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GENERAL STUDIES (TEST CODE : 1987)

Name of Candidate	Charu	Registration Number	26298
Medium Eng./Hindi	English	Date	
Center			

INDEX TABLE		
Q. No.	Maximum Marks	Marks Obtained
1	10	
2	10	
3	10	
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16	15	
17	15	
18	15	
19	15	
20	15	

Total Marks Obtained:

Remarks:

INSTRUCTIONS

1. Do furnish the appropriate details in the answer sheet (viz. Name, Registration Number and Test Code).
उत्तर पुस्तिका में सूचनाएं भरना आवश्यक है (नाम, प्रश्न-पत्र कोड, विद्यार्थी क्रमांक आदि)।
2. There are **TWENTY** questions printed in **ENGLISH & HINDI** इसमें बीस प्रश्न हैं अंग्रेजी और हिन्दी में छपे हैं।
3. **All questions are compulsory.**
सभी प्रश्न अनिवार्य हैं।
4. The number of marks carried by a question/part is indicated against it.
प्रत्येक प्रश्न/भाग के अंक उसके सामने दिए गए हैं।
5. Answers must be written in the medium authorized in the Admission Certificate, which must be stated clearly on the cover of this Question-Cum-Answer (QCA) Booklet in the space provided. No marks will be given for answers written in medium other than the authorized one.
प्रश्नों के उत्तर उसी माध्यम में लिखे जाने चाहिए जिसका उल्लेख आपके प्रवेश पत्र में किया गया है और उस माध्यम का स्पष्ट उल्लेख प्रश्न-सह-उत्तर (क्यूसीए) पुस्तिका के मुख्य पृष्ठ पर अंकित निर्दिष्ट स्थान पर किया जाना चाहिए। उल्लिखित माध्यम के अतिरिक्त अन्य किसी माध्यम में लिए गए उत्तर पर कोई अंक नहीं मिलेंगे।
6. Word limit in questions, if specified, should be adhered to.
प्रश्नों में शब्द सीमा, जहाँ विनिर्दिष्ट है, का अनुसरण किया जाना चाहिए।
7. Any page or portion of the page left blank in the Question-Cum-Answer Booklet must be clearly struck off.
उत्तर पुस्तिका में खाली छोड़ा हुआ पृष्ठ या उसके अंश को स्पष्ट रूप से काटा जाना चाहिए।

16-B, 2nd Floor, Above National Trust Building, Bada Bazar Marg, Old Rajinder Nagar, Delhi-110060

Plot No. 857, 1st Floor, Banda Bahadur Marg (Opp Punjab & Sindh Bank), Dr. Mukherjee Nagar
Delhi- 110009

EVALUATION INDICATORS

1. Contextual Competence
2. Content Competence
3. Language Competence
4. Introduction Competence
5. Structure - Presentation Competence
6. Conclusion Competence

Overall Macro Comments / feedback / suggestions on Answer Booklet:

1.

2.

3.

4.

5.

6.

All the Best

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- Q1. It is estimated that India will need around \$1 trillion to meet its infrastructural needs. To generate such a huge amount, National Bank for Financing Infrastructure & Development (NBFID) has been proposed as an idea.

SIGNIFICANCE

1. Leverage domestic & international financing and channel them in infrastructure sector
2. As an umbrella entity - manage the huge finances more efficiently
3. Remove the stress from scheduled commercial banks on financing projects
4. Better returns for investors
5. Improved management of PPP projects

Challenges associated

1. Sourcing investment
eg. increasing fiscal deficit with Government due to ongoing pandemic
2. long gestation period of infra projects - Capital will be stuck for long periods

