

VISION IAS™

www.visionias.in
www.visionias.wordpress.com

GENERAL STUDIES (Test Code : 487), 7 September

Name of Candidate	Suhavsha Bhagat	Registration No.	4707
Schedule	Old Rajender Nagar	Module	
Place	ORN.	Time	3:45
Date	8/10/2014		
Classroom		Distance Learning	
Classroom & Distance Learning			

INDEX TABLE

Q. No.	Maximum Marks	Marks Obtained
1	10	
2	10	
3	10	
4	10	
5	10	
6	10	
7	10	
8	10	
9	10	
10	10	
11	10	
12	10	
13	10	
14	10	
15	10	
16	10	
17	10	
18	10	
19	10	
20	10	
21	10	
22	10	
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 मिलेगा।
- 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।

103, 1st Floor B/1-2, Ansal Building, Behind UCO Bank, Dr. Mukherjee Nagar, Delhi-09

75, 3rd Floor, Old Rajinder Nagar Market, Near Axis Bank, New Delhi - 110060

GENERAL STUDIES (Test Code : 487)

Overall Macro comments / feedback / suggestions on Answer Booklet:

1.

2.

3.

4.

5.

All The Best

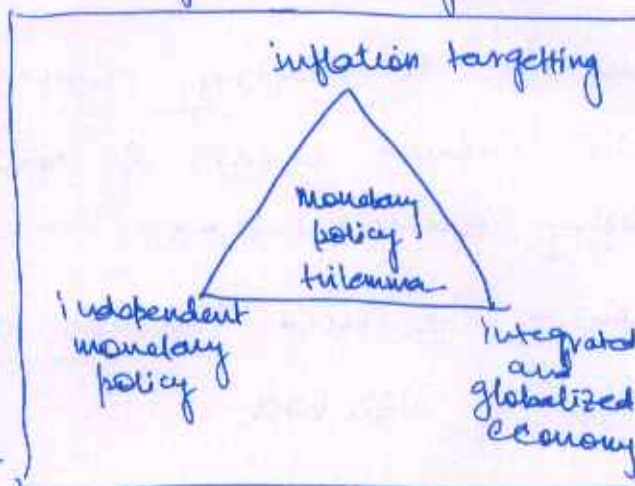
1. What do you understand by Monetary Policy Trilemma? How can it be resolved in Indian context? 10

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 also known as impossible trinity means addressing and balancing inflationary pressure by following independent monetary policy in an open and globalized economy.

Problem arises in following an independent monetary policy in an integrated economy and controlling inflation.

As Indian economy is getting more integrated to global economy, external factors tends to influence the domestic economy.



India's Experience.

- India inflation arose due to global shocks in supply e.g. rising fuel prices
- Inflation and foreign inflows are dependent on the quantitative easing and subsequent announcement of tapering.
- Inflows are dependent on capital account convertibility, which is a component of monetary

policy.

India's response.

- Following calibrated monetary policy, as in the case of partial capital account convertibility.
- using G-20 as a forum for more co-operative and consultative monetary policy so that U.S decision of tapering does not seriously affect inflows/outflows and pressure on rupee.
- focus on de-coupling with world economy. it will ensure benefits of opening up while protecting india's interest.
- follow a focussed inflation targeting as outlined by vijit Patel.

Thus India needs to modify its monetary policy to achieve ^{macro} domestic economic stability at the same time calibration with global economy.

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 faces stiff competition and is not a easy place for business as outlined by world banks Ease of doing business Index, which places India at 132nd rank

Reasons:

- excessive regulation, increases the cost of manufacture through archaic regulation, which undermines competitive edge.

- Rigid labour laws - which make business difficult in responding to changing economic scenario.
- Poor physical infrastructure - availability of electricity roads are not adequate.
- Stiff land acquisition norms and delay in the process of acquiring norms.
- Bureaucratic procedures, which are unfriendly and red-tapism.
- Environmental clearance is not timely, and causes delay.
- Structural factors - Categorisation in MSME based on investment is low. viz 1 crore, 5 crore and 10 crores. which do not incentivize capacity expansion.

