



# VISION IAS

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## GENERAL STUDIES (TEST CODE : 1107)

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Medium Eng./Hindi	ENGLISH	Registration Number	25609
Center	JP	Date	7/8/18

INDEX TABLE		
Q. No.	Maximum Marks	Marks Obtained
1	10	
2	10	
3	10	
4	10	
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6	10	
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17	15	
18	15	
19	15	
20	15	

Total Marks Obtained:

Remarks:

## INSTRUCTIONS

- 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।
- There are TWENTY questions printed in ENGLISH & HINDI इसमें बीस प्रश्न हैं अंग्रेजी और हिन्दी 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 पत्रा 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।
- 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।

75, 3<sup>rd</sup> Floor, Old Rajinder Nagar Market, Near Axis Bank, New Delhi – 110060

103, 1<sup>st</sup> Floor, B/1-2, Ansal Building, Behind UCO Bank, Dr. Mukherjee Nagar, Delhi – 110009

## 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।

India's land reforms remain incomplete. Tenancy and associated tenure security are important components.

- ① If tenure security is guaranteed the tenant will not be worried about eviction.
- ② Thus he will invest in farming with long term perspective in mind, not his personal gain.
- ③ Tenure security will also allow landlords to lease out their lands if they are otherwise worried about occupation.
- ④ It will lead to trust between landlord and tenant. Cooperation will emerge. All the above will directly improve food security.

Thus there is a need for  
conducive legal framework  
for land rights that:

- ① Identifies the right of landlord  
to ownership of land
- ② Identifies tenant via a contract  
~~or~~ that formalises tenancy
- ③ Prevents untimely eviction  
and provides tenure security
- ④ Allows for landlord and  
tenant to renegotiate terms  
over time etc.

NITI Aayog's model  
Land Leasing Act aims to do  
the above and must be enacted  
by all states seen

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।

Various reports give different estimates for extent of formalisation in the economy -

— National sample survey organisation estimates the extent of informal economy to be 90% of total jobs

— As per data from Goods and services tax, 52% of economy is formal

— Social security Net - As per EPFO and ESIC contributions 31% of economy is formal.

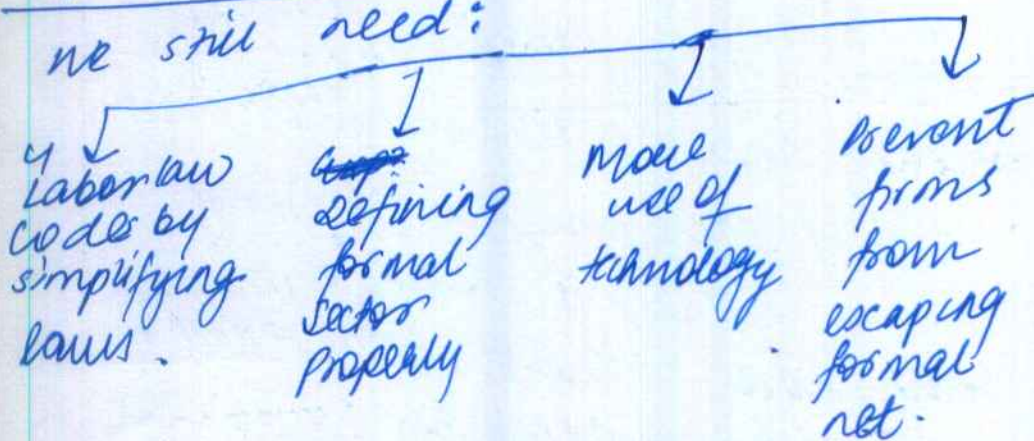
Thus the variation is very high. There is a need to improve formalisation as it:

- empowers the weaker eg. social security
- brings income in formal net
- prevents illegal activities

STEPS TAKEN TO FORMALISATION :

- ① state governments have undertaken labor reforms to empower firms
  - ② Digitisation of hiring-firing processes
  - ③ skilling to create more formal sector jobs
  - ④ schemes for unorganised sector to bring them in formal net  
eg. Rashtriya Swasthya Bima Yojana
  - ⑤ denominetisation
- WAY FORWARD :

we still need:



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।

As per economic survey  
2017-18 investment is key driver  
of economic growth in India.  
However it has recently declined

Investment % GDP	2003	2007	2017
	28%	30%	26%

### REASONS :

① decline in private sector  
investment due:

↳ indebtedness in corporates is high

↳ stalled projects

↳ low risk appetite

② lack of funding for private  
projects due to twin balance  
sheet problems which has made  
banks weary of lending

③ stagnation in government  
investment which is pro-cyclical.