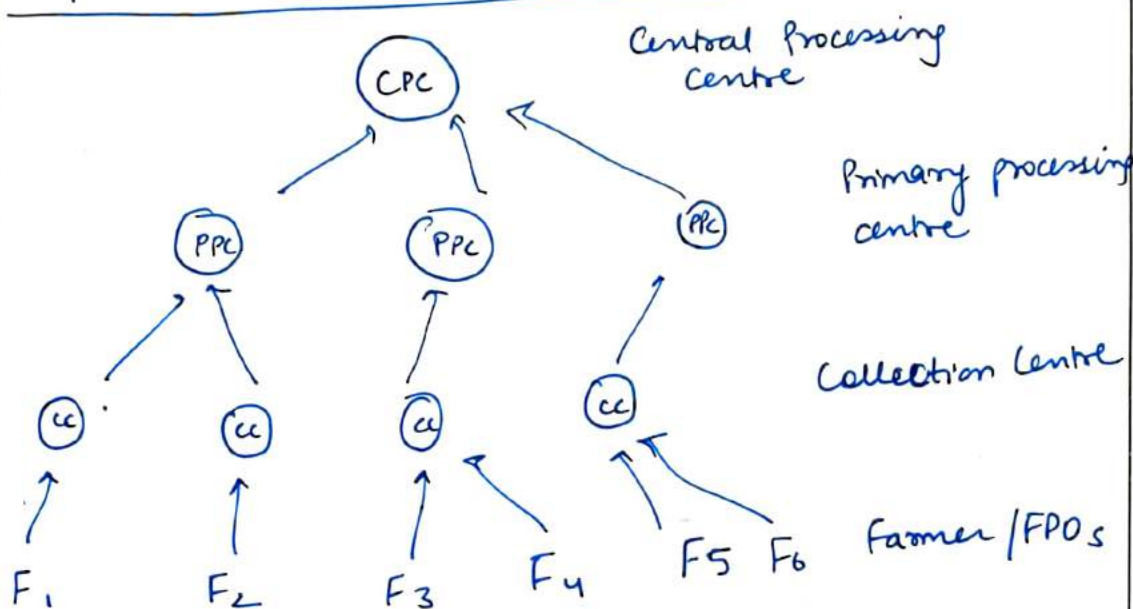
3. Structural bottlenecks in infra projects
eg. poor contract management, delay in clearances
will affect working of NBFID
4. Simultaneous investment by banks & NBFCs
towards the same project → duplication
in efforts

The idea of NBFID is a welcome step towards more robust infra financing. It should be complemented with other measures like better PPP projects management, streamlining clearances systems, leveraging the bond market etc.

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Q2

Mega Food Parks has been one of the most ambitious scheme for creation of food processing infrastructure & better management.



Structure for mega Food Parks

As a Gamechanger initiative

1. Creating economies of scale in the sector
2. Boost to organised sector within FPIs
3. Removing bottlenecks like ^{through} provision of land & other facilities in MFPs
4. Streamlining the linkages with the farmer groups
5. Cluster approach to development

However, their progress remains stunted as -

1. Most of the industry is still unorganised (~60%)
2. less than 2% of agricultural produce is processed
3. Poor geographical concentration in Eastern & North Eastern regions
4. Lack of private investment in the sector

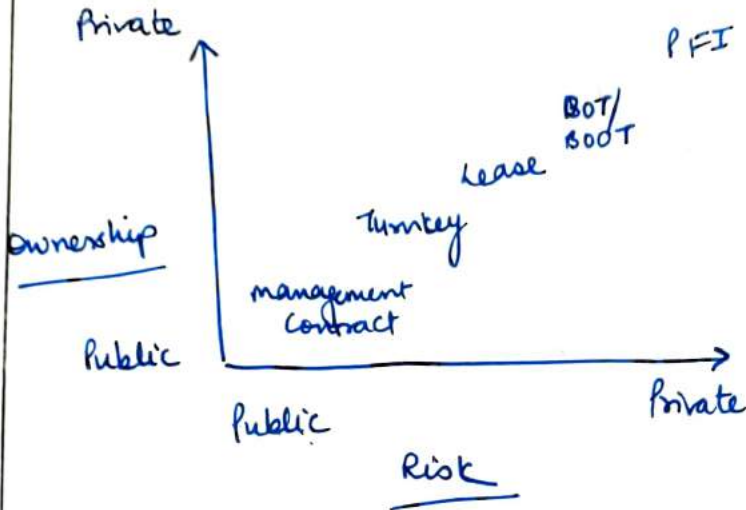
Reasons :

1. Scattered purchase of raw material
eg. most of the produce still sold in APMCs
2. Forward linkages with market ineffective
3. Delays in acquisition of land in rural areas
4. Lack of skilled labour in the sector
5. Inadequate storage & transportation facilities —
resulting into spoilage

Therefore, the need is to address the challenges by supplementing it with contract farming initiatives & involvement of states to provide better linkages to FPIs.

