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GENERAL STUDIES (TEST CODE : 1107)

Name of Candidate	CHITRA		
Medium Eng./Hindi	ENGLISH	Registration Number	7719
Center	M. N.	Date	

INDEX TABLE		
Q. No.	Maximum Marks	Marks Obtained
1	10	
2	10	
3	10	
4	10	
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17	15	
18	15	
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20	15	
Total Marks Obtained:		
Remarks:		

INSTRUCTIONS
1. Do furnish the appropriate details in the answer sheet (viz. Name, Registration Number and Test Code). उत्तर पुस्तिका में सूचनाएं भरना आवश्यक है ; नाम, प्रश्न-पत्रा कोड, विद्यार्थी क्रमांक आदि।
2. There are TWENTY questions printed in ENGLISH & HINDI इसमें बीस प्रश्न हैं अंग्रेजी और हिन्दी में छपे हैं।
3. All questions are compulsory. सभी प्रश्न अनिवार्य हैं।
4. The number of marks carried by a question/part is indicated against it. प्रत्येक प्रश्न/भाग के अंक उसके सामने दिए गए हैं।
5. 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 क्यूसीएड पुस्तिका के मुख्य 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।
6. Word limit in questions, if specified, should be adhered to. प्रश्नों में शब्द सीमा, जहाँ विनिर्दिष्ट है, का अनुसरण किया जाना चाहिए।
7. 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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EVALUATION INDICATORS

1. Alignment Competence
2. Context Competence
3. Content Competence
4. Language Competence
5. Introduction Competence
6. Structure - Presentation Competence
7. Conclusion Competence

Overall Macro Comments / feedback / suggestions on Answer Booklet:

1.

2.

3.

4.

5.

6.

All the Best

1. In view of the direct link between tenure security and food security, there is need for a conducive legal framework for land rights in India. Discuss.

(150 words) 10

पट्टे की सुरक्षा और खाद्य सुरक्षा के बीच प्रत्यक्ष संबंध को ध्यान में रखते हुए, भारत में भूमि अधिकारों के लिए एक हितकर कानूनी ढांचे की आवश्यकता है। चर्चा कीजिए।

LAND RIGHTS

- Owing to fragmented land holding pattern from colonial times, commercial exploitation, degeneration of land paved on post 1947. Even after we could not initiate comprehensive land reforms.

- In recent times, land acquisition bill (LARR, 2013) was stalled which sought to repeal 1894 Act.

What is needed is the

- effective consolidation of small, fragmented land
- ensure digitisation of records of land,
- land leasing model act
- Model ~~consolidation~~ ~~leasing~~ ~~legislation~~

Because there's a link b/w tenure security and food security.

- need for farmers to be incentivised to make necessary changes (seeds, fertilizers, inputs).
- tenure security is linked with formal credit and thus lessening the dependence on informal sources (40%).
- In addition it enables the protection of land of farmer, the exploitation at hands of landlords.

Hence there is a need to reform the legal framework to ensure

- consolidation of land holding
- recognition and digitisation of land records.
- safeguards to illiterate farmer against any exploitation.

Intervention of state government is must in this regard.

2. The measurement of the extent of formal sector and formal employment is yet an unsettled matter in our economy. Comment. Also, mention the steps which the government has taken to improve its extent.

(150 words) 10

औपचारिक क्षेत्रक और औपचारिक रोजगार के विस्तार का मापन हमारी अर्थव्यवस्था में अभी भी एक अनसुलझा मामला है। टिप्पणी कीजिए। साथ ही, इसके विस्तार में सुधार हेतु सरकार द्वारा उठाए गए कदमों का उल्लेख कीजिए।

FORMAL SECTOR

The sector that is bound by the legislation of employing more than 10 individual in formal enterprise. It is bound by Minimum wage Act, 1948. This however is limited to 10-11% of enterprises.

On the other hand formal employment is measured if

- covered under social security (EPIC, EPFO)
- comes under tax net.

Hence, they constitute very little proportion, as compared to 89-90% of informal sector of Indian economy.

Measures taken by government :-

- Frequent employment census by Labour Bureau, NSSO can help government frame policy.
- Through Skill India Mission aim to provide skill training and job creation.
- Aim to encourage self-employment by credit incentive under DAY - NULM (credit interest subvention).
- Pradhan Mantri Kaushal Kendra, Pradhan Mantri Kaushal Vikas Yojana.
- The creation of champion sector
- MUDRA yojana, MSME sambandh for encouraging MSME sector.
- Most significant Make in India scheme to make India global manufacturing hub and generate employment.

3. The investment rate in India has gradually declined after a historic high in the mid 2000s. Examine the reasons behind this trend. Discuss the steps required to revive investment for a sustained growth. (150 words) 10

भारत में निवेश दर, 21वीं सदी के प्रथम दशक के मध्य में एक ऐतिहासिक उच्चाल के उपरांत निरंतर घटती रही है। इस प्रवृत्ति के पीछे निहित कारणों का परीक्षण कीजिए। निरंतर वृद्धि हेतु निवेश को पुनर्जीवित करने के लिए आवश्यक कदमों पर चर्चा कीजिए।

Reason for declining Investment Rate :-

- Post the global financial slowdown 2008, there is general tendency to limit the investment owing to market dynamics.
- In India, household savings had peaked to 33% (in 2008-09) but both investment and savings have seen declining trend.

