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Name of Candidate

Ananya Das

Registration No.

6378

Schedule

Sept 07, 2014

Module

17 Sept 2014

Place

RN

Time

5.00 pm

Date

12-10-14

Classroom

Distance Learning

Classroom & Distance Learning

INDEX TABLE

Q. No.	Maximum Marks	Marks Obtained
1	10	
2	10	
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23	10	
24	10	
25	10	

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 अंग्रेजी 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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GENERAL STUDIES (Test Code : 487)

Overall Macro comments / feedback / suggestions on Answer Booklet:

- 1.
- 2.
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- 4.
- 5.

All The Best

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 refers to the issue of balancing monetary policy between

- growth
- inflation, and
- unemployment.

While a low interest rate can spur growth, it can lead to high inflation. High inflation erodes savings and investment and thus reduces growth rates.

Low rate regime or an inflationary or expansionist monetary policy can spur economic activities in the short term leading to higher employment but, can then cut into profits, slowing growth and reducing employment. This situation is known as STAGFLATION.

In the Indian context, RBI has adopted a hawkish stance towards inflation and has kept rates high to control it.

It is of the view that supply side measures are needed to spur growth from the government and monetary policy is not sufficient.

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 has lagged behind in comparison to other economies. This had led to reduced number of jobs at the domestic level, low contribution to GDP and a share of less than 2% in world trade.

The main reasons behind this scenario are :-

- Small and fragmented manufacturing units which cannot exploit economies of scale, invest in R and D, innovate new products or engage in market research.
- Lack of funding opportunities especially in the wake of the economic downturn.
- Archaic labour laws which are not in sync with current needs. This is in sharp contrast to countries like China, Thailand, Bangladesh which provide ample flexibility.
- Lack of product diversification to produce high value added goods like electronics, electrical and engineering (3E's) products and products for which there is a global demand.
- Lack of proper infrastructure for transport, exports, packaging etc.
- Many Free Trade Agreements (FTAs)

have resulted in an inverted duty structure which dissuade local innovation and affect livelihood concerns. For example:
The Information Technology Agreement-1. curbed manufacturing of electronic hardware.

- Special economic zones (SEZs) have not managed to deliver on export-led growth prospects due to infra bottlenecks, administrative issues and lack of accountability on promoters.
- The perception of India being a difficult jurisdiction to do business in, prevents foreign investors from investing.
- Procedural delays lead to cost overruns.
- MSMEs are not provided with rationalised tax structures to expand operations.

Some remedies to deal with this problem are:-

- 1) Improving infrastructure facilities
- 2) Promoting single window clearance as in the e-Biz project.
- 3) To implement National Manufacturing Policy.
- 4) To rationalise tax laws and labour laws.

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।

Ans: Inflation targeting refers to the process of framing monetary policy with the primary aim of controlling inflation. Inflation is measured through a nominal anchor (CPI, in case of India), and policy rates are adjusted to maintain this anchor at desirable level.

Major Urjit Patel Committee recommendations

- To make CPI (combined) the nominal anchor for measuring inflation as it provides a more realistic picture of inflation as faced by the consumer
- To target movement down a disinflationary glide path to bring down inflation to 6% by 2016 and eventually to levels of 4%.
- To move away from sector specific refinance to properly

monitor inflationary pressures .

- To set up a special fund to hold foreign currency which is absorbed by RBI in times of high inflation .

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 ना 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।

Ans:

Financial inclusion is often viewed as a regulator requirement forced upon banks. But it can be truly achieved only when it is driven by business considerations rather than public purpose.

The Nachiket Mor Committee took this view into account while framing its recommendations. In order

to ensure viability, it recommended the introduction of differentiated banks instead of universal banks. This would ensure banks developing core competencies in one aspect and specialising in it. Small banks and payment banks are steps taken in this direction.

Often, some banks develop into vertical behemoths with little efficiency in many sectors. The MoU committee recommends a horizontal structure with cooperation among specialised banking structures.

A major roadblock in financial inclusion is geographical accessibility. To combat this, the committee has recommended opening of new banks especially to provide basic services across a wide geographical area.

Specialised banks providing services to certain sections of society has also been emphasized by the committee.

Financial inclusion not just helps in providing institutional

credit to the unbanked but also helps in mobilising deposits for banks to invest. Once the confidence in banking structure strengthens, more deposits will be mobilised; thus profiting the banks.