Steps to address the problem.

- * Damodaran committee has outlined various measures. viz -
- Single window clearance to projects in a time bound manner.
- making available low cost funding.
- creation of India Innovation investment fund to encourage entrepreneurs.

- review of archaic regulations. conducting Regulatory impact assessment (RIA) before a new regulation.
- Liberalising labour laws ~~toti~~ based on hire and fire policy.
- redefine the MSME and extend benefits so as to enable them to be more competitive.
- easy exit and bankruptcy norms to wind up unprofitable business.
- Besides these, New Manufacturing Policy: 2012 focusses on creating NIMZ with good infrastructure and other institutional to revolutionize manufacturing in India.

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

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

Inflation targetting means setting CPI as the nominal anchor and actively pursuing monetary policy to ensure it remains at 6% with a band of $\pm 2\%$. When inflation is too high, RBI will actively interfere to bring it within desired range.

RBI commt. under Urjit patel has given following recommendations.

- Setting CPI as the nominal anchor.
- desired level of inflation is 6% with a band of 2%
- RBI to use tools such as repo, reverse repo, CRR, SLR, to bring inflation to desired level.
- Inflation to be brought down to 6% by 2015 in a calibrated manner.

These recommendations are to ensure that monetary policy is predictable;

- it will balance growth and inflation as institutions will know before hand that RBI will interfere when inflation is high.
- This will signal the market about a

more certain monetary policy and existing lending and borrowing rates.

- Shift from WPI to CPI based monitoring will make monetary policy more effective.

Thus inflation targeting will help in achieving macro-economic stability in a effective manner.

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 लें 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।

Nachiket mor committee on financial inclusion
has outlined following challenges.

- low penetration of formal banks in rural areas thus leaving out large population unbanked.
- more than 60% households have no bank accounts.
- Failure of ^{service} - area based approach and lead bank schemes in ensuring financial inclusion.

- low credit disbursement as compared to GDP
- uneven distribution of banks,
- low level of insurance density and penetration
- inability of micro finance institutions in ensuring micro-credit to poor, vulnerable and marginalised.
- current Banking correspondent model of providing margin free banking is not viable.
- low level of financial literacy and thus lack of saving and banking habits
- To address the issues, Committee has outlined targets at district level for credit disbursement.
- Focus is on unbanked and vulnerable sections through effective use of Priority Sector Lending.
- Swabhiman scheme aims at ensuring banking facility to habitation of 2000 population.
- Jan-dhan Yojana is aimed at opening bank accounts.

Thus, Financial inclusion is must to ensure inclusive growth.

487, 7 September

VISION IAS™

Don't write
anything this
margin
(इस आन् में
कुछ ना लिखें)

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?

Bali round of talks accepted the issue of Public Stockholding and Trade facilitation to be considered simultaneously. India flagged the issue because of lack of progress in the issue of public stockholding. It is not opposed to TFA as such.

India's stand is justified on the following grounds:

- India is not opposed to TFA, but ^{it wants} a permanent settlement of public stockholding issue as it is critical to its commitment for food security.
- Developed countries sorted the issue of Trade facilitation for ensuring free trade but no progress was made on the other issue.
- India fears that after signing TFA, it will lose the leverage to enforce agreement on public stockholding.
- De-minimis requirement of limiting agricultural

Subsidy to 10% is based on 1986-88 formula and, it ~~is~~ will be breached by implementation of food security act.

- India is opposed to peace clause as it gives only a temporary relief of 3 years, and does not offer a permanent settlement.
- The issue of food security is critical for India and other developing countries.

Hence the stand of India is justified as it does not oppose TFA in particular but is pressing an timely resolution of Bali Package.

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 हैं?

Gender budgeting means making exclusive ^{budgetary} provisions for schemes and programmes aimed at development and welfare of women and ensuring their mainstreaming in the developmental discourse. It started with the budget of 2005 and till now gender budgeting cells have been formed in 56 ministries.