Reason :-

- There is a trend to invest in alternatives like physical asset, gold.
- Banks have not been able to translate/pass down benefits to consumers.

→ In the recent times, rise of the stock market, & RBI's regulation has all restored commmer's confidence to invest in capital market

In this scenario, as per economic survey, it is imperative that investment must be given a boost for capital creation at cost of savings

Steps to survive :-

→ Banking reforms (re-capitalisation and prompt corrective action) to improve its balance sheet.

→ The Pension and Insurance can act as long term infrastructure finance tools in effective way.

→ There is a need for corporates to establish credibility for banks to revive lending for boosting economic growth in general.

4. Discussing the reforms that contributed in improving India's ranking in the World Bank's 'Ease of Doing Business' index, identify the challenges that still remain in the overall environment of doing business. Suggest some concrete steps that India can take to further improve its performance on the index. (150 words) 10

विश्व बैंक के 'इज ऑफ़ डूइंग बिज़नेस' सूचकांक में भारत की रैंकिंग को बेहतर बनाने में योगदान करने वाले सुधारों पर चर्चा करते हुए, व्यवसाय करने के समग्र वातावरण में अब भी विद्यमान चुनौतियों की पहचान कीजिए। भारत द्वारा इस सूचकांक पर अपने प्रदर्शन को और अधिक सुधारने के लिए उठाए जा सकने वाले कुछ ठोस कदम सुझाइए।

As per World Bank's ease of doing business report, India ranked 100 as against 130 in 2017.

Reforms that contributed :-

- Launch of GST, 2017 (Goods and Service Tax as per 122nd constitutional amendment).
- Insolvency and Bankruptcy code 2016.
- Transformed governance owing to use of technology. (single window entry).
- Real Estate (Development and Regulation Act), 2017.
- 2016 measure to demonitise the legal tender causing black money.

Challenges :-

- One of the key parameters where India, looks is ENFORCING CONTRACTS.
- The land legislation, clearance, impact assessment, entrenched corruption all of these lead to negative sentiment.

MEASURES :-

- Simplification of entry and 'exit' in time bound manner (Example - Singapore).
- Need to legislate the land acquisition bill, enhance the clearance for industrial activity with displacement safeguard.

Overall, taking best international practices as example, improve its overall performance on various indicators in the Index.

5. Providing social security, especially to those working in unorganised sector, is an important requirement to achieve the goal of inclusive growth. Discuss. (150 words) 10

सामाजिक सुरक्षा प्रदान करना, विशेषकर उन लोगों को जो असंगठित क्षेत्र में कार्यरत हैं, समावेशी विकास के लक्ष्य को प्राप्त करने के लिए एक महत्वपूर्ण आवश्यकता है। चर्चा कीजिए।

Social security to unorganised sector

— Through National Pension Scheme aim is to include not just state and central government employees but also unorganised workers:

— emphasis on contribution based pension schemes.

— In addition, Pradhan Mantri (Jeevan Jyoti Yojana, Swakshya Bima Yojana) also saw launch of Atal Pension Yojana in 2014.

— The unique labour identification number, Swaksha Portal for the governance reforms are all in consonance with social security.

— Besides this, we also have EPFO and ESIC provision (But there are only for organised).

Social Security - Inclusive Growth

- It is important for more than 89-90% of our workforce is from unorganised sector.
- There is a need to insure them against any potential life threatening occupational hazards.
- Unless pension are given to them, in time bound manner, we are violating our Directive Principle of State Policy (Article 39).

In this context, measures taken by Labour Ministry and government in general is the need of the hour.

6. Contract farming can help in the expansion of organized food processing industry in India by strengthening backward linkages. Comment. What changes are required in the existing regulatory structure to address issues related to contract farming in India? (150 words) 10

अनुबंध कृषि (कॉन्ट्रैक्ट फार्मिंग) बैकवर्ड लिंकेज को सुदृढ़ कर भारत में संगठित खाद्य प्रसंस्करण उद्योग के विस्तार में सहायता कर सकती है। टिप्पणी कीजिए। भारत में अनुबंध कृषि से संबंधित समस्याओं को हल करने हेतु वर्तमान नियामक संरचना में क्या परिवर्तन आवश्यक हैं?

Major changes required are :-

a) consolidation of land holding

- most of farmers are small and marginal (less than 2 mha of land).
- fragmented land holding.

b) lack of proper digitization of land records.

- land is a state subject (List II).
- Land reforms, monitoring of land holding using GIS, to update and classify land (fertile, barren, forested).

c) Lack of institutional credit :-

Because these small and marginal farmers are illiterate, lack land records

and identity card (AADHAR), formal
Institutions do not give them credit.
+ Hence adequate legislation
to implement Model Contract Farming
is the need of the hour.

