

INDIAN ECONOMY - 2

Time Allowed: 50 Mins.

Max. Marks: 65

Q.	Marks	Instructions to Candidate
1.		<ul style="list-style-type: none"> • There are 05 questions. • All questions are compulsory. • The marks carried by a question is indicated against it. • Keep the word limit indicated in the questions in mind. • Answers must be written within the space provided. • Any page or portion of the page left blank in the Question-cum-Answer Booklet must be clearly struck off.
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1. Invigilator Signature _____

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REMARKS

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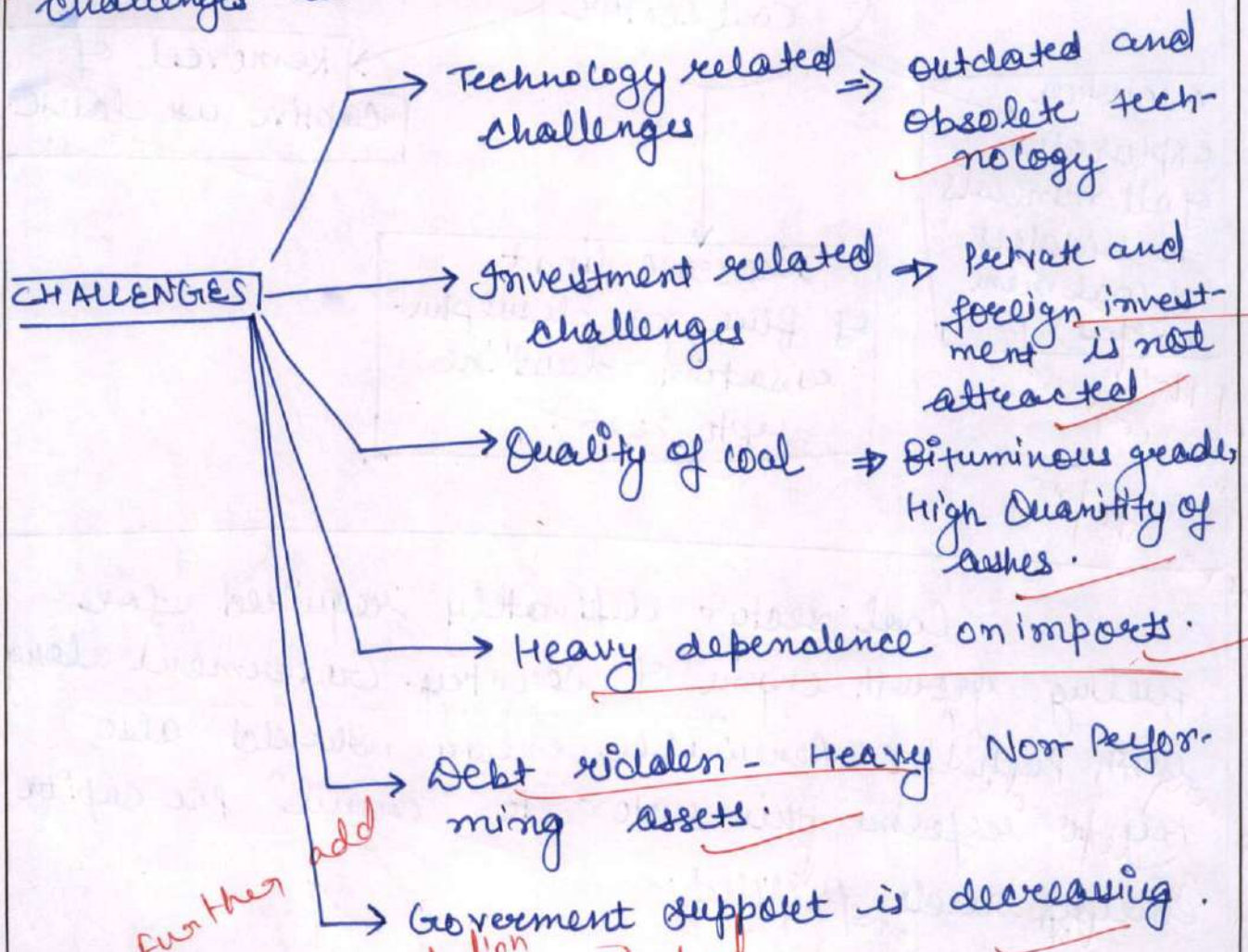
Q1. Coal sector in India is witnessing consecutive year-on-year losses since the past few years. Discuss the problems plaguing the sector. Suggest comprehensive reforms for its growth and development. (10 Marks) (150 Words)



coal has been dominant contributor in power generation around world including India. This sector holds immense importance for fulfilling growing energy need of our country.

