

# GS SCORE

An Institute for Civil Services

## SUMMARY & ANALYSIS *of*

# UNION BUDGET

**2023-24**

*for*

**Civil Services  
Examination**



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## Key-Terms in Budget

1. **Agriculture Accelerator Fund:** This fund would seek to fast-track agricultural entrepreneurial activity in a country where a little less than half the workforce is employed in agriculture which brings in about 18 per cent of GDP (gross domestic product).
2. **Annual Status of Education Report (ASER):** The Annual Status of Education Report, or ASER, is an annual, citizen-led household survey that aims to understand whether children in rural India are enrolled in school and whether they are learning.
3. **Aspirational Districts Programme:** The government launched the Aspirational Districts Programme in 2018. It aims to effectively and quickly transform 112 most under-developed districts across India.
4. **Anemia:** It is a condition in which you lack enough healthy red blood cells to carry adequate oxygen to your body's tissues.
5. **Capex:** The money that the government spends on developing buildings, machinery, equipment, schools, and other infrastructure is known as capital expenditure. Additionally, it covers the costs made by the government for investments that will generate profits or dividends in the future, such as land acquisition costs.
6. **Direct Equity Investment:** A direct equity investment is one in which an investor receives shares of a company directly from the stock market.
7. **Direct taxes:** These are taxes paid directly to the party that levied them. For example- Income Tax.
8. **DigiLocker:** DigiLocker is an Indian digitization online service provided by Ministry of Electronics and Information Technology, Government of India under its Digital India initiative. DigiLocker aims at 'Digital Empowerment' of citizen by providing access to authentic digital documents to citizen's digital document wallet.
9. **Ecotourism:** It encompasses nature-based activities that increase visitor appreciation and understanding of natural and cultural values.
10. **Effective Capital Expenditure:** With capital expenditure taken together with the provision made for creation of capital assets through Grants-in-Aid to States, the 'Effective Capital Expenditure' of the Central Government is estimated.
11. **Epigraphy:** It is the study of written matter recorded on hard or durable material. The Budget proposes to set up Bharat Shared Repository of Inscriptions' in a digital epigraphy museum.
12. **Eklavya Model Residential Schools (EMRS):** EMRS is a scheme for making model residential schools for Indian tribals (ST- Scheduled Tribes) across India. It started in the year 1997-98.

13. **Financial technology (Fintech):** It is used to describe new tech that seeks to improve and automate the delivery and use of financial services.
  - At its core, fintech is utilized to help companies, business owners, and consumers better manage their financial operations, processes, and lives by utilizing specialized software and algorithms that are used on computers and, increasingly, smartphones.
14. **GIFT City:** It is an international financial services hub conceptualised in 2008. It is central business district under-construction in Gandhinagar and Ahmedabad in Gandhinagar district in Gujarat, India.
15. **Gross fiscal deficit (GFD):** It is the excess of total expenditure including loans net of recovery over revenue receipts (including external grants) and non-debt capital receipts. The net fiscal deficit is the gross fiscal deficit less net lending of the Central government.
16. **Harmonized Master List of Infrastructure:** The Harmonized Master List of Infrastructure acts as a guide to all agencies involved in the field of infrastructural development and financing in the country.
17. **Indirect tax:** It is the tax levied on the consumption of goods and services. It is not directly levied on the income of a person. For example- Service tax, Excise duty, Value Added Tax (VAT), Custom duty, Stamp duty, etc.,
18. **Primary Agricultural Credit Society:** It is a basic unit and smallest co-operative credit institutions in India. It is a village-level institution that works directly with rural residents. It encourages agriculturists to save, accepts deposits from them, makes loans to deserving borrowers, and collects repayments.
19. **Particularly vulnerable tribal groups (PVTGs):** PVTG are identified by the Government of India as the primitive group of tribals for the convenience of delivering the services through different policies and interventions. The PVTGs in India were first identified by the Dhebar Commission (1973). The tribes identified as PVTG show the following salient features:
  - Homogenous in an entirety
  - Constitutes a small population
  - Physically isolated
  - Specific language script is not available in written form
  - Deprived of the latest developments and are not prone to changes
20. **Lab Grown Diamonds (LGD):** LGDs can be created in a lab over a period of only a few weeks through two processes:
  - High Pressure-High Temperature (HPHT)
  - Chemical Vapor Deposition (CVD)
21. **Municipal Bond (muni):** A municipal bond (muni) is a debt security issued by a state, municipality, or county to finance its capital expenditures, including the construction of highways, bridges, or schools. Uses: Through muni bonds, a municipal corporation raises money from individuals or institutions and promises to pay a specified amount of interest, and returns the principal amount on a specific maturity date.

22. **MSME (Micro, Small, and Medium Enterprise):** The term was introduced by the Government of India in agreement with the Micro, Small & Medium Enterprises Development (MSMED) Act, 2006. MSME is initiated and managed under the Ministry of MSME (MoMSME) are entities engaged in the production, manufacturing, processing, or preservation of goods and commodities.
23. **Scheduled Tribes:** Article 366 (25) defined scheduled tribes as “such tribes or tribal communities or parts of or groups within such tribes or tribal communities as are deemed under Article 342 to be Scheduled Tribes for the purposes of this constitution”.
24. **Semiconductors:** They are crystalline or amorphous solids that have electrical conductivity opposite at temperatures to those of metal, higher electrical resistance than typical resistant materials, but still of much lower resistance than insulators.
25. **Tax deductions:** Tax deduction refers to claims made to reduce taxable income, arising from various investments and expenses incurred by a taxpayer. Thus, income tax deduction reduces overall tax liability. It is a kind of tax benefit which helps to save tax.
26. **Virtuous cycle:** A virtuous cycle, or “circle” refers to a chain of events, in which a beneficial action leads to various desirable outcomes in a repeating pattern.

