

# **G|SCORE**

**An Institute for Civil Services**

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## **IAS TOPPER'S**

## **TEST COPY**

# **VIDUSHI SINGH**

**AIR - 13  
(CSE 2022)**

## **GENERAL STUDIES**



**8448496262**



**www.iasscore.in**

**ECONOMY REVISION TEST****Time Allowed: 3 hrs.****Max. Marks: 250**

<b>Q.</b>	<b>Marks</b>	<b>Instructions to Candidate</b>
1.		<ul style="list-style-type: none"><li>• There are 20 questions.</li></ul>
2.		<ul style="list-style-type: none"><li>• All questions are compulsory.</li></ul>
3.		<ul style="list-style-type: none"><li>• The number of marks carried by a question is indicated against it.</li></ul>
4.		<ul style="list-style-type: none"><li>• Answers to questions no. 1 to 10 should be in 150 words, whereas answers to questions no. 11 to 20 should be in 250 words.</li></ul>
5.		<ul style="list-style-type: none"><li>• Keep the word limit indicated in the questions in mind.</li></ul>
6.		<ul style="list-style-type: none"><li>• Answers must be written within the space provided.</li></ul>
7.		<ul style="list-style-type: none"><li>• Any page or portion of the page left blank in the Question-cum-Answer Booklet must be clearly struck off.</li></ul>
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Name Nidushi SinghRoll No. 40666

Mobile No. \_\_\_\_\_

Date \_\_\_\_\_

Signature Nidushi

1. Invigilator Signature \_\_\_\_\_

2. Invigilator Signature \_\_\_\_\_

## REMARKS

**GS SCORE**  
GS MAINS TEST SERIES 2022

**Section - A**

- Q1. Despite the rapid strides made in the field of Financial Inclusion, the extension of the same for disabled has been neglected? Critically analyze. (10 Marks) (150 Words)

According to a report by World Bank,  
 (cadalci)  
 number of people with Bank Accounts in India  
 has increased from 54% in 2014 to 80% in 2017.

However, this stride in financial inclusion

remains at a low level for Persons with Disabilities (PWD). PWD are 2.2% of Indian population  
 and amongst most vulnerable section.

you have introduced it very well.

Reasons for neglect of PWD in Financial Inclusion

1. Only 50% of disabled population in 15-59 years category was working. Moreover,  
UNORGANISED EMPLOYMENT is highly prevalent  
 amongst PWD.

2. Low Education levels: 27% of disabled people  
 have never attended educational institution.

Also include

3. Lack of Awareness & literacy: 45% of Disabled

financial population in India is Illiterate. This  
~~anfa-not~~ shows the level of ostracization of  
disabled people in India.

friendly (Accem + ATM, Branches etc)  
4. Banking rules: Opening Independent Accounts  
for disabled people is not an easy task.

Steps to be taken to allow wider financial inclusion for PWD:

1. Formal Employment opportunities for  
disabled people.

2. PWD friendly infrastructure to enable  
wider inclusion.

3. Increasing Educational & financial literacy  
~~but apart from health~~ amongst PWD to ensure inclusion.

~~also~~ PWD form <sup>one of</sup> the most ~~with~~ vulnerable section  
of population. It is imperative to increase  
their inclusion financially for more Inclusive  
growth.

**Remarks**

friendly technology, ~~but~~ in providing them  
access etc.

(41)

(42)

Q2. Skill development has been considered one of the critical aspects for job creation in India. Elaborate the importance of skill development for India's youth and highlight the major steps taken by the government in this regard. (10 Marks) (150 Words)

With more than 60% population in the productive age category, India is on the peak of its DEMOGRAPHIC DIVIDEND. To optimally utilize this, SKILL DEVELOPMENT is the need of the hour as:

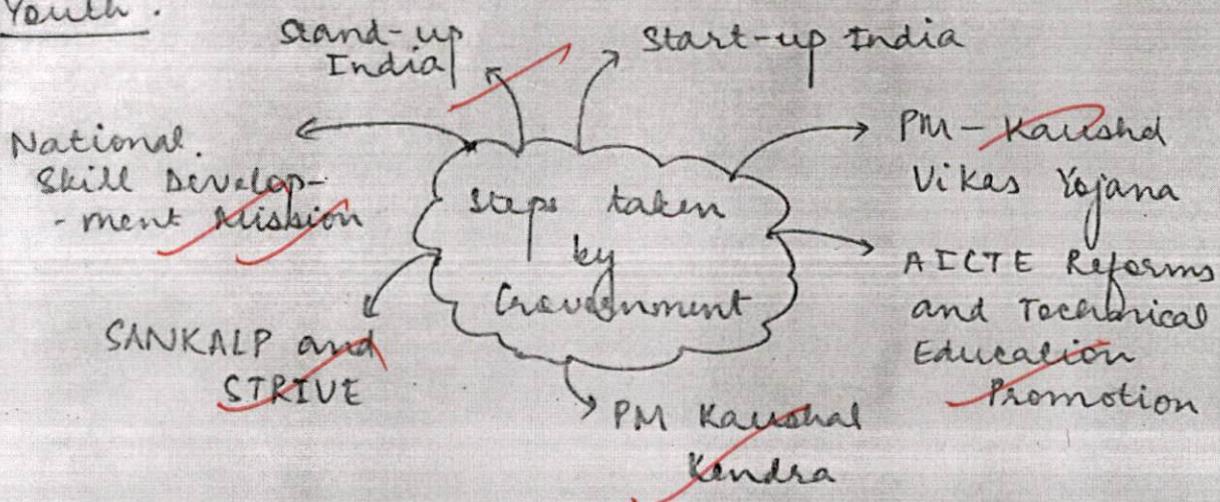
- ) As per Economic Survey 2017, 30% of India's Youth is in NEET category, i.e., Not in education, employment or training.
- ) According to India Skill Report 2018, only 47% of youth coming out of Higher Education Institutions are employable.
- ) Moreover, Farmally skilled Labour in India is still merely 5.4% of India's workforce, while in South Korea, this proportion is at 96%.

Remarks

*had to separately describe its importance.*

Thus, given the levels of skilled and unorganised workforce in India, SKILL DEVELOPMENT is crucial to upskill India's

Youth.



Further, the need of the hour is also to :

1. Increase Farmally Skilled labour Proportion in India.
2. Qualitative Improvement in Technical and Vocational Education.
3. Labour-Augmenting - Skill Specific Technologies to increase employment opportunities.

The window of Demographic dividend is good, quite narrow for India. ∴ it is imperative to take appropriate actions to fix India's growth trajectory.

Remarks

(4/2)

Overall  
importance  
separately

- Q3. The composition of Indian Agriculture is not balanced and skewed towards food grains.  
 Elaborate. What are the strategies adopted by the government to bring a balance to this composition? (10 Marks) (150 Words)

Food grain Production in India is nearly 300 Billion tonnes in the year 2020-21.

Indian Agriculture and associated Reforms have increased production capacity in India.

However, this has also led to skewed

composition of Agriculture towards feedgrains

After Green Revolution, India became self-sufficient in major food grains. This is

undoubtedly an achievement for India,

however this has also led to ignorance of the ALLIED SECTOR.

Name specific food grains  
Rice and Wheat

strategies adopted by Govt. do bring balance to the composition:

Agriculture and Allied Sector contribute 18% to India's GDP and employ ~~52%~~ <sup>52%</sup> of population.

Remarks: you had to discuss for such skewed growth as well.

**Bringing Balance to Agri-Composition**

**Please identify recent farm laws, expanding MSP etc as Varietal Technology Missions**

→ PM - MFP: Micro Food Processing Enterprises is a scheme to promote micro food processing in Rural Sector

Operation Greens and National Horticulture Mission to increase Horticultural Production in India

PLI-scheme for Food Processing, National Livestock Mission and other technology missions in Allied sector.

Animal Husbandry Infrastructure Fund and Agricultural Infrastructure Fund.

PM - Matsya Sampada Yojana for Fisheries

Technology Missions : Green Revolution have increased overall contribution of the Allied Sector in GDP and GVA, eg:

Feed Processing Sector is growing at 9.99% compared to overall Agriculture at 3.5%.

However, there is need to further consolidate efforts to bring balance in agricultural sector and absorb excess employment to induce higher development.

**Remarks**

(Q.5)

you had identify  
also reasons for skewed growth

- Q4.** Savings and investment rates in India have plunged very low, especially at a time when their growth is most needed. In this context, examine the causes and consequences of such low rates suggesting steps for their revival. (10 Marks) (150 Words)