CONTRACT FARMING - FOOD PROCESSING

- Need of the hour is to involve co-operatives to bring in fragmented land, raise credit through micro-finance (SHG's).
- Each farmer must be assured of remuneration, rights over the land and produce.
- It can act as excellent model to link agriculture with food processing (in terms of mandi's like Rythu Bazaar in Andhra Pradesh act as a link).

What is needed is political will to reverse the agricultural stagnation and introduce contract farming.

7. Minimum Support Price (MSP) of crops is a short term solution for agricultural distress which creates long term problems. Examine. Suggest measures to overcome the limitations of the MSP regime. (150 words) 10

फसलों के लिए न्यूनतम समर्थन मूल्य (MSP) कृषि संकट का एक अल्पकालिक समाधान है जो दीर्घकालीन समस्याएं पैदा करता है। परीक्षण कीजिए। MSP व्यवस्था की कमियों से निजात पाने हेतु उपाय सुझाइए।

MSP is the minimum support price announced by the government as a payment to grow food crops (23 selected crops) without any risk of price fluctuation.

It is three intervention

→ to protect farmers from uncertainty (rainfall, crop failure, bumper harvest)

→ It also ensures procurement of extent of wheat and rice (mainly) for buffer stock of government (FCI in specific) in case of shortage.

However, only 9-10% farmers in India are aware of MSP and are able to secure its intended benefit. This there is a short term solution to reduce distress.

Measures :-

Recently two major state intervention of

→ Bhavantar Bhugtan Yojana, M.P.
(Price Deficiency System)

→ Fixed input cost of 4000 ₹
to registered farmers by Telangana

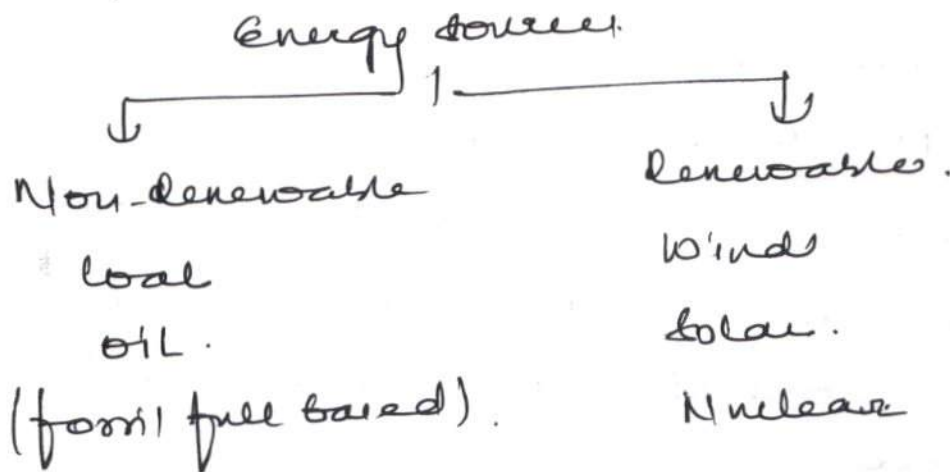
has provided an alternative to
assistance to farmers either by (M.P.)
paying the amount directly to
Adhar seeded account of the deficiency
in line with market price.

In addition, MSP has led
to stagnation of production of wheat
and rice and lack of incentive to grow
PULSES, oil seeds. Hence in long run
such alternatives can be implemented
on a pilot basis, to gradually phase
out MSP towards direct benefit transfer
to prevent anomalies.

8. Enumerating the factors that determine a nation's energy-mix, comment on the need for having a diversified fuel basket for meeting India's future energy demands. (150 words) 10

किसी राष्ट्र के ऊर्जा-समिष्ट (एनर्जी-मिक्स) को निर्धारित करने वाले कारकों को सूचीबद्ध करते हुए, भारत की भावी ऊर्जा मांगों को पूरा करने हेतु एक विविधकृत फ्यूल बास्केट के होने की आवश्यकता पर टिप्पणी कीजिए।

Under the present scenario, 60% of our energy need is dependent on Thermal power (coal & oil). In case of Renewable energy, it is the wind energy which generates power above solar.



Need for diversified fuel basket :-

- Though not a shale and gas (owing to USA's technological role) alternative, we have reduced our dependence on OPEC nation

and are also importing from North America, owing to India's industrial growth,

→ we need to diversify our real energy basket. eg: encouraging shale research, subject to water requirements.

→ Pradhan Mantri Ganga Gokhanti is welcome measure to lay gas pipeline along fertilizer plant to generate natural gas.

→ NITI Aayog's paper on shift to Methanol (as opposed to ethanol from sugarcane) is welcome. If we can harness out of biological fodder and manure.

→ In addition, JN - National Solar Mission, formation of International Solar Alliance, 100 GW by 2022 is a way ahead.

Hence, need to link GRID for renewable and convention energy transmission.

9. Despite being a water-stressed economy, micro irrigation penetration in India remains sub-optimal. Discuss the reasons behind it. Also list measures taken by the government to provide an impetus to micro irrigation.