### Schemes discussed in the Budget

- |  |  |
|--|--|
| ■ MISHTI scheme  | ■ Unity Mall’ in State capital             |
| ■ Atmanirbhar Clean Plant Programme                                  | ■ ‘One District, One product’              |
| ■ Agri Accelerator Fund  | ■ PM Vishwa Karma Kaushal Samman           |
| ■ PM Awaas Yojana  | ■ PM Garib Kalyan Ann Yojana               |
| ■ Digital Library for Children, Adolescents                          | ■ PM Jan Dhan Yojana                       |
| ■ Agriculture Accelerator Fund                                       | ■ Indian Stack and UPI                     |
| ■ PM Mastya Sampada Yojna  | ■ Pan India National Apprenticeship Scheme |
| ■ Digital public infrastructure                                      | ■ PM Azaz Yojana                           |
| ■ Badra project  | ■ GOBARdhan scheme                         |
| ■ Pradhan Mantri Primitive Vulnerable Tribal Group (PMPVTGS) mission | ■ National Financial Information Registry  |
| ■ PMPBTG Development mission   | ■ UDAAN scheme                             |

\*\*\*\*\*



# SUMMARY

Finance Minister Nirmala Sitharaman presented Union Budget 2023 in Parliament. Sitharaman began by calling this the **'first Budget of AmritKaal'** and a **blueprint for India @ 100**. The Budget has seven priorities, which she called the

## Aims of Budget 2023 to include:

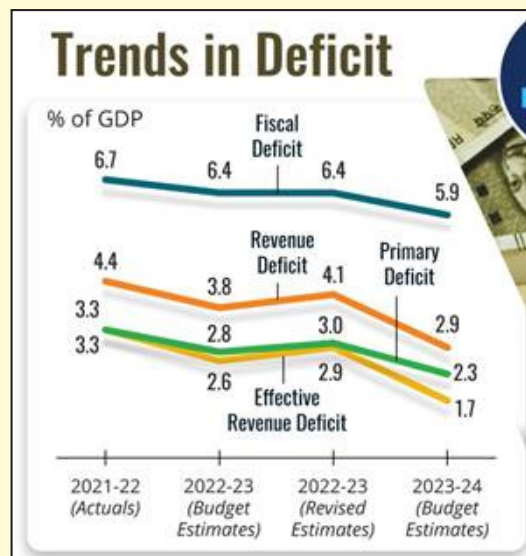
- Facilitating ample opportunities for citizens, especially youth
- Providing strong impetus to growth and job creation
- Strengthening macro-economic stability
- To aim for the empowerment of women in Budget 2023
- To enable women self-help groups to reach next stage of economic empowerment
- To help self-help groups with raw material supply, branding and marketing of products

## The numbers (in brief)

- **Fiscal deficit projection:** Fiscal deficit projected to come down to 4.5% in 2025-26. The Finance Minister has stayed on the path of fiscal consolidation, budgeting to bring the deficit down from 6.4 per cent of GDP in 2022-23 to 5.9 per cent in 2023-24. The deficit is projected to come down to 4.5 per cent in 2025-26.
  - Gross market borrowing seen at Rs 15.43 lakh cr in FY24
  - Net market borrowing in FY24 seen at Rs 11.8 lakh crore
  - FY23 net tax receipts revised estimate stands at Rs 20.9 lakh crore
  - FY23 total expenditure revised estimate stands at Rs 41.9 lakh crore
  - FY23 revised estimate of total receipts other than borrowing at Rs 24.3 lakh crore
  - FY24 net tax receipts seen at Rs 23.3 lakh crore
- Government targets gross borrowing of 15.43 trillion rupees in 2023/24. Net market borrowings seen at 11.8 trillion rupees.

## Budget follows seven priorities:

- Inclusive development
- Reaching the last mile
- Infrastructure and investment
- Unleashing the potential
- Green growth
- Youth power
- Financial sector