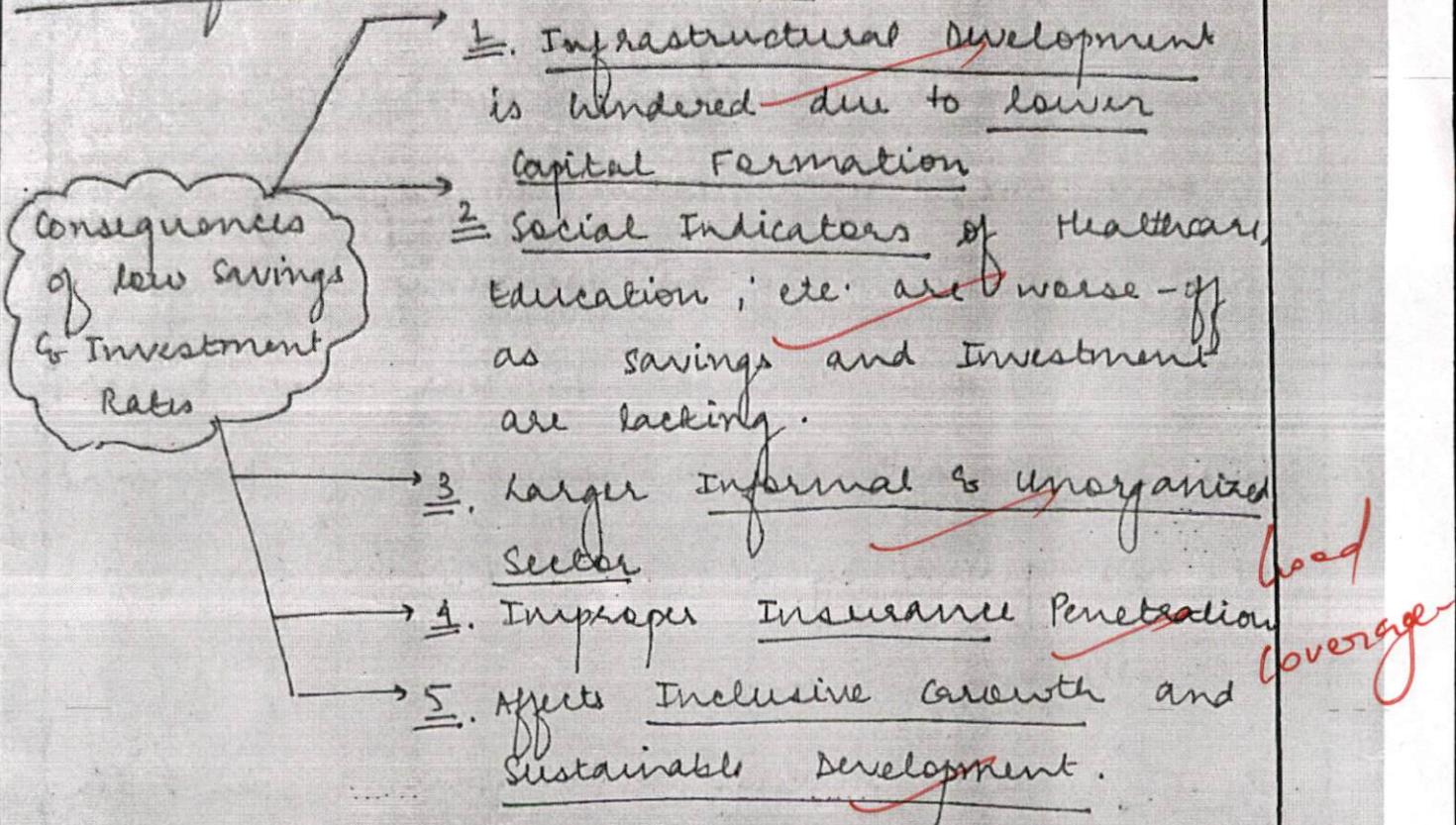
Savings and Investment levels in an economy are representative of capacity of capital formation of the economy. Savings rate in India are at 15-Year low of 30.9% while, Investment as a proportion of Nominal GDP has fallen by 20% to 23.6% in June 2020 from 2011.

CAUSES of low savings & Investment in India:

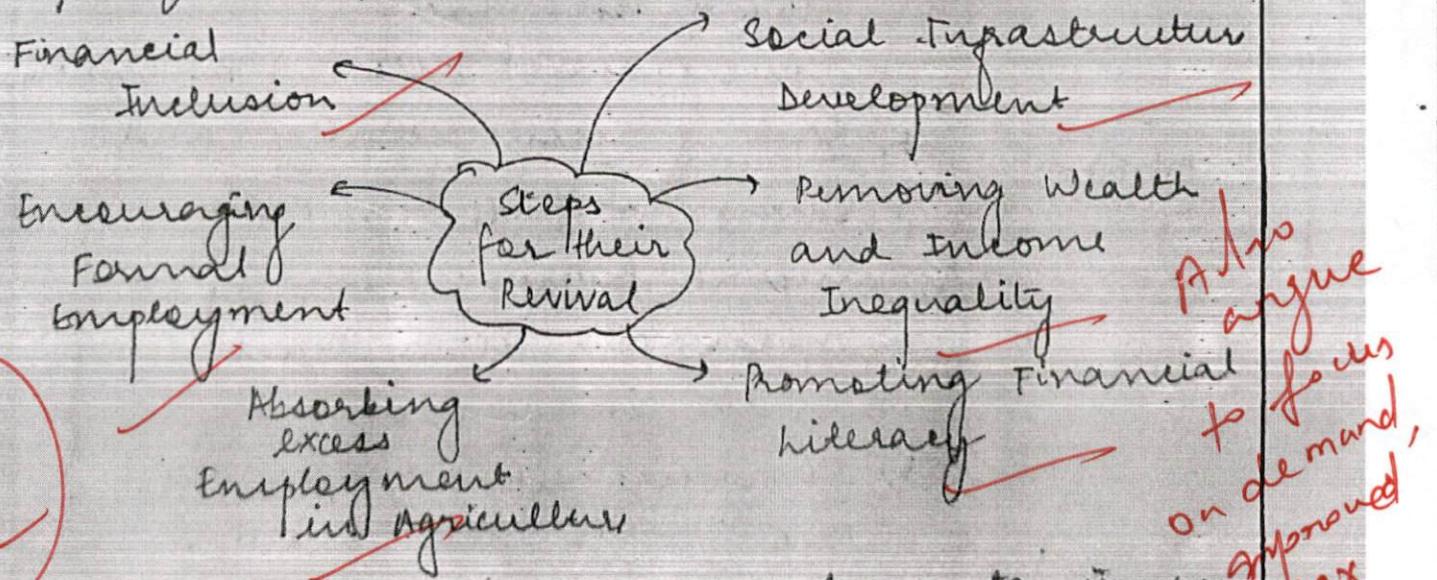
- 1. Unorganized structure: Nearly 90% of workforce is in unorganized sector of the economy.
- 2. Lack of social security and saving Attitude in India. *(Also include NPA issued, High out of pocket expenditure etc.)*
- 3. Rampant Poverty: According to Tendulkar Committee Report, Poverty in India is at 22%.
- 4. Financial literacy: Most Bank Accounts do not show Financial Inclusion.
- 5. unemployment & overpopulation

Remarks

These problems compounded by administration and infrastructural disabilities lead to:



steps for their revival:



Thus, it is the need of the hour to improve S I levels in the economy for inclusive development.

Remarks

tackling inflation, etc  
taxation regime  
approach  
on demand  
also argue  
focus

- Q5. Agricultural marketing in India has been defective even though India is an agricultural country. In this context discuss how APMC markets went from being a solution to a problem. Do you think that the recently enacted farm law will solve the problem?

(10 Marks) (150 Words)

APMC Acts regulate Agricultural Markets across the country. India is primarily agriculture dependent country as 52% of ~~population~~ workforce is employed in it, while it contributes only 18% to GDP. One of the problems of gross underperformance is APMC Model itself.

- 
- 1. Intermediaries: often take up all the ~~markups~~ leaving little for farmers.
  - 2. No other alternatives reduce competitiveness of farmers and leave them at whims of APMC Markets wholly.
  - 3. These also inhibit farmers from venturing into allied activities.
  - 4. Lesser infrastructural facilities leave no option but to sell in APMC markets.

Remarks

APMC markets and their inefficiencies have been highlighted by several committees & National Farmers' commission headed by M.S. Swaminathan. Due to this, GoI introduced 3 New Farm Bills. last year to provide better options to farmers, as:

- ) contract Farming is allowed
- ) selling outside APMC and to any other part of the country is allowed.
- ) Intermediaries and their interference can be minimized as farmers can now decide where and what to sell.

However, the new farm laws have also been criticized as:

- ) small Farmers will not receive benefits from contract farming due to small landholding.
- ) legal battles may arise which may further afflict small & marginal farmers (SMFs). Thus, new laws need to ensure proper representation of SMFs for complete benefits.

Mention concerns w.r.t MSP

have

Remarks of SMFs  
⑤

Overall, it attempted well

Q6. By highlighting the difference between small finance banks and payment banks, discuss if payments banks in India have failed to achieve its stated objectives?

(10 Marks) (150 Words)

NACHIKET MOR COMMITTEE in 2015,

suggested formation of small Finance Banks (SFBS) and Payments Banks to increase financial inclusion and propagate Cashless Economy.

Small Finance Banks

Payments Banks

→ Created with objective of FINANCIAL INCLUSION by allowing all activities of a standard bank.

• They can lend to underserved sections, and can receive deposits.

• No restriction on area of operation.

• At least 50% should be loans & advances

• Created with objective of providing SMALL SAVINGS ACCOUNT and CASHLESS ECONOMY.

• cannot lend but can receive deposits.

• cannot issue credit cards.

• can distribute simple financial products.

Remarks

1

*Wood mark  
yo- quoted  
name of the  
committee*

*Wood  
point*

PAYMENT BANKS → were set up to ensure payment services to migrant labour workforce and inclusion of unorganised sector.

- There were originally 11 Payment Banks in 2015, whereas now only 6 - <sup>(now)</sup> ~~start~~
- Payment Banks are operational.

Issues with ~~no~~ Payment Banks:

- Issues →
1. Challenging Business Model: as no lending is allowed, therefore sources of incomes is reduced.
  2. Small Margins: These are not very profitable ventures as profits and margins are marginal.
  3. Competition from other Banks
  4. New Payment standards and frequent changes in KYC rules.

Therefore, in order to achieve its original objective, structural reforms are needed in Payment Banks.