Instead of quote India's annual production, But, etc. its rank etc.

Recently the sector is facing numerous challenges. As mentioned below.

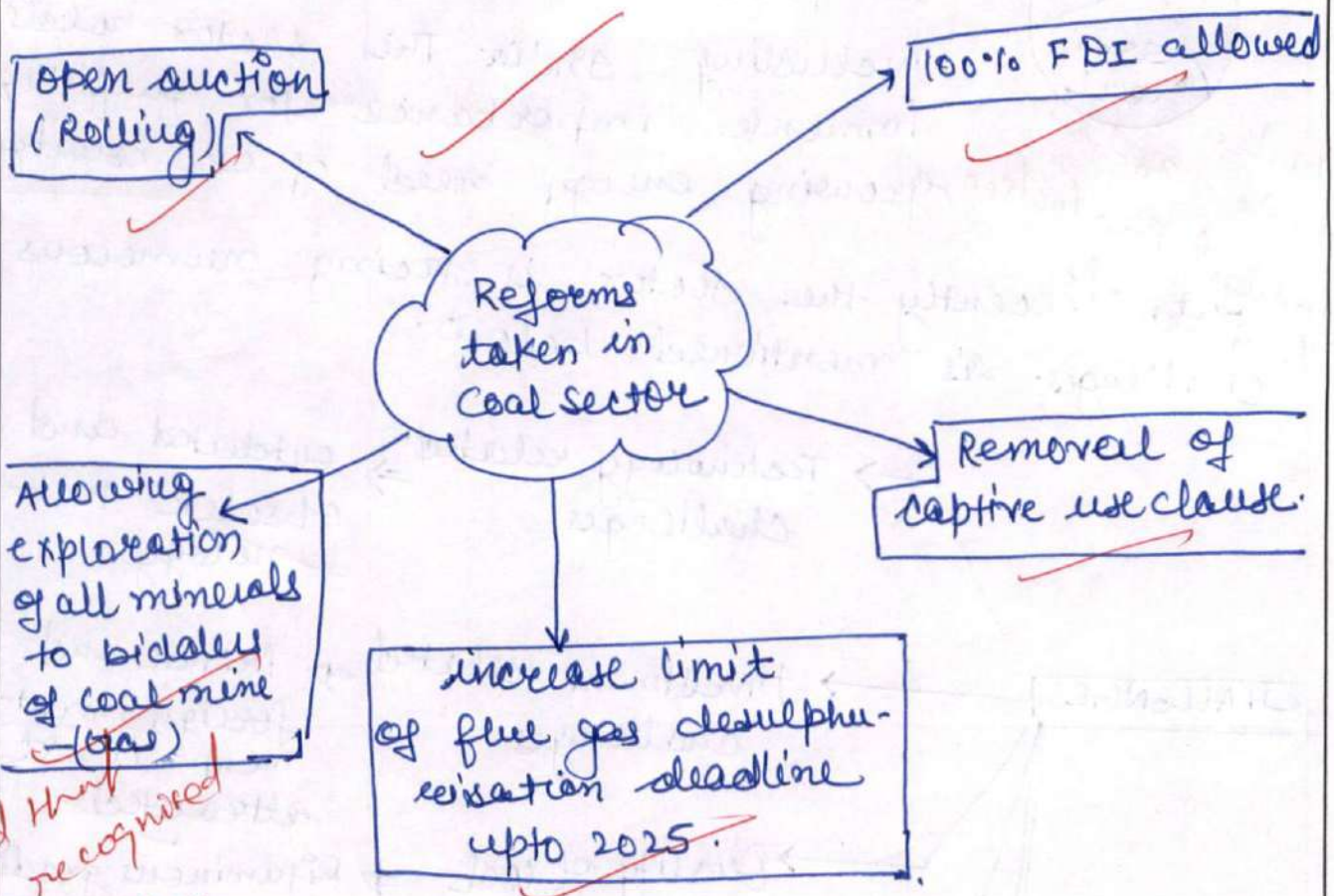


Further add

strict regulation
Absence of independent regulator etc.

Remarks

These problems can be addressed with comprehensive set of reforms not by piece-meal approach. Government of India has taken these steps in past few years for easing problems.



Used that you recognised these steps

Coal sector definitely required for fueling growth engine of country. Government along with push for renewable energy, should also key to reforms this sector to ensure per capita

Also with push for renewable energy, should also key to reforms this sector to ensure per capita energy needs fulfilled. regular improvement in technologies.