Also, tackling rural indebtedness and spurring economic growth through credit facilitation will benefit the economy and hence the banks.

Initiatives like new bank licenses to microfinance institutions like Bandhan and programmes like Pradhan Mantri Jan Dhan Yojana show the RBI and government's commitment to financial inclusion. Banks should develop viable business models to make the best out of this situation and treat it as a business opportunity rather than regulatory requirement.

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?

India has opposed the ratification of the Trade Facilitation Agreement in order to persuade the international community, especially developed countries to provide it with a roadmap for implementation of Public Stockholding for Food Security

- In the Bali Ministerial Conference, a 'peace clause' was agreed upon till 2017, which would make India exempt from the 10% limit of price support measures (de minimis) of its total agricultural produce.

India demands a permanent solution to this issue.

- The 'de minimis' levels are calculated at the 1986-88 price levels. The costs ^{and prices} of production have since increased and this level does not depict the ground reality. Thus, India wants

the base year to be altered

- While TFA represents the requirement of developed nations, food security is a major issue for developing countries like India.

Thus, India wants concerns of the global south to be accounted for.

- Once TFA is signed, developed nations may not have any incentive to fulfil obligations towards the Public Stockholding agreement.

Thus, India has taken this tough stand to ensure that after the roll-out of the Food Security Act, if its price support measures breach the de minimis levels, it should not be subject to WTO sanctions.

In order to provide food security to 67% of the population, this stand remains justified. While India claims that many direct farm subsidies given by western countries are equally trade distorting, its stand at the WTO reaffirms its commitment to its poor millions.

However, India should try and negotiate to resolve this issue so as to prevent a deadlock. This would be harmful for rule-based trading system and can lead to proliferation of regional trade agreements, like Trans-Pacific Partnership, which will harm India too.

Thus, a balanced diplomatic stand is required to maintain domestic and global interests.

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' refers to the provision of credit and setting aside of funds for women development and empowerment. The impact of development has not trickled down to the women equitably. Globalisation has further marginalised women and poverty has affected women much worse than men. Amartya Sen calls this 'feminisation of poverty'. In this regard

gender budgeting is an effective tool for achieving gender equality.

The Bharatiya Mahila Bank (BMB) has expanded at a very fast rate, since its inception in December 2013. Though the amount of credit forwarded has been modest, yet it has taken many steps in women empowerment :-

- Providing credit facilities to women Self Help groups (SHGs), small business and individuals for setting up their enterprises.
- As women face difficulty in availing loans due to lack of collateral, BMB has waived this requirement providing institutionalised credit to many women.
- It has also lent to NGOs aimed towards alleviating women in distress.

- It has promoted a feeling of self confidence among women.
- It allows men to avail of deposit facilities too. This provides additional funds for lending to desirable sectors.
- It has taken steps towards promoting financial literacy among women.

Thus, the BMB has great potential in fostering gender equality and its steps are not merely symbolic but have had a deep impact instead.

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।

487, 7 September

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(इस भाग में
कुछ ना लिखें)

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।

Ans: Public debates in India has been polarised between neoliberal and leftist ideas about the market for long. However, it is now globally accepted that market and state can function in a complementary manner and it is not only necessary, but also desirable.

In the current state of economy, infrastructure requires an investment of \$1 trillion. This large amount cannot be financed by the state alone. Funding through Public Private Partnership has emerged as a viable mode to deal with this. While the private sector can bring about speed and efficiency, state can act as a facilitator by easing clearances.

The social sector can also greatly benefit from concerted action between the state and the market. An example is the Rashtriya Swasthya Bima Yojana (RSBY) which provides insurance to unorganised sector. This has provided an impetus to private insurance companies and hospitals to expand to rural areas to reap benefits of higher purchasing power, as provided by RSBY.

Food security can also greatly improve with better supply chain management and technological support from the private sector. The state has allowed 100% FDI in food processing to promote the same.

Farmers can also gain technical know how through ventures like e-choupal by ITC.

Recent initiatives like establishment of a corpus of Rs 500 crore called 3P's India in Budget 2014 to promote PPP, launching of 'Make in India' campaign to promote private investment and promoting private participation in health, education, insurance depict the need of a balanced participation of state and market.