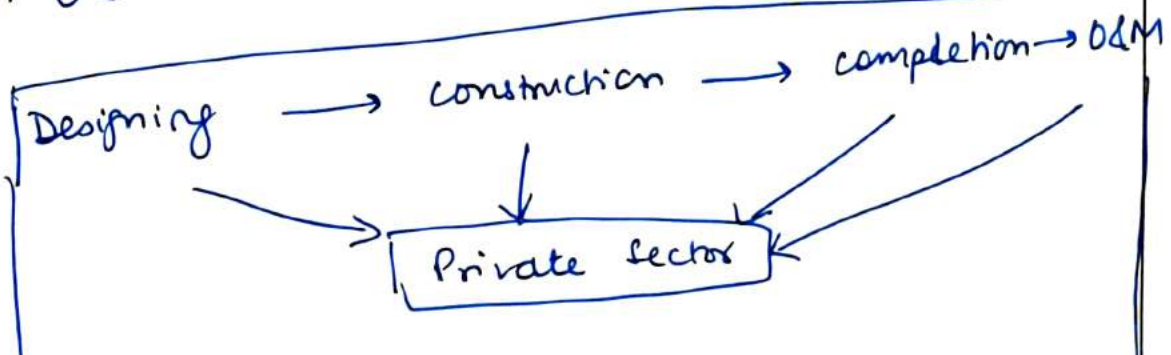
Q3.

Private Finance Initiative (PFI) is one of the models of the PPP where the risk & ownership mostly remains with the private sector



Working:

1. Private contractor prepares & designs the contract on the directions of the Government.
2. Majority of the investment comes from the private sector.
Construction risk is with private party.
3. After completion, it may hand over the project to Government or retain the ownership.
4. O&M is with the private sector generally.



Significance in India :

1. Inadequacy of public investment in infrastructure
2. Increasing efficiency in PPP projects through private partnership
3. Reduces cost & time overruns
4. Can be used in non-strategic sectors
eg. utilities along National highways, social sector
5. Improve reach of services - better access to people

Therefore, the model improves the private participation. However, the need of an effective regulatory oversight is a must.

Q4. Recently, three new labour codes were introduced in the Parliament

1. on Occupational Safety & Hazards
2. on social relations safety security
3. on trade relations

Significance :

1. Reduces the complexity & high number of labour laws
2. Provides minimum wage to workers
3. Improved mechanism for dispute resolution between unions & management
4. Push to women employment - flexible timings of work
5. Formal agreement between contractors & labour - provide for more security
6. Ease of doing business for businesses - relaxation in exit norms, retrenchment

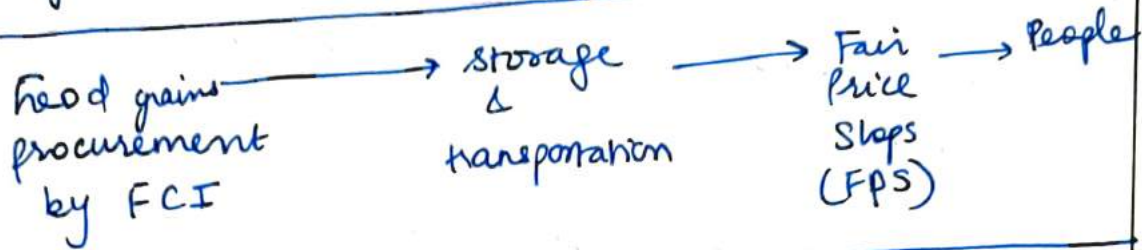
Challenges :

1. Emerging forms of labour eg. Gig economy

2. minimum wage still inadequate for good living
3. Does not cover agricultural sector
4. not includes unpaid labour done by women in households
5. Challenges with respect to implementation at ground level

Labour codes are a positive step in streamlining labour laws. It should be improved further by incorporating newer forms of work eg. Gig labour, work from home etc.

Q5 The PDS system in India is one of the foundational element of India's food security programme.



PDS as an anti-poverty measure:

1. Tackling food deprivations among poor people by providing low cost / free foodgrains
2. The money saved could be spent on other areas by poor
eg. education, health
3. As an enabler to Right to life with dignity (under Article 21)
4. Targeted towards poor people under TPDS & Antyodaya households (Poorest of the poor)
5. Cover most vulnerable sections
eg. women, children

PDS as instrument to raise nutritional security:

1. Providing cereal crops to people at low costs
eg. Rice, wheat
2. maternity benefit allowance under
NFSA, TPDS to improve women & child
nutrition
3. Fortification of food grains to reduce micro-
nutrient deficiency
4. To address the problem of malnourishment,
shunting, wasting among people

Therefore, PDS has ensured Right to food for
people meeting the objectives under Article 21
& 46 of the Constitution.