4

Remarks

Q2. The Indian ports and shipping industry play a vital role in sustaining growth in the country's trade and commerce. However, several challenges faced by this sector have proved to be disadvantageous to the growth of this sector. In this light analyse the potential and challenges of this industry. (15 Marks) (250 Words)

Ports and shipping industry contributes in imports & exports of India (90% by volume and around 65% by ^{70%} value). Along with trade, it contributes employment, GDP of country. *used beginning*

challenges This industry has been facing several challenges currently and possess huge potential.

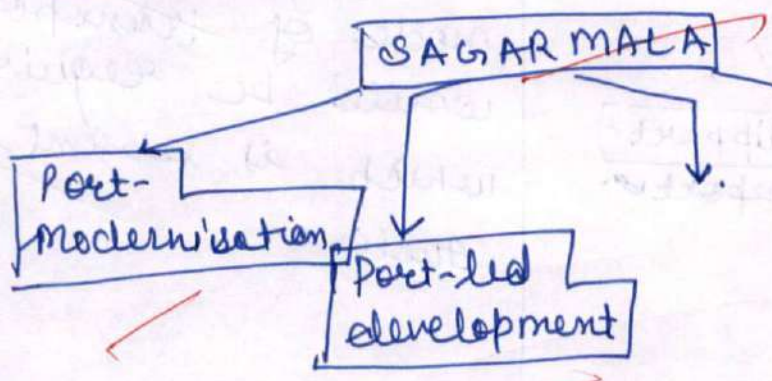
Potential	Challenges
<p>(1) India <u>can become</u> <u>hub of entreport</u> (where <u>imports</u> from other <u>countries</u> are brought <u>for exporting</u>) like <u>Singapore</u>.</p> 	<p>(2) This potential is diluted by <u>challenge of high</u> <u>logistics cost</u> and <u>non-last mile connectivity</u>. <u>Geography</u> also poses <u>challenge</u>. <u>multi-modal</u> mode of <u>transport</u> would be <u>required</u> which is <u>absent</u> from <u>India</u>.</p>

Remarks *Can simply describe potential and then start explaining challenges*

- | | |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>(2) Huge employment and chances <i>opportunities</i></p> <p>(3) India can become hub of maintenance, repairing and overhauling hub.</p> <p>(4) India can become <u>manufacturing hub for ships</u>.</p> | <p>(2) Skills non-availability is a challenge.</p> <p>(3) Lack of attention by government in this facet and non-availability of infrastructure.</p> <p>(4) Lack of ease of doing business, availability of government support are few challenges in this respect.</p> <p><i>Other challenges</i>
 <i>↓</i>
 <i>High turnaround time</i>
 <i>↑</i>
 <i>Financial issues etc.</i></p> |
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STEPS TAKEN BY GOVERNMENT to overcome these challenge:

(1) SAGAR MALA - based on 4 pillars.