① ~~2010~~

## STEPS TO REVIVE INVESTMENT:

- ① Banking reforms -  
eg. recapitalisation, to reduce  
burden on banks and allow  
lending.
- ② resolution of tied projects  
using Bankruptcy Code we need  
to free corporates from tied up  
projects.
- ③ Public Private Partnerships  
Need to revamp them as per  
Kelkar panel recommendations
- ④ Regulatory sector  
Need to ease regulatory approvals  
needed for projects to ease process
- ⑤ FDI policy  
Need to create niche awareness  
about India as an investment  
destination.
- ⑥ Boost to savings  
They translate into investments and  
must thus be encouraged

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।

India's ease of doing business rank has improved substantially:

	2017	2018
Rank	130	100

### STEPS TAKEN

- ① Goods and Service Tax enacted to consolidate tax indirect tax laws
- ② Make in India scheme has special emphasis on processes
- ③ Digital India Mission has digitalised key processes
- ④ Importer exporter code revamped
- ⑤ Regulatory processes to start a business resumed
- ⑥ Signed Trade Facilitation Agreement to ease customs

FURTHER STEPS TO BE TAKEN

- ① Contract enforcement to be improved :
  - Empowering judiciary
  - Preventing unnecessary litigation by government
- ② Improve logistics like transportation to reduce cost of doing business
- ③ While electricity connection is easily available now, access to electricity to also be improved
- ④ ~~For~~ Direct tax code to be implemented and further taxation reforms needed.
- ⑤ Reduce ~~time~~ gap between envisaged regulatory process and actual time taken.
- ⑥ Corporate governance for minority shareholders All the above will help in taking India to top 50 by 2019

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।

Inclusive growth as per UNDP is growth that:

- occurs in regions where poor work
- occurs in sectors the poor work
- occurs to improve conditions of the poor

social security is availability of safety net in the form of pensions, insurance etc. that protects the poor. ~~in~~ the unorganised sector consists of those outside the net of formal social security. eg. Industries under Industrial Act 1947 have to provide workers with social security via a minimum wage. This doesn't happen in unorganised sector.

CURRENT SCHEMES

- ① Unorganised Workers Act 2008
- ② Rashtriya Swasthya Bima Yojana for life insurance in unorganised sector
- ③ Atal Pension Yojana
  - ↳ Jeevan Jyoti Bima Yojana
  - ↳ Swaksha Bima Yojana

Government also provides various subsidies that go to unorganised sector. Despite this the social, economical and overall indicators in this sector are poor. ∴ There is a need to provide social security.

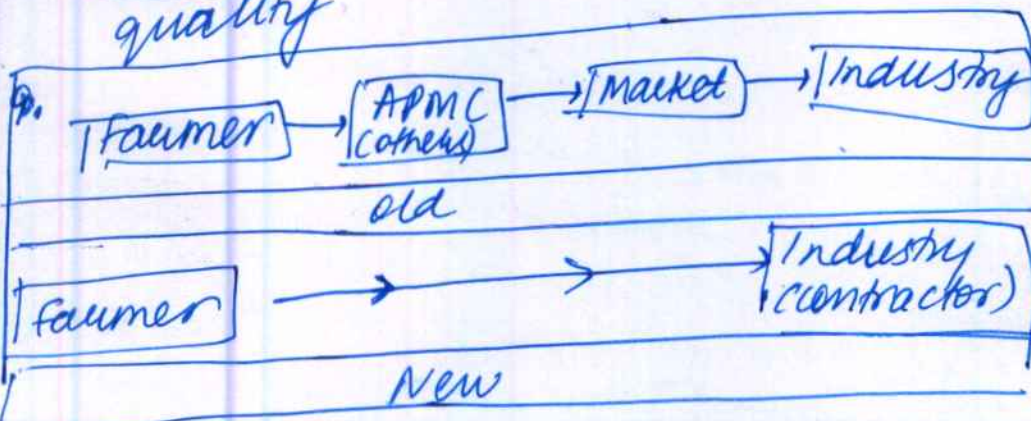
6. Contract farming can help in the expansion of organized food processing industry in India by strengthening backward linkages. Comment. What changes are required in the existing regulatory structure to address issues related to contract farming in India? (150 words) 10

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?

contract farming refers to farming based on contract between the farmer and a private player.