Q6. 'Agriculture' is a state subject. Both at levels of Centre & state, Agriculture especially marketing is highly regulated.

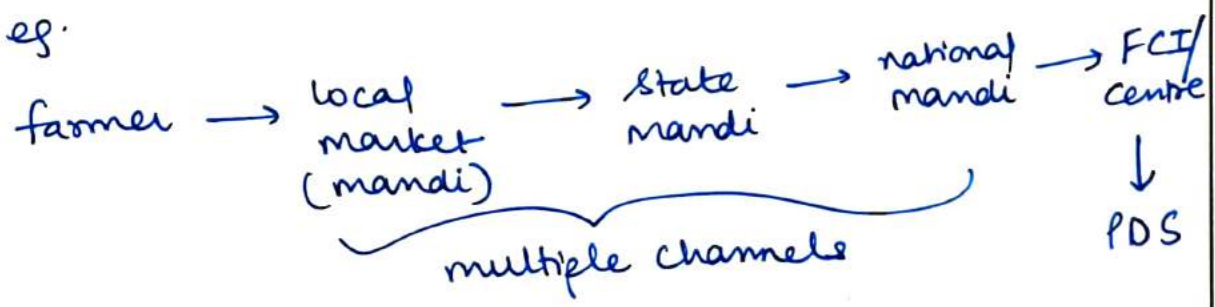
Excessive state intervention:

1. State APMC Acts
2. Levy of multiple fees, mandi taxes etc.
3. Regulations in working & management of Mandis
4. Essential Commodities Act for ~~buy~~ stockholdings & preventing hoardings

This has created multiple hurdles like:

1. Increased the number of intermediaries

eg.



2. Increased transaction costs & reduced efficiency
3. Reduced to sole of private sector participation - hence no new investments & innovations

4. Increased gap between procurement price & issue price
5. Monopoly of APMCs - regulator & participant in the trade
6. Poor price discovery & information asymmetries
7. Increased wastages of produce along the chain

Therefore, need is to streamline the system by moving towards a uniform market, reducing the number of intermediaries and bringing farmers directly in touch with markets.

Q7. Climate resilient agriculture is the one which can adapt to changes in the environment & mitigate the adverse impacts.

Need:

1. 70% of Indian agriculture is monsoon dependent
2. 50% of Indian population is employed in agriculture
3. Contribution to GDP (~17%)
4. Ensuring food security for people
5. Agriculture as backbone of the economy
Support other sectors

Therefore, a weak agricultural system will have a spillover effect over economic, social, political aspects.

Steps to achieve:

1. Drought resistant seed varieties can be used.
2. moving towards more sustainable irrigation techniques
eg. drip, sprinkler → to minimise water use

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3. Planting high-value, sturdy crops not affected by weather variations
eg. fruits, vegetables

4. Better agricultural planning based on weather forecasts to minimise adverse impacts
eg. sowing time

5. Supporting non-farm activities for supplementary income to farmers
eg. livestock rearing, aquaculture, poultry

It requires a holistic approach to seramp the existing highly vulnerable system to a more resilient, adaptive agriculture.

Q8 India has a coastline of 7500 km and large number of Indian rivers are navigable, yet the movement of freight & passengers by waterways is negligible.

Modal mix

Road - 53%.

Rail - around 30%.

Waterways - ~6%.

Potential of waterways:

1. Least cost, most efficient mode
2. Good geographical conditions - coastline & waterways, perennial rivers
3. Least environment pollution

Reasons for not meeting potential:

1. Less private participation in the sector of coastal shipping & inland waterways
2. Geographical challenges - high sediment load of rivers, less draft of coastline
3. Poor hinterland connectivity v/s roads which provide door to door access

4. high capital cost—
eg. setting up terminals, ship building, vessels

5. Regulatory inefficiencies
eg. vessels Act for Inland waterways, service model in ports regulation

6. less push by Government & investment in initial years

However, with initiatives like Jal Marg Vikas Project, amendment of Ports Act, 100% FDI, the share of waterways would see a rise.