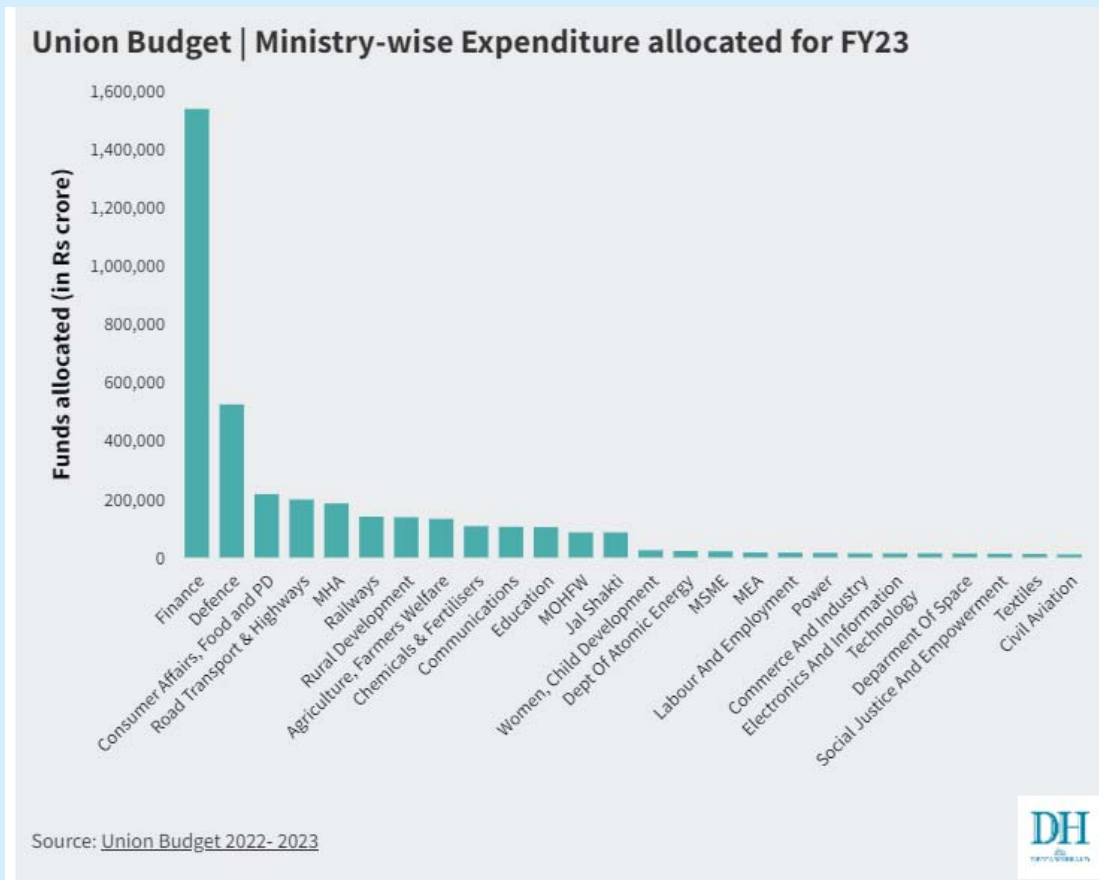




- **Real GDP growth rate:** The budget does not put out real or inflation-adjusted GDP growth projections. However, the Economic Survey for 2022-23 forecast a real GDP growth rate of 6.5 percent, in a range of 6-6.8 percent, for the next financial year.
- **Capital Investment:** The allocation for capital expenditure has been pegged at Rs 10 lakh crore in 2023-24, up from Rs 7.5 lakh crore in 2022-23. The Finance Minister has also extended the facility of an interest-free loan to states for capex.

## Total Budget Estimate

A total budget estimate of Rs 39.4 lakh crore was allotted to ministries in FY23.



The below Summary is a short, concise, and arranged version of the Budget 2023.





## INFRASTRUCTURE

- **Urban Infrastructure Development Fund:** Like Rural Infrastructure Development Fund (RIDF), Urban Infrastructure Development Fund will be set up for the use of priority sector lending shortfall.
  - ▶ It will be managed by National Housing Bank (NHB).

- **Sustainable Cities of Tomorrow:** States and cities will be encouraged to undertake urban planning reforms and actions to transform our cities into 'sustainable cities of tomorrow'. This means efficient use of land resources, adequate resources for urban infrastructure, transit-oriented development, enhanced availability and affordability of urban land, and opportunities for all.
- **Capex spending** to continue in public infrastructure such as roads, water, metro, railways, defence, digital infrastructure, and green technologies
  - ▶ Roads and Railways have been central to the government's capital expenditure push and had seen additional capital outlays in the last few budgets.
  - ▶ FM also announces 50 additional airports, water aerodromes, landing grounds to be revived for regional air connectivity. This should offer additional push to the regional connectivity scheme, which started with the **UDAAN scheme**.

**INVESTMENT IN INFRASTRUCTURE AND PRODUCTIVE CAPACITY**

**GROWTH AND EMPLOYMENT MULTIPLIER**

-  **Increase in capital investment outlay by 33.4% to ₹10 lakh crore**
-  **Infrastructure Finance Secretariat to assist stakeholders for more private investment in infrastructure**
-  **Urban Infrastructure in Tier 2 and 3 cities via establishment of UIDF\***
-  **Continuation of 50-year interest free loan to State Governments**

\*UIDF: Urban Infrastructure Development Fund

## **RAILWAYS:**

- **Allocation:** The Union Budget has proposed a record budgetary allocation of ₹2.40 lakh crore for the Indian Railways.
- With increased passenger expectations, the Railways are planning to refurbish more than 1,000 coaches of premier trains such as **Rajdhani, Shatabdi, Duronto, Humsafar and Tejas**.
  - ▶ The interiors of these coaches will be improved with a modern look and for enhanced passenger comfort.

The **Economic Survey 2023** has said that the next 10 years will see a very high level of capital expenditure in the railway sector as capacity growth has to be accelerated, so that by 2030 it is ahead of demand.

## **AGRICULTURE:**

- **Agriculture Accelerator Fund:** The fund would be set up to encourage agri-startups by young entrepreneurs.
- **Digital public infrastructure** to be developed for the agriculture sector
- **Agricultural credit target:** The target will be increased to Rs 20 lakh crores with a focus on animal husbandry, dairy and fisheries

- **Fund:** Agriculture and rural start-ups will receive funds from NABARD.
- **Bhartiya Prakritik Kheti Bio-Input Resource Centres:** Over the next 3 years, 1 crore farmers would be facilitated to adopt **natural farming**.
  - ▶ For this, 10,000 **Bio-Input Resource Centres** will be set-up, creating a national-level distributed micro-fertilizer and pesticide manufacturing network.
- **Fisheries:** To launch sub-scheme under **PM Mastya Sampada Yojna** with outlay of Rs 6,000 crore to further enable activities of fishermen
- **Indian Institute of Millet Research** will be supported as a centre of excellence
- **Agricultural credit societies:** The government have initiated computerisation for 63,000 primary agricultural credit societies with an investment of Rs 2,516 crore.
- **Sustainable micro-irrigation:** In drought-prone central regions of Karnataka, central assistance of Rs 5,300 crore to be given to upper **Badra project** to provide **sustainable micro-irrigation**.
- **Atmanirbhar Horticulture Clean Plant Program:** Rs 2200 crore for high value horticulture
- **Cooperation:** For farmers, especially small and marginal farmers, and other marginalised sections, the government is promoting cooperative-based economic development model. A new Ministry of Cooperation was formed with a mandate to realise the vision of '**Sahakar Se Samridhi**'
- **PM-PRANAM:** "PM Programme for Restoration, Awareness, Nourishment and Amelioration of Mother Earth" will be launched to incentivize States and Union Territories to promote alternative fertilizers and balanced use of chemical fertilizers.

