costs.

Limitations:

(1) Large machines are costly.

(2) The farm size for the precision farming should be large so that the farmer can't directly oversee the status of his crops, which is very rare in India as 80% of the holdings are less than two hectares.

Possibility in India:

With increasing pressure on land and high food demand, the productivity has to be enhanced. But due to scarcity of labour and water and high cost of other inputs, it may be

difficult but this is where precision farming comes in.

The technology can be suited for small farms by using drones or robots.

The leasing firms may crop up which provide machines on rent whenever required, along side a trained manpower may be able to sustain these endeavours.

Also this trend to catch up, the requisite Research and Development would need to come out of our agricultural research institutes and engineering college with a dedicated corps of farm specialists.

There is a possibility that with adequate ecosystem that precision farming trend may catch on for agricultural development.

20. There is an urgent need to put into effect an expenditure switch from subsidies to investment in order to lift Indian agriculture from its current stagnation. Discuss. 10

भारतीय कृषि को वर्तमान स्थिरता से उबरने के लिए सब्सिडी के खर्च को, निवेश के खर्च में बदलने की तात्कालिक आवश्यकता है। चर्चा कीजिए।

The main motive of public expenditure in agriculture is stability of production regardless of monsoon rain fall, low food inflation and high growth in the sector. But none of these objectives seems to be fulfilled. One of the reasons for this is 80% of public expenditure is incurred on subsidies like power, fertilisers and irrigation and 20% on capital formation.

Also of the total expenditure on Agriculture which goes towards asset formation, the private sector i.e. the farmers themselves incur the most of it.

As a result the agriculture sector is languishing at less than 4% annual growth and contribution of to GDP is ~15%. To turn this around

- expenditure is needed to be incurred on following heads to bring the sector out of stagnation :-

Building effective and efficient supply chain by investing in logistics.

Aggregation centres for collecting the produce at the farm gate through farmer producer organisations

Cold chain infrastructure for perishables

Infrastructure for cleaning, grading and packaging food at decentralised locations

Warehouses for storage and selling.

Building a manpower for increasing productivity by use of machines.

Research & Development and extension services.

Crop insurance for providing support to the farmers in event of crop failure

Investment on extension of canals so as reduce reliance on rain.

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21. Comment on the following:

(a) The quality of TPDS is not equally bleak across the entire country. 5

'लक्षित सार्वजनिक वितरण प्रणाली' की गुणवत्ता सम्पूर्ण देश में समान रूप से निराशाजनक नहीं है।

Targeted Public Distribution System performs unequally across the country. For implementation of National Food

Security Act, the TPDS would be chief vehicle. It has to minimise leakages and corruption. States like Tamil Nadu and Andhra Pradesh have performed well in expanding coverage and timely delivery of the ration. It has

made the system more accessible and minimised corruption.

Moreover Chhattisgarh and Jharkhand have made strides in improving the access and several measures like in Chhattisgarh painting the truck carrying ration blue yellow has made the people aware of the quantity of each cereal, sugar is mentioned on a board outside the Fair price shop.

But every state has not ~~more~~ maintained the same standard of ~~the~~ performance. Exclusion of the entitled, delay in delivery and poor quality ~~of~~ of cereals has hobbled the TPDS in several states.

20. (b) The sustainability of Public Distribution System is a matter of concern. 5
 सार्वजनिक वितरण प्रणाली की निरंतरता बनाए रहना एक चिंता का विषय है।

The PDS system has several issues which may put question mark over its sustainability:-

The large difference between Fair Price shop (issue price) and market price has incentivised diversion

The FPS shop owners earn little commission and may resort to improper invoicing, selling poor quality of ration etc.

The targeting approach generally excludes the most impoverished who don't have access to ration cards and other formal documents.

General universalising the PDS system can remedy the problem of exclusion.

The comparatively well off may willingly self exclude.

Storage and transportation costs are high right now because of miniscule

storage capacity as compared to massive procurement by the FCI.

22. With the disheartening condition of farmers in India, "farmer security" is the biggest hurdle the food security needs to overcome. Discuss. 10

भारत में किसानों की निराशाजनक स्थिति के साथ, "किसान सुरक्षा", खाद्य सुरक्षा की आवश्यकता पूरा करने में सबसे बड़ी बाधा है। चर्चा कीजिए।

With the increasing instances of farmer suicides and new generation of farmers leaving agriculture for other opportunities have compelled us to take farmer security seriously for ensuring food security. The farming profession is in jeopardy due to following reasons:-

(1) uneconomic holdings: 80% of total land holding in India are below

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2 ha. options like cooperative and contract farming can contribute towards the economy of scale.