89. India is the ^{one of} largest producer of milk. It has the highest number of cattle population. Over the years, it has become a self-sufficient nation in milk production.

Potential of Dairy sector :

1. Large number of cattle & buffalo population
2. Existence of cooperatives in large parts of India
3. Lessons from success of operation flood in Gujarat
4. Large number of marginal & landless farmers shift towards dairy sector
5. Government push
eg. National livestock mission

Challenges:

1. seen as a supplement to farming, not main source of activity
2. Poor processing leading to high wastage
3. Lack of storage facilities eg. cold chain system
4. Low productivity of cattles vis imported breeds

5. Quality of feed & fodder is poor
6. High disease prevalence among cattles
eg. foot & mouth disease

Steps can be taken:

1. organising FPOs and building their capacity towards sustainable dairy production
2. Reforms in processing & storage infrastructure
eg. Private investments in cold chain units
3. Genetic improvements of cattles
4. National market for dairy products
5. Improving veterinary services in rural areas

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Q10. women form a significant portion of agricultural workforce yet form miniscule minority of landowners in rural areas.

Various steps like National Land Reforms Policy, Land Records Digitisation mission ~~has~~ has started recognising women as landholders.

As a significant step towards enhancing rural livelihood:

1. Increasing participation of women in farm activities
2. Provision ^{of} credit facilities to women if they own land
3. Access to better seeds, machinery, irrigation systems would be possible
4. Give a degree of autonomy to women in decision making

Challenges:

1. Hereditary land records in name of male member of family
2. ~~often~~ social structure of Indian villages - marginalisation of women
3. most of the women working as agricultural

Labourers -

4. Complex system of land rights - hesitance from women themselves to approach

measures suggested :

1. women as head of household in absence of male member in land records
2. Digitising land records - recognise women as holders
3. Pooling of land among women SHGs for better access of inputs
4. Providing safety net to women agricultural labourers

As ~~with~~ out-migration ^{of male} from rural areas increase, it is important that we recognise the increasing role of women in farming.

Q11. Currently, Budget is being framed for each financial year. many OECD countries adopt medium term fiscal framework.

medium term fiscal framework

- long term approach to preparing budgets (2-3 years)
- realising outcomes cannot be achieved in one year

Therefore, resource is allocated based on longer terms not just for one year.

For political sustainability of fiscal policies:

1. Policies would not get affected by political instability or changes in Government.
2. Plan programmes according to long term vision of managing fiscal deficit
eg. reducing expenditure on a policy over a period of time
3. Evaluating the schemes not on year basis but over a long term horizon
4. Avoid rush of expenditure in last quarter of financial year

2) For Economic sustainability of fiscal policies:

1. Policies can be course-corrected in case of negative externalities
2. Provide cushion for unforeseen events
eg. downturn due to COVID pandemic
3. More confidence to private investors on long term policy of Government
4. Judge economic utility of a policy better over longer terms

Challenges:

1. Forecasting for long periods
2. Accounting for sudden events, requiring immediate resource
3. Syncing government policies at Centre & state levels

Therefore, it has many positive impact. FRBM Act has also included presenting a medium term fiscal framework.

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However, it is difficult to move away from annual Budget cycle which has its own advantages & has been well-established over years.

Q12 According to Oxfam Report, India's 10% people own 70% of total wealth.

In last years, while the wealth of top 1% grew by 86%, bottom 50% saw growth of only 3%.

This points towards growing economic inequality.

CAUSES:

1. Inequal distribution of resources

eg. majority of land with with big farmers, marginal & landless farmers → ~20% of land

2. Access to education skewed

eg. low participation of women, tribals → not get employment opportunities

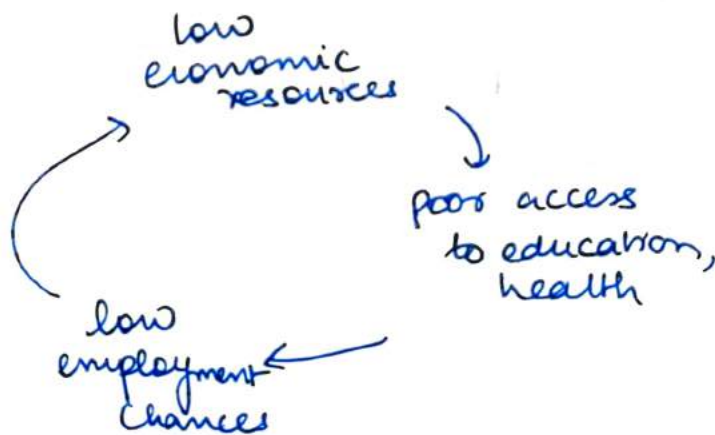
3. 90% of population in informal sector - most vulnerable to economic shocks

eg. COVID-19

4. majority of population in agriculture - low paying sector

CONSEQUENCES :