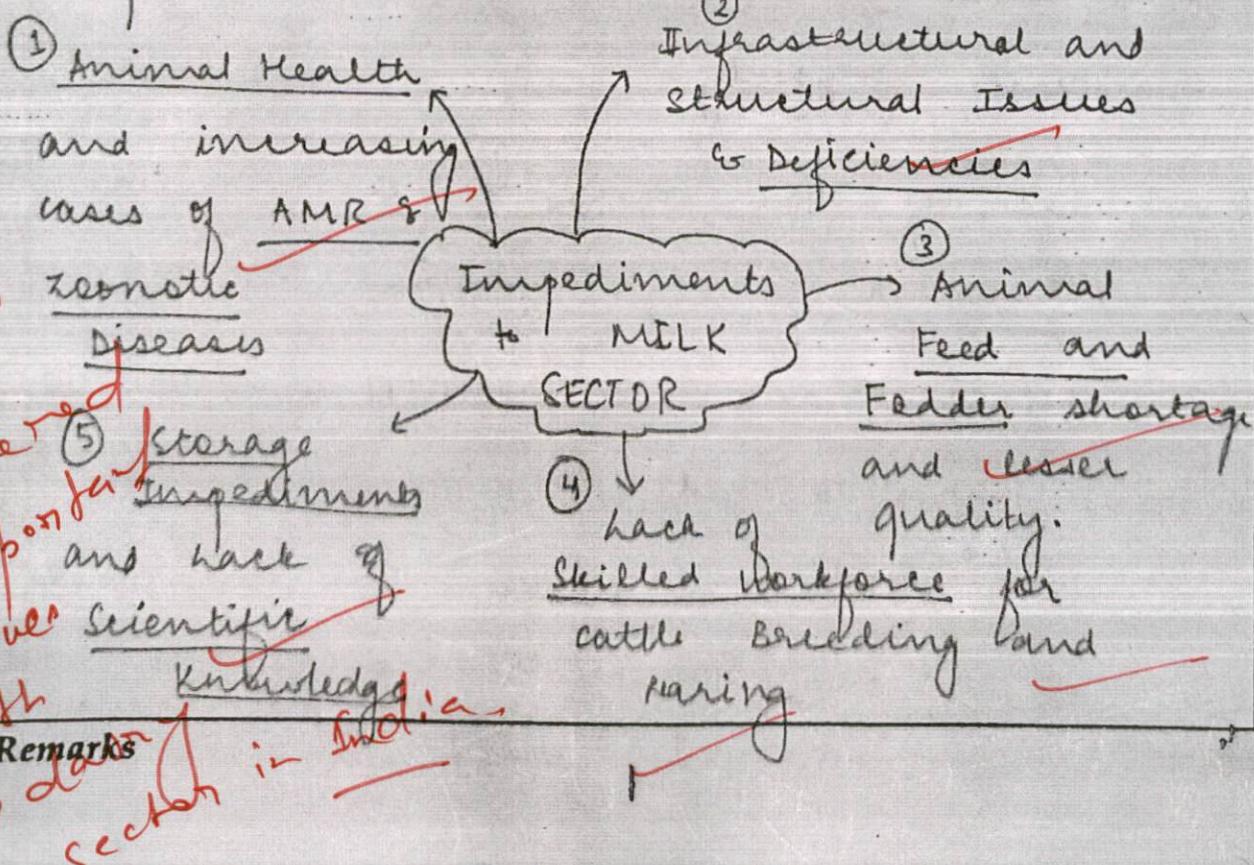
**Remarks**

15

- Q7. "Despite being the largest producer of milk there are lots of impediments to developing Indian markets on the line of Denmark and New Zealand". Comment.  
(10 Marks) (150 Words)

India is the largest producer and the largest consumer of Milk globally. Dairy has always been a significant part of Indian society in several aspects. In the aftermath of white Revolution, India has been a major player in dairy sector globally.

However, Milk sector suffers from several impediments as:



Despite being the largest producer, Milk sector is suffering from low productivity when compared to countries like New Zealand and Denmark. This is because:

- 1) Technological deficiencies and farm mechanizations are very low affecting overall efficiency of the sector.

- 2) Global Exposure to Indian Brands is still not prolific. *not at all*  
*you have covered the issue* AMR and Zoonotic diseases are not *line with Sanitary and phytosanitary measures* controlled properly.

The need of the hour is to ensure Animal Health through programmes like GOKUL MISSION and ONE HEALTH adoption in animal farms to reduce risk of zoonotic outbreaks. This can further be compounded by using adequate storage technologies to ~~ensure longer shelf-life of products~~.

Remarks

Good attempt

(5)

- Q8. The sugar pricing policy is saturated with a bulk of problems for all stakeholders. How does it impact each of them? Highlight the suggestions of Commission for Agricultural Costs and Prices to revamp the policy. (10 Marks) (150 Words)

SUGAR INDUSTRY is an important agro-based industry that impacts rural livelihood of 50 million Sugarcane Farmers. India is 2<sup>nd</sup> largest sugar producer globally.

### (Pricing Policy of Sugar)

- Central Govt. announces FRP [Fair and Remunerative Prices] for sugarcane.
- However, Sugar Pricing is subject to market forces, which leads to several problems for all stakeholders.

### Problems of Pricing Policy:

- (A) FARMERS: Inconsistent FRP and Sugar Prices affect the Farmers and their overall sugarcane produce - High FRP leads to more production thus reduced market prices.
- (B) SUGAR MILLS: Resultant inconsistency impacts profitability of sugar mills.

Remarks

(C) EXPORTER: High FRP for sugarcane reduce overall competitiveness of sugar globally.

In light of above problems, CACP recommended that:

i) Farmers should be guaranteed MINIMUM CANE Price at FRP.

ii) Liability of sugar mills will be restricted by Revenue Sharing Formula (RSF), which  $\Rightarrow$  allows for 75% revenue realised from ~~sugar~~ <sup>crop</sup> sugar will be cane price paid by mills ~~you also~~

This framework ensures that all stakeholders receive a fair share and are not left at whims of the market

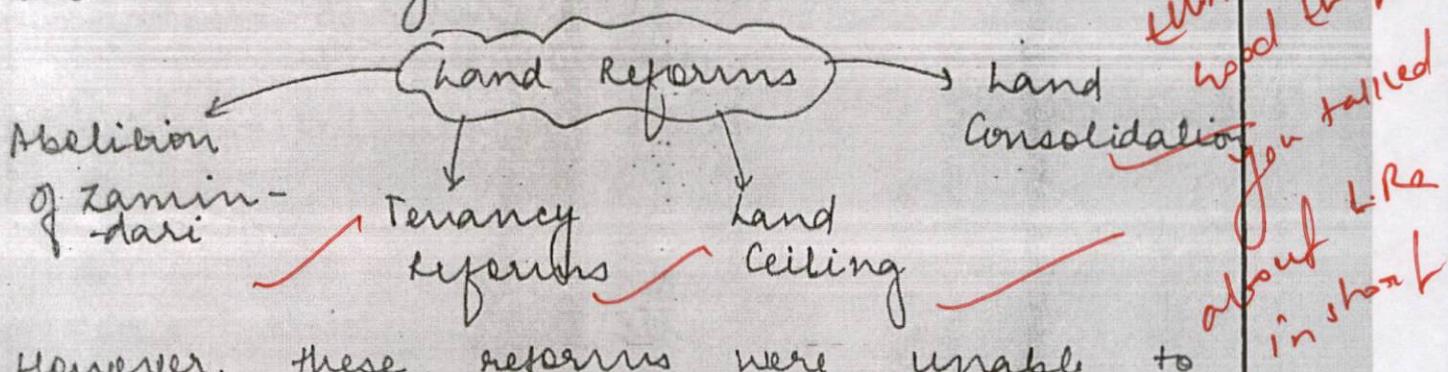
Sugarcane is an important crop for Agrarian Indian Economy. Therefore, there is need to ensure productive and efficient production of Sugarcane through optimal technologies to increase ~~in~~ <sup>the</sup> global competitiveness ~~of India in~~ <sup>to</sup> ~~the~~ sugar industry.

Remarks

go to exceptionally 10 (5)

- Q9.** Traditional mode of land reforms will not work anymore; the need of the hour is to use technology in the rural economy. Analyze the role of blockchain in this context. (10 Marks) (150 Words)

In the aftermath of Independence, India took several LAND REFORMS to ensure equitable distribution of land. This occurred through:



However, these reforms were unable to eradicate the prevalent WEALTH INEQUALITY in terms of land, however, it did dampen it.

**Need** These traditional measures of land reforms ~~to date~~ ~~not be successful now in the~~ ~~age~~ ~~for~~ ~~reason~~ of Technology. The current need of the hour for rural Economy is technological inclusion at a wider scale to ~~fail to~~ ~~enhance, perform~~ enhance efficiency and productivity of land.

## Role of BLOCKCHAIN in Rural Economy:

Blockchain refers to a way of passing data in a secure way. Block chain in Land Reforms can ensure:

- 1. Digitized and transparent land records which will removes scope of illicit activities.
- 2. Better Rehabilitation in case of Land Acquisition and Govt's accessibility will be subject to ensure effective implementation of proposed schemes.
- 3. Also link it with bettering of geographical co-ordinates of the land. Better tracing for social Indicators.

However, there are still unsure aspects of this technology with reference to privacy and encryption issues.

(4) But, largely, Blockchain is a secure way and the most apt for rural economy in the new digital era.

**Remarks**

**Q10.** Coal sector in India is witnessing consecutive year-on-year losses since the past few years. Discuss the problems plaguing the sector and suggest comprehensive reforms for its growth and development. (10 Marks) (150 Words)

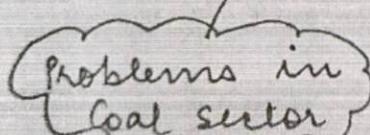
India's 55% energy needs are met through COAL. It is the 3<sup>rd</sup> largest consumer of coal globally.

### Coal sector in India:

- ) India imports 700 Million Tonnes of coal.
- ) India is 2<sup>nd</sup> largest producer of coal <sup>World Way</sup> and 5<sup>th</sup> largest country in terms of <sup>to introduce</sup> coal deposits. <sup>such question</sup>

However, Coal sector in India is facing year-on-year losses since few years.