Gender budgeting has distinct advantages as:-

- It ensures ^{assurances} ~~Commitments~~ into financial ~~to~~ commitments. which enables programmes and projects to start-
- financial inclusion and mainstreaming of gender specific programmes. Initiatives such as Rashtriya Mahila Kosh have ensured micro-credits to poor and vulnerable women in unorganised sector.
- Priyadarshini Scheme has benefitted women in northern Gangetic plains.

Setting up of Blakitya Mahila Bank is a step in right direction, which was announced in the 2012 Budget. It has got a Capital of 1000 crore. It is an all women bank with focus on ~~to~~ increasing bank account holdings and encouraging credit disbursement to women. However till now, its ~~focus~~ progress has been slow, and it is criticized as being merely symbolic.

Focus should be on

- rapid expansion of bank branches, with opening of branches in districts.

- providing a promotional and ~~incentive~~ interest rate by incentivising women A/c holders.
- focus on disbursing credit to micro-finance institutions so that more women are covered.

The step is laudable but focus should be on rapid expansion and scaling up.

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।

Unspent provision in budget allocation is a cause of serious concern.

Causes for this.

- Unrealistic budget estimate - often results in large or less grants as required.
- Ad-hoc project announcements often causes shortfall in outlays.
- Lack of linkage between budget and plan. results in incoherent allocation.
- Poor administrative capacity of implementation agencies result in unutilized funds. eg. for Accelerated Irrigation Benefit Programme, only 30% of allocated fund was utilized in last fiscal.
- Parking of funds and outdated accounting practices fail to reflect the real status and it undermines the budgetary process.

Steps needed to verify the situation.

- Follow SAFI model of Brazil to ensure smooth transferring of funds and getting real time status of financial position.
- Use of zero-based budgeting in atleast 10 years so as to ensure realistic budget estimate, based on current situation and requirement.
- Harmonizing Plan and budgetary allocation.
- Strictly enforce expenditure norms, so as to avoid watch note. Monthly target of 15% and quarterly target of 33% should be adhered to.

So these financial reforms are needed as recommended by 2nd ARC to ensure effectiveness of budgetary process.

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

10

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

For Economic stability and to ensure quality of public service and maximize welfare, states and market needs to play a complementary role. This is amplified in the current ^{state of} economic ~~in~~ in India.

- ~~For financial inclusion,~~
- Eco market should be allowed to grow rapidly and state should take

active measures to ensure distribution.
to assure faster, inclusive and more
sustainable growth both market and state
needs to play a complementary role.

- Market will help in economic development and job and employment creation. States will provide social security and safety nets.
- Government's capability to invest in social sector schemes is enhanced viz. during period of good growth from 2005-09, investment in Education, Health, NRSGA were considerable enhanced.
- State ensures financial inclusion, and benefit accrues from market interplay. State should focus on the bottom of pyramid.

Thus, ~~the~~ After liberalisation, state has released the limitations of over-developed state and its inability to deliver. Roll back of state, highlighted by Minimum government and maximum governance with active involvement of market is thus the key to ensure

Stated objective.

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।

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।

India, given its Strategic location, as bridge between east and west, large and diverse geography, growing middle class is suitably poised to emerge as the global leader in aviation sector.

Strategy for development.

- Structural changes in aviation sector. is needed. State carrier should be enabled to function more independently and freely and as a commercial enterprise.

- Following Hub and Spoke model, as the major global players are following this to streamline and optimize passenger flow. New Delhi is hub for Air India. Other major airports should be developed as hub for other carriers.
- Following open-sky policy with major countries to ensure increase in air traffic.
- Joining of Star-alliance by Air India, has given it an access to elite and frequent fliers.
- Increasing competition in the sector by encouraging more players, the benefits will pass on to the fliers.
- Focus on upgrading infrastructure and rapid modernisation of international airports to enable them to handle increasing traffic.
- Focus on opening up of domestic airports in tier II and III cities to tap more domestic fliers.
- Issue of pricing of Air ATF, is critical.

as it raises the cost of operation.