(150 words) 10

एक जल-संकटग्रस्त अर्थव्यवस्था होने के बावजूद, भारत में सूक्ष्म सिंचाई की पैठ उप-इष्टतम (सब ऑप्टिमल) बनी हुई है। इसके पीछे उत्तरदायी कारणों की चर्चा कीजिए। साथ ही, सूक्ष्म सिंचाई को प्रोत्साहन देने हेतु सरकार द्वारा उठाए गए कदमों को भी सूचीबद्ध कीजिए।

India is a water-stressed nation in making. Urbanisation, climate change and agricultural economy are its major factors.

Reason why we have sub-optimal MICRO-IRRIGATION potentials :-

- Access to subsidies in form of water, electricity in Punjab, Haryana, West U.P (beneficiaries of Green Revolution).
- Inadequate awareness, lack of efforts to explain the benefit of deep and sprinkler irrigation to small and marginal farmers.
- Cost (initial input cost) for these sprinklers, lack of assistance in these have led to maintenance and stagnation.

Measures taken by government :-

→ Israel is the model example with which we have signed agreements to guide states like Maharashtra (esp Vidarbha area) in adopting micro-irrigation.

→ Pradhan Mantri Krishi Sinchayi Yojana (2015) is largely aimed at hardening percol more deep and encourage use of drip and sprinkler.

In addition, efforts must be taken to

- spread awareness about potential benefit to opt for micro-irrigation in water stressed land.
- incentive to farmers in form of input subsidy to adopt the drip and sprinkler irrigation.

10. Discuss the prospects & challenges in adopting an integrated multimodal transportation system in India with reference to government initiatives in this regard. (150 words) 10

भारत में एकीकृत मल्टीमॉडल परिवहन प्रणाली के संबंध में सरकार की पहलों को संदर्भित करते हुए इसे अपनाने से संबंधित संभावनाओं एवं चुनौतियों पर चर्चा कीजिए।

INTEGRATED MULTIMODAL TRANSPORT

Prospects :-

- Improves the transport for commercial freight and passenger transit in general.
- Link with shipping, port development and inland waterway had huge trade potential.
- Excess congestion of road (both freight and passenger) will get minimized. Rail connectivity to ports is necessary.
- India will emerge as major transit power in Indian Ocean (geo-strategic and economic).
- Efficiency of movement of goods and services in general.

Challenges :-

- Lack of convergence of the schemes
Need to integrate NHAI, Bharat
mala, Prasarjansan, etc. lagarwala
project.
- Inadequate logistic sector. (hence
recent 'infrastructure' Act is
a welcome step).
- Need for effective planning,
policy implementation with
integrated efforts from various
transport ministries (Roadways,
Railways, Shipping).
- Both central and state government
should work in co-operative manner
(minor ports come under list II).

There is a need for cohesive,
co-ordinated planning and timely
implementation.

11. Public Sector Enterprises formed the backbone of industrial development after independence, but with changing times, their role has also changed. Discuss. Also, comment on the need to adopt a multi-pronged strategy to deal with the issues that they are facing. (250 words) 15

स्वतंत्रता के उपरांत सार्वजनिक क्षेत्र के उद्यम औद्योगिक विकास की रीढ़ बने, लेकिन बदलते समय के साथ उनकी भूमिका भी बदल गई है। चर्चा कीजिए। साथ ही, उनके द्वारा सामना की जाने वाली समस्याओं से निपटने के लिए एक बहु-आयामी रणनीति अपनाये जाने की आवश्यकता पर टिप्पणी कीजिए।

After the success of 1st Five year plan in sphere of agriculture, it was the NEHU - MAHALANOBIS plan that laid the basis of industrial development from 1956 onwards.

In the scenario of welfare social model / MIXED ECONOMY, all the major sector of national and critical importance, (Steel, Coal, gas, oil - OIL, ONGC) (SAIK, NTPC, GAIL, BHEL - electricals. etc.) required monopoly.

The basis was :-

- Massive mass production as India was exploited by colonial legacy. So to catch up and have self-reliance.

- In order to prevent inequality, exclusion, capitalist profit motive was sidelined and state took up the control to regulate these industries.

Change of role :- REGULATOR to FACILITATOR.

Post 1991, liberalisation

- Of 18 sectors, only 6 were regulated (space, defence, pharmaceuticals, hazardous substances).
- 'Licence Raj' gave way to transparent bidding, entry of private players.
(ex: Aviation
✓ Telecom
✓ Insurance)
- Enhanced competition, opening of capital market, entry of MNCs, relaxation of FDI norms (later to

90% under automatic route), all of these acted as a check upon the monopoly, stagnation and excess regulation of CPSE's.

The recent strategic sale of Air India airlines and operation is reflective of the transition in our direction.

MULTI-PRONGED STRATEGY

- Transparency in governance, independent appointment. (Need to delink it with the ministry).
- Need to bring efficiency, time bound appraisals, performance based on comparison with private companies.
- Government should act as facilitator and let market forces operate.
- Strategic divestment is a key to bring private player in a controlled manner.

