

**GENERAL STUDIES (Test Code : 487), 7 September**

Name of Candidate	ARVIND SINGH	Registration No.	2856
Schedule		Module	175
Place	ORN	Time	4:40-7:40
Date		Date	17/10/14
Classroom	<input type="checkbox"/>	Distance Learning	<input type="checkbox"/>
Classroom & Distance Learning		<input type="checkbox"/>	

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Q. No.	Maximum Marks	Marks Obtained
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3	10	
4	10	
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8	10	
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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 मिलेंगे।
- Word limit in questions, if specified, should be adhered to.
प्रश्नों में शब्द सीमा, जहाँ निर्दिष्ट 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।

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

- is the trade-off, which the central Bank (RBI) tries to maintain among three ^{macro} economic variables:

(i) Inflation rate

- a comfortable zone is around $(4 \pm 2)\%$.

(ii) Growth Rate

- India needs to bounce leads to the GDP growth rate of about 9% and above.

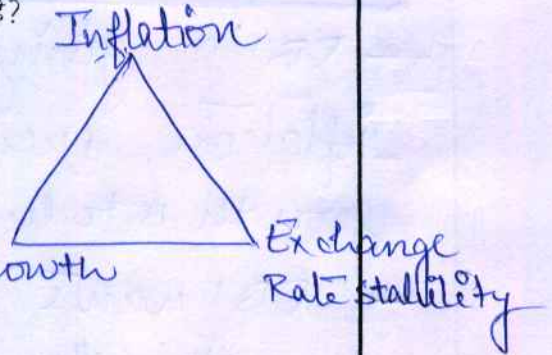
(iii) Exchange Rate (Re/\$) stability

- with tapering of quantitative easing in USA, Re was getting depreciated very high.

- High inflation, low growth

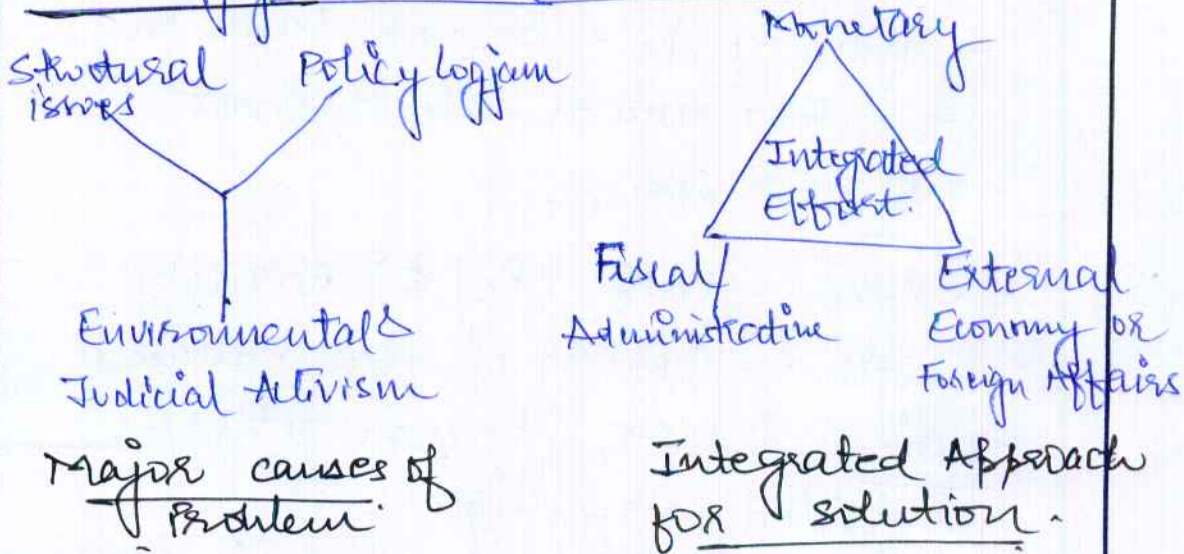
and the Twin Deficit $\left\{ \begin{array}{l} \text{CAD} \\ \text{Fiscal Deficit} \end{array} \right.$

were cause of high rupee depreciation in 2013-14.



~~Strategy to~~Priority of RBI:

- RBI is giving high priority to controlling inflation, even if it means that some growth is to be sacrificed.
- RBI wants Re/US\$ exchange rate to be within the safe zone of Rs 50-60 per US\$, otherwise imports would be very costly, leading again to very high inflation.