How it will help in food processing?

1. private players will be able to request farmers to grow crops needed in the industry
2. procurement will happen without intermediary
3. farmers will have guaranteed market and will focus on quality



Changes needed

- ① Enact the Contract Farming Bill to recognise this legally
- ② Amend the Agricultural Products Market Committees Act to allow farmers to sell directly to private sector
- ③ Empower Farmer Producers' Organisations to increase their bargaining power against contractors
- ④ Improve logistics and allow procurement by private sector
- ⑤ Amend Essential Commodities Act to ~~prevent~~ prevent contractors from being persecuted as hoarders.

Contract farming has been successful in Pepsi's case where potatoes are contracted from Moga in Punjab. Above changes must be made to expand that and empower our food processing industry.

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।

The Commission on Agriculture Cost and Prices recommends Minimum Support Prices for 26 crops to the Cabinet Committee on Economic Affairs. Government then undertakes procurement at this price.

#### ADVANTAGES :

- ① Provides price stability to farmers
  - ② Guaranteed income for farmers
- Thus in short term it ensures stability.

#### DISADVANTAGES :

- ① Artificially skews cropping pattern to crops with high MSP irrespective of environmental considerations
- ② monocropping of rice-wheat leads to environmental distress
- ③ Huge economic burden as it is a subsidy.
- ④ Distorts market as it is an artificial price

③ Enhances inequality between:

regions - 90%  
procurement in  
Punjab, Haryana etc.

farmers - small  
farmers stay out  
of net of procurement.

MEASURES TO OVERCOME LIMITATIONS:

- ① Shift to ~~the~~ price deficiency  
payment system to prevent  
market distortion
- ② Expand coverage of MSP to  
more:  
  - ↓ crops
  - ↓ regions
  - ↓ farmers
- ③ Setting of MSP as per MS  
Swaminathan's Committee's  
formula of  $(2 + 50\%)$  to  
cover cost of farmers and  
provide economic returns
- ④ Procurement shouldn't be  
open ended as it leads to  
inefficiency
- ⑤ Announce MSP well in advance  
for better decision making.

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।

In India our energy mix is still fossil fuel driven with:

- Coal - 57%
- oil - 10%
- Nuclear - 2%
- Non Conventional - 25%

Factors determining this mix

- ① cost of production - prefer those with low cost
- ② Availability of raw material - eg coal / oil / fissile material
- ③ Availability of technology to harness potential
- ④ manpower to assist the process.
- ⑤ conventions that have been ongoing

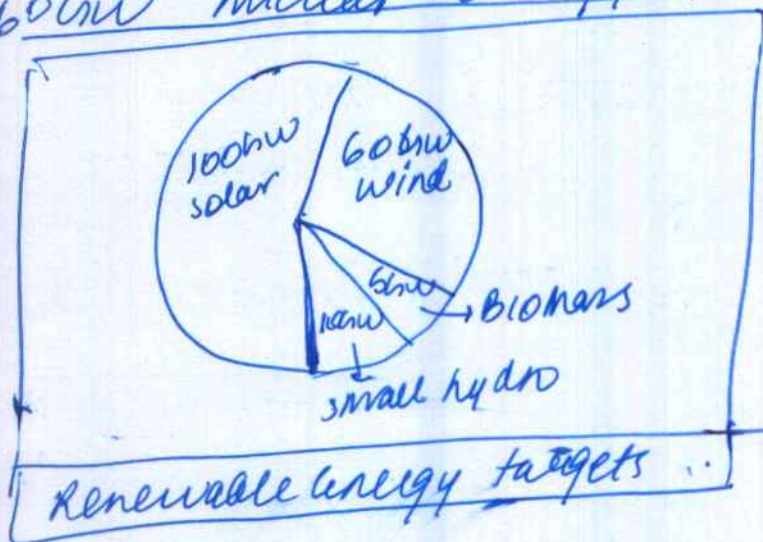
Due to the above factors India is coal heavy due to:

- easy availability of coal
- cheap price of indigenous coal
- known technology

Given that India is said to become the largest economy, there is a need to diversify fuel basket as it will -

- ① reduce environmental pollution
- ② ensure energy security
- ③ Clean energy will also create positive externalities
- ④ Prevent depletion of non renewable stock of resources

In light of this India aims to generate 173GW renewable energy by 2022 and 60GW nuclear energy by 2032.