International experience shows that economies thrive when the efficiency and risk assessment of private sector works parallelly with the public purpose of the state. With state playing role of a facilitator in the post-reform era, private participation and investment with proper regulation has become necessary in India.

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।

Ans. The FSLRC under BN Srikrishna gave several recommendations to improve the financial system in India. It aimed to revamp the regulatory environment to effect the same:-

- Switching to a task based approach from an area-based approach.

Instead of different regulators for different sectors, it proposed functional basis for regulators.

- Setting up of a Unified Financial Regulatory Authority to take over regulatory functions of SEBI, IRDA and some functions of RBI.

- Setting up of Financial Redressal Agency (FRA) for settling disputes from consumers.

- A Financial Sector Appellate Tribunal for disputes between financial agencies.

- This was aimed at preventing overlap of regulatory functions and creation of a super-regulator. FSLRC is of the view that disputes between regulators (example: SEBI vs IRDA over ULIP case) harms the financial system. Uniformity will bring in certainty and thus spur growth.
- Separate board with government representatives to frame monetary policy. However, this has brought in certain concerns:

- FSLRC would lead to 'balkanisation of credit' or dispersal of credit through too different channels which would make conduct of monetary policy difficult.
- FSAT may lead to slow dispute redressal in a developing country like India.

Thus, financial system stability may not be guaranteed by creation of a superregulator.

Before implementing these recommendations, possibilities to improve current institutions should be explored.

10. List out the strategies that can be employed to make India a global leader in the aviation sector. 10

भारत को उड़डयन के क्षेत्र में वैश्विक अधिनायक बनाने हेतु आवश्यक रणनीतियों की सूची बनाइए।

Some strategies that can make India a global leader in aviation are :-

- Lowering taxes on aviation turbine fuel (ATF) which will help airlines cut costs
- Promote more competition to generate better managerial practices.
- Promote connectivity of small towns and cities and increasing numbers of runways to allow

more flights.

- Matching global standards in service and flight safety.
- Diversification of airline services to cater to both high fares and customised flights and economy class.
- Promotion of low cost airlines to encourage more passengers to travel by air.
- Promote more greenfield and brownfield investments in airports.
- Better training for refuelling and long flights to pilots to operate long international flights.

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।

PPP based infrastructure projects have shown differentiated success levels across sectors :

- PPP in construction and manufacturing have been moderately successful.
- In road sectors, the growth has stagnated due to cost overruns and under-recovery.
- In mining, the growth has decelerated due to slowdown in decision making, clearance and the economy as a whole.

The various challenges faced by PPP projects in infrastructure are:

- 1) High volume of investment required
- 2) Long gestation periods delay realisation of profits

- 3) Procedural and bureaucratic delays had to ^{cost} overruns due to inflation
- 4) High input cost of construction materials - cement, steel etc.
- 5) Delays and uncertainty in land acquisition and compensation
- 6) Economic slowdown has resulted in erosion of profits. For example lower road traffic due to lower economic activity has reduced toll tax collections for road sector.
- 7) Profits, when made, take time to be availed which makes funding of new projects and repayment difficult
- 8) Due to long period of investment, financing becomes an issue.

Thus, PPP have faced many issues and this has limited their success in the Indian growth story.

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.

10

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।

Ans Recent accidents like the Bangalore-Manded express, Bandra - Secunderabad express and derailling of Rajdhani Train near Chapra, Bihar have brought focus on the lack of safety in Indian railways — the lifeline of transportation and largest employer in India.

The most common reasons behind railway accidents are :-

- Fire, due to short circuits
- Derailments
- Collision

Often, elements like terrorists or insurgents attack trains owing to their strategic importance as was seen in the Chennai bomb blasts.

→ Use of fire-proof materials and using Linke-Hofmann-Busch (LHB) coaches can help stop the spread of fire.

→ LHB coaches are also 'anti-telescopic' and hence do not collapse on collisions.

→ Unmanned railway crossings should be abolished in totality.

→ Inspection of electrical equipment and ensuring that inflammable articles are not used even in the pantry car.

→ Use of sniffer dogs should be made extensive to detect explosives in all trains.

→ Advanced signalling systems to

link braking systems with fire alarm should be made to control fires.

The Kakodkar Committee on Railway safety also recommended that management, operations and safety should be unbundled and a Board for Railway safety should be set up, ^{very crucial}.