Strategy to Resolve the Trilemma:

An integrated approach is resorted to address the issue:

[I] Fiscal and Administrative

- Fiscal Discipline is needed
 - Effectiveness, efficiency and targetted subsidy regime needed

(ii) Supply side Bottleneck is to be removed
- coal linkages, iron ore mining,
reformed PSUs etc are needed

(iii) Proactive Policy Decision & Effective
Implementation Needed

(II) Monetary Policy

- Inflation need to be given priority
as per recommendation of Expert Panel Committee.
- Exchange Rate need to be stabilized

(III) External Affairs

- Govt need to convince USA and
other major economies that Unilateral
decisions on tapering will effect nascent recovery.

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।

• The Index of Industrial Production (IIP)
for 2013-14 is (-) 0.2%. The average
growth rate of manufacturing in
2012-13 & 2013-14 is merely 0.1%.

• At the same time, the Asian Tigers
(i.e.) SE Asian countries (mostly ASEAN)
are becoming hubs of manufacturing
along with the established Nays like
China.

Reasons for India being a Laggard in Manufacturing :

[I] Infrastructural bottleneck

- The hard infrastructure in India like ports, freight corridors, power, etc are in very bad shape as compared to other developing Asian countries

[II] Policy Logjam

- the decision making process is full of red-tape
- lack of political will.

[III] Land Acquisition Issues &

- Incongruence between Centre & States
e.g. in case of POSCO in Orissa

[IV] Environmental & Judicial Activism

- e.g. recently all the Coal blocks allocation from 1993 onwards (except 4) was cancelled by SC
- POSCO is facing environmental litigation

[V] RBI giving preference to controlling Inflation

- so it is unable to cut down the interest rates. Thus credit becomes costly.

(V) Supply-side bottlenecks

- some of the raw materials to manufacturing are regulated by archaic laws, eg. APMC Act.

(VI) Global slowdown.

Recommendation:

(i) The ~~the~~ Cabinet Committee on Investment must be re-invigorated and must be made effective.

(ii) Supply side bottlenecks should be solved
- this will decrease inflation (eg. food inflation can be controlled by better storage, procurement & distribution)
- low inflation will give RBI enough cushion to decrease interest rate.

(iii) Massive focus on Infrastructure creation during 12th FYP, using PPP

(iv) Transparency, Accountability, Fast Decision Making, Single Window Clearance,

(v) The NIMZ and SERs must be expedited

(vi) Land Acquisition must be made fast.

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 targeting:

— means that the main objective of the central bank is to contain the inflation with a particular, pre-defined range.

Recently, the Ministry of Finance has declared its intent to decide on the target range or target figure of the CPI (combined) for the RBI to achieve.

• This is in contrast to the Urjit Patel committee, which left it upon the RBI to decide on the CPI figure.

• In many advanced countries, inflation targeting has become the major objective of the central bank.

Recommendations of Vijit Patel Committee on Monetary Policy Framework

- (1) RBI must have the main objective of inflation targeting.
- (2) It should be within the range of $(4\% \pm 2\%)$
- (3) RBI must adopt CPI (combined) for targeting
- (4) The ideal roadmap is
By 2015 - 8% CPI (combined)
By 2016 - 6% ^
- (5) There must be a 'Monetary Policy Committee', under the chairmanship of the RBI Governor
 - it should decide on the monetary policy
 - It may have 2 independent directors
- (6) The Minutes of Meeting may be released after a gap of 2 weeks.

Present Scenario :

Ministry of Finance has in-principle adopted inflation targetting as the objective of RBI. However, the final authority of deciding the exact figure of inflation rate will rest with the Government and not with RBI.

Possible Concerns:

Inflation targetting is effective in those countries, which volatility in prices is low. But in India price fluctuations are high. So it is an obstacle to RBI.

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 न 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।

'The Comprehensive Financial Services to Small Businesses and Low Income Households' - Committee headed by Nachiket Mor has focussed upon Financial Inclusion.

However, in order to be a sustainable model, the committee feels that Financial Inclusion

models must be financially sound. The specialized products for low-income segment must be designed in a manner that it has financial viability.

A merely regulatory obligation would not ensure its success in the long term.