- Better regulation of development of infra as CAG has highlighted serious irregularities in DIAL project

- Thus, to ensure growth of Indian aviation industry, government should address the major issues as highlighted above.

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 are based on participation of Public and Private entities in implementation, operation and management of projects by sharing of resource, risk, responsibility and rewards.

~~How its~~ It has emerged as an attractive way to address the Infrastructure development, but some areas have been lacking in development.

- It was able to draw investments in the critical areas such as road, and highway development
- Airport modernisation of Delhi, Mumbai, Hyderabad and Bangalore was done.
- Several ports came up via this e.g. Mundra, Kochi port.
- Power generation has increased.

however in social infrastructure, progress is not upto desired ~~at~~ level.

Education, Health, skill development and in other related areas, progress is slow.

Challenges faced by PPP.

- most important is financial viability. various risks such as political, legal, financial, administrative and environmental come up.
- Involvement of States, is poor, which results in delay in land acquisition, as highlighted in delay in POSCO steel plant in Orissa.
- long gestation period makes project difficult to implement.
- violation of model concessionaire agreement is also a cause of concern.
- lack of financing also delays and results in lost over-run.

Thus, there is a need to address the challenges and leverage this model for rapid scale up of infrastructure.

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।

Indian railway lacks in modernisation and safety standards because of dual burden of functioning as a commercial entity and as an enterprise to maximize social welfare.

- High operating ratio of 86%. i.e. cost involved in running the entire organisation, very little financial resources are left for upgradation of safety systems.

- Due to lack of funds, automatic and modern signalling systems are not installed.
- There are still unmanned crossings which are cause of most of accidents.
- Tracks are not access free. it causes death in mumbai local trains.
- Tracks are over-loaded and worn out due to increase in loading and carriage of freight trains, which too has undermined the track health.
- Inadequate track repairs and management.
- Many crossings and bridges are too old and in dire needs of repairing.
- Anil Kakodkar Committee is in his report on rail way safety has raised the issue, It needs timely implementation by way of raising finances to ensure Indian railway accident free.

487, 7 September

VISION IAS™

Don't write
anything this
margin
(इस भाग में
कुछ ना लिखें)

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।

Market determined price truly reflect the condition of surplus or deficit thus regulating the behaviour of consumers and producers efficiently.

major energy market can be viewed as

- agricultural sector
- domestic sector
- industrial sector
- transportation sector.

Due to fragmented market, govt's response has been sector specific.

- In Agriculture, govt has tried to ensure fueling power by separating grid and charging for electricity consumption. e.g. in Gujarat. This has resulted in better power supply and reduction in power subsidy.
- In transportation sector. bulk purchase of diesel. has been fixed on market price and no subsidy is offered. Public transport

Corporation and railways buy diesel on market price.

- For domestic sector - unbundling of generation, transmission and distribution has resulted in better price recovery.

Use of smart grid will help in efficient supply management. passing on the prices to customers will ensure efficient usage.

- In Industrial sector, govt has come out with sector specific prioritization to ensure efficient utilization.

~~Nat~~ Natural Gas is supplied to Fertilizer ~~bas~~ plants as burning it for electricity generation was not viable.

Hence, govt's response will go onto address the energy needs of all the sector.

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?

487, 7 September

VISION IAS™

Don't write
anything this
margin
(इस माल में
कुछ ना लिखें)

487, 7 September

VISION IAS™

Don't write
anything this
margin

(इस भाग में
कुछ ना लिखें)

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

10

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

National land Reforms policy 2013 tries to address the land demand for agriculture, industry, urbanization and other developmental. It does not adequately address the issue of landless and poor amidst various other competing claims. It has provisions for:-

- Providing homestead lands to landless poor.
- Modernisation of land records and distribution of surplus land to poor.
- Revitalising land lease market to use the land capital and ensuring it reaches the needy.
- Balancing the ownership rights and the conventional tiller that is tenant.
- Land classification based on cadastrel level maps.
- Modification of land use zoning.
- Address issue of lack of land rights of women.