Railways are an nodal point in passenger and freight transportation. Hence, it is important to maintain consumer confidence in railways.

The 14.2% hike in passenger fare and 6.5% hike in freight fare should be channelled towards improvement of railway safety so that it continues to remain the 'lifeline of Indian economy'.

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।

Different steps taken by the government to rationalise energy prices in different sectors :-

- (1) The gradual removal of administrative prices of diesel to bring it in line with market prices and to combat under-recovery.
- (2) A model Revenue-sharing contract (RSC) has been released by the government to replace the production sharing contract (PSC) regime for petroleum and natural gas. This is supposed to check evasion of revenue by private players and bring in more clarity.
- (3) Meanwhile, essential items like kerosene and liquefied Petroleum gas (LPG) continue to be controlled.

(4) Establishment of a Coal Regulatory Authority (CRA) to advise the government on the methodologies and principles to determine the prices of raw and washed coal.

(5) Allowing a pass through mechanism to independent power producers to pass on additional costs of coal import to consumers in order to maintain profitability.

(6) The Green Energy Corridor would evacuate renewable energy to the existing grid and bring the prices in line with other electricity charges.

(7) Gas pricing on the basis of the Rangarajan formula taking into account price of imported gas and international gas prices is aimed at incentivising gas production.

These steps in dismantling administered prices on one hand and bringing clarity on the other

may initially release suppressed inflation but will stabilise after fiscal burden on subsidies reduce. This will provide spur to economic growth provided interests of weaker sections and inflationary pressures are accounted for.

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?

* Problems in Build - Operate - Transfer mode:

→ In BOT mode, risks of design and construction are taken by the private party. A mistake in revenue estimation can make the model unviable in the future. Example: Roadways not garnering as much traffic as expected has led to losses.

→ As the asset has to be transferred to the state eventually, often

durability of asset is not kept in mind and construction is done with sub-standard material

→ Exit options are limited, so many operators do not want to build under BOT mode.

For example: Reliance wanted to pull out of Delhi Airport Metro project due to its unviability and had to go through many procedures.

This has dissuaded other players

→ As returns are not guaranteed, as many operators are not keen on BOT. For example: reduced toll tax due to low economic activity.

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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।

- 80% of residents ^{exam sabse} have to approve for land acquisition in tribal areas.

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।

Reasons for low productivity :-

- Small and fragmented land holdings which disincentivise investment.
- Falling land productivity due to increased use of pesticides and fertilisers and consequent land degradation.
- Fall in water table due to intensive and unsustainable agricultural methods.

- Institutional factors like lack of credit and financial support to make improvements
 - Lack of scientific knowledge among farmers about good agricultural practices.
 - Lack of mechanisation in agriculture which leads to lower productivity per acre.
 - Lack of research and development in developing high yielding varieties, drought resistant crops
 - Intensive agriculture and mono-cropping have led to higher incidence of diseases and pests.
- Example: Predominance of phalaris minor pest in rice cropped areas of north west India.

suggestions to improve productivity:-

- * Switching to sustainable agricultural practices to combat land and water degradation
- * Use of scientific methods of agriculture
Example: System of Rice intensification (SRI) has increased yields manifold in Tamil Nadu, Orissa and Tripura
- * Better extension services of the government to acquaint farmers with best practices for example through the Agricultural Technology Management agency.
- * Better varieties of seeds through Research and development.
- * Promoting co-operative farms to increase viability of agriculture.

With the roll out of Food Security Act, 2013 there will be great need for foodgrains. A vibrant and productive agricultural sector can not only help in attaining food security but can also develop as an industry and alleviate farmers' poverty.

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।

Sources of irrigation :-

- (1) Canal irrigation : Mainly found in the Northern plains and the northwestern India. It is also found in river valleys of peninsular India.
- (2) Well irrigation : Prominent in Northern Plains. It is not very popular in Peninsular region as it is difficult to penetrate the hard rocks.
- (3) Tank irrigation : Popular in South India, especially in rainfed areas of Tamil Nadu.
- (4) Drip and sprinkler irrigation : Not very common due to high installation costs. But used for rain deficient areas in north west India and for some horticultural crops.