Challenges:

- (i) The conventional Brick & Mortar structure is very costly
 - If Banks have to open branches in rural or remote areas, then its operating cost may be higher than the profit.
- (ii) Financial Literacy is very low
 - only 40% population has some sort of bank account
 - with low financial literacy, people prefer to deal with local money lenders.
- (iii) New & specialized financial products would be needed.

- (iv) The Aadhaar Platform (OIAAI)
 has still not covered the whole population
 - Nachit Moh committee talked
 about Universal Electronic Account No,
 based on Aadhaar
 - without electronic identification
 financial inclusion is very difficult.

Way Forward:

- (i) Business correspondent model
 may be used
 - the local 'Kirana shop' owner
 can double up as BC.
- (ii) Micro ATM and white label ATM
 may be used
 - this will decrease the cost.
- (iii) Postal Bank of India should
 be started early
 - Post offices have infrastructure
 and remote areas
 - People are used to Post office

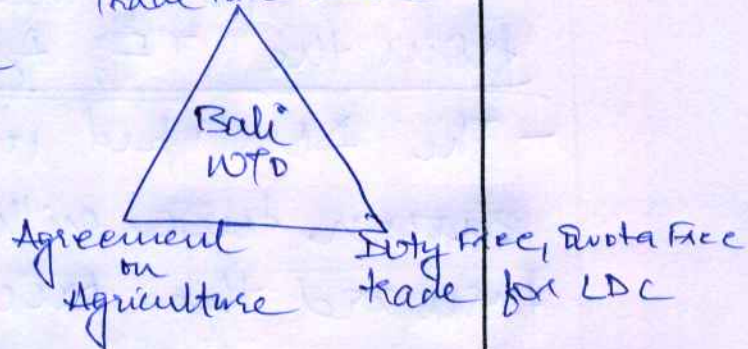
Conclusion:

To deal with poverty alleviation
 and to empower the marginalized, their
 financial inclusion is very essential.

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 is a champion of the cause of the G-33 or developing countries.

Trade Facilitation



Also, the problem of poverty, unemployment, nutrition is directly related with the issue of food security in most of the developing countries.

India's stand in the 9th ministerial conference of WTO, in December 2013 at Bali!

At Bali, India was assured of an interim arrangement for the clause of max 10% subsidy on the ~~Agri~~ Agricultural GDP, pending a permanent solution.

Based on this interim arrangement

and promise for an early negotiation for a permanent solution, India conditionally supported the Trade Facilitation Agreement. (TFA)

Reasons for India's recent withdrawal from the TF Agreement:

- The Developed countries have shown huge enthusiasm in carry forward the procedural aspect to implement the TFA
- But they have not shown any enthusiasm to solve the Agreement on Agriculture Issue.
- India had earlier demanded that the 1986-87 base year to compute the price is unjustified, as it does not incorporate the current inflation.
- Developed countries have shown no willingness to address this concern. Also they are not enthusiastic to cut down the subsidies that they give to their farmers.

Argument in favour of India's stand:

- As a champion of G-33, if India do not take the lead to address the concerns of developing countries, then it is a betrayal

- As part of social justice under DPSP, India is morally duty bound to give food security to its citizens. After NFS Act, it is a legal duty.

Argument Against India's stand:

(i) The very existence of WTO and multilateral Agreement is now threatened.

(ii) Huge proliferation of bilateral and regional agreements will take place.

(iii) TFA would have benefitted the world economy by \$400 bn and also Indian economy.

Conclusion: while the stand of India is genuine, it should have been taken after consulting the G-33 countries.

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:

It is a type of budgeting in which the allocation of resources for any program or plan has a special and dedicated component towards a particular gender (generally the female).

This is a way to ensure that the government becomes legally duty

bound to spend the dedicated amount towards the welfare of the women.

Bharatiya Mahila Bank:

was set up in 2013, whose main focus is for financial inclusion and empowerment of the women.

Some features:

- (i) The customers as depositors can be both male & female.
- (ii) However, credit will be given preferably to women folk, at special concession rate.
- (iii) It will encourage female entrepreneurship.
- (iv) It will also link-up with NGOs for skill upgradation and training of the women-SHGs, so that they can better avail the financial facility.

Argument in Favour: A Genuine Attempt

(i) By giving reservation in Gram Panchayat & Municipalities, women may have got political empowerment, but through this specialized Bank, they will get Economic Empowerment.



(ii) SHG - Bank linkage

- is a very successful mode in Bangladesh, run by 'Grameen Bank' of Mohammad Yunus.