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 ऑप्टीमल) 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।

Micro irrigation refers to the small dams and hydro projects. Their penetration in India remains suboptimal as:

1. Traditional methods of micro irrigation has been lost in many places.
2. Lack of resources available with funding to create micro irrigation infrastructure.
3. Government ignored importance of micro irrigation focusing instead on large dams.
4. Step taken by government:

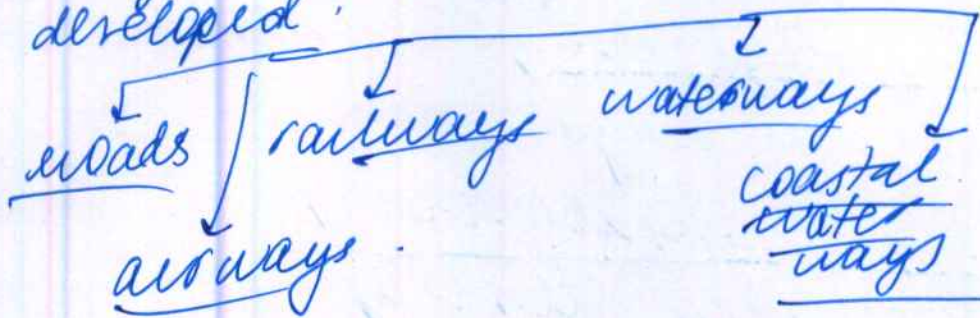
① Rashtriya Krishi Sinchayee Yojana has special component promoting micro irrigation.

2. Various state governments have revived traditional micro irrigation channels. eg. Kakatiya's channels in Telangana
  3. ~~the~~ small hydro power projects of less than 25 MW are being constructed.
  4. Under schemes like Watershed development and Kau Khet ko Pani government is using micro irrigation as means to expand last mile connectivity of irrigation.
- In India where 55% net sown area is still unirrigated there is a need to promote micro irrigation to ensure water security to farmers.

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।

Multimodal transportation system includes a well integrated system with developed:



### challenges

→ suboptimal intermodal mix with:  
road > rail > waterway

→ poor ~~logist~~ infrastructure

→ delay in transport projects preventing proper integration

→ lack of development of waterways.

still following effort has been made —

- ① ~~Creation~~ Creation of road and railways as dedicated freight corridors and industrial corridors.
- ② Enactment of National Waterways Act <sup>2016</sup> to develop 106 waterways.
- ③ Project Sagarmala for integrated development.
- ④ Multimodal shipment hubs, yet more is needed:
  - railway reforms
  - better quality of inputs
  - more investment
  - private sector participation.



- ① The New Industrial Policy of 1991 has recognised the <sup>private</sup> ~~public~~ sector as 'key driver'
- ② employment opportunities have emerged in private sector
- ③ They are present only in essential industries and not everywhere
- ④ They have become a source of capital via investment etc.

They also face various issues:

- Poor human resources and weak human resource management
- Inefficiency in operations
- Tying up resources
- Political interference by government via its representative on boards
- Fiscal burden - NITI Aayog has identified 74 sick PSUs etc.

There is a need of a multipronged strategy to deal with these issues -

- ① Technology - needed for efficiency -
- ② Human Resource management -  
Need restructuring, VRS etc.

③ Divestment :

Strategic  
To invest in  
private sector,  
potential gems

minority stake  
to generate revenue

④ Graded Autonomy

- ⑤ Using their resources like  
land, building, assets for other  
purposes.

- ⑥ Exiting areas where private  
sector is already well established

to develop our industrial  
sector further there is a need to  
restructure PSUs as envisaged  
by NITI Aayog and the newly  
created Department of  
Investment and Public Asset  
Management (DIPAM)

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 घोखाधड़ी की बढ़ती घटनाओं के चलते, दोहरे तुलन पत्र (ट्विन 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।

gross NPAs in September 2017  
stood at ₹ 10,46 lakh crore or  
almost 10% of advances. Frauds like  
the Nirav Modi case have further  
aggravated the Twin Balance sheet  
problem.