12. In the light of increasing NPAs and frauds, the twin balance sheet problem has grown immensely. Comment on the issue and analyse the potential of the Insolvency and Bankruptcy Code to be a game changer for Indian economy's health and long-term growth. (250 words) 15

NPAs एवं धोखाधड़ी की बढ़ती घटनाओं के चलते, दोहरे तुलन पत्र (द्विन बैलेंस शीट) की समस्या में अत्यधिक वृद्धि हुई है। इस मुद्दे पर टिप्पणी कीजिए तथा भारतीय अर्थव्यवस्था की दशा और दीर्घकालिक संवृद्धि के लिए दिवाला एवं दिवालियापन संहिता में एक गेम चेंजर होने की क्षमता का विश्लेषण कीजिए।

NPA (Non-Performing Asset) is that part of asset where it does not receive either interest (or) principal amount for more than 90 days. In addition, we have

Stressed Asset - that which is booked to be paid at conventional rate for long duration and

Written off asset is that which bank remove from NPA balance sheet.

As per March 2012, NPA contributed 11% of total bank asset. This has direct relation to

- Twin balance sheet problem (both corporate and bank)
- Frauds, fugitives (as seen in Nisar Modi - PNB scam).

Impact :-

- Impacts lending, capital outflow.
- reverse the investment opportunities
- it erodes economic activity and development.

Banking sector in general loses credibility

→ In this context, in 2017, there was amendment made to 3A clause of Banking Regulation Amendment Act, 1949 to deal with stressed assets

→ In addition 2016 - Insolvency and Bankruptcy code has led to attempt to carry insolvency procedure of individual firms as well as the companies by Debt Recovery Tribunal as well as National Company Law Tribunal respectively.

Main features of this code includes :-

- Easy, time-bound, quick resolution

to clear the process of insolvency
in case of stressed balance sheet.

It has also reduced the timeframe
to within 180 days to complete the
procedure. (Earlier it took 5-6
years), within 1 year of filing.

What are the impacts :-

- improvement of India's ranking
in ease of doing business.
- impacts corporate balance sheets
- Allows quicker resolution to
wind up a company.
- Banks can also under Banking
Regulation Act, 1949, ask to
initiate insolvency.

Overall it will address
the issue of NPA & Toxic balance
sheet problem.

13. Under-employment rather than unemployment is the key problem facing India today. Elaborate. Also, suggest measures to counter this problem.

(250 words) 15

वर्तमान में भारत के समक्ष मुख्य समस्या बेरोजगारी नहीं अपितु अल्प-रोजगार है। सविस्तार वर्णन कीजिए। साथ ही, इस समस्या के प्रत्युत्तर हेतु कुछ उपाय सुझाइए।

UNDER-EMPLOYMENT Vs UNEMPLOYMENT

India has been witnessing a paradox emerging growth rate on one hand but lack of job creation on the other.

Key problems :-

Structural factors

- Inadequate development of manufacturing sector and leap to service sector.
- inadequate linkage between agricultural forward link with labour-intensive MFG.
- Overemphasis on IT-BPM and service sector (60% of GDP share)

LECTORAW :-

Agriculture
(16% to
GDP)

- massive disguised unemployment
- lack of remuneration
- social distress,
- rural youth migrating to urban areas (push-pull factor).

Manufacturing
(18-19%
GDP).

- Make in India
- MSME credit (MUDRA)
- labour intensive & capital intensive
- Need for skill enhancement.

Service sector
(60%)

- highly skilled job.
- needs technical expertise
- Champion sector initiative taken up by govt.
- largely concentrated in urban, semi urban areas.

In this context

- huge gap b/w education - academia to industry linkage. (many graduates are not skilled for jobs).
- Demographic dividend requires
 - vocational education, ITI
 - PM Kaushal Kendras.
 - Digital Education
 - Skill Centres.
 - Recognition of Prior Learning (Kaushal Vidya Yojana.)
 - ↳ VITAD (traditional craft)

Finally, as Economy ^{is} recovering (2016-17) pointed, need to promote Apparel, Textile, leather sector (as they are labour intensive), to generate employment. In this regard 6000 crore compensation package is a welcome step.

14. The role of international trade in achieving a quicker pace of economic development is well recognized. What are the benefits of international trade for a developing country like India? Highlight the challenges that India faces in improving its share in world trade. (250 words) 15

आर्थिक विकास की द्रुत गति को हासिल करने में अंतरराष्ट्रीय व्यापार की भूमिका को दृखूबी मान्यता प्राप्त है। भारत जैसे विकासशील राष्ट्र के लिए अंतरराष्ट्रीय व्यापार के क्या लाभ हैं? विश्व व्यापार में अपनी भागीदारी बढ़ाने में भारत द्वारा सामना की जाने वाली चुनौतियों पर प्रकाश डालिए।

As per Foreign Trade Policy (2015-30)
there is a mainive need to align
India's trade as per

- demand-supply potential.
- need for export diversification (as per global demand)
- sign bilateral-multilateral agreements with major powers and also enhance India's standing in RCEP, ASEAN.
- Align with lion sectoral trade patterns and link to global value chains. Eg - Post Logistics.

What are the measures taken so far?

Some of the major one includes

- Merchandise export incentive scheme
- Services export incentive scheme.
- Simplification of Asyat-Niryat forms.
- single form for trade entry-exit.
- credit facilities by export-import (EXIM) bank.
- several export incentive schemes.