- Mahila Bank by linking with the SHG will help in poverty alleviation and social empowerment.

Argument Against the Bank: A Symbolic Gesture!

(i) Nothing new in the Bank

- even the employees are from the established banks and are on deputation. So there is no change of mindset.

(ii) It is merely a 'reaction' to please the civil society after the 'Nishithaya' case in Delhi.

(iii) The seed amount is very less.

Conclusion: The idea is indeed very good. It is a good starting. But in order to make it a success on large scale, expansion of Mahila Bank across all towns of India is necessary. Also patriarchal mindset

must be changed through awareness campaign

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।

The 'March Rush' is a special feature of the Indian budget system.

Fearing that the grant would lapse on the 31st March, the public authorities rush to spend the allocated money in a haphazard manner. Even then lot of funds remain unspent.

Eg. the MGNREGS fund for the wages of manual labour are ~~unspent~~ not fully spent, even when the wage labourers have not got their wages for many months.

Issue of Outlay vs Outcome:

Since the budgetary system is outlay-centric, thus focus is more on spending the grant, rather than on the outcome. Without proper, accountability, transparency

and monitoring system in place, even the outlays are not properly spent. Thus it's an issue of both budgeting as well as performance.

Remedies suggested:

(i) Concurrent Performance Monitoring should be instituted

- the current financial audit done by CAG is reactive and not proactive or concurrent.
- with concurrent monitoring, the problem of March Rush will be reduced or eliminated.

(ii) Social Audit is necessary

(iii) Move towards Outcome-Based Budgeting

- thus instead of outlays, outcome will become important.

(iv) Long Term Planning & Budget Allocation

- in some important programs, instead of one fiscal year, at least 2 or more fiscal year should be treated as a single unit. Thus funds will not lapse in the first year itself.

In conclusion, it can be said that Good Governance requires an effective, efficient and economic delivery of services to the public. For this the Budgetary process must be restructured to focus on performance, rather than treating spending as an end-in-itself.

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 बहसे 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।

Synergy between Market & State Action:

Case 1:
The Deepak Mishra Committee on the Infrastructure Financing in the 12th FYP has recommended the pro-active involvement of the private sector (Market) to fund, develop and operate the infrastructure.

The 12th FYP, envisaged an outlay of approx US\$ 1 trillion for

infrastructure financing. About 48% of this amount must come from the private sector.

Case 2:

Recently, a World Bank's report has placed India among the league of developed nations like Japan & South Korea in effectively utilizing the PPP mechanism for attaining developmental goals.

These two cases aptly reflect the synergy that need to be harnessed between the market and the state action to secure the larger goal of socio-economic justice and good-governance for the people.

Areas where private sector can and has played a very vital role:

After liberalization of 1990, the market has become a major actor in ~~the~~ the Indian economy. While case like Satyam scam and Coal Block scam are a blot and

reflect crony capitalism and the evil face of the market, but there are many shining examples as well. Eg. the Delhi-Bangalore Highway built on PPP model, the new airports of Hyderabad and Bangalore etc.

(i) NMIZ

- The National Manufacturing Policy envisages that manufacturing should be ~~25%~~ 25% of GDP by 2025.
- For this private sector investment along with efficient government procedures will help in developing NMIZs.

(ii) DMIC & Dedicated Freight Corridor

- Many Japanese companies are eager to help India.

(iii) Hyderabad Metro:

Way Forward:

- (i) To address crony capitalism an effective and independent Competition Commission of India is needed.
- (ii) Regulatory Authorities must be fully autonomous and empowered.
- (iii) Accountable, transparent corporate governance and honest government with political will is needed.

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।

FSLRC has developed a draft Indian Financial Code (IFC)

which ~~is~~ seeks to replace the multiplicity of laws in the financial sector with one umbrella law.