This is because :

- 
- 1. Excessive regulation in the sector affects global competitiveness of the sector
  - 2. Absence of independent regulator and multiplicity of regulations have adversely affected the sector.

**Remarks**

- Problems in coal sector
- Issues are identified well.*
3. Resource Utilization is sub-optimal and the production method of coal is also not refined.
  4. Environmental Hazards and associated Regulations further compound the problems.
  5. Administrative and Structural Issues lead to losses in the sector
- Measures to reform the sector:

1. Infusion of Environment-friendly technology will ensure efficient production and optimal resource utilization.
  2. Structural reforms like MMDR Act will ensure more transparent front from *overall Govt attempted*
  3. Establishing a single regulator will *ensure very well* ensure no duplicity of regulations.
- Overall reforms can ensure more comprehensive growth and development of COAL SECTOR*

*Remarks*

(5)

**Section - B**

**Q11.** Critics have argued that "the withering of the States' fiscal independence under GST strikes at the core of federalism". Do you agree? Analyse the GST mechanism within the folds of centre-state relationship. (15 Marks) (250 Words)

GOODS & SERVICE TAX (GST) is a comprehensive, multi-stage, destination based tax that is levied on value addition. It was subsumed multiple value-added taxes under its ambit to avoid 'multiplicity of taxes and duties' and 'cascading effects'. *↳*

However, it is often argued that GST has led to 'withering of Fiscal Independence of States' as :

- ) States have surrendered their power to tax sales on most goods.
- ) Uniformity of rates implies that States have no independence to choose rates according to their fiscal needs.

- (i) compensation to states has remained with contentious issue due to different collected revenue from the anticipated targets.
- However, GST has also provided provisions for states as to:
- ) Taxing on goods not under GST
  - ) GST council has  $\frac{2}{3}$ rd weight given to states
  - ) service tax and union excise duties are foregone by centre.

### GST mechanism within Centre - State

#### Relationship:

GST is an example of COOPERATIVE FEDERALISM with both centre and states foregoing some of their taxation powers. This peeled sovereignty is characterized by centre-state resource distribution as:

- ) uniformity and removal of cascading

Effects, as Revenue collection is grossing over ₹ 1 lakh cr per several months now.

1) Removing Inter-state Disparities

A 100 table  
about  
GST

2) removing Tax Evasion

3) resource mobilization due to uniformity & reduced multiplicity

which  
facilitated  
centre-state  
relations,  
GST

However, challenges associated with GST are

1) Incursion on authority of states.

2) compensation to states problems.

3) Virtual Veto to Union Govt. in GST council

which requires  $\frac{3}{4}$ th majority with centre having  $\frac{1}{3}$ rd share of votes.

What needs to be done?

1. removing complexity in Tax-Slabs.

2. digitization and IT-friendly solutions.

3. Fiscal prudence in compensation to states

It is imperative to utilize this tax revenue to its fullest. This can happen only with complete Fiscal Trust among Govts.

and increased cooperative federalism.

Remarks

7

Organizing you  
attempted it  
attempted well

- Q12.** In spite of the high growth rate and good prospects, the MSMEs have faced certain constraints which are inhibiting the transition of MSMEs to giant firms. Discuss. What measures should be taken to recalibrate our policy towards infant firms in the MSME sector? (15 Marks) (250 Words)

There are more than 6 more MSMEs in India which contribute nearly 30% to the GDP and account for 50% of India's exports. Moreover, it employs 11 crore people in India.

However, MSMEs are subject to certain constraints, as:

- 
1. Informal and Unorganized structure leads to lower penetration of resource mobilization.
  2. Infrastructural disabilities: inhibit Backward and Forward linkages in MSME sector.
  3. Credit availability and lower productivity hamper capital formation.
  4. Labour-Augmentation is low in Medium & Small Enterprises.
  5. Definitional Issues have also inhibited transition of SMEs.

**Remarks**

*You have highlighted general issues with MSMEs*

*why they have also inhibited transition of SMEs*

*need to focus on growing in big*

Such constraints are further compounded

by the MISSING MIDDLE between MSME &

Giant firms. Such dichotomy in the economy is represented by persistently high wealth and income inequality in India.

Steps to be taken to recalibrate our policy towards infant firms in MSME Sector:

1. Decentralized Resource Mobilization for higher capacity of capital formation for infant firms.

2. Improving Credit Availability through interest - subvention based on performance of infant firms.

3. Labour-Augmenting Technology to avoid Capital Intensive Industrial Transformation and increase scope of employment opportunities.

4. Easier infrastructural Facilities to reduce logistical costs.

*Argue to incentivise 'infant' rather than 'big' firms.*

Remarks

*Small Firms, restructuring, PSL norms etc.*

- Steps to be taken
5. Enable Backward and Forward linkages through appropriate infrastructure.
  6. Formalization of infant firms through ~~CHAMPIONS~~ Portal and GST.

steps taken in this regard include:

1. ~~champions~~ Portal
2. Viability cap Funding Schemes
3. Widened Tax-base through GST
4. Various Interest Subvention Schemes.

MSMEs have huge potential in India.

These are the bigest absorber of excess employment in Agriculture. Therefore, it is extremely important to mobilize infant firms to ensure continued development and growth of MSME sector and transitioning medium firms to giant firms.

(6)

*have understanding, try to become more specific with concerns raised in question*

Remarks

**Q13.** High logistics cost is one of the major reasons for uncompetitiveness of Indian goods in global markets. What are challenges in present logistics sectors? In this reference discuss the significance of having a multimodal logistic approach in India.

(15 Marks) (250 Words)

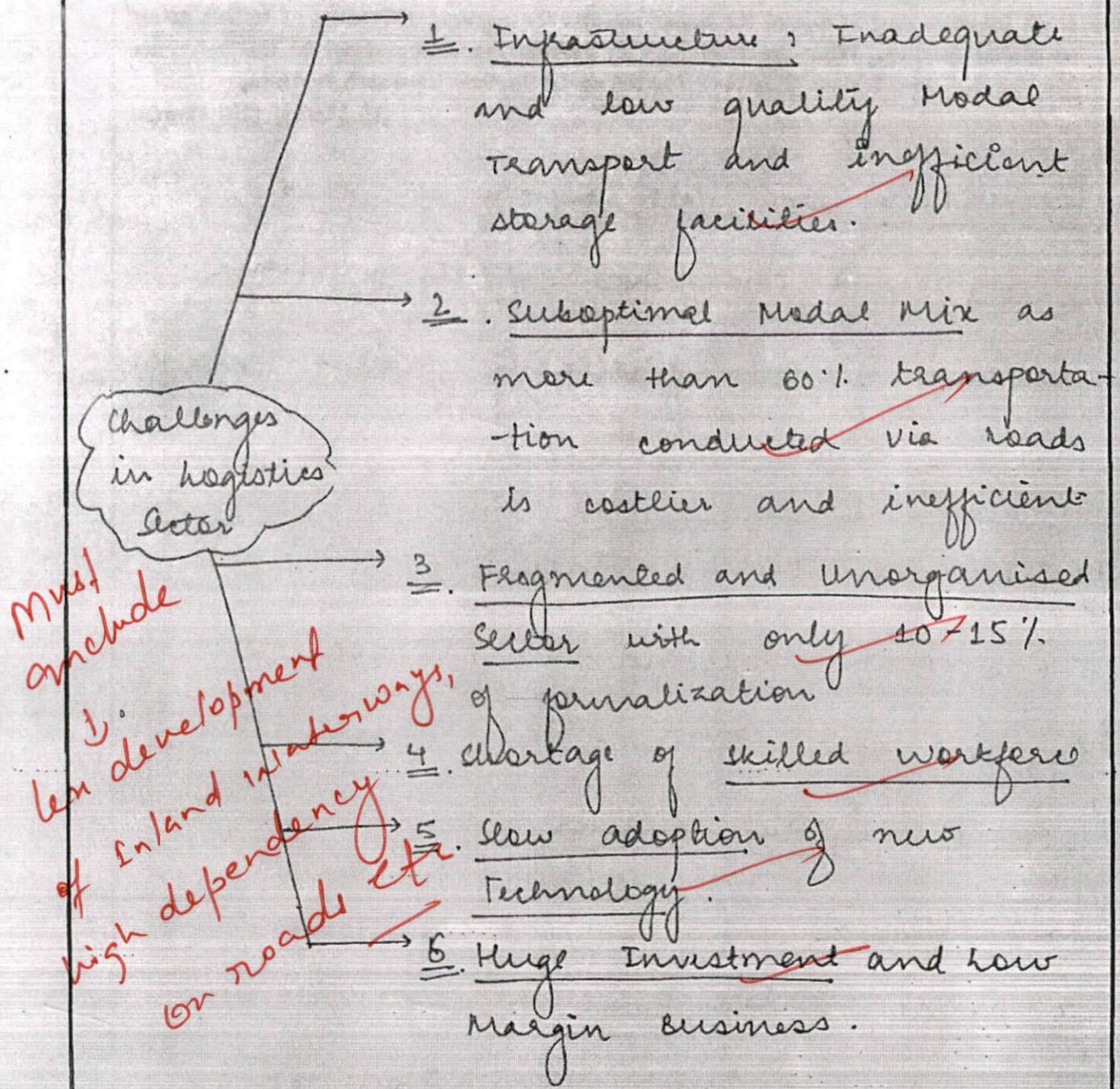
LOGISTICS covers all aspects of trade, transport and commerce starting from completion of manufacturing process all the way to delivery for consumption.

### LOGISTICS SECTOR in India:

- ) Transportation accounts for 50-60% of logistics cost followed by warehousing.
- ) size of logistics industry in India is projected to \$215 Billion.
- ) It provides employment to 22 million people and is expected to grow at a CAGR of 10.5% between 2019-2025.