TBS  
(Twin balancesheet problem)

<p>Corporates are over indebted with large outstanding dues</p>	<p>Banks NPAs have worsened asset quality, increased provisioning etc.</p>
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REASONS :

- ① ~~Overvalued~~ NPA : due to :
1. Overending during boom period
  2. Delays in project execution
  3. poor due diligence
  4. failure of PPPs.

Q. Frauds: due to:

1. Improper checks and balances
  2. Lack of autonomy with RBI
  3. Corruption
  4. Poor human resources in Public Sector Banks
  5. Lack of technology
  6. wilful defaulters
- Others:
1. Regulatory failures

above is the impact of the that:

↓	↓	↓
banks are reluctant to lend	corporates are reluctant to take up projects	Resources are tied up in pending projects

↓  
Doesn't code well for economy

The Insolvency and Bankruptcy Code can be a game changer in this respect. It has been made into a law by unifying all existing laws with respect to resolution.

Potential as gamechangers:

- ① Has strict timeline to resolve a bankruptcy case
- ② Allows declaration of bankruptcy which wasn't there earlier
- ③ Creates information utilities that will create centralised database and prevent fraud
- ④ Independent Resolution professionals in charge of process
- ⑤ Empowers the creditors against debtors but allows debtors too to start proceedings
- ⑥ Allows for individual bankruptcy too
- ⑦ Will not require approval of all thus preventing logjam.

By its unique features it allows resolution of the exit problem and has potential to revive economy. Broader banking reforms as mentioned in the PJ Nayak committee's recommendations are further needed to resolve this twin 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।

The statement made by the vice chairperson of NITI Aayog aims to highlight the problem of job quality India faces. :

<u>unemployment</u>	<u>underemployment</u>
Those searching for jobs are not finding any	People with jobs are more qualified than the job they have.

The reasons for underemployment are:

1. Availability of manual jobs / semi skilled jobs instead of skilled ones
2. Jobless growth in key sectors like automobiles
3. Unavailability of skilled labor force with only 4.69% skilled as per NSSO's 65th report
4. Informalisation of economy such that 90% are outside the formal net in agriculture

As per NITI Aayog's 3 year action agenda, unemployment rate of past decade was only 2-4%. Thus it seems that underemployment is the key problem in India..

### MEASURES TO TACKLE

- ① focus on labor intensive sectors like leather, food processing industries etc. And emphasise their development.
- ② Skilling skill level of workforce needs to be improved to match demand of industry. This will improve quality of jobs offered.
- ③ Agriculture reforms need to be undertaken to reduce man to land ratio while improving productivity and thus income.
- ④ Export growth must emphasise export growth in key sectors to improve jobs.

④ labor reforms  
must undertake key labor  
reforms to :  
empower workers → formalise economy → provide flexibility to firms.

⑤ Inclusion : vulnerable to be  
women and included in formal education, job  
market etc.

⑥ manufacturing :  
coastal economic zones,  
NIMZ etc. to be developed to  
create good quality jobs.

⑦ Investment in education  
must increase to create better  
graduates. eg. As per a 2011 Planning  
Commission Report only 18%  
engineers were employable.

effect is being made to  
overcome the problem of  
underemployment by the  
Champion Services Project, the  
National Manufacturing Policy,  
along with skill development in  
National Skill India Mission.

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 बखूबी 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।

International trade based on theories of comparative advantage and specialisation is known to enhance economic development. India is the:

20<sup>th</sup> largest  
merchandise  
exporter

9<sup>th</sup> largest  
services exporter

### ADVANTAGES FOR DEVELOPING COUNTRIES

- ① Foreign exchange:  
Exports are an accretion to a country's foreign exchange.
- ② Source of income:  
For domestic firms, propelling country on path to development.
- ③ Source of jobs:  
Trade provides job to many, empowering them economically and socially.

- (4) Access to markets  
Developing countries can get access to developed country markets not available otherwise.
- (5) Choice increases:  
Increasing import increase the choices available with citizens of developing countries, empowering them.
- (6) Competition:  
Competition with international firms enhances quality of industries at home.

### CHALLENGES FACED:

India's share in:

- merchandise trade: 1.5% of world
- service trade: 3% of world

because -

- (1) High cost of logistics  
eg. high transportation costs etc.   
high cost of production and hence competitiveness
- (2) Regional agreements  
like TPP, TPIP etc. further hamper Indian exports and trade.