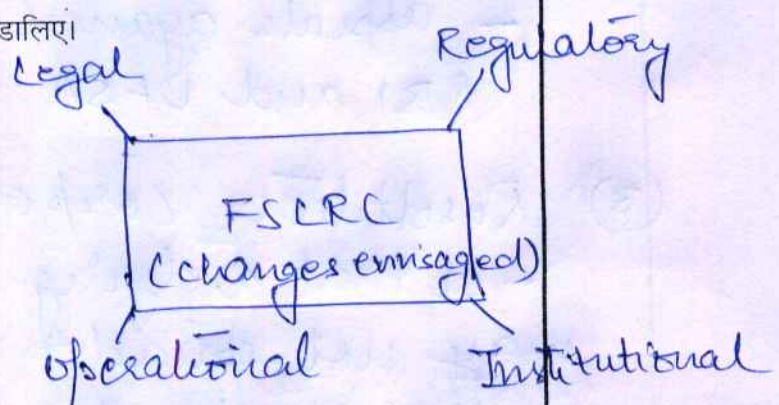
It envisaged new institutions. FSLRC has put customer interest at the center of its recommendation. It was headed by Justice Srikrishna.

Recommendation: (Regarding legislative changes)

(i) There should be only two Regulatory bodies in the financial sector

• RBI ← Monetary Policy
Banking regulation
Payment system

• Unified Financial sector Agency (UFSA) } subsume ← PFRDA
SERI
IRDA
FMC etc.



- (2) A Financial Sector Appellate Authority must be created
- it will subsume SAT
 - appeals against the decision of RBI and DFSA will be with it.
- (3) Resolution Corporation
- so that a dying company's risks may not spread to the whole system
 - the equity stakeholders will be held responsible.
- (4) Financial Redressal Agency
- It's a one stop agency where the customers can complain about their grievances.
- (5) A Public Debt Management Office:
- the RBI will be shelved off from the debt management of the govt.
- (6) National Financial Data Center.
- Recommendation ~~is~~ Not requiring Legislative changes:
- FSLRC has made recommendation for good governance and better

corporate governance practices. The Financial Stability & Development Council (FSDC) has decided in 2019 that all financial sector regulators will adopt this non-legislative governance improvement code.

Conclusion:

A reformed, simplified and restructured financial system is the need of the hour after economic slowdown in the west and for customer interest.

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।

The Aviation sector in India is marked by several challenges: some of them are:

- (i) Worst hit sector after economic slowdown
- (ii) Huge Aviation fuel tax charged by the state government.
- (iii) Mal-governance of the aviation companies, leading to systemic stress in the sector
e.g. Kingfisher airlines, Air India

- (iv) Issue of passengers safety
- (v) Policy confusion by the government
- (vi) Issue of autonomy of the Director General of Civil Aviation (DGCA).
- (vii) Sub-standard infrastructure of the Airports.

Strategies to be employed to make India a global leader in Aviation sector

- (i) Replace the DGCA with a professional, independent and autonomous Civil Aviation Authority (CAA)
- (ii) Bring the Aviation fuel under the Essential Commodity Act, so that it may attract the state VAT of 5%.
 - more than 50% of the operational cost of the aviation in India is that of the fuel cost itself.
 - if the sector grows, then due to increase in volume, the loss of the revenue of the states will be offset.

- (iii) A Non-Nonsense or Zero-Tolerance Approach towards any ~~the~~ issue in Passenger safety.
- (iv) Develop the B-Towns airports in PPP mode
- this will increase the domestic traffic
- (v) Airport operation and maintenance must be professionalized and PPP model may be used
- passenger amenities and better services will attract customers.
- (vi) Professionalize Air India
- with Govt support, the dying Air India is surviving. While it is essential, but better accountability and a roadmap for transformation must be instituted
- Also its management must be professionalized and a MOU must be signed for objective performance analysis.
- (vii) The loans given to the aviation sector may be re-structured for genuine borrowers

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 a case of mix-bag :

Successes:

- (i) The re-invigoration of the Mumbai and Delhi Airports.
- (ii) The highly successful Delhi-Burgaon Toll Bridge/Highway
- (iii) CMP project by Tata Power
- (iv) The greenfield airports of Bangalore and Hyderabad.
- (v) Sewage and garbage treatment in Bangalore.

Failures:

- (i) The Delhi-Noida toll bridge - the concession agreement was heavily biased in favour of the concessioners. Thus government has lost a lot of revenue on it.

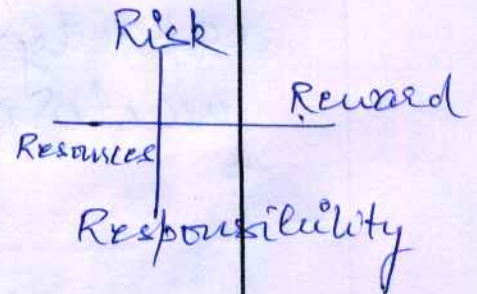
(ii) ~~In Delhi~~
The oil and gas exploration ~~in K & D~~ basin has attracted a lot of criticism for the

'Goldplating'

(iii) the Airport metro Express in Delhi is a big failure

Various Challenges:

(i) The improper allocation of



(ii) Lack of capacity in framing the concession agreement by the Government.