Challenge India faces :-

- increasing trade restriction
owing to protectionism (including
immigration, services).
- restriction on non-trade barriers
(duties).
- additional aspect of phyto-
sanitary measures and WTO
norms.
- issue of IPR, trade tariff wars
(as seen in US-China steel tariff).

Benefits and Recent Measures ;

India and China are leading emerging and developing economy

Trade in the next few decades will determine course of economy

In addition, India is heavily dependent on oil and crude import. Trade seems become crucial for foreign exchange, current account deficit.

In this context, recent steps like

→ India-ASEAN ⇒ RCEP negotiation

→ India-Sri Lanka Economic and Technology Co-operation.

→ India-Korea CEPA.

→ India-Thailand CECA.

→ India-EU BTIA

→ India-EU (Eurasian Economic Union) FTA.

are all a welcome step.

15. A near stagnant tax to GDP ratio for the country since decades reflects not only non-fruitful efforts to increase it but also underlying structural issues with tax regime. Comment. (250 words) 15

राष्ट्र के लिए कई दशकों से कर-GDP अनुपात का लगभग स्थिर रहना, न केवल इसको बढ़ाने हेतु किए जाने के प्रयासों के फलीभूत न होने, अपितु कर व्यवस्था में अंतर्निहित संरचनागत समस्याओं को भी प्रतिबिंबित करता है। टिप्पणी कीजिए।

Tax to GDP ratio :-

One of the major tools to measure macro-economic fundamentals is that of tax as source of revenue vis-à-vis GDP.

Reason for stagnation :-

- Lack of direct tax reforms (Income Tax Act, 1961), and
- Lack of political will to come up with direct tax code, reforms.
- Even GAAR (General anti-avoidance rules) took many years to be applied.
- Tax net, tax base in India is abysmal (only 6%) as it is reflected in evasion, avoidance, missing loopholes to circumvent the law.

In addition, despite reducing the corporate tax base (from 30% to 25%) to encourage compliance, there are following challenges :-

- lack of stringent compliance rules, penalties and punishment.
- massive informal sector in our economy (89%).
- Pro-demonitisation, existence of massive parallel bank market of currency.
- complex taxation filing procedures and returns.
- general lack of social awareness among section of mass.

In this context, gradual reforms in indirect tax (12th constitutional amendment of Goods & Service Act), 2017, is a welcome step to bring parallel paradigm shift in DIRECT TAX domain.

Some of the key measures taken include .

- Launch platform, single form to file returns.
 - Asset Declaration and also Incentive to file (easy refunds in case of compliance).
 - The government has enhanced its revenue collection mechanism, training of officials.
 - Recently budget 2018-19 also saw tax net 5% taken to 16 lakh per annum receive benefit of exemption
 - Recent Electoral bond scheme, 2017
- They in order to improve the tax base and tax to GDP ratio
- ensuring tax net increases in relation to growth.
 - ease of transaction and filing
 - Integrating PAN, (compulsory linkage with Aadhar), Tax Deduction at source.

16. Enumerating the features of Pradhan Mantri Kisan Sampada Yojana, discuss its potential for the growth of food processing sector in the country. (250 words) 15

प्रधान मंत्री किसान सम्पदा योजना की विशेषताओं को सूचीबद्ध करते हुए, देश में खाद्य प्रसंस्करण क्षेत्र का विकास करने की इसकी क्षमता की विवेचना (चर्चा) कीजिए।

Pradhan Mantri Kisan Sampada Yojana is the flagship scheme of Ministry of Food Processing, launched in 2017.

It aims to provide a convergence to all the measures, provision and scheme to ensure the growth in the food processing sector on priority basis.

Essential features :-

- One of the central idea is to develop world class (42 announced) MEGA FOOD PARKS.

- It will enable a holistic point to acquire raw material from farmer, mandis in transparent manner and processing can be done to improve the processed quality of product.

- Emphasis is on state of art facilities, equipments, cold storage devices, to ensure not only minimising loss along transportation, but also during preservation and processing.
- In case mega food park, utmost importance will be given to
 - standardised processing
 - packaging.
 - quality certification.
- All these will pave way for not only enhanced domestic production but also target EXPORT of these products.

Potential of food processing industries

- After agriculture, this sector is second most important area of significance.
- It is a link between farmer income

diversification as well as is a scope to enlarge agro based industries, small NRI-E. credit facilities for self-employment is excellent source of additional revenue.

To sum up, this sector acts as extension to agricultural sector.

- alleviate scope of livelihood for non-farm employment.
- great contribution to GDP and export potential.
- minimizing wastage and converting raw material to consumable food processed items.

Way forward :-

- effective implementation of SAMPADA scheme.
- technological investment,
- improvement of log ratio
- remunerative schemes.