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।

Canal irrigation : Can cause waterlogging and salination, thus reducing land productivity. However, it has led to spread of green revolution in Punjab, Haryana. The Indira Gandhi Canal has made agriculture possible in desert areas of Rajasthan.

Well irrigation : It is easy to construct and maintain. It has however led to lowering of water table.

Tank irrigation : It is especially useful in rainfed areas.

But the cost of construction is high. Also, it needs to be cleaned from time to time which is cumbersome.

Drip and sprinkler : It is useful for economy in water use. It also does not cause water logging.

But the equipment is expensive and requires installation and maintenance costs.

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।

Cooperative farming : It can emerge as a viable model for advancing collective interests of farmers.

STRENGTHS

- Increases bargaining power of farmers before credit institutions like banks.
- Financing becomes easier.
- Mechanisation and Technological investment becomes viable.
- As a group, farmers can source inputs and sell output more efficiently.
- They can set up their own private farm stores to sell produce.
- They need not engage in distress sale to intermediaries.

WEAKNESSES

- It can get hijacked by some large farmers.

- In the wake of unequal distribution, small farmers may not get their due
- If proper documents do not exist, small farmers' land can get occupied.
- There can be a nexus between big farmers and intermediaries.

However, cooperative farming has great potential in agriculture as well as allied sector as demonstrated by the Anand Cooperative Movement, under Dr V Kharai.

Contract farming: Under this system, private firms enter into a contract with farmers to grow certain specified crops.

STRENGTHS

- It provides farmers with investible capital and technology
- It provides them with a captive market for sale
- They can learn about best agricultural practices
- Corporate players also benefit as they get uniform and cheap raw materials

WEAKNESSES

- Lack of enabling policy regime
- Multiplicity of controls
- Lack of effective land leasing policy.
- Apprehension among farmers towards corporate entities.

However, many companies like ITC, PepsiCo, Himalaya have successfully done contract farming and there lies immense potential in it.

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 refers to the use of limited resources according to the soil type, climate and socio-economic requirement to avail maximum output from minimum inputs.

Measures like system of Rice Intensification (SRI) or crop intensification are such measures.

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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।

Subsidies promote rent-seeking behaviour and do not incentivise farmers. Investment helps them to spend productively on better farm machinery, seeds and associated needs.

Subsidies like ⁱⁿ fertilisers are also altering the soil profile. Highly subsidised urea is used while secondary and micro nutrients are ignored. This is causing a decline in productivity and causing land degradation. On the other hand, investment would ~~also~~ make the farmers spend more on long term soil health.

Also, benefits like interest subvention scheme are populist measures which work against honest farmers who pay their dues on time and also stress out

banks, who are left with lesser money to invest.

Price support subsidies like Minimum Support Prices ^(MSP) have led to an overwhelming tilt towards rice and wheat even where the soil is not suitable for water intensive rice agriculture. This has caused soil salination. Also, other crops like pulses, oilseeds have become neglected. Removal of such subsidies and a shift towards investment will correct such distortions.

Fair and remunerative prices (FRP) ^{for sugarcane} have also emerged as populist schemes with a political agenda, which have distorted cane agriculture.

Thus, subsidies have caused unwanted changes in agriculture without really increasing productivity. Thus, the shift must occur towards investment to promote growth in a sustainable manner devoid of

political considerations

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 PDS has become very differentiated across the country. While, in north and north west India, only 40% of households avail of TPDS, in southern states as many as 85% of the eligible households avail of it.

Tamil Nadu, Orissa and Chattisgarh are notable examples of efficient TPDS roll out.

Tamil Nadu has a universal PDS system. Massive procurement is

done by the state government and transported through trucks which follow route charts. GPS monitored Fair Price shops and constant policing and vigilance has reduced pilferage by a great extent.

Chattisgarh uses GPS-enabled trucks and constant monitoring to reduce leakage. Also, efficient targeting in Orissa and Chattisgarh provide near universal coverage.

However, in states of North and North West India, TPDS remains highly flawed. Ghost ration cards, high pilferage and bad quality of food supply plague these states.

With the national level roll out of food security act, it is necessary that these differences are eliminated and uniformity is introduced.