(iii) No proper due-diligence and lack of proper forecast about the potential volume of demand.

(iv) Lack of transparency and accountability — as CAG 'yet' cannot audit PPP.

(v) Problem of Policy Logjam & Red Tape.

(vi) Long-term project financing is difficult by commercial banks — due to mismatch of asset-liability.

(vii) Rising NPAs of the banks due to economic slowdown — thus financing becomes all the more difficult.

Way forwards:

- More institutions like India Infrastructure Finance Corporation Ltd (IIFCL) must be created.
- Planning Commission must ensure capacity building in the state machinery.

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।

Railways employs more than 10
lakh employees. It has
- economic
- social
- strategic
functions.

Moreover, in terms of safety standards, things are in very poor condition.

Safety Dimensions:

- (1) Rising number of train collisions
- eg. recently near broadapur.
- (2) Rising incidents of internal fire
- eg. recent in Nellore (A.F.)
in the T.N. express
- (3) Accidents due to unmanned crossings
- eg. in Bihar, recently a large number of pilgrims were crushed to death.
- (4) Age-old platform and railway station infrastructure, leading to many fatal accidents
- eg. in 2013, during MahaKumbh in Allahabad, an over-bridge collapsed leading to many deaths.
- (5) Safety of women
- women are regularly harassed
- it's difficult for women to travel alone
- (6) Safety of children, ~~and~~ Old Age people and Differently Aabled people
- the design is not conducive to their requirement.

(T) Safety of manual scavengers who are the employees of the Railway itself -

Way forwards:

- The Commissioner of Railway Safety should be made an independent and statutory body. ~~The Railway~~
- The Railway Budget must have a separate sub-plan for railway safety.
- Modern Technology should be utilized for detecting the possibility of collision and Automation should be done for automatic control.
- Fire-Extinguisher must be installed in all coaches along with fire detector alarms.
- RPF must ensure that more women are recruited. Special cell for women safety is needed.
- All unmanned crossing should be manned.
- Old infrastructure should be re-viguated.
- Manual scavenging should be stopped and technology should be used.

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।

Rational energy pricing has two effects:

- Micro-level - consumers are incentivised to use it effectively
- Macro-level - fiscal deficit is in control:

Steps taken by government:

(I) Coal Sector

- Integrated Energy Pricing is now used.
- Now Gross calorific value (GCV) is used instead of Useful Heat Value (UHV)
- this will increase the prices of coal

(II) Petroleum Oil

- Administered price mechanism is dismantled
- Petro is fully deregulated
- Diesel prices can be increased by 50 paise/month.

III] LNG / Gas.

- The New Exploration Licensing Policy is used.
- Also as per C-Rangrayan Committee formula an average of Import Price of LNG + International Price at different Gas Exchange will be used to determine prices in India.

IV] Electricity Price

- Govt has launched an incentive scheme for State Distribution Companies.
- The condition is that they will have to increase their prices in a rational way.
- State/Central Electricity Commission is now an Authority to determine the electricity charges.

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?

BOT Model

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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.

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।

Elements of NLRP 2013 : Arguments in Favour

- (i) National Land Records Modernization Program

— It should be completed by ~~2013~~ end of 12th FYR.

— It will help in achieving conclusive title from the present presumptive title.

- (ii) Land Leasing

— It will help in the mobility of the people from rural to urban areas

— also all the land will be utilized for grain production

— the landless labourers will get more agricultural employment opportunity.

(iii) Contract Farming:

- The production risk will be shared by the farmer
- price risk will be shared by the company
- farmers thus get an implicit insurance, better payment, technology etc.

Argument Against the over-enthusiasm about this Policy:

(i) ~~*~~ One of the main problem is that the APMC Acts has created a multiple layer of intermediaries and has disincentivized commercial farming.

- But APMC Act is within the domain of state Govt.

(ii) Issue of capital formation in Agriculture Sector

- Only about 15% of the total public expenditure in agriculture is in form of investment, rest is subsidy.

(iii) Problem of Small Marginal Farmers
→ is very different

(iv) Issue of Extension service

(v) Green Revolution is now saturated.