Rising input costs: Seeds, fertilisers and pesticides are very costly and small farmers can't afford these inputs leading to indebtedness and farming distress.

Rainfed irrigation system: Absence of perpetual irrigation system has increased the dependence on rains and them being extremely dicy now-a-days has negatively affected the output.

Credit scarcity and lack of Insurance: Even though agriculture is a priority sector but the farmers most of the time avail credit from exploitative sources and in general the spread of the concept of crop insurance is unheard of.

Lack of information: Timely information

about market prices, input, credit and other extension services can go a long way in ensuring confidence of farmers. ITC's e-choupal initiative is a step in this direction.

Marketing support and Warehousing: Easing the strangle hold of APMCs cartel and building warehouses so as to issue warehouse receipt through which the farmers can avail bank loans.

Food security is important for a nation with 40% children under the age of five suffering from malnourishment. For this, our farmers need to be assured of adequate livelihood and social security and pension support.

23.

"Compared to animal husbandry's contribution to the Indian economy, the sector has received much less resources and institutional support." Analyse the above statement in the light of challenges faced by livestock sector in India.

10

"भारतीय अर्थव्यवस्था में पशुपालन के योगदान की तुलना में इस क्षेत्र को बहुत कम संसाधन और संस्थागत समर्थन प्राप्त हुआ है।" भारत में पशुधन क्षेत्र के समक्ष आने वाली चुनौतियों के आलोक में उपरोक्त कथन का विश्लेषण कीजिए।

24. "Despite continuous efforts and initiatives of the Government to provide the required stimulus to the food processing sector, processing activity is still at a nascent stage in India with low penetration". In the above context, examine the challenges ailing the food processing sector in India. 10

खाद्य प्रसंस्करण क्षेत्र हेतु आवश्यक प्रोत्साहन प्रदान करने के लिए निरंतर प्रयास और सरकार की पहल के बावजूद, प्रसंस्करण गतिविधियां भारत में निम्न निवेश के साथ अभी भी उदीयमान अवस्था में हैं। उपरोक्त संदर्भ में भारत में रुग्ण खाद्य प्रसंस्करण क्षेत्र की चुनौतियों का परीक्षण कीजिए।

Food Processing Industry contributes ~20% the GDP of India but in the export arena India has a less than 2% share of the world's total. Clearly food processing industry hasn't been able to realise its full potential. The challenges facing the sector are:-

- (1) Lack of a comprehensive National Policy:- A comprehensive policy would

enumerate the administrative & legislative measures needed while keeping the big picture in mind which is now governed by scattered & disparate Missions on food processing Horticulture & food parks etc.

Infrastructure: The comprehensive logistic chain is hard to build up due to lack of proper roads, soil coverage and ports, warehouses & cold chain ^{storage} facilities.

Lack of Manpower: Skilled manpower which has knowledge of latest technology is scarce and food technology as an academic course hasn't picked up.

Overlapping food safety laws & conflicting state and central policies:- Policies about use of color, preservatives, additive vary from one state to other and one law to another.

Also there are several other challenges like, → inconsistent & inadequate law

material production.

lack of applied research & technology.

Access to credit facilities

All these factors have hobbled the food processing sector to one extent or another.

25. What is the role of forward and backward integration in ensuring success of Supply Chain Management in the Indian Food Processing industry? 10
 भारतीय खाद्य प्रसंस्करण उद्योग में आपूर्ति शृंखला प्रबंधन की सफलता सुनिश्चित करने में अग्र और पश्च समाकलन या लिंकेज की क्या भूमिका है?

Supply chain in the food processing industry spans from the farm to fork.

The forward & Backward linkages in the supply chain are necessary for higher prices for farmers, less wastage and higher value realisation.

Backward linkages would be:-

- 1) Provision of extension services, market intelligence, technology, crop information etc.
- 2) Collection centres for sorting, grading, packaging, chilling and secondary as well as tertiary processing like pulping, milling etc.

In this logistic infrastructure plays a pivotal role.

Forward linkages would be:-

Quality and Certification Keeping in mind international industrial & food safety standards like codex, HACCP etc.

Consumer market research like texture, smell etc.
Manpower availability

Relevant Research & Development for technology and processes, machinery.

Each of these linkages are essential. From the time any produce leaves the farm gate, it enters into a supply chain it ends when it reaches the ultimate consumer.