1. Increases vulnerability to poverty
eg. loss of jobs due to automation in informal sector
2. social unrest eg- protests against rising prices
3. Rise in corruption & crony capitalism
4. Cyclic nature of inequality — leads to intergenerational poverty



SUGGESTIONS :

1. land reforms — eg. recognising rights of women, marginal farmers
2. Reforms in MSME employing 40% of population — increase capacity & revenue generation

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3. Access of education, health of marginalised sections - building capacity
4. Creating more jobs
eg. harnessing traditional knowledge to create niche products
5. Focus on urban inequality - uniform ^{basic} services across the population
6. Skilling of people in new areas
eg. IT

Economic inequality is linked with overcoming social & political inequality. Therefore, comprehensive changes are required across all sectors.

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Q18. Recent initiatives taken in MSME sectors include -

1. MSME Act, 2006
2. Changing definition of MSME
3. Stand up India campaign - for easy access to credit
4. Mudra Yojana
5. MSME Samadhaan
6. STRIVE, SANKALP for skilling

Need to focus on MSME:

1. Employment Generation to 40% of population
2. Contribution to GDP - 20%.
3. Export earnings through MSME
4. Significant share of manufacturing GVA (~48%)
5. Participation of vulnerable sections
eg. women, SCs, STs
6. Alternative to farm employment -
People moving away from agriculture

Measures by Government:

1. legislature (Institutional structure) -
through MSME Act, 2006
2. Credit support schemes -
Mudra Yojana, under Priority sector
3. social security programmes -
PM Jivan Saranksha Yojana, Atal Pension
Yojana
4. for skilling - STRIVE, SANKALP
5. Push towards technology
eg. leather sector, Paper & Pulp sector

Further scope of Action:

1. Ensuring they increase in scale over
years.
eg. increasing investment from private
players
2. Improve efficiency - incorporating newer
technologies like AI, Robotics

3. link with export markets
eg. showcasing products under 'brand India'
4. Improve quality - manufacturing in line with global standards
5. Formal security for workers across all industries
6. Reskilling & Upskilling to meet the challenges of Industry 4.0

Q14. Banks in India is suffering from high NPA issues. This has in turn adversely impacted the economic development.

To deal with this, one suggestion is that of allowing large corporate houses to be promoters of banks.

MERITS :

1. Provide the necessary finances to banks in case of stress
2. Bring in more efficiency in asset-liability management
3. Reduce Government interference eg. in appointments,
4. loans would be given to most viable projects after due diligence
5. Restructure human resources management-
6. Bring in new technology eg. AI, Block chain

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7. Improve customer services

eg. Customer relation management in private banks.

DEMERITS:

1. Banks role as a social catalyst affected.

• Providing credit to vulnerable sections & sectors
eg. agriculture, women startups

• Reach in rural areas affected -
high operational costs

2. Government initiatives through banks

eg. Jan Dhan Yojana, DBT

3. Lending in favours of the promoters -
chances of corruption

eg. Satyam Scandal, IL&FS crisis

4. Lack the checks & balances - private promoters lending to themselves

5. will not nurture growth of new enterprises

6. Affect on monetary policy of Government -
role of banks in buying - selling G-secs

7. PSL targets of banks

Therefore, banks in developing countries
play both economic & social roles.
Allowing large corporate houses would affect
this functions of public sector banks.

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Q5. Reserve Bank of India, through its monetary policies, ensures financial stability of India. It ensures proper demand - supply of money in the economy.

The fiscal policy i.e. controlling public expenditure & receipts is the domain of Government.

In countries like India, where State is more powerful, fiscal policy has huge impact on financial stability.