(vi) MSP has unduly incentivized cereals at the cost of Horticulture, Floriculture

(vii) Not enough focus on Agro-processing & ^{Animal} Husbandry

Conclusion: Thus an integrated approach is needed to solve the problem.

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 सुझाए।

Reasons:

(i) Highly fragmented land holding
- 80% of land holding is marginal & small

(ii) Problem of credit

(iii) APMC Act is acting as obstacle
- due to multiple layers of intermediaries and huge corruption

- of the 'mandis' due to monopoly.
- (iv) Land records are not modernized
- so contract farming and leasing
becomes very difficult.
 - (v) 65% of the Agrable land is unirrigated
- so it depends upon the vagaries
of the nature.
 - (vi) Inadequate Insurance of Crops.
 - (vii) MSP has disincentivized the
high growth areas like Horticulture,
Aquaculture, Fishery, Poultry.
 - (viii) Lack of Cold Storage, Godowns,
Market Curbage.

Measures:

- (i) Reforming APMC Act, in tune with
the Model APMC Act 2003 is a need
of the hour.
- eg. the ITC- eChoupal has
benefitted the farmers of M.P.
in many ways.
- (ii) An 'evergreen revolution' approach
is needed.

- organic farming, bio-fertilizers etc.

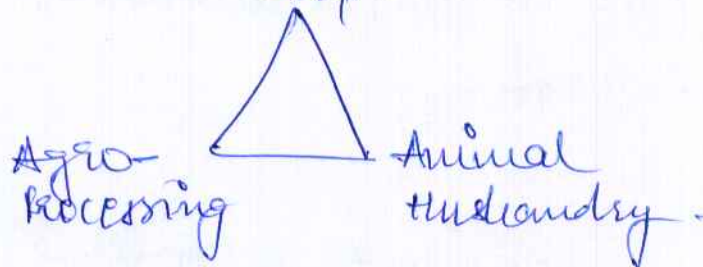
(iii) Sustainable and Climate Resilient Agricultural practices

- ICAR should frame new varieties of seeds.

(iv) Better R&D and Extension services.

(v) Use of micro-irrigation & sprinkler irrigation in rain-fed areas.

(vi) Integrated Farming Approach



(vii) More public investment in capital asset and targeting the subsidy effectively.

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।

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।

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।

Strength of cooperative & contract farming:

- (i) In cooperative farming, the pooling of the fragmented land takes place, without changing the ownership pattern.
— this increases productivity
- (ii) Bank credit becomes easy
- (iii) It is easier for NBWs to train the small farmers as members of cooperative in agricultural marketing
- (iv) Marketing becomes viable only when economies of scale is there * cooperative provides that.

Weakness:

- (i) Cooperatives have mostly failed in India except for rare exception of milk cooperatives of Gujarat.

- due to politicization of cooperatives
- too much bureaucratic interference
- small farmers feel marginalized.

Strength of Contract Farming:

- The 'market' is assured by the sponsoring company
- price risk is not there.

Weakness:

- the production risk is still with the farmer
- the bargaining power of the small farmers is very less as compared to big companies.

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?

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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।

- In 2004-5, the investment as a % of total expenditure on agriculture was = 25%.
- In 2011-12 it has become = 15%.

Thus gross capital formation in terms of

- roads
- irrigation facility
- power etc is very low as compared to subsidies.

IM targeted subsidies :

The ideal ratio of N:P:K fertilizers

is 4:2:1

But in India the ratio used

is 8:2:3.2:1

• Thus there is a huge wastage in terms of financial resources.

• Also excessive use of urea has led to soil salinization.

- Free or cheap electricity has led to water table going down below dangerous levels
- also unsustainable agriculture is practiced like Rice cultivation due to huge MSP. Every year due to political pressure MSP is increasing :

What India really needs is :

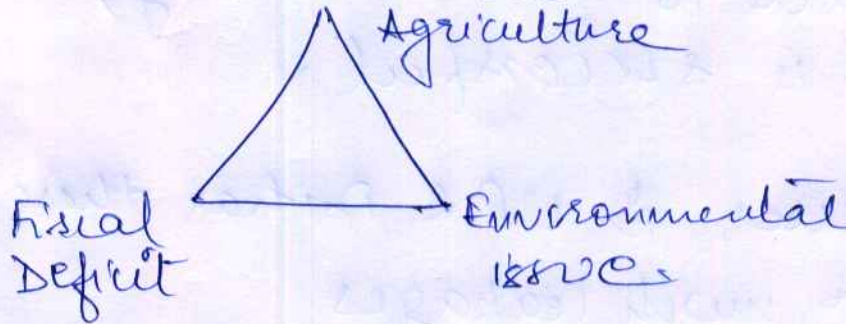
- 1) Investment in Food Processing sector
- 2) In cold storage, reefer vans, godowns etc.
- 3) Investment in Poultry, sector, Horticulture sector etc.