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 sustainability of PDS has come into question especially with the passage of the food security act^(NFSA) as :-

- PDS will have to gear up for the large amount of storage and distribution for roll out of NFSA, 2013
- The high fiscal burden may not be sustainable for the government in the long term.
- PDS was aimed to be supplemental in nature and was not designed to meet such a high requirement
- Households can fulfil only 50% of their cereal requirement through PDS. If high procurement, reduces supply and pushes market prices, it will also be unsustainable for the household budget

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।

'Farmer security' is very essential if we need to make food security a reality.

- Land degradation, small land-holdings and lack of institutional credit have lowered agricultural productivity.
- This has disincentivised agriculture for most farmers - The new generation is thus sceptical

- about venturing into agriculture
- Vulnerability to natural disasters like drought, hailstorms further worsen farmers condition due to the lack of agricultural insurance (which only 7% farmers have) and government support.
 - Food security has food availability or production as the first tenet. If farmers do not find agriculture to be profitable, they would migrate to other sectors.
 - This would spurt rural-urban migration and reduce ^{agricultural} production.
 - Large number of farmers suicides especially in drought prone areas of Telangana and Vidarbha show the need of government support in developing drought resistant crops and hedging risks.

This would be essential if farming has to be maintained as a profitable occupation, the lack of which will endanger food security.

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।

India has emerged as the largest producer of milk and milk products. However, the support to the ^{livestock} sector has been limited and it faces many challenges:

- Availability of institutional credit
- Rising fodder costs
- Lack of investment in breed improvement
- Immunisation of cattle
- Schemes are not regionally differentiated and demand sensitive
example: demand of pork in North east, lamb in Kashmir etc.
- Small and fragmented producers
- Supply chain not fully developed
- Lack of cold storage facilities for ~~post~~ transportation and storage
- Lack of proper processing and packaging facilities
- Lack of skilled manpower in processing industry

The National Livestock Mission
launched recently aims to
deal with some of these issues

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 है। उपरोक्त संदर्भ में भारत में रुग्ण खाद्य प्रसंस्करण क्षेत्र की चुनौतियों का परीक्षण कीजिए।

Challenges ailing the food processing sector :

• Infrastructural bottlenecks :

* Road and rail services are not adequate. Lack of reefer trucks and cold storage containers limit food processing industry

* Ports are not mechanised and do not have warehousing and storage facilities - This leads to

high turnover time and loss of perishables.

* lack of cold storage facilities

* lack of primary processing centre for sorting, grading, packing

• lack of skilled manpower :

Industrial training institutes or engineering institutes do not provide adequate training in food processing sector. So, market ready manpower is not available.

• lack of R and D : Research in food processing is carried on in traditional lines without any industry participation.

There is a need to promote incubators and industry institute interfaces.

• Tax structure : The tax structure disincentivises creation of large branded companies.

so manufacturers remain small and fragmented and cannot form economies of scale.

- Preference for fresh food: Indians have a preference of fresh food as they perceive it to be healthier than packaged version.
- Long and fragmented supply chain delays production.
- Lack of organised retail for forward linkage.
- Lack of proper quality control for export. The ban on Alphonso mangoes shows the need of proper QC procedures. (QC)

The government has taken many steps like establishment of Mega Food Parks, 100% FDI in cold storage and processing and infrastructure upgradation to improve the situation.

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 श्रृंखला प्रबंधन की सफलता सुनिश्चित करने में अग्र और पश्च समाकलन या लिंकेज की क्या भूमिका है?

Supply chain management can be successful in food processing only if it develops sufficient forward and backward linkages.

BACKWARD LINKAGES :-

- Efficient mechanism to source food materials and raw products from farmers, self-help groups and farmer groups to ensure constant supply.
- Primary processing centres (PPCs) to conduct cleaning, grading, sorting etc can help speed up other processes.
- Quality control mechanism while sourcing raw materials has to be put in place to ensure uniformity in products.
- For perishables, special cold storage and reefer trucks have to be sourced to check loss.

FORWARD LINKAGES :

- India is placed at a favourable geographical position for export of food products. Thus, the foreign markets can emerge as viable forward linkages
- Promotion of organised retail can provide a source to food processing industry
- Increased marketing of processed foods to popularise them among the young working population can generate demand.
- Tie-ups with restaurants, hotels and catering services.

These backward and forward linkages can not only help in development of food processing but also in generation of employment. Thus, they remain very essential for a profitable food processing sector which is called a 'sunrise' sector for its high potential in India.