## EDUCATION

- **National digital library:** A national digital library for children and adolescents will be set up for providing access to quality books to children across the country.
- The announcement comes against the backdrop of findings in the latest **Annual Status of Education Report (ASER)** that






### AGRICULTURE AND COOPERATIVES

#### INCLUSIVE DEVELOPMENT

-  **More Credit to Agriculture Sector: 186 lakh cr in FY22**
-  **Agriculture Accelerator Fund to encourage Start-Ups in rural areas**
-  **Atmanirbhar Bharat Horticulture Clean Plant Program to boost production of high value horticultural crops**
-  **₹20 lakh cr credit for Animal Husbandry, Dairy and Fisheries sector**
-  **Additional storage capacity for farm produce**
-  **Support to making India a Global Hub For Millets: 'Shree Anna'**

### ACCESSIBLE EDUCATION AND SKILLING

#### INCLUSIVE DEVELOPMENT

-  **Enhanced Education Expenditure: 2.9% of GDP in FY23**
-  **Revamped Teachers' training via District Institutes of Education and Training**
-  **National Digital Library to be set up for children and adolescents**
-  **States will be encouraged to set up physical libraries at Panchayat and ward levels**
-  **PMKVY 4.0 to be launched to skill lakhs of youth**

the reading abilities of school children have reduced significantly during the pandemic years due to disruptions in the regular classroom teaching-learning process.






- **Eklavya Model Residential Schools:** In the next three years, centre will recruit 38,800 teachers and support staff for the 740 Eklavya Model Residential Schools, serving 3.5 lakh tribal students.

## HEALTH

- **Nursing Colleges:** 157 new nursing colleges will be established in co-location with the existing 157 medical colleges established since 2014.
- **Mission to eliminate sickle cell anemia by 2047:** A mission has been announced to eliminate sickle cell anemia by 2047, which will include universal screening of seven crore persons between the ages of 0 and 40 years in affected tribal areas.
  - ▶ The announcement comes as India is racing towards elimination of infectious diseases, such as
    - tuberculosis by 2025
    - kala azar by 2023
    - lymphatic filariasis by 2027
- **Ayushman Bharat-Pradhan Mantri Jan Arogya Yojana (AB-PMJAY):** The government has proposed to increase the allocation to AB-PMJAY to Rs 7200 crore, and allocate Rs 646 crore to the Ayushman Bharat Health Infrastructure Mission (PM-ABHIM).

**AFFORDABLE  
HEALTH FOR ALL**

**INCLUSIVE DEVELOPMENT**

-  **Enhanced Health Expenditure: 2.1% of GDP in FY23**
-  **Sickle Cell Anaemia elimination Mission to be launched**
-  **157 New Nursing Colleges to be established**
-  **Joint Public and Private Medical Research to be encouraged via select ICMR labs**
-  **New Programme to promote research in Pharmaceuticals to be launched**

## TRIBAL WELFARE

- **Pradhan Mantri Primitive Vulnerable Tribal Group (PMPVTGS) mission** is been launched to improve socio-economic condition on PMPVTGS.
- To improve social-economic condition of the Particularly Tribal Groups, **PMPBTG Development mission** will be launched, to saturate PBTG habitations with basic facilities.
  - ▶ Rs 15,000 cr to be made available to implement scheme in next 3 years

## INCOME TAX

- The new tax regime would be the default, while taxpayers would still have the option of the old regime. The slabs under the new tax regime have been tweaked. The government has increased the income tax rebate limit from Rs 5 lakh to Rs 7 lakh under the new tax regime.

The new tax rates are as follows:	Under the old tax regime, the rates are:
<ul style="list-style-type: none"> <li>■ Rs 0 to Rs 3 lakh – Exempt</li> <li>■ Rs 3 to 6 lakh - 5%</li> <li>■ Rs 6 to 9 lakh - 10%</li> <li>■ Rs 9 to 12 lakh - 15%</li> <li>■ Rs 12 to 15 lakh - 20%</li> <li>■ Above Rs 15 lakhs - 30%</li> </ul>	<ul style="list-style-type: none"> <li>■ Income till Rs 2.5 lakh – Exempt</li> <li>■ Rs 2.5 to Rs 5 lakh - 5%</li> <li>■ Rs 5 lakh to Rs 7.5 lakh - 15%</li> <li>■ Rs 7.5 lakh to Rs 10 lakh - 20%</li> <li>■ Above Rs 10 lakh - 30%</li> </ul>

## BANKING

- The FM has also proposed certain amendments in the banking Acts, RBI Acts to improve governance in the banking sector and enhance investors' protection.
- No word on bank privatisation.

### Micro, small and medium enterprises (MSMEs)

- In a big relief to Covid-hit micro, small and medium enterprises (MSMEs), the Credit Guarantee Scheme for MSMEs will be extended with an infusion of Rs 9000 crore.
  - ▶ This will enable collateral for Rs 2 lakh crore loans to MSMEs.
  - ▶ This is expected to boost fund flow to the distressed and fund-starved MSME sector. The proposed scheme will take effect from April 1, 2023.
- The scheme will give comfort to banks which are normally reluctant to lend to MSMEs in the absence of proper collateral.