17. What do you understand by Seed Replacement Rate? Explaining the concept of breeder, foundation and certified seeds, highlight the major policy initiatives taken in order to address the challenge of quality seed availability to farmers. **(250 words) 15**

बीज प्रतिस्थापन दर (सीड रिप्लेसमेंट रेट) से आप क्या समझते हैं? ब्रीडर, फाउंडेशन और प्रमाणित बीजों की अवधारणा की व्याख्या करते हुए, किसानों के लिए गुणवत्तापरक बीजों की उपलब्धता की चुनौती का समाधान करने हेतु की गई प्रमुख नीतिगत पहलों पर प्रकाश डालिए।

18. Enumerate the factors that determine cropping pattern in an agricultural region. Discuss the need for diversification in context of problems being faced by monoculture regions in India. (250 words) 15

किसी कृषि क्षेत्र में फसल पद्धति को निर्धारित करने वाले कारकों को सूचीबद्ध कीजिए। भारत में एकल फसली क्षेत्रों द्वारा सामना की जा रही समस्याओं के संदर्भ में फसल विविधीकरण की आवश्यकता की चर्चा कीजिए।

Cropping pattern in India.

Apart from the basic geological and agro-geographic considerations,

- rainfall area.
- irrigation potential.
- soil type (fertilizer requirement)
- power, level of mechanisation.
- access to farm credit

However main criteria is also the remunerative scope of crop. For

example

- In Punjab, owing to massive water and power subsidy, despite irrigation potential, there is excess growing of cereal.
- Dryland farming areas need more incentive to grow cereals.

In terms of cropping pattern,

irrigated areas UP, Bihar

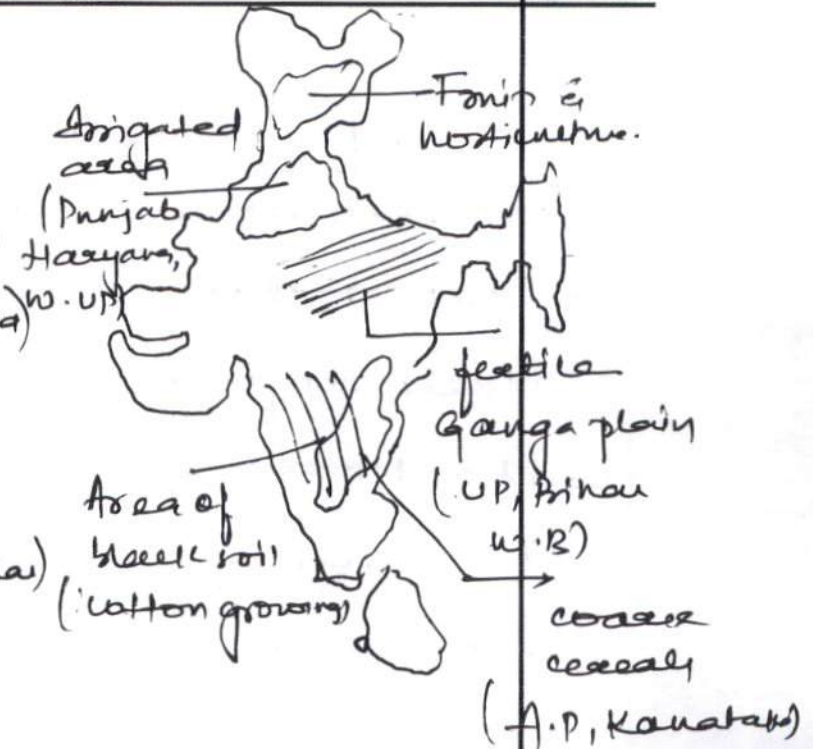
→ cereals (water logged)

irrigated areas (Punjab)

→ wheat

coarse cereals (Peninsula)

→ (based on water storage)



Need for diversification

- Excess production and procurement of rice and wheat leads to buffer stocks, impacts price levels.
- Change in consumption pattern owing to MGNREGS (wage) - had led to demand of pulses, vegetables. Hence (demand-supply) mismatch.
- Monoculture (plantation crops like Rubber, coffee, tea, sugarcane, tobacco) and wheat and rice in general leads to SOIL DEGENERATION, loss of fertility

- excessive use of fertilizers leads to
acidity, water table / ground water
over extraction, hence need for.

- Crop rotation
- Mullet-cropping.
- Mixed farming.
- Intercropping
- Agro-forestry

One example being if rice (water logged)
can be confined to fertile ganga valley
punjab can diversify its crop pattern to
grow pulses, dryland farming.

In addition, need of the
hour is to

- adopt micro irrigation method
(drip & sprinkler) (as Israel).
- use of Zero-budget Natural
farming (Karnataka, A.P).
- Introduce crop diversification (both
horticulture & livestock).