However, logistics sector in India is characterized by Very High logistics Cost of around 24% of GDP while in Japan it is only 11%. *Good point*

**Remarks**



Majority problems of logistics sector comes up from Expensive Road Transport and Suboptimal MODAL MIX. A MULTI-

MODAL LOGISTIC APPROACH has following advantages:

Remarks

1. Infrastructural disabilities are countered
2. Expensive Road Transport is substituted by mix of shipping, Airways & Road.
3. Increased scope of employment generation.
4. smoother linkages in the economy.

However, several challenges pertaining to Multi-modal approach are:

1. Huge investments with how Returns
2. Lack of skilled Workforce
3. Lack of Formalization
4. Lack of Equipments and other infrastructure

These challenges can be addressed by Final goods etc

Integrating existing infrastructure, and the new logistics division created can also supervise infrastructural deficiencies in more adequate manner. The Draft logistics Policy emphasizes upon a more efficient

Logistics sector as the backbone of the economy

Remarks

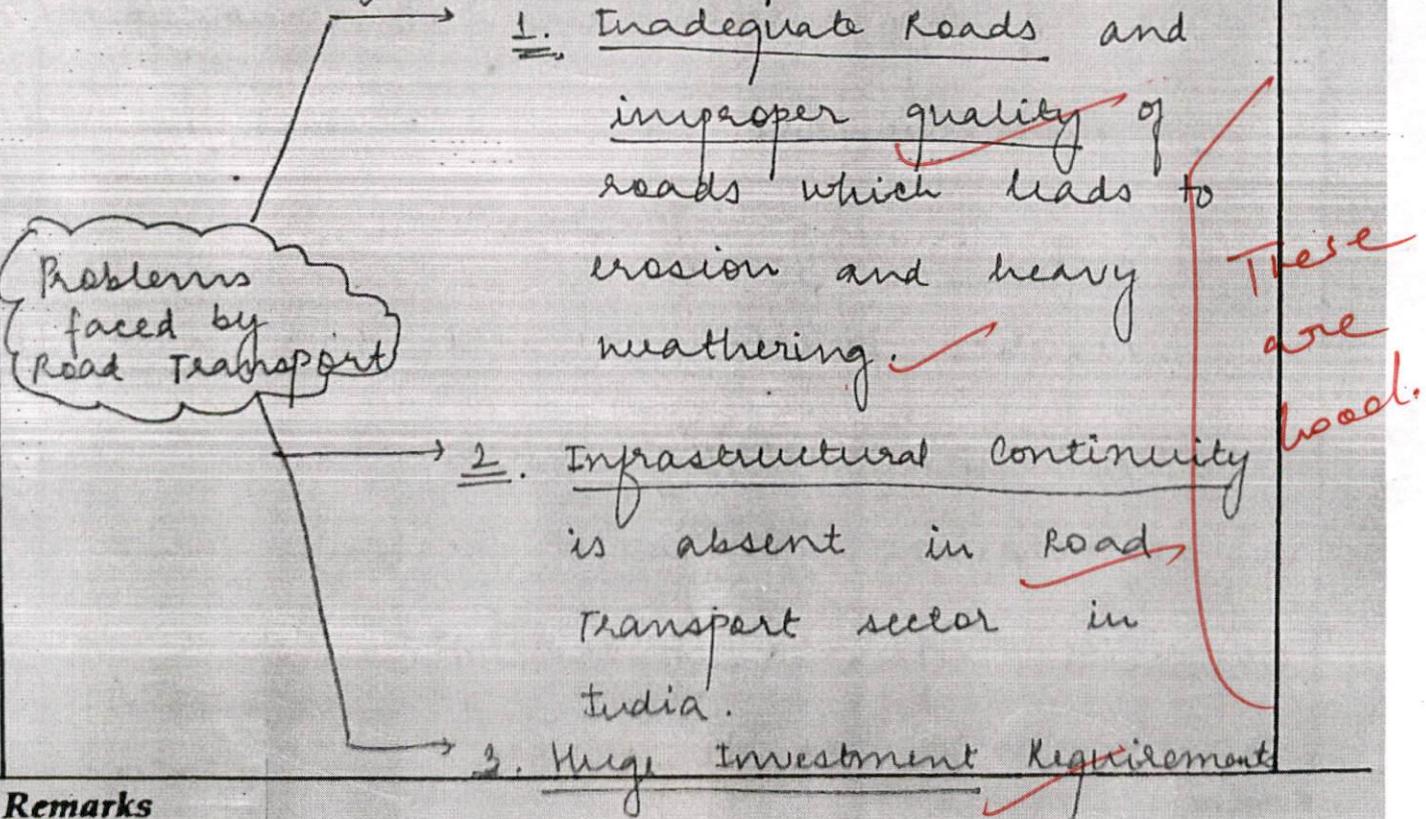
(62)

**Q14.** Inadequate transportation facilities retard the process of socioeconomic development in a country. In this context discuss the problems faced in road transport in India. Highlight the measures taken by the government to counter these challenges.

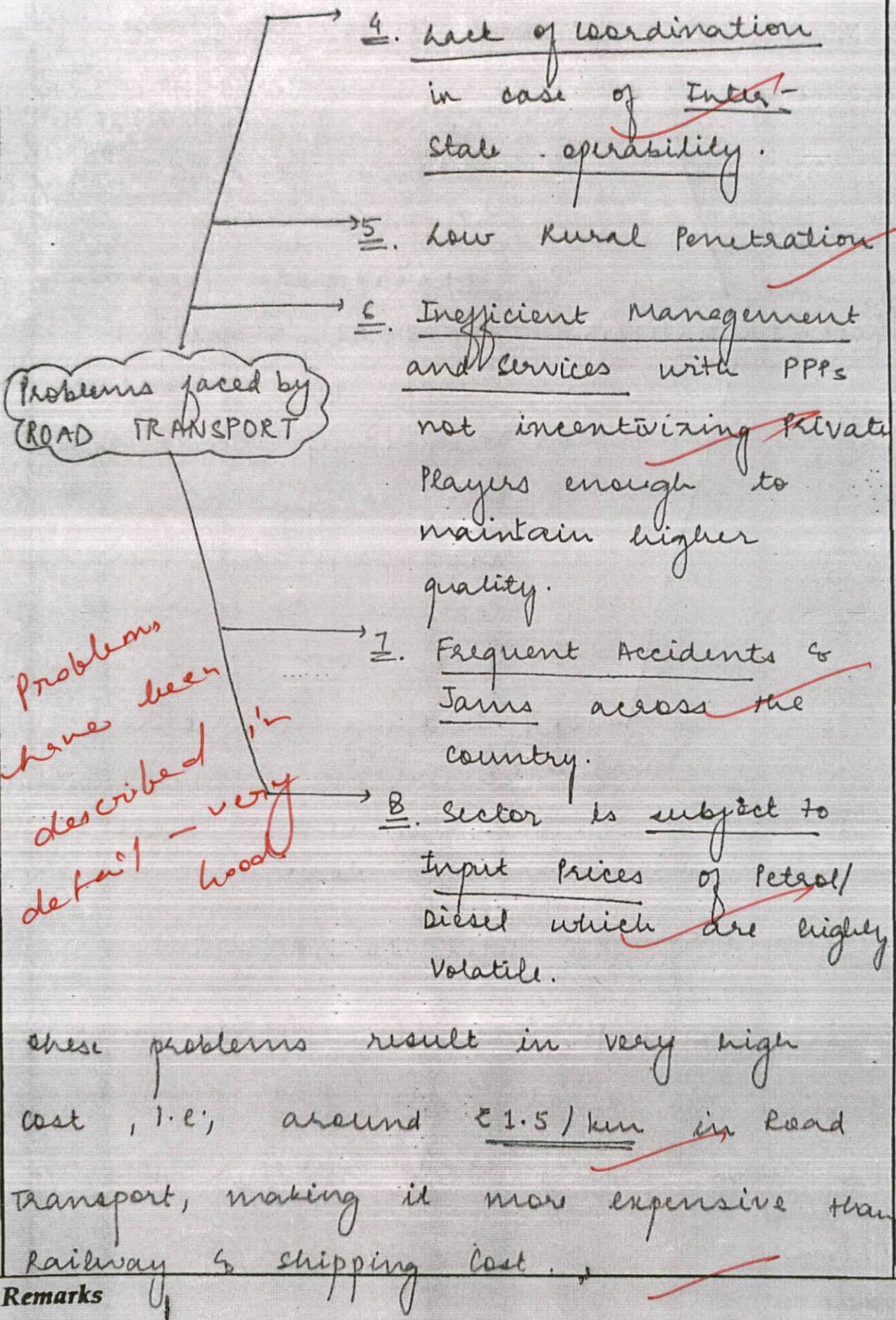
(15 Marks) (250 Words)

ROAD TRANSPORT industry contributes immensely to India's GDP and GVA. Transport alone accounts for 50-60% of total logistical sector. With economic growth in India, there has been a consistent growth in overall TRANSPORT sector.