Facilitating it:

1. Ensuring congruence between Annual financial statements & monetary policies

eg. fiscal deficit target in line with planned objective

2. Impetus to private sector initiatives through new projects → reducing the 'crowding out' effect

3. Ensuring independence to the financial regulator in its decision making

4. Ensuring fiscal prudence in spending
eg. ~~FB~~ through FRBM Act

5. Impetus to demand during recession/
downturn phases
eg. MGNREGA wages during COVID pandemic

UNDERMINING IT:

1. Through populist policies - stimulus to
inefficient programmes

eg. farm loan waivers - disturbing bank's
asset-liability match

2. Excessive subsidies creating demand side
issues

eg. high inflation of food prices

3. Excessive restrictions, control on import
export affects currency's valuation

4. Crowding out private sector in market
through its intermentions

eg. Agriculture

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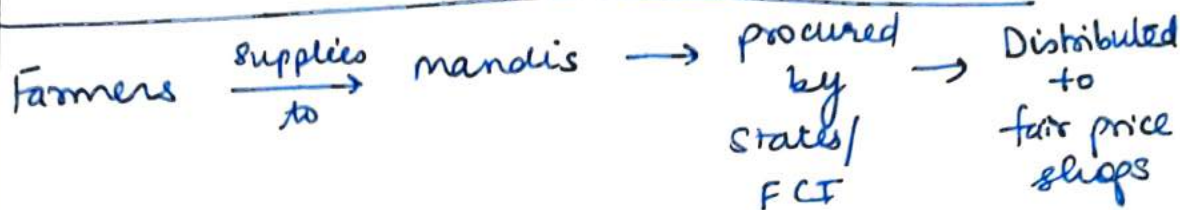
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5. Through excess borrowings from market

Therefore, we see a very direct relation between the fiscal policies of government & financial stability of country.

Q16. Crop procurement in India is done by states / FCI through state mandis.

Chain :



ISSUES :

1. Procurement restricted to few regions
eg. 90% procurement in Punjab, Haryana, UP
2. Procurement from large landholders mostly
3. losses during post-harvesting because of poor storage
4. Poor connectivity of farmers in remote areas to Agricultural mandis
5. Absence of proper grading, standardising at mandis
6. High cost of procurement - difference between price paid to farmers & price

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of procurement due to monopoly of APMCs

7. Procurement of wheat, rice given priority

8. Absence of private sector

measures to improve :

1. Dupetus to Contract farming - direct procurement from farmers - reducing intermediaries
2. States can procure directly rather than FCI in most areas to reduce costs
3. Reduce information asymmetry to farmers - price display at mandis
4. Strengthening digital connectivity of markets eg. e-Nam
5. Improve transport & storage facilities of the harvest to minimise wastages
6. FCI more focus on regions where there is distress sale

An efficient crop procurement would lead to benefits along the whole distribution chain.

Q17 e-agriculture incorporates ICT in the sector of agriculture making it more effective, efficient, reducing costs, better outcomes.

e-agriculture = ICT + Agriculture
(access to internet) (crop sowing)
(mobile telephony) (harvesting)
(satellite information) (storage)

ICT in Agriculture (Benefits):

1. Information to farmer on weather forecasts for crops through weather updates
2. Link with markets directly (eg. e-Nam, e-Rashta)
3. Better price discovery - information on crop prices
4. Knowledge about new techniques in agriculture
eg. biofertilisers, better machinery

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5. Information on Government initiatives for farmers
6. Connect to other farmers - sharing of knowledge
7. Linkage with R&D units
eg- assessment of soil-health
8. Estimation of yield based on AI

Initiatives by Government:

1. National Agriculture Extension mission - providing extension services to farmers
2. Krishi Vigyan Kendras (KVKs) providing services
3. Farm channels on TV eg. DD Kisan
4. Apps on farming eg. Pusa Krishi app
5. Use of IT in agricultural schemes
eg. drone based assessment in PM Fasal Bima Yojana