- Provisions of the policy have serious implication for landless and poor.
- conventional land reform, focussed on putting ceiling, consolidation of holding, tenancy reforms failed in their stated objective.
- It focusses on market led land reform to manage supply of land to various demands
- Focus is on distribution of surplus government land to landless for making homes. earlier target of larger land plots is not viable or feasible.
- However, strong political will and administrative zeal will be needed as, conservative reaction in its implementation will be immense

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 are:-

- Institutional factors - Small land holding, absentee land lords, unconsolidated holding, absent of tenancy rights result in low investment in land, which limits the productivity. feminization of agriculture has also resulted in limitations of production.
- Infrastructural factors - lack of adequate support such as ~~the~~ high yielding varieties of

seeds, fertilizer, pesticides, irrigation water, lack of information and marketing facility under mine productivity and ~~also~~ increase wastage.

- lack of credit facility and rising farm indebtedness has resulted in agricultural distress
- Dependence on monsoon - of 140 million hectare, assumed irrigation is available only on 60 million hectare of land. failure of rains results in loss of production.
- Increasing population and livestock pressure.
- Ecological imbalances caused by use of fertilizers and irrigation in an unscientific way has also limited production.

Steps to improve the situation are:-

- focus on land reforms, consolidation of holdings.
- Steps are needed for Co-operativization of agriculture. and ensure use of modern mechanized implements to increase yield.
- Better extension services are needed to educate farmers.

- Need for rainbow revolution to enhance yield of cereals, non-cereals, vegetables, fruits, milk, fishery and meat.
- Focus should be on increasing investment and capital formation to attain growth rate of 4% in agriculture as envisaged in 8th plan.

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।

• Major sources of irrigation are -

- (i) tank irrigation (15%)
- (ii) canal irrigation. (30%)
- (iii) under ground water irrigation. (55%)

assumed irrigation is only for approximately 65 million hectare of the total 140 million hectare of Net sown area.

- canal irrigation is found in northern gangetic plains, western Rajasthan and east coast of Andhra and Tamilnadu.
- tank irrigation is common in Deccan plateau area. given the topography, canal laying and exploitation of underground water is not feasible.
- underground water irrigation through use of wells and pumps is now most extensive and covers the largest area under irrigation.



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।

Methods used for irrigation are

- Flooding technique.
- Sprinkling technique
- micro-irrigation technique.
- Flooding technique is easy to apply, but is inefficient as huge quantity of water is needed. not suitable for dry land areas.
- Sprinkling uses a sprinkler, which is water efficient.
- In micro-irrigation, water is applied

directly in the roots. but it is very capital intensive and requires high investment. Can't be afforded by poor farmers although in corporate farming it is used to minimize water use, applying nutrients directly to roots by fertigation hence getting optimum output.

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।

Co-operative and contract farming have the potential to transform agricultural marketing however several measures are needed along with their promotion.

- Need to amend APMC Act, which result in creation of regulated markets.

Strengths: —

- minimizes the middlemen and hence ~~makes supply~~ at hence better prices to producers and consumers are ensured.
- makes supply chain strong and hence facilitate better efficient movement of products
- Contract farming will enable investment in infrastructure and result in reduction in wastage.
- Better information availability and support at the time of farming. Contract farming experience in Punjab has shown that better yield can be insured.

- Better pre and post harvest management will result in reduction in wastage enabling better income to farmers.

Weakness -

- Lack of legal framework to protect interest of farmers from giant corporates.
- weakness of co-operative in agricultural sector due to lack of trust - success of Amul model has not been replicated.
- However now PACS has been formed which is ^{also} aimed at enhancing marketing. Thus amendment of regulated markets and active state support & promotion through use of technology will enable them to accrue benefits

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?