However, Road Transport sector in particular faces several problems, as:

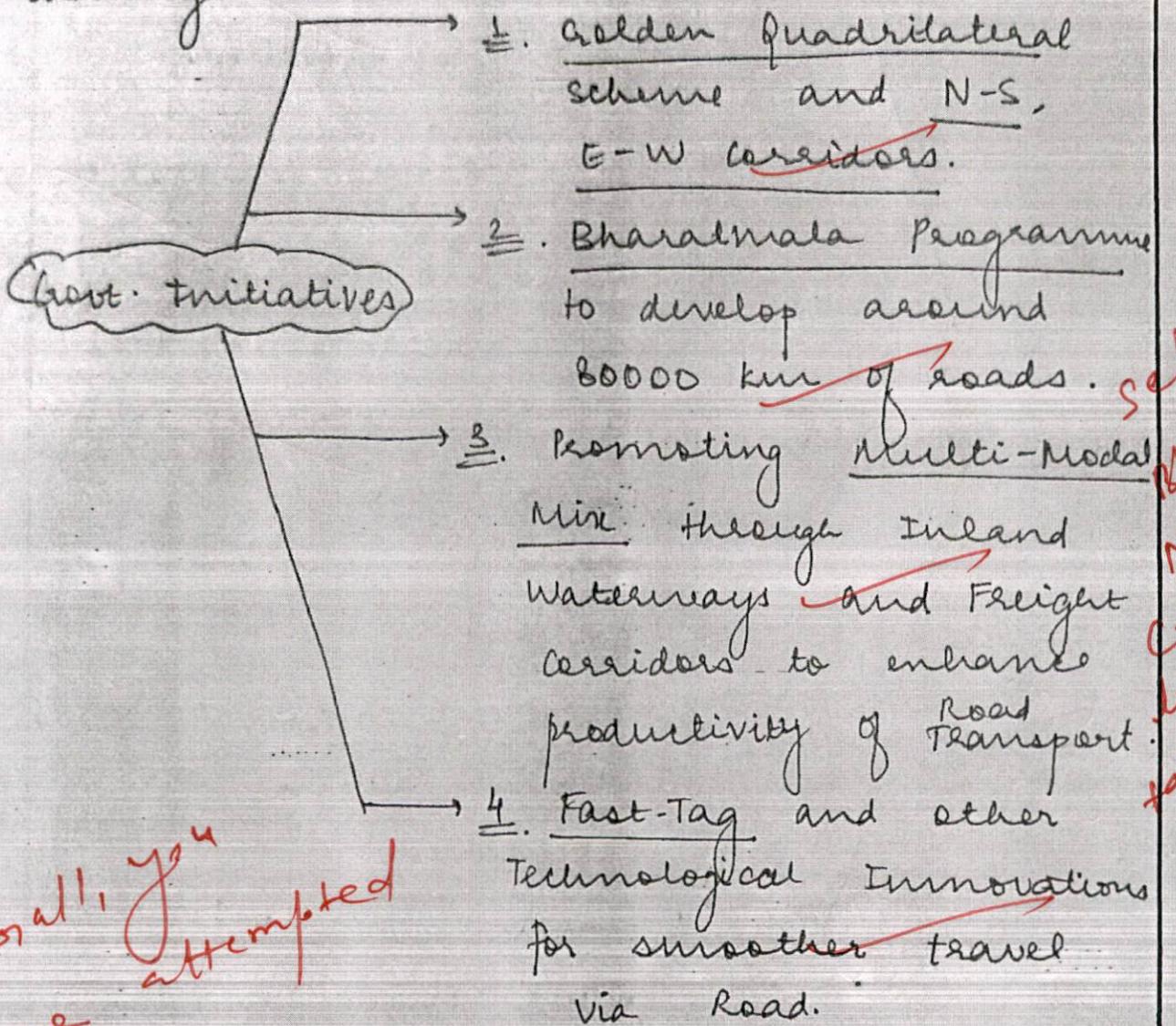
- 
1. Inadequate Roads and improper quality of roads which leads to erosion and heavy weathering.
  2. Infrastructural continuity is absent in Road Transport sector in India.
  3. Huge Investment Requirements

**Remarks**



Remarks

Government Initiatives to counter these challenges are :



Overall, it attempted

to have  
it very well  
efforts towards increasing Roads' penetration in Rural Areas and maintaining good quality roads through attractive PPPs.

Remarks

(1)  
(2)

set  
Bharatmala  
NHOP  
can also  
be talked.

**Q15.** Special Economic Zones (SEZs) in India have not been as successful as their counterparts in many other countries, thus needing a review of the existing SEZ policy. Highlighting the bottlenecks in realising SEZ's potential, list down the suggestions stated in the Baba Kalyani Report on SEZs.

(15 Marks) (250 Words)

SPECIAL ECONOMIC ZONES (SEZs) are certain areas which offer tax and other incentives to businesses. Structured closely on the already successful model of China, SEZs are designed to help stimulate both foreign and domestic investment, boost India's Exports to create new employment opportunities.

### Performance of SEZ Sector:

Incentives for setting up unit under SEZ are:

→ Duty Free Import and Export

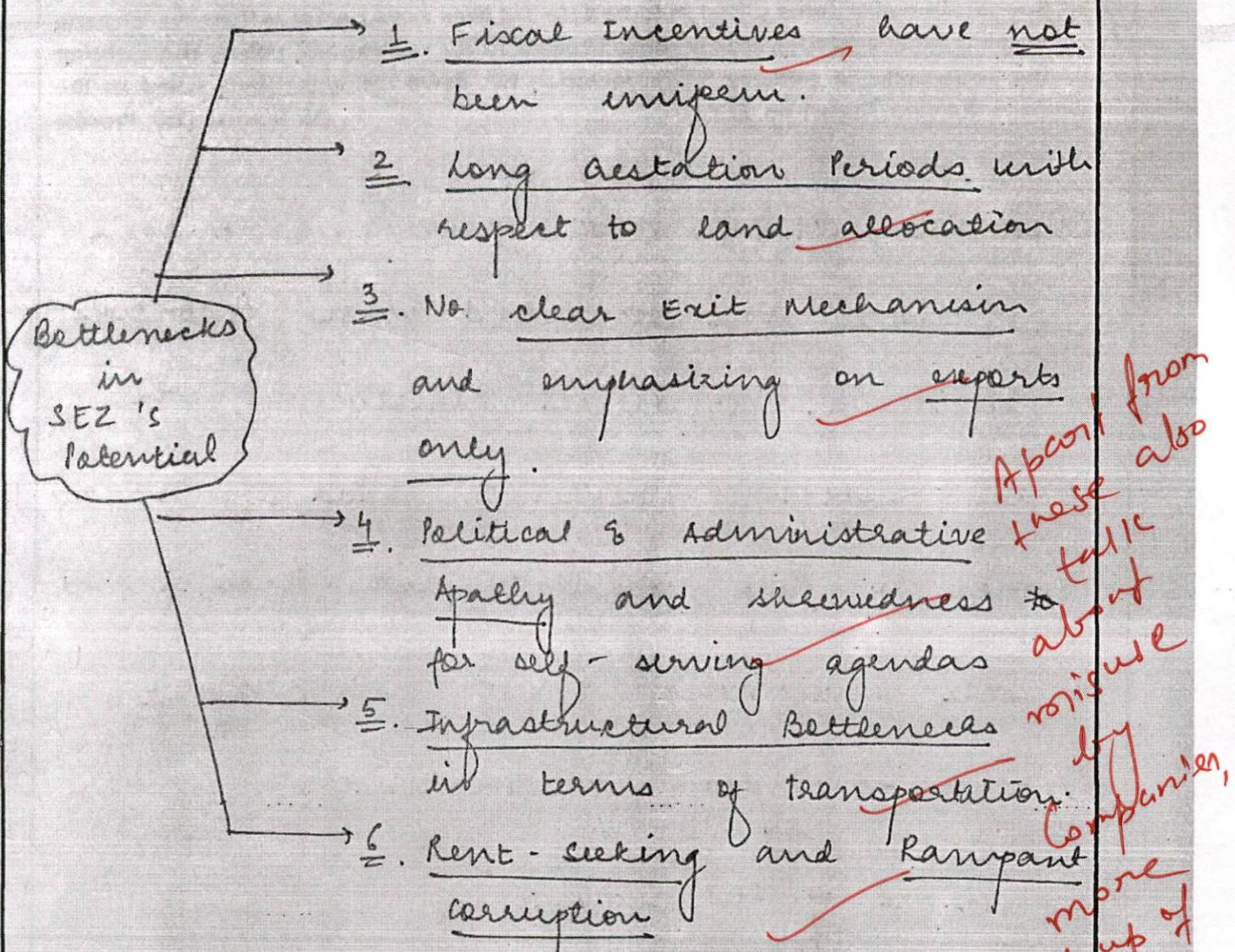
→ Exemption from GST

→ External Commercial Borrowing allowed

However, there are several issues with

SEZ Policy which have inhibited SEZ's potential:

Good work  
described  
its  
objectives  
clearly  
and  
comprehensively



In light of this, BABA KALYANI

COMMITTEE was set up to study the

SEZ Policy of India. The committee

suggested :

1. Framework shift required from Export Growth to Broad-Based Employment &

**Remarks**

Economic growth.

2. Separate Rules and Procedures for Manufacturing & service SEZs.
3. Shift from supply - Driven to demand - Driven approach to improve efficiency.
4. Enhance competitiveness by ecosystem development by multi - modal connectivity & high utility infrastructure. Good coverage
5. Promote integrated industrial and urban development zones.

SEZs have amassed huge success in many other countries. For India, there is the need to look at SEZs from different perspectives and utilise the huge human capital repository in India to become a superhouse of manufacturing and services <sup>good,</sup>

**Remarks** Overall try to identify few more challenges to make it more comprehensive.

**Q16.** The handloom industry in India is not just an economic activity, but exhibits a national identity, however this sector is ailing. What are the reasons behind it? Mention steps taken by the government to give impetus to the sector along with other remedial steps.

(15 Marks) (250 Words)

HANDLOOM SECTOR is a symbol of India's glorious cultural heritage. Textiles and Handlooms are source of 2nd largest source of employment in India.

According to 4th All India Handloom census,

31.45 lakh households are engaged in handloom, weaving and allied activities. But It is also an important source of livelihood and key to women empowerment as 70% of handloom weavers are women.