• The growth rate of allied sector is 1.5 times than that of crop based agriculture.

• Also sectors like poultry are increasing at a rate of 17.1% per annum.

4) we need better Irrigation facility.

Thus lopsided subsidy will lead to
unsustainable



To achieve 4% growth rate, in
agriculture we need more investment.

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।

In states like Madhya Pradesh, almost 90% of population is covered by TPDS. But due to use of technology, and involvement of community in running the Fair Price shops, the TPDS is very successful.

Also there, pulses & iodized salts too are covered.

Even in Himachal Pradesh due to involvement of Gram Sabha and due to Accountability, TPDS is successful.

However, in UP & Bihar there are too much leakages

— as FPS is run by private sector

— accountability & transparency is not there

— lack of political will.

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।

with the National Food Security Act, the ~~same~~ difference between the Economic Cost of procurement and the Issue price has increased too much.

Also, the Infrastructure requirements like

- godowns
- transportation
- manpower

has increased substantially

But most important factor is the leaky and inefficient nature of PDS operation

This all makes PDS unsustainable and a restructuring is the need of hour.

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।

Farmers in India suffer from multiple insecurities like

- (i) Crop failure
— lack of adequate crop insurance
- (ii) Low productivity
- (iii) Low remuneration due to rigid APMC Act.
- (iv) Problem of debt and farmers suicide.

(v) Commercialization of Agriculture, leading to more fluctuation in the prices.

(vi) saturation of the HYV technology and Green Revolution.

Thus Food security, although a rights based guarantee cannot be practically ensured if the very feeding agency i.e. farmers are not secured.

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।

11th FYP : Rate of Growth of Agriculture
= 3.6%

~~: Rate of Growth of Livestock
Sector~~

However, Rate of Growth of
Poultry Sector = 17%

This much growth is not even
attained by the Industry.

The contribution of Livestock sector
in Agricultural GDP is about 25%,
but the kind of investment it
has attracted is very meagre.

Merits of Livestock sector over
Crop-based Agriculture

- (i) The livestock are much more
equally distributed as compared
to land.
- (ii) It benefits the landless and
marginal farmers the most.

- (iii) It empowers the women folk. as they are mostly engaged.
- (iv) with shift in food diet towards more protein-based food
— livestock sector can play a big role.
- (v) In rainfed areas, problem of poverty can be better addressed by livestock.

The National Commission on Farmers 2002 has recommended an 'Integrated Farming' with crop-livestock combined.

Challenges:

- Problem of infrastructure
 - cold storage, processing etc
- problem of fodder & feed.
- low productivity.
 - need for exotic varieties.

- Lack of finance / credit & market linkage
- Lack of veterinary clinics.
- Lack of proper Animal Extension centers

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।

The processing in India is only 6% at present, whereas in developed countries it is about 80%.

Challenges:

- (i) Lack of an integrated Farm-to-Plate Approach
 - it needs both backward and forward linkages.

(ii) ~~Lack~~

- (ii) Lack of infrastructure
- cold storage, abattoirs,
processing centers
- (iii) Lack of capital & credit -
- (iv) Lack of trained Human
Resources.
- (v) Lack of Extension services
- (vi) Lack of safety standards
- e.g. recently Europe banned
mangos from India on
sanitary & phytosanitary
considerations.

way forward :

It is important to realize that
Food Processing grows 1.5 times
more faster than Agriculture.

- i) Implement National mission
on Food Processing in both
letter & spirit.

- (ii) Use Area based approach to develop sub-sectors (cluster Approach) e.g. Malihalad in U.P. for mangoes.
- (iii) Better R&D and extension service.
- (iv) A Hub & Spoke model for faster success.
Hub = central processing unit
spoke = primary processing unit
- (v) Better infrastructure
- cold storage, packaging.
- (vi) credit facility.

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

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