487, 7 September

VISION IASTM

Don't write
anything this
margin
(इस भाग में
कुछ ना लिखें)

487, 7 September

VISION IAS™

Don't write
anything this
margin
(इस भाग में
कुछ ना लिखें)

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 सस्मिडी के खर्च को, निवेश के खर्च में बदलने की तात्कालिक आवश्यकता है। चर्चा कीजिए।

Indian agriculture needs more investment and curtailment of subsidy to achieve 8th plan target of 4% agricultural growth.

- Current Investment level and Gross Fixed Capital formation is inadequate. thus limiting development of infrastructure needed viz canals, irrigation systems, power, machinery etc.
- High level of subsidy in energy, water, fertilizer are not suffi distortionary in nature. They are not effectively targetted and result in growing inequality as benefits captured by big & prosperous farmers.
- Subsidies do not reach intended beneficiaries
- Subsidies result in huge fiscal deficit and undermine capacity to invest.
- Total subsidy in agriculture amounts to 1. lakh crore, but this does not increase production and productivity.

Thus, there is a need for gradual shift from subsidy to investment. ^{also} Subsidy should

be targetted. as Nilekani committee has
been formed for directly transferring fertilizer
subsidy.

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।

TPDS functions good in Tamilnadu & Chhattisgarh.
performance is weak in most of northern states

Reason.

- (i) Use of extensive technology e.g. tracking.
of movement of grains from FCI godowns to fair price shop. mobile based
- (ii) Co-operative management of PDS shops
- (iii) sufficient commission to agents, so as to check diversion.
- (iv) awareness among consumers- by sending

SMS and alerts when food grain is dispatched.

(v) Computerisation of PDS shops and monitoring of grain distributed.

Thus due to active state intervention, public awareness, use of technology and people's participation, TPDS functions well in certain states

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

unsustainable and unviable PDS has resulted into its suboptimal performance.

- Financial unsustainability results into leakage and undermines its effectiveness
- management - by individual is not effective. so ~~fast~~ shift towards co-operative model as done in Tamil Nadu and Chhattis garh.
- use of technology to check diversions
- Sufficient and minimum commission based on disbursing of food grains so as to enable sound functioning.

PDS is an important mechanism to ensure food security and distributive justice. Thus its sustainability is of prime importance to ensure goals of welfare state.

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।

National commission on farmers under eminent scientist M.S. Swaminathan. underscores farmer security to ensure food security.

Food and nutritional security is critically linked with livelihood security of farmers along with addressing ecological and environmental concerns.

- Subsistence nature of farming. severely undermines productive capacity. unless food surplus is

generated, food security is undermined.

- Agri-distress caused due to indebtedness of farmers causes serious conflict thus making agriculture non-remunerative, hence causing a shift from agriculture.
- Adequate support viz. infrastructural, Credit, informational support is needed to make agriculture remunerative.
- focus on climate resilient farming to mitigate heat stress, salinity stress such that farmer is able to raise yield even in unfavourable circumstances
- Steps needed to diversification of crops to pulses, oilseeds, horticulture and animal husbandry. It will act as an insurance in case of failure of one product at the same time ensure nutrition security.

Thus, both issues are holistically linked and agricultural policy needs to address them in an integrated manner.

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।

Despite seeing a significant growth and contributing to Indian economy, Animal husbandry and livestock sector faces critical challenges.

- National Live Stock mission outlines lack of institutional support to this sector. India has high livestock population. It ranks 1 in cattle, 2nd in goat, 3rd in sheep, 2nd in poultry population.
- Availability of quality fodder is not there. which causes serious strain on land resources.
- Poor veterinary services.
- Poor productivity and lack of extension services and institutional support.
- Cattles are of low yield and ^{avg.} milk yield is significantly low. focus is on introduction of exotic varieties.
- Poultry sector - challenge of feed, rampant use of antibiotics, rendering it unfit for exports.