However, Handloom Industry in India is ailing, because:

- ) Uncompetitive: Handloom work involves

**Remarks**

intricate weaving and is quite expensive compared to machine-made goods.

•) Time: Handloom works require longer periods of time to be made.

•) COVID-19 and lockdowns have impacted entire supply chains. According to TRIFED, total handcraft and handloom worth ₹100 crore went unsold during lockdown.

•) Administrative Issues: Old administrative bodies have not performed up to the mark and their apathy has further challenged the sector.

#### STEPS TAKEN by Govt.:

Steps taken by Govt.

##### 1. Atmanirbhar Bharat Abhiyan:

Virtual Fairs for promotion of handloom goods.

##### 2. PLI Scheme in Textiles to improve supply chains.

Remarks |

- Must include*
- Steps taken by Govt.*
- Weaver service centre, yarn supply scheme, Dunbar Haat etc*
3. GI Tagging of important Handloom products
  4. Handloom Export promotion council: to promote exports of all Handloom products like carpets, fabrics, etc.
  5. Launch of App called My Handloom Portal
  6. Various social media campaigns.

Other remedial measures can be:

1. Promote Textile clusters in making newer products, e.g. MASKS during COVID.
2. corporate gifting: promotion of handloom items for corporate gifting.
3. More regular campaigns to revive endangered crafts.
4. disseminating products globally, through innovative measures like ONLINE EXHIBITIONS.

Thus, it is necessary to preserve the identity of Indian Heritage through HANDLOOM

**Remarks**

few issues to enrich further

62

Q17. Explain the benefits of e-commerce for the customer, organization and Indian Economy. Do you agree with the view that e-commerce giants threaten the livelihoods of small retailers? Give reasons in support of your arguments. (15 Marks) (250 Words)

As the name suggests, E-COMMERCE refers to electronic buying and selling of products and services over the Internet.

There are several aspects of e-commerce which affect large number of people.

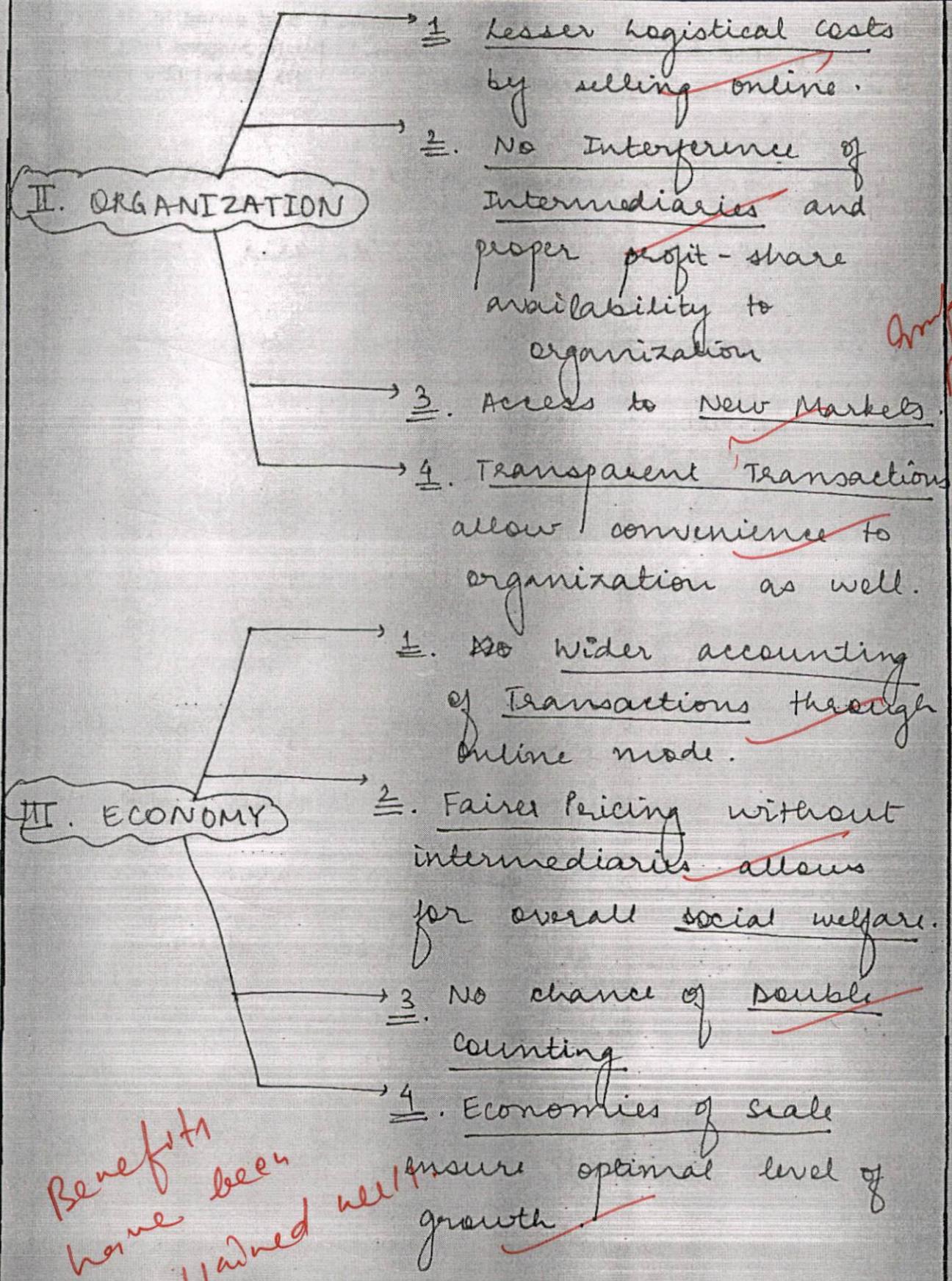
Good and modern action

### (Benefits of E-commerce)

- I. CONSUMERS
  - 1. Convenience to consumers with wider choice options.
  - 2. Product and Price are subject to competition, ∴ consumers can avail the most satisfaction through cheapest and best prices.
  - 3. Quick Payment options via Internet propagates Cashless Economy in India

Good coverage of benefit for consumers.

Remarks



Remarks

However, it is often argued that e-commerce adversely affects the small retailers.

This is because:

1. Higher logistical costs for smaller Retailers affect their price competitiveness.
2. Venturing into any market via e-commerce affects loyalty and years you have been selling by smaller retailers.
3. Technological advantage is not present for small retailers which also affects their productivity and efficiency.

Thus, e-commerce although benefits a wide sector of economy, it also comes at the cost of adversely affecting small retailers in unorganized markets. Therefore, it is important to formalize these small retailers, for them to be competitive with online sellers part of the market.

Remarks

(62)

Part -

- Q18. India's vision for export driven growth has been seriously hurt owing to its own structural problems and present-day global challenges. Elaborate. Suggest long term structural steps to ameliorate the export sector. (15 Marks) (250 Words)

After Independence, goals of India's Developmental Models have differed. From Import-Substitution in pre-1980s era, Export-Promotion took genesis after 1980s and has been one of the most important drivers of growth in India.

### EXPORT-DRIVEN GROWTH:

The year 2020 brought changes in all sectors of the economy. Changing nature of India's global trade was also one

of the changes brought about during 2020. India has now focussed its

goal as SELF-RELIANCE (Atmanirbhar)

in order to avert any such future

situations. Challenges associated with

export-driven growth are:

Remarks

need to quote India's

Export targets

In Part

FTP -

In Part

FTP -

1. Revealed Comparative Advantage not utilised: Amongst the top - 5 most exported goods, none of the goods had COMPARATIVE advantage and contributed only 40% to overall exports while Bangladesh has realised its RCA and has surpassed India in Textiles Production.
2. Failure of SEZs and infrastructural deficiencies in India have been the biggest impediments to export driven growth.
3. Credit crunch, High Regulatory measures and Inconsistent trade policies.
4. Rising Automation has affected India's exports adversely.
5. Increased competition from smaller developing countries.

Remarks

must include  
↓  
infrastructural  
Bottlenecks  
↓  
High logistics  
cost  
↓  
few external challenges  
as well.

## Long-Term Structural Steps to Ameliorate

### Export sector:

- Steps to be Taken
- 1. Formulating National Export Policy across different sectors to realise comparative advantage.
  - 2. Labour-Augmenting Tech to increase Labour Productivity.
  - 3. Infrastructure development to ensure positive feedback through linkages.
  - 4. Tariff and Trade Policy Reforms to ensure ease of doing business.
  - 5. Broadening the goal of Aatma-Nirbhar to involve Experts broadly in the goal.

*Apart from suggesting these measures, also mention some steps already taken by Govt. to achieve the distant dream of long-term and sustainable development.*

*Remarks*

62

- Q19. The Food Corporation of India plays a vital role in executing Food Security throughout the country; however the Public Distribution System is yet to achieve its mandated goal. Discuss the working of FCI in the light of Shanta Kumar Committee recommendations. Also explain how technology can revamp PDS.