- ③ Anti protectionism -  
Anti trade stance of developing countries like USA also a concern
- ④ Weakening of World Trade Organisation  
this prevents basic rule of law in international trade. Developing countries all being sidelined by Developed countries' agenda.
- ⑤ Labor costs :  
India specialises in ~~po~~ products due to cheap labor it provides. This however leads to inhumane treatment of labor.
- ⑥ Artificial trade barriers  
eg. phytosanitary restrictions placed on goods exported from India
- ⑦ Non conclusion of Preferential Trade Agreements :  
India has many pending FTAs the delay of which is hampering our trade.

The Foreign Trade Policy 2015-20 along with efforts at improving manufacturing and ease of doing business are aiming to overcome above challenges.

15. A near stagnant tax to GDP ratio for the country since decades reflects not only non-fruiting of 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।

India's tax to GDP ratio has been stagnating at 16%. As per economic survey it is much lower than OECD countries' average of 21%.

### REASONS:

- ① High level of informal economy with income which is out of tax net
- ② High level of tax evasion and non compliance with laws
- ③ Belief that taxes paid are not being used effectively by government prevents compliance
- ④ Weak taxation at federal levels with <sup>rural</sup> local bodies collecting only 6% of their revenues as tax. (Economic survey 2017-18)

The above are why effects for realisation haven't panned out. There are also structural issues with our taxation structure:

- ① High dependence on indirect taxes which are regressive in nature -

$$\frac{\text{indirect}}{\text{total taxes}} = 0.7$$

- ② High level of tax exemptions
- ③ multiple and complex tax slabs making comprehension difficult -
- ④ Double taxation avoidance Agreements with countries are at times misused -
- ⑤ Lack of technology in tax assessment and monitoring for tax evasion -
- ⑥ Division of taxation powers between centre and state is such that centre has more powers than state.

⑦ concerns of retrospective taxation  
also a worry.

WAY FORWARD :

- Further rationalisation of  
GST tax slabs, reducing it to  
B1. progressively
  - Removal of exemptions while  
decreasing highest rate
  - simultaneously  
creating awareness about  
importance of paying tax as  
a CIVIC DUTY
  - Direct tax code and direct  
tax reforms as envisaged in  
Panchsheeli shome committee
  - International agreements like  
BEPS, PDEM to be enacted.
- Tax is a glue that binds  
the citizen and government together.  
It allows government to be  
accountable while empowering citizens  
above reforms should trust tax.

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 has been launched as an umbrella scheme for all existing schemes in the food processing sector.

### KEY FEATURES :

1. merges all schemes
2. Empowering of farmers.
3. Removing inefficiency in food processing value chain.
4. Includes strengthening of backward and forward linkages.
5. strengthening of cold chain infrastructure and other storage facilities.
6. incentives to develop clusters and mega food Parks etc.
7. improve availability of credit.

Food Processing Sector is a sunshine sector in the country that contributes:

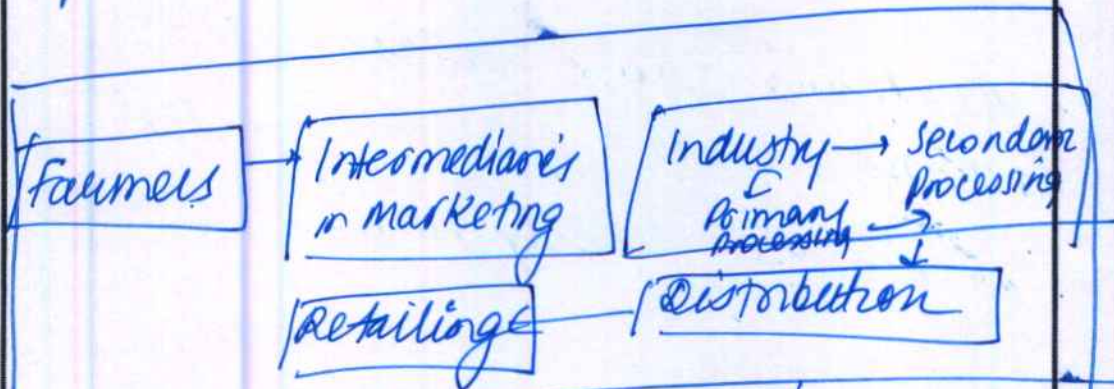
9% to agricultural GDP      10% to manufacturing GDP