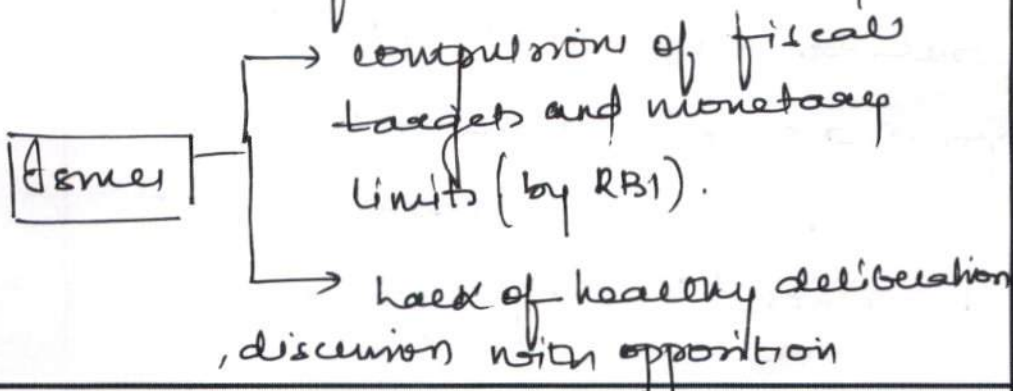
19. The need to overhaul the current budget making process can be gauged from the fact that it neither undertakes broad-based consultations, nor is adequately transparent nor effective in estimating and allocating the demands of various stakeholders. Examine. (250 words) 15

वर्तमान बजट निर्माण प्रक्रिया में आमूल परिवर्तन करने की आवश्यकता का अनुमान इस तथ्य से लगाया जा सकता है कि न तो इसका परामर्श का आधार व्यापक है, न ही पर्याप्त पारदर्शी है एवं न ही यह विभिन्न हितधारकों की मांगों का आकलन और आवंटन करने में ही प्रभावी है। परीक्षण कीजिए।

Budget (as envisaged under Article 112) is annual financial statement presented on 17 February to outline the roadmap of estimated revenue for the government and prospective outline of expenditure.

Broad-based consultation :-

- largely populist, keeping in mind electoral promise, manifesto.
- bound by FRBM (fiscal responsibility and Budget Management), 2003 Act
- aims to redistribute the revenues in a welfare centric manner. However



Transparency :-

Even as economic survey (which analyses the paired economic year) is released a day before Union Budget there is no emphasis on

- consultation with state government, UT
- only departments of each minister present the estimated expenditure hence inadequate emphasis on
- transparency
- broad-based consultation (no provision to ask public opinion).

Effective estimation & Allocation :-

This is one aspect which is central to budget making limitation. Major reason for mismatch is

- sound economic versus populist measures (to stay in power)

- until recently excess of expenditure on
 - food, - fertilizer, fuel subsidy
 - social sector expenditure
 - In this year's budget, the prospective strategic divestment of Air India
 - In general, the tendency to rely on → public borrowing
 - concessional multilateral institution long term loan
 - External commercial borrowing.

Hence if one were to overhaul the budget drafting process, these three aspects need to be reviewed for prudent fiscal consolidation and incorporate further

- Gender budgeting.
- Green budgeting.
- Transparent and consensus based budgeting.

20. Identifying the key elements under the Mission for Integrated Development of Horticulture (MIDH), briefly explain how it can lead to holistic development of the horticulture sector in India. Also elaborate the factors which act as roadblocks for the efficient supply chain of Fruits and Vegetables sector in India. (250 words) 15

बागवानी के समन्वित विकास के लिए मिशन (मिशन फॉर इंटीग्रेटेड डेवलपमेंट ऑफ़ हॉर्टिकल्चर: MIDH) के अंतर्गत प्रमुख तत्वों की पहचान करते हुए, संक्षेप में व्याख्या कीजिए कि यह भारत में बागवानी क्षेत्रक के समग्र विकास को किस प्रकार बढ़ावा दे सकता है। साथ ही, भारत में फल एवं सब्जी क्षेत्रक हेतु प्रभावी आपूर्ति श्रृंखला में बाधक के रूप में कार्य करने वाले कारकों का सविस्तार वर्णन कीजिए।

Relevance of Horticulture :-

- As per Economic Survey (2016-17), in last 5 years, horticultural production has exceeded food grain production b/n 2011-16.
- India's ^{one of the} leading producer of fruits, vegetables and aromatic plants.
- important for diversification of livelihood opportunities for farmers.
- secure alternative to agricultural uncertainty (rainfed, price risk).
- very important for share in agricultural GDP as well as in export domain.

To harness the potential of this sector, there's a flagship mission for Integrated Development of HORTICULTURE

Key elements :-

- convergence of all the schemes which deal with food processing, horticulture (to minimize post harvest losses).
- special emphasis on preservation, cold storage, transportation from farm to plants for further processing and enhancement.
- Integration of Bamboo (National Bamboo Policy) with other aromatic and organic farming to come with comprehensive horticulture policy.
- Providing incentives to take up new horticulture practices to farmers, diversify their cultivation (over production of cereals).

How this mission leads to horticulture development ?

- By enhancing the agricultural sector, to provide alternatives

- especially more remunerative source of income (that can act as safety net) to farmers
- India can also align it to much needed agri-export policy.

One of the challenge however is lack of efficient supply chain of fruits & vegetables

- inadequate cold storage facility
- massive wastage along the transportation
- impacts overall prices and further reduced farmers income
- As against MSP (Minimum Support Price) of cereals, it leads to disincentive.

It is in that context, need for adequate logistics, supply chain (both forward and backward) linkage and effective implementation of integrated horticulture mission is the way forward.