## DATA

- **National data governance framework:** Budget proposes framework for access to anonymised data. **National data governance framework** will be brought out to enable access to anonymised data.
  - ▶ Last year, MeitY had released a draft of this policy under which non-personal data housed with the Centre will be shared with Indian start-ups and researchers.
  - ▶ Private companies will be "encouraged" to share such data with start-ups.
- **Data Embassy:** For countries looking for digital continuity solutions, we will facilitate setting up of their Data Embassies in GIFT IFSC.
- **Central Data Processing Centre:** The Centre will be setup for faster response to companies through centralized handling of various forms filed with field offices under the Companies Act.

## DEFENCE

- Increased allocation for the procurement of advanced weapons systems, military hardware, and equipment.



- Measures to promote indigenous defense production, such as tax incentives or subsidies for domestic manufacturers.
- Investment in research and development to develop new technologies and products for the defense sector.
- Measures to support the development of a skilled workforce and the growth of the defense-related industries.
- Increase in allocation for infrastructure development, which will help in overall growth of the economy and boost the demand for defense-related products.
- Measures to improve the overall affordability of defense equipment for consumers, such as reducing import tariffs on defense-related products.

## ENERGY SECTOR (GREEN GROWTH)

Green hydrogen, clean energy storage and transmission are the key drivers of the government's "Green Growth" priority sector.

- **National Green Hydrogen mission:** With an outlay of Rs 19,700 crore, the mission will facilitate the transition of the economy to low carbon intensity, reduce dependence on fossil fuel imports and make the country assume technology and market leadership
- **Energy transition investment:** The FM has announced an outlay of Rs 35,000 crore for energy transition investment.
- **Battery storage capacity:** The government will support setting up of battery storage capacity of 4,000 MWH in India with viability gap funding. The aim is to touch green hydrogen production of 5 million tonnes by 2030.

- **Green credit programme:** A green credit programme will be notified under the Environment Protection Act.
- **GOBARdhan scheme:** 500 new 'waste to wealth' plants under GOBARdhan (Galvanizing Organic Bio-Agro Resources Dhan) scheme will be established for promoting circular economy.
  - ▶ **CBG plants:** These will include 200 compressed biogas (CBG) plants, including 75 plants in urban areas, and 300 community or cluster-based plants at total investment of ` 10,000 crore.

### GREEN GROWTH

**MOVING FORWARD TO  
ACHIEVE THE CLIMATE GOALS**

- **Green Credit Programme to be launched to incentivize sustainable actions**
- **PM-PRANAM\* to be launched to incentivize States/UTs to promote alternative fertilizers**
- **500 new 'Waste to Wealth' plants to be established under GOBARdhan Scheme**
- **MISHTI^ to be taken up for Mangrove plantation along coastline**
- **Amrit Dharohar to be implemented over next 3 years for optimal usage of wetlands**

\* PRANAM: PM Programme for Restoration, Awareness, Nourishment and Amelioration of Mother Earth ^ MISHTI: Mangrove Initiative for Shoreline Habitats and Tangible Incomes

- ▶ **5% compressed biogas:** The government plans to introduce a 5 percent compressed biogas mandate for all entities marketing natural gas in India.
- **National apprenticeship scheme:** To provide support to 47 lakh youths in 3 years, a Direct Benefit Transfer under a **pan India national apprenticeship scheme** will be rolled out

## SCHEMES

- **PM Vishwa Karma Kaushal Samman:** PM Vishwa Karma Kaushal Samman-package of assistance for traditional artisans and craftspeople has been conceptualised, will enable them to improve quality, scale & reach of their products, integrating with MSME value chain.
- **Free food scheme to continue till 2024:** From January 1, 2023, a scheme to supply free food grain to all **Antyodaya** and **priority households** for one year under **PM Garib Kalyan Ann Yojana** is underway.
- **Pradhan Mantri Awas Yojana:**The Budget 2023-24 allocated Rs 79,000 crore for the Pradhan Mantri AwasYojana (PMAY), giving a further boost to the government's programme to provide housing to the urban poor.
- **MISHTI scheme:** The government will take up mangrove plantations along the coastline under the new MISHTI scheme. The Mishti scheme is aimed at preserving mangroves.
- **Atmanirbhar Clean Plant Programme:** The Rs 2,200 crore programme to improve the availability of disease-free, quality planting material for high-value horticultural crops will raise their cultivation area from a low 15%.
- **Pradhan Mantri Kaushal VikasYojana 4.0:** The government will launch Pradhan Mantri Kaushal VikasYojana 4.0.
- **PM Azaz Yojana:** The outlay for PM Azaz Yojana is being increased by 66% to over Rs 79,000 crore.
- **Amrit Dharohar:** The scheme aims to encourage optimal use of wetlands, and enhance bio-diversity, carbon stock, eco-tourism opportunities and income generation for local communities.
- **National Apprenticeship Promotion Scheme:** To provide stipend support to 47 lakh youth in three years, Direct Benefit Transfer under a pan-India National Apprenticeship Promotion Scheme will be rolled out.
- **National Financial Information Registry:** It will be set up to serve as the **central repository of financial and ancillary information**. This will facilitate efficient flow of credit, promote financial inclusion, and foster financial stability.
- **Azadi Ka Amrit Mahotsav Mahila Samman Bachat Patra:** For commemorating Azadi Ka Amrit Mahotsav, a one-time new small savings scheme, Mahila Samman Savings Certificate, will be made available for a two-year period up to March 2025.
- **PM Vishwakarma KAushal Samman (PM VIKAS):** It is a package of assistance for traditional artisans and craftspeople. This will greatly benefit the Scheduled Castes, Scheduled Tribes, OBCs, women and people belonging to the weaker sections.

## OTHERS:

### Ease of Doing Business:

- The government has proposed to reduce 39,000 compliances and decriminalised 3,400 legal provisions to boost the ease-of-doing business. The following measures are aimed at easing the compliance burden of businesses.