(15 Marks) (250 Words)

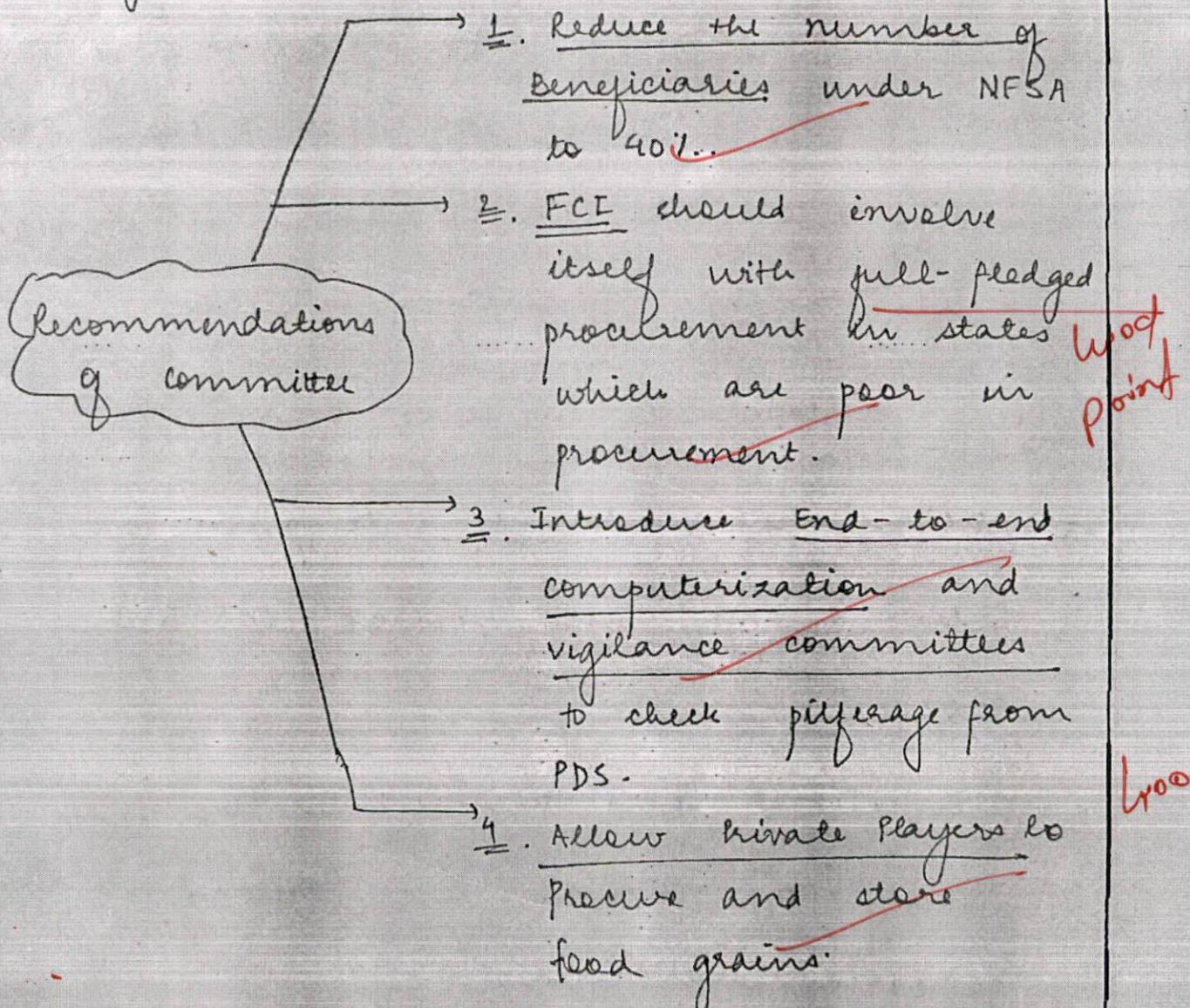
FOOD CORPORATION OF INDIA (FCI) was set up in 1965 with the objective of ensuring FOOD SECURITY through Procurement, A110 mention and Distribution. FCI is responsible for procurement, storage and PDS in India.

several Issues highlighted in working of FCI by Shanta Kumar Committee are:

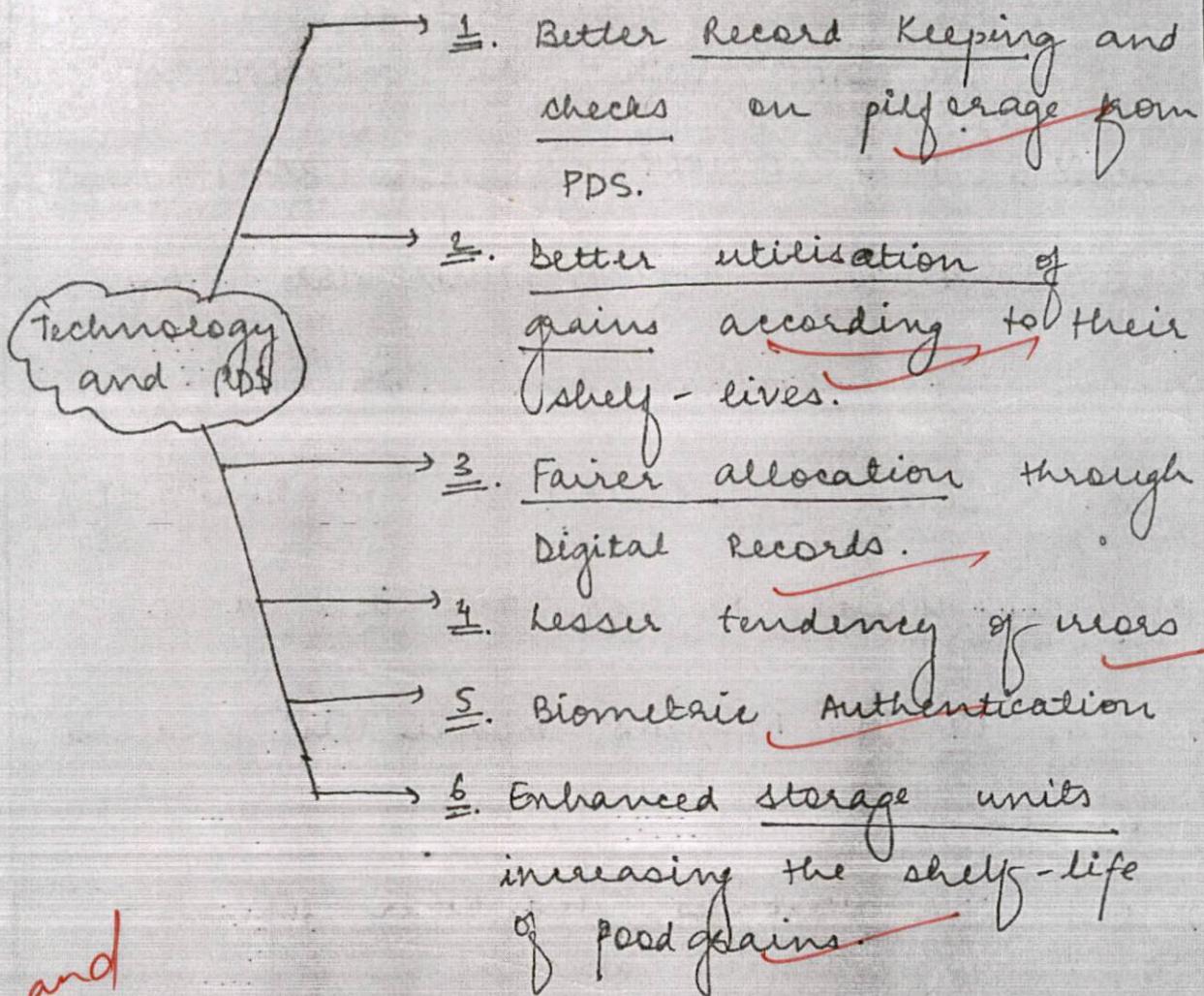
- Only 6% of Farmers' produce is procured by FCI.
  - Very high wastages and other forms of leakages.
  - Lack of storage facilities and updated technologies for more scientific storage units.
- at which increased growth*  
*towards wheat*  
*and rice*

Remarks

Shanta Kumar Committee was formed to suggest restructuring or unbundling of FCI to improve its financial management and operational efficiency in procurement, storage and distribution.



As emphasized by Shanta Kumar committee, computerization and other technologies can enhance PDS as:



By this, by integrating technology into PDS, fairer and enhanced storage, distribution & procurement can take place. However, technologies adopted should be labour-augmenting to enhance productivity.

Remarks

**Q20.** Given the recent developments in solar energy production, do you think Indian energy imports will significantly decline over the coming years? Give reasons in support of your answer. (15 Marks) (250 Words)

India ranks 4<sup>th</sup> globally in terms of Renewable Energy capacity and 5<sup>th</sup> specifically Solar Renewable Energy capacity. Solar Power capacity has increased by more than 14 times in last 5 Years. According to NDC, India aims at 100 GW of solar energy generation by 2022.

### Recent developments in Solar Energy:

1. National Solar Mission: to promote Solar Energy and generate 100 GW by 2022.
2. International Solar Alliance: led by India globally to increase Solar Energy cooperation worldwide.

Remarks

3. PM - KUSUM scheme: for low cost solar pumps and grids for farmers in agricultural sector.

4. Solar Parks and Solar Power Projects

~~Surya mohor~~ to increase ~~declassified~~ energy generation in India. ~~you~~ ~~schemes~~ very ~~per~~.

5. Solar Cities and Smart Cities mission emphasizing increasing role of solar energy in Urban Transformation.

Impact of rising solar Energy capacity:

- 
- 1. Increased Renewable Energy Capacity in India.
  - 2. closer to NDC commitments and climate-friendly attitude.
  - 3. Increasing competitiveness of solar energy.
  - 4. slower growth in demand for coal.

However, there are still several challenges to significantly decline energy imports:

- 
- 1. Regulatory and Administrative Issues in terms of solar energy penetration.
  - 2. India still is heavily dependent on coal. Over 50% energy demands ~~are met by~~ coal And solar energy is still expensive compared to Thermal Power.
  - 3. ~~of~~ slowdown induced by COVID has also halted the strive towards cleaner energy
  - 4. structural issues of GST and imports of solar equipments are still a challenge.

Therefore, there is a need to adopt a calibrated approach towards achieving our NDC of 100 GW by 2022. This includes

regular meetings to solar sectors along with  
attempts at structural reforms.

(7)