This scheme will:

- ① Impulses the farmers to sell to the industry easily
- ② Reduce cost of investment accruing to industrialists
- ③ Create strong:

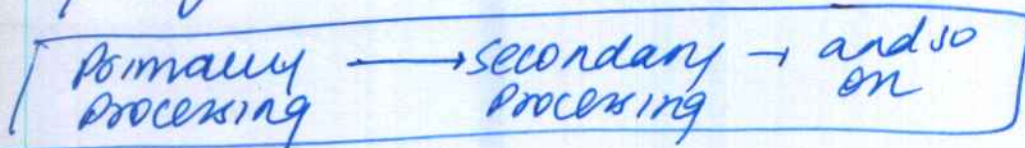
backward linkages with upstream farmer

forward linkage to distribution and market



Food Processing Value Chain

(4) ~~Improve value~~ enhance value of agricultural product by:



~~Storing~~  
(5) prevent perishing of produce and hence stabilize farmer incomes.

(6) storage facilities etc. will also improve food security

- Food processing is an important industry for ~~our~~ countries' food security

- ~~our~~ farmer's lives
- income generation
- Job generation

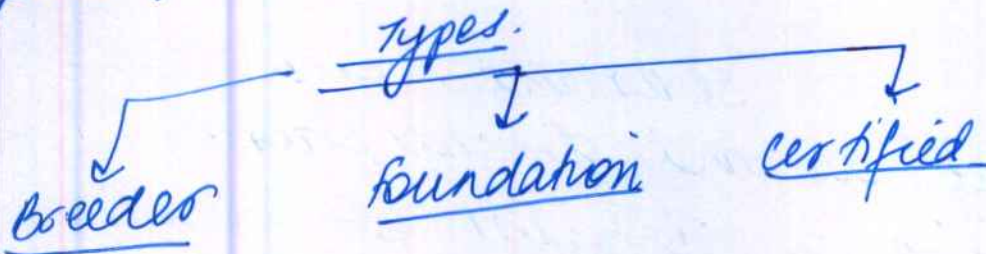
By realising above potential, SAMPAD A will play a key role in economic development.

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।

### Seed Replacement Rate

is the rate at which seeds ~~with~~ are replaced. Ideally the quicker replacement takes place, the better.



### steps taken:

1. ICAR develops various seed varieties to improve quality of produce.
2. Genetic modified seeds for cotton have been made available.

3. Kisan Vigyan Kendra -  
develop and dispense good  
quality seeds to farmers  
at subsidised rates.
4. Awareness has been created  
about hybrid seeds.
5. Subsidies are being given  
to farmers to take up  
seeds etc.

seeds are a key  
input in the agricultural  
value chain. Utmost attention  
must be paid to their quality.

1107

**VISION IAS™**

Don't write  
anything this  
margin  
(इस मरुग में  
कुछ नर लिखें)

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 is a sum total of the type of crops grown in an area over a period of time.

### FACTORS DETERMINING CROPPING PATTERN

#### ① Geographical:

- Availability of seed and access
- Climate including temperatures and precipitation levels
- soils quality and what it supports
- Distance to markets

#### ② Economical:

- market price of various crops
- minimum support price announced by government
- whether government guarantees procurement or not

Cost of production or cost of inputs like fertilisers other subsidies made available by government ~~along~~ along with support like irrigation.

③ Others:

— cultural reasons  
— what neighbouring regions are growing

PROBLEMS:

Indian cropping pattern is monopolised by ~~the~~ <sup>few</sup> crops:  
     wheat      rice      sugarcane

This leads to monoculture - especially in North India, Maharashtra.

As a result:

① depletion of soil fertility due to monocropping

② The popular crops need water (like rice) in large quantities, this leads to soil erosion as well

③ Harms nutritional diversity provided by other crops like millets.

④ enhances inequality:

↙  
between rich and poor farmers - who can afford irrigation, inputs, government procurement

↘  
Across regions with regions having irrigation and better procurement like Punjab gaining

⑤ Leads farmer supporting policies like MSB to fail.

As a result there is a need of diversification:

→ to different crops eg. pulses  
→ to new regions eg. North east.

The above is the target of Second Green Revolution which aims to tackle monocropping by diversification.