- ▶ **Vivad Se Vishwas-2:** Govt to bring another dispute resolution scheme **Vivad Se Vishwas-2** to settle commercial disputes
- ▶ **Identity verification:** One stop solution for reconciliation and updating identity maintained by various agencies to be established using digi locker and Aadhaar as foundational identity.
- ▶ **Single business identifier:** The Permanent Account Number (PAN) will be made as a single business identifier for all digital systems of all specified departments of the government.
- ▶ **Central Processing Centre:** To be set up for faster response to companies filing forms under Companies Act
- ▶ **GIFT City:** Multiple measures to enhance business activity in GIFT City have been announced.

## Digital Services

- **Entity DigiLocker:** An Entity DigiLocker will be set up for use by MSMEs, large business and charitable trusts.
- **5G Services:** 100 labs for developing applications to use 5G services to be set up in engineering institutions
- **eCourts project (phase-3):** Phase three of the eCourts project, to be launched with an outlay of Rs 7,000 crore.
  - ▶ **Objective:** The third phase envisions digital courts that “deliver justice as a service to all, beyond simply replicating offline processes digitally”.
    - **Bharat Shared Repository of Inscriptions (Bharat SHRI):** It will be set up in a digital epigraphy museum, with digitization of one lakh ancient inscriptions in the first stage.
    - **Fintech Services:** Fintech services in India have been facilitated by our digital public infrastructure including Aadhaar, PM Jan Dhan Yojana, Video KYC, India Stack and UPI. To enable more Fintech innovative services, the scope of documents available in DigiLocker for individuals will be expanded.
- **Scheme to push auto sales:** A scheme has been announced to support state governments and municipalities in replacing their old polluting vehicles.
  - ▶ **Objective:** To give a push to the sales of automobiles in the country, including to electric vehicles, as the focus of the government is also on a shift to green fuels by 2030.
  - ▶ **Reason:** The announcement has come during a year when auto companies are predicting a slowing of sales of automobiles after a record year in 2022, where carmakers sold record numbers despite the shortage of semiconductors impacting manufacturing during the early part of the year

## Tourism:

- **Unity Malls:** States will be encouraged to set a ‘Unity Mall’ in State capital or the most popular tourist destination in the state for the promotion and sale of ‘**One District, One product**’ and GI products and other handicraft
- **50 destinations to be selected to boost tourism sector:** At least 50 destinations will be selected through challenge mode — physical, virtual connectivity, tourism security, guides, would be made available on an app to enhance tourist experience.
  - ▶ The focus on development of tourism will be both domestic and foreign tourists, a major service sector.

## Skill Training:

- Government will launch **Pradhan Mantri Kaushal Vikas Yojana 4.0.** to skill the youth for international opportunities, 30 Skill India International Centres will be set up across different States.

## Gems and Jewellery:

- A research and development grant is to be provided to one of the IITs for five years.
  - ▶ **Objective:** To encourage the indigenous production of lab-grown diamonds

## Housing:

- Outlay for **PM Awaas Yojana** enhanced 66% to over Rs 79,000 crore

## Manufacturing:

- Additional boost with the base of the PLI scheme to broaden further beyond existing sectors. Extending a lower corporate tax rate of 15% for new manufacturing units

What is cheaper?	Which imports are more expensive
<ul style="list-style-type: none"> <li>■ Aero planes and other aircrafts; Gold (including gold plated with platinum) unwrought or in semi-manufactured forms, or in powder form; Base metals or silver, clad with gold, not further worked than semi manufactured; New or retreaded pneumatic tyres, of rubber, of a kind used on aircraft of heading; Platinum, unwrought or in semi manufactured form, or in powder form; Waste and scrap of precious metal or of metal clad with precious metal; several aquaculture inputs; Some TV, camera parts.</li> </ul>	<ul style="list-style-type: none"> <li>■ Vehicle (including electric vehicles); Silver Dore; Naphtha; styrene, Vinyl Chloride Monomer, Compounded Rubber, Articles of precious metals, Imitation Jewellery, Electric Kitchen Chimney, Bicycles, Toys and parts of toys (other than parts of electronic toys)</li> </ul>

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## REFLECTIVE EXERCISE

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- Q1: Urban Infrastructure Development Fund (UIDF) can be a crucial driver to manage urbanisation in tier 2 and 3 cities. Discuss.
- Q2: The promotion of “Circular Economy” is key to sustainability. Analyze with examples.
- Q3: Capital expenditure has a multiplier effect on economic growth and development. Examine how CapEx by states can be boosted in the era of fiscal federalism.
- Q4: Simplification of Tax regimes is vital to promote not only “Ease of Doing Business”, but also “Ease of Living”. Elucidate.
- Q5: A challenge and incentive approach to various sectors can usher in much-needed competitive spirits for accelerated growth and development. Analyze.
- Q6: Indian Railway is not only mode of transportation but also a uniting factor in our country. This fact has also been appreciated by the budget allocation made to railways this year. Elucidate on the measures that would be taken by Government of India strengthen railway infrastructure in India.
- Q7: Union Budget has pushed for Ease of Doing Business by promoting Ease of Compliance. Explain.
- Q8: Taking into consideration the direct tax provisions in the Union Budget, evaluate to what extent the Central Government has met with the larger goal of Tax rationalization and simplification of tax code.
- Q9: Examine the importance of primary agricultural credit co-operatives and analyse the extent to which budgetary provisions to them would boost the agricultural sector.
- Q10: Green budgeting has become part of Union Budget since some years now. In this background analyze the initiatives taken by Government of India to protect and promote environment in Union Budget.
- Q11: Analyze how Structural reform like GST has made Indian tax system more equitable, strengthening the federal structure of India?
- Q12: The Asset Quality in banks in India will improve with decline in Non-Performing Assets (NPA's) through Bad Bank process under National Asset Reconstruction Company Limited (NARCL). Critically Analyze.
- Q13: In light of the recent proposed Budget, discuss how green mobility, promotion of export and curbing of duty circumvention will help in boosting the Indian economy?
- Q14: The Union budget has highlighted the importance of savings in enhancing investments and boosting productivity to achieve the goal of USD 5 trillion economy. Discuss.
- Q15: Explain how start-up ecosystem in India will be boosted through the provisions of Union Budget converging priority sectors for inclusive and equitable economic growth?