- India is a major exporter of Buffalo meat but many countries have banned it due to traces of antibiotic in it.
- Similarly Indian Shrimps and Fish are banned due to traces of toxic elements.
- Inadequate focus on food processing undermines their true potential. milk and its products such as cheese, butter needs marketing and advertising support.
- Weak focus on marketing. needs aggressive branding and intervention.
- Focus on livestock sector is needed as it is critical for ensuring nutrition security and livelihood security to farmers.

24. "Despite continuous efforts and initiatives of the Government to provide the required stimulus to the food processing sector, processing activity is still at a nascent stage in India with low penetration". In the above context, examine the challenges ailing the food processing sector in India. 10
- खाद्य प्रसंस्करण क्षेत्र हेतु आवश्यक प्रोत्साहन प्रदान करने के लिए निरंतर प्रयास और सरकार की पहल के बावजूद, प्रसंस्करण गतिविधियां भारत में निम्न निवेश के साथ अभी भी उदीयमान अवस्था में हैं। उपरोक्त संदर्भ में भारत में रुग्ण खाद्य प्रसंस्करण क्षेत्र की चुनौतियों का परीक्षण कीजिए।

Challenges at in food processing sector are:-

(i) Inadequate financial outlay. 15000 crore has been allocated in 8th plan under National Mission on food processing. Prior to it, this area was neglected.

(ii) Lack of an adequate policy framework. focus only began in 8th plan in mega food park scheme.

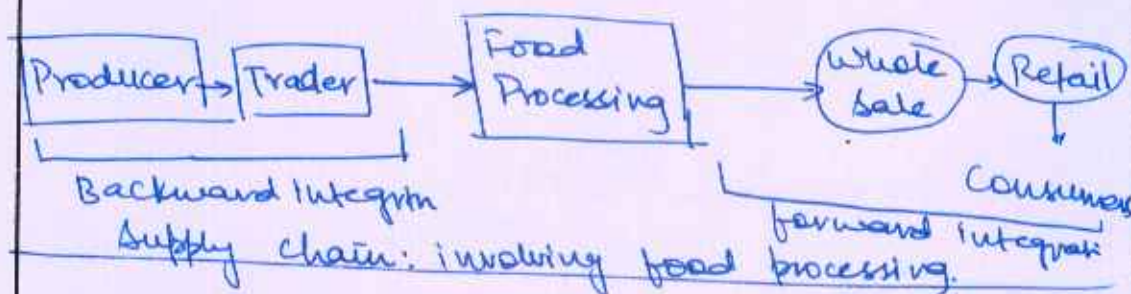
(iii) Lack of infrastructure and weak supply chain management.

- (iv) high level of taxes on processed food has also undermined this sector.
- (v) weak labelling and regulatory standards now labelling has been done by FSSAI which ensures quality standards
- (vi) lack of incentive to private players thus poor investment.
- (vii) lack of entrepreneurship opportunity.
- (viii) lack of skilled and adequate human resources
- (ix) poor backward and forward linkage.
- (x) lack of consumer awareness and behavioural choice especially for fisbery and meat product
- (xi) poor Hazard Access and critical control Points (HACCP) severely undermine exports

thus despite focus, food processing has not ~~takeen~~ seen a turnaround.

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 समायोजन या लिंकेज की क्या भूमिका है?

Supply chain management means linking the producers and consumers by ensuring efficient movement of food products and enabling timely access at in a cost-effective manner.



Forward and backward are critical as they help in ~~reducing~~ ensuring better supply.

Backward Linkage.

- ensures timely collection
- reducing wastage.
- Primary processing after collection as envisaged in mega food park scheme.
- better price to farmers.
- Better infrastructure in collection, integrated

cold chain networks, better warehousing etc.

Forward Linkages

- Better organised retail.
- good price to consumers
- value addition in food as envisaged under National mission on food processing.
- Better marketing practice.

Thus strengthening supply chain will boost food processing in India

487, 7 September

VISION IAS™

Don't write
anything this
margin
(इस मज्जल में
कुछ ना लिखें)