6. Digitalisation of Land Records

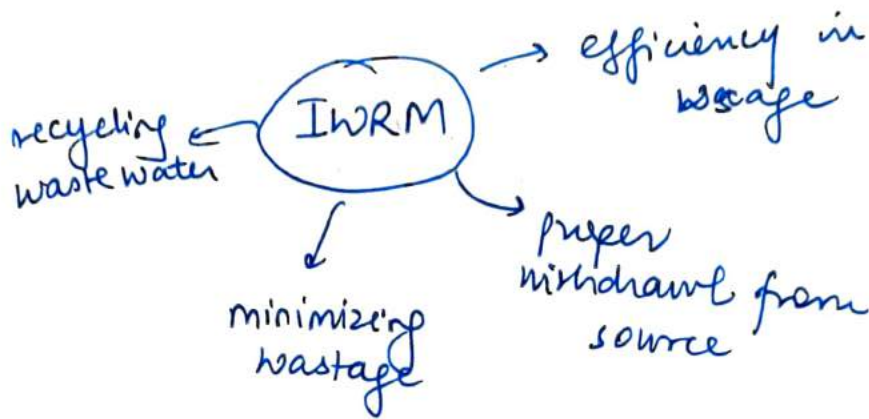
Way forward →

Improving private sector participation to link it with Industry 4.0.

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Q18. Integrated water Resource management aims to interlink usage of water right from its withdrawal, application to disposal.



Additionally, it aims to interlink areas where water can be used horizontally. eg. in hydroponics (water for agriculture & cultivating fishes)

Gaps in Present system

1. overreliance on groundwater
2. Irrigation accounting for majority of use (~90%)
3. High run off of water
4. Low recycling & treatment
5. Increasing pollution of water

6. Drying up water sources due to climate change.

Role by IWRM :

1. more efficient usage - reducing requirement & dependence on water
2. Reduce reliance on groundwater - focusing on surface sources
3. Cost effective, efficient irrigation systems
eg. micro irrigation
4. Focus on watershed management
5. Improving storage & water percolation
6. Ensuring water availability & accessibility to all

Therefore, IWRM is need of hour to prevent India from becoming water-scarce country in future.

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Q19. Around 2% of Indian population is formally trained.

The 3E challenge

Education

- low enrollment in tertiary education
- low enrolment of women, SCs, STs
- poor focus on vocational education
- no link with industry
- no emphasis on skills

Employment

- lack of employment opportunities in low-skilled jobs
- high prevalence of informal sector
- no skilling in MSME & rural jobs
- maximum labours in agriculture
- low focus on industries on skilling

Employability

- lack of training in new skills hamper job prospects
- gap in skills required versus skills obtained
- impact of Industry 4.0 - need for continued reskilling

Interventions required:

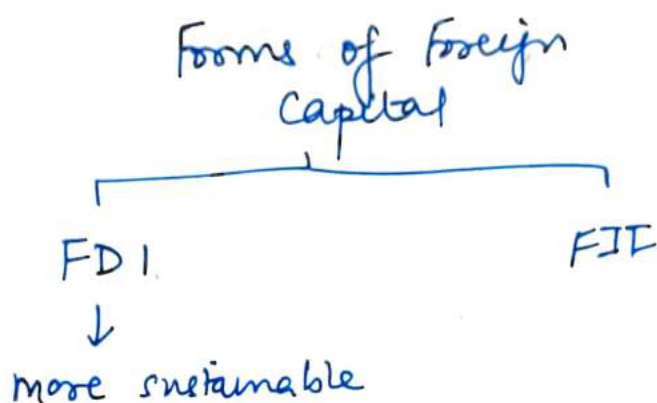
1. Linking education curricula with recent changes in skill requirement
eg- courses on AI & IOT
2. Interface between tertiary institutes & industry
eg- placement conferences, MOOC for students by industry experts
3. skill mapping - meeting demand-supply gap
4. Focus on reskilling & upskilling through specialised courses in Skill Training Centres
5. Increase participation of women & other vulnerable sections through incentives
6. matching the global requirements of skills & orienting ourselves on need basis

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Q20. A developing country suffers from inadequate domestic capital.

Therefore, foreign capital is one of the most-
important component of investments.



MERITS :

1. Supplement domestic capital
2. meet increasing demands eg. growth of infrastructure
3. Brings more efficiency & technology
4. linkage to Global value chains
5. Government can spend on social sectors
eg- education, health
6. opens^{up} & impetus to new sectors
eg. boost to services industry due to FDI

DEMERITS:

1. None to global shocks
eg. withdrawal of money post pandemic
2. Utilisation depends on capacity of state
eg. high logistic cost in India - low ROI
3. Influence of global economy in domestic system increases
eg. compliance to global standards on trade
4. Skewed investment only in lucrative sectors

Hence, foreign capital aids to low resources of the state. It brings multiplier effects. But it should be complemented with domestic reforms to improve economy.