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# PRACTICE MCQs

**1. Consider the following statements about PM Gati Shakti:**

1. PM Gati Shakti is a transformative approach for economic growth and sustainable development.
2. The focus will be on planning, financing including through innovative ways, use of technology, and speedier implementation.

Which of the statements given above is/are correct?

- (a) 1 only                      (b) 2 only  
(c) Both 1 and 2              (d) Neither 1 nor 2

**2. Consider the following statements about Inflation:**

1. Headline Inflation measures the price rise in food, fuel and all other commodities.
2. Core Inflation does not consider inflation in fuel and food.

Which of the above statements is/are correct?

- (a) 1 only                      (b) 2 only  
(c) Both 1 and 2              (d) Neither 1 nor 2

**3. Consider the following statements regarding the measurement of the rate of inflation:**

1. The rate of inflation is measured on the basis of the Wholesale Price Index (WPI) and Consumer Price Index (CPI).
2. A price index is a measure of the average level of prices.
3. Price index shows the exact price rise or fall of a single good.

Which of the above statements is/are correct?

- (a) 1 only                      (b) 1 and 2 only  
(c) 2 and 3 only              (d) 1 and 3 only

**4. What do you understand by the Inflationary gap?**

1. It is a situation which arises when Aggregate demand in the economy falls short of Aggregate Supply at the full employment level.
2. It is a situation when inflation rises at an extremely faster rate.
3. It is a situation which arises when Aggregate demand in an economy exceeds the Aggregate supply at the full employment level.
4. The mechanism through which the central banks control inflation depends on interest rate.

**5. Which of the following situations contribute to cause the Inflation situation in an economy?**

1. Demand-supply gap
2. Excess circulation of money
3. Increase in tax rates

Select the correct answer using the codes given below:

- (a) 1 only                      (b) 1 and 2 only  
(c) 2 and 3 only              (d) 1 and 3 only

**6. With reference to the Finance Commission, consider the following statements:**

1. The Constitution requires a Finance Commission (FC) to be set up every five years.
2. It is appointed by the President of India under Article 280 of the Constitution.
3. It recommends to the Prime Minister of India on the distribution of tax proceeds between the Union and the States.

Which of the statement(s) given above is/are correct?

- (a) 1 only                      (b) 1 and 2 only  
(c) 2 and 3 only              (d) 1, 2 and 3

**7. Which of the following statements is NOT correct regarding the Economic Survey of India?**

- (a) It presents detailed statistical data on different sectors.
- (b) Projected Gross Domestic Product (GDP) growth constitutes a part of the Economic Survey.
- (c) The finance ministry's chief economic adviser is in charge of preparing this document.
- (d) The document is binding on the Government of India and must be applicable to Budget.

**8. Which of the following pairs is/are correctly matched?**

- 1. Pradhan Mantri Kisan Samman Nidhi: Rs. 6000/- per year in three instalments to beneficiary farmers
- 2. Aatmanirbhar Bharat Rojgar Yojana: Reduction of the financial burden of employers
- 3. Pradhan Mantri Garib Kalyan Rojgar Abhiyaan: Immediate transfer of money to the Jan Dhan Accounts of unorganized city dwellers

Select the correct answer using the code given below:

- (a) 1 only                      (b) 1 and 2 only
- (c) 2 and 3 only              (d) 1, 2 and 3

**9. Consider the statements regarding Capital Expenditure:**

- 1. It is the money spent by the government on the development of machinery, equipment, building, health facilities, education, etc.
- 2. It does not include the expenditure incurred on acquiring fixed assets.

Which of the statements given above is/are correct?

- (a) 1 only                      (b) 2 only
- (c) Both 1 and 2              (d) Neither 1 nor 2

**10. Consider the following pairs:**

- 1. **Net fiscal deficit:** Gross fiscal deficit less net lending of the Central government.
- 2. **Primary deficit:** Difference between the government's income-expenditure gap and its interest payment on previous borrowings

**3. Effective revenue deficit:** Difference between revenue deficit and grants for creation of capital assets.

Which of the above pairs is/are correctly matched?

- (a) 1 only                      (b) 2 only
- (c) 2 and 3 only              (d) 1, 2 and 3

**11. Consider the following:**

- 1. Recovery of loans
- 2. State provident funds
- 3. Disinvestment proceeds
- 4. Treasury bills

Which of the above are the examples of non-debt capital receipts of the union government?

- (a) 1, 2 and 4 only              (b) 2, 3 and 4 only
- (c) 1 and 3 only              (d) 1, 3 and 4 only

**12. Which of the following statements is incorrect regarding Customs Duty?**

- (a) It refers to the tax imposed on goods when they are transported across international borders.
- (b) It is not defined under any statute of India.
- (c) It is the tax that is levied on import and export of goods.
- (d) It is used to raise its revenues, safeguard domestic industries, and regulate movement of goods.

**13. Which of the following statements is/are correct?**

- 1. Money multiplier is the ratio of Reserve money to Narrow money.
- 2. The gap between Money multiplier and adjusted Money multiplier reflects parking of funds by banks under the reverse repo window of the RBI.