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 आबंटन करने में ही प्रभावी है। परीक्षण कीजिए।

*Despite key reforms undertaken in FY 18 budget there is more that needs to be done.*

### ISSUES IN BUDGET MAKING -

- ① Poor estimates of:

targeted achievements

allocation of money needed

- ② While ministries are consulted ground level workers who implement schemes are left out

- ③ It relies on data from half the year gone by which too is not concrete and bound to change.

- ④ It is out of touch wot transparency norms as followed in other countries.

⑤ Failure of :-

output based budgeting

zero based budgeting

gender based budgeting etc.

⑥ weak monitoring and control mechanism :-

mus reform is needed

at 3 levels :-

inputs in budget process

Process used to ~~make~~ make budget

Post allocation control

① Inputs in budget process -

→ need second consultation across various heads of the government to improve quality of inputs

→ in addition to lobby groups that meet ministers the consultation process should be diversified ~~not~~ beyond Delhi

→ data used should be verified and good quality, prone to few changes

② Process:

- technology used to be increased
- instead of secrecy, allocation process should be transparent
- zero based budgeting to be practised in spirit to eliminate waste

③ Post implementation

→ more from: ~~outputs~~ to ~~out~~

Expenditures → output → outcome

focusing more on change created and not targets.

→ use information to improve next year's budget

→ hold uses of fund accountable.

Budget making process is a great democratic exercise which enables the socio-economic policies of any government. There is a need to ramp it to improve outcomes for the country.

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 सविस्तर वर्णन कीजिए।

Mission for Integrated development of horticulture is an umbrella scheme that aims at strengthening our horticulture sector.

key elements :

— National Bamboo Mission to improve and increase bamboo plantation

— Creating backward and forward linkages in horticulture sector

— Development of horticulture in West Coast

— Creating storage infrastructure to reduce perishability.

It is going to play an important role in holistic development as —

- ① improve procurement of fruits and vegetables
- ② Reduce perishability and prolong life of produce
- ③ Lead to diversification of cropping pattern
- ④ creating awareness about planting ~~of~~ fruits and vegetables.

### ROADBLOCKS IN SUPPLY CHAIN

- ① Poor logistics :-  
This prevents produce from being timely delivered from production centre to consumption centres like urban areas
- ② High perishability :-  
This reduces bargaining power of farmers. It also leads to wastage of produce
- ③ Storage -  
Unavailability of cold storage facility leads to distress sale.

④ middle men

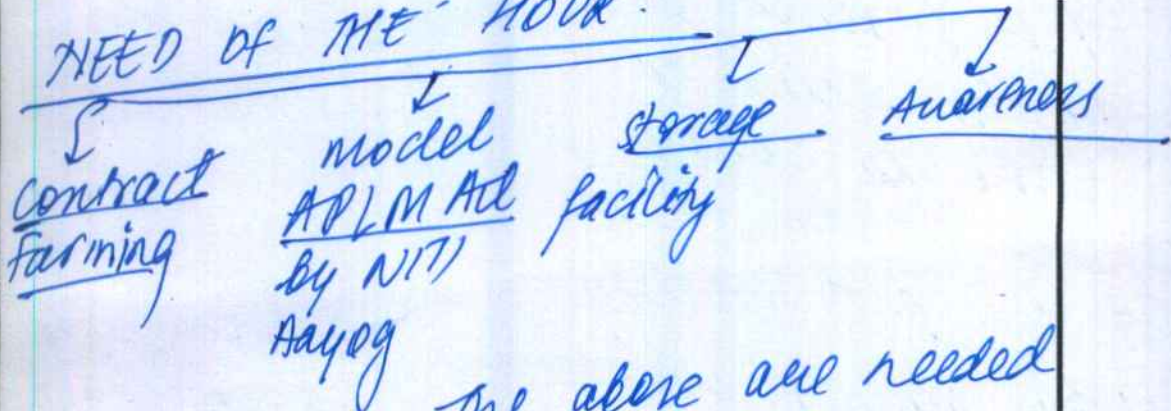
intervention by intermediaries like  
Agriculture Product Market Committees  
leads to inefficiencies

⑤ small and marginal farmers  
mostly they are unaware about  
advantages

⑥ lack of linkages with industries

mis presents processing of fruits  
and vegetable and value addition

NEED OF THE HOUR:



the above are needed  
to improve MIDM. Horticulture  
contributes 25% to India's agricultural  
GDP and must be strengthened to  
usher in agriculture reforms.