Select the correct answer using the code given below:

- (a) 1 only                      (b) 2 only
- (c) Both 1 and 2              (d) Neither 1 nor 2

**14. Consider the following statements regarding the establishment of National Asset Reconstruction Company Limited (NARCL) and India Debt Resolution Company Limited (IDRCL) to tackle the issues of NPAs:**

1. 1. NARCL will majorly be owned by Public Sector Banks whereas; the IDRCL will have a minimum of 51 per cent ownership of Private sector Banks.
2. 2. Both will be independent in terms of their formation as well as function.
3. 3. The assets acquired by these entities shall be resolved using existing resolution tools within the RBI framework for ARCs.

Which of the above statements is/are correct?

- (a) 1 only                      (b) 2 and 3 only  
(c) 1 and 3 only              (d) 1 and 2 only

**15. Consider the following statements regarding pent-up demand:**

1. It describes a rapid increase in demand for a service or product, usually following a period of subdued spending.
2. It accelerates the economic recovery period immediately following an economic downturn.
3. It does not include big-ticket and durable goods.

Which of the above statements are correct?

- (a) 1 and 3 only              (b) 1, 2 and 3  
(c) 2 and 3 only              (d) 1 and 2 only

**16. With reference to the Indian economy, cost push inflation can be caused/increased by which of the following?**

1. Dependence on crude-oil import
2. Increase in prices of inputs like labour and raw material
3. Increases in government spending
4. Supply disruptions
5. Increased printing of money

Select the correct answer using the code given below:

- (a) 1, 2 and 5 only              (b) 1, 2 and 4 only  
(c) 2, 4 and 5 only              (d) 1, 4 and 5 only

**17. Consider the following statements:**

1. Headline inflation including commodities which tend to be much more volatile and prone to inflationary spikes.
2. Refined core inflation is much above core inflation which shows that the impact of fuel in conventional core inflation is quite substantial.

Which of the statements given above is/are correct?

- (a) 1 only                      (b) 2 only  
(c) Both 1 and 2              (d) Neither 1 nor 2

**18. Which of the following statements are correct with respect to the National Monetisation Pipeline?**

1. It entails a limited period license/lease of an asset, owned by the government or a public authority, to a private sector entity for an upfront or periodic consideration.
2. Funds received by the government through the National Monetisation Policy will be used to fund the trade deficit of India.
3. It aims to unlock value in brownfield projects by engaging the private sector.

Select the correct answer using the code given below:

- (a) 1 only                      (b) 2 and 3 only  
(c) 1 and 3 only              (d) 1, 2 and 3

**19. Which of the following industries are part of the Index of Eight Core Industries?**

1. Crude Oil
2. Coal
3. Edible Oil
4. Natural Gas

Select the correct answer using the code given below:

- (a) 1 and 4 only              (b) 2 and 3 only  
(c) 1, 2 and 4 only              (d) 1, 2, 3 and 4

**20. Consider the following statements about Core Inflation:**

1. Core Inflation does not consider inflation in fuel and food.
2. There is no index for direct measurement of core inflation.

Which of the above statements is/are incorrect?

- (a) 1 only                      (b) 2 only  
(c) Both 1 and 2              (d) Neither 1 nor 2



**21. Consider the following statements regarding the measurement of the rate of inflation:**

1. A price index is a measure of the average level of prices and it does not show the exact price rise or fall of a single good.
2. Consumer Price Index, India's benchmark inflation rate has never crossed the RBI's comfort zone of 4 +/- 2 percent.

Which of the following statements is/are incorrect?

- (a) 1 only                      (b) 2 only  
(c) Both 1 and 2              (d) Neither 1 nor 2

**22. Which of the following statements regarding Index of Industrial Production (IIP) is/are correct?**

1. IIP is used to track the health of the industrial activity in the economy over a longer period.
2. In India, the first official attempt to compute the IIP was made much earlier than the first recommendation on the subject came at the international level.
3. The base year for computing IIP is 2011-2012.

Select the correct answer using the code given below:

- (a) 1 and 3 only              (b) 2 only  
(c) 2 and 3 only              (d) 1, 2 and 3

**23. Regarding MISHTI scheme announced in Union Budget 2023, consider the following statements:**

1. The scheme aims to support mangrove conservation and coastal security.
2. Under the scheme, a green credit program will be notified to incentivize environmentally sustainable and responsible actions by companies.

Which of the statement(s) given above is/are correct?

- (a) 1 only                      (b) 2 only  
(c) Both 1 and 2              (d) Neither 1 nor 2

**24. With reference to Atmanirbhar clean plant programme, which of the statement is incorrect?**

- (a) The programme aims to boost the availability of disease-free, quality planting material for high-value horticultural crops.
- (b) It will bring in modern technologies to transform agricultural practices, and increase productivity and profitability.
- (c) It promotes production of exotic fruits and vegetables.
- (d) None

**25. Regarding Agri Accelerator Fund, consider the following statements:**

1. It aims to encourage agri-startups by young entrepreneurs in rural areas.
2. It attempts to implement cost-effective solutions to problems encountered in introducing contemporary technologies and boosting output.
3. It is based on government's Fund-of-Fund (FoF) strategy extended to agriculture sector.

Which of the statements given above are correct?

- (a) 1 and 3 only              (b) 2 only  
(c) 1 and 2 only              (d) 1, 2 and 3

**ANSWER KEY**

1. (c)	6. (b)	11. (c)	16. (b)	21. (b)
2. (c)	7. (d)	12. (b)	17. (a)	22. (c)
3. (b)	8. (b)	13. (b)	18. (c)	23. (a)
4. (c)	9. (a)	14. (c)	19. (c)	24. (d)
5. (b)	10. (d)	15. (d)	20. (d)	25. (d)



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