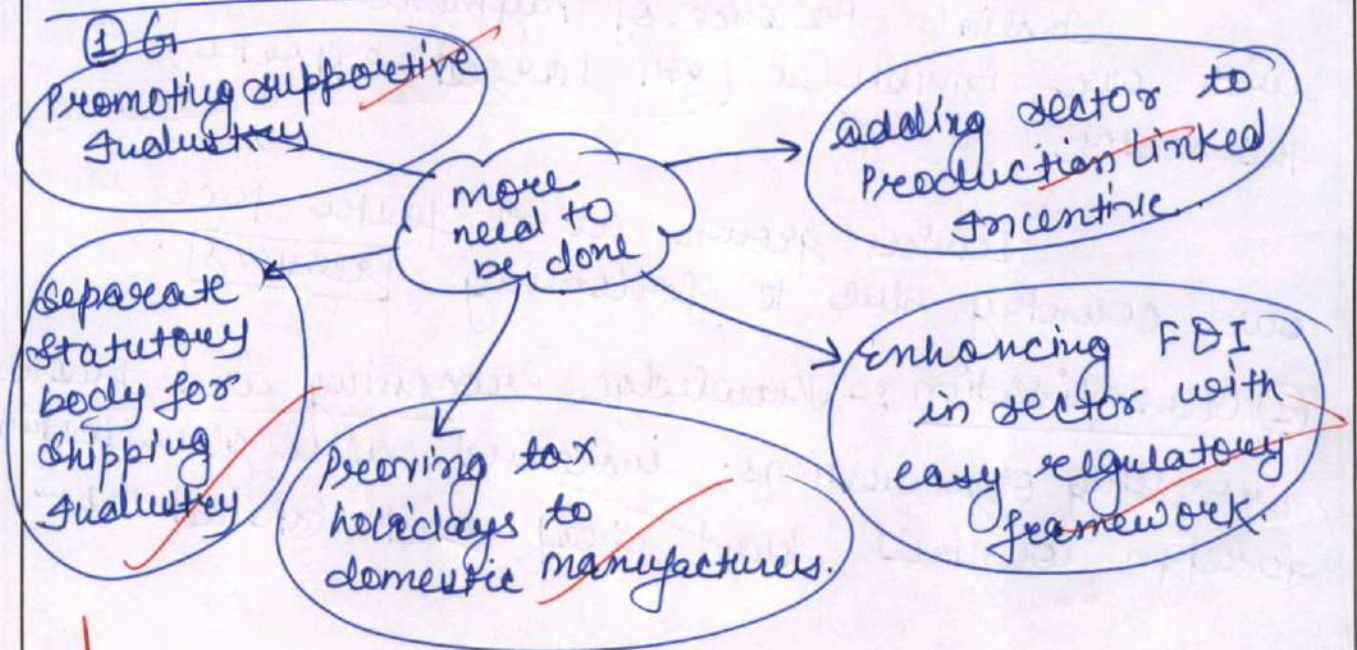


mention some steps from Budget 2021, talk about liberalising of FDI norms etc.

Remarks

② multi-modal parks (where different modes like railways, roadways, inland waterways and Ports would be connected for ensuring ease in transport.)

③ These steps shows a positive approach but are not enough. what more need to be done?



By and large you have covered the issues well.

Shipping and Port Industry holds future potential, which can be harnessed with proper government support.

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Q3. "The services sector is not only the dominant sector in India's GDP, but has also attracted significant foreign investment, has contributed significantly to export and has provided large-scale employment". In the light of the statement, discuss the features of the Indian economy that make it so heavily dependent on the service sector. Also, state the impact of Covid-19 pandemic on this sector. (15 Marks) (250 Words)

Services, contributes almost $\approx 55\%$ in our GDP on global lines and around half of our foreign direct investment also comes in this sector.

India's Balance of Payment is balanced with our invisibles (8th largest exporter) in this sector.

Services grown at a faster pace in our country due to following reasons.

① Globalisation :- Knowledge Processing and business Processing organisations increased after globalisation. foreign countries found cheap and skilled labour

② Growth of Information Communication and technology and Internet - supported growth of services across borders and within country like online teaching

③ Government supportive policies - unlike manufacturing sector - very Government provided huge support to this sector.

Then point are good.

Remarks

④ Increased demand of services →

due to with growing size of middle class

⑤ No load of regulatory, labour frameworks like manufacturing sector.

⑥ Availability of cheap and qualified labour.

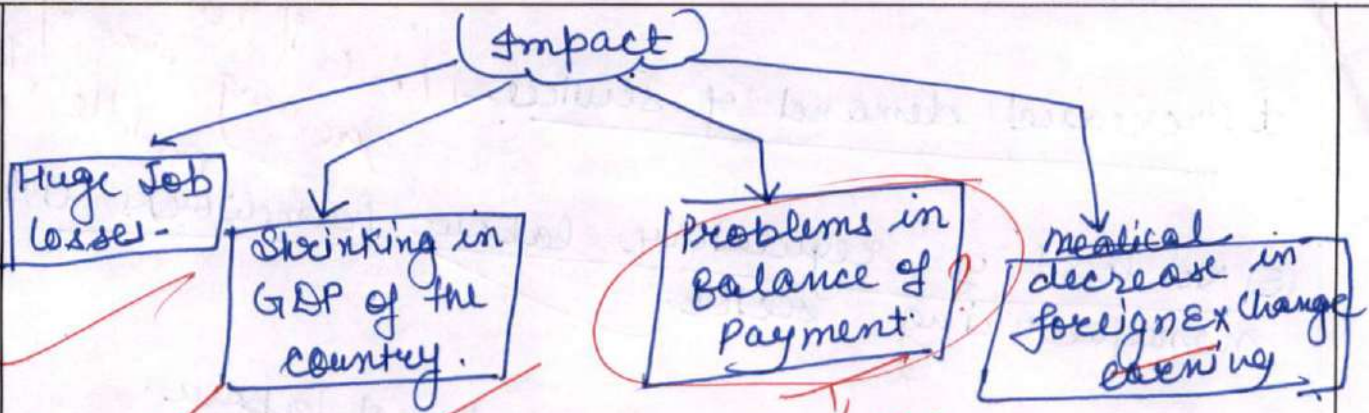
Also, had relate availability finance
 ⑦ Medical tourism - due to low cost and high quality of treatment.

⑧ Tour and Travel.

⑨ Lack of growth in manufacturing sector is also biggest reason for shifting to this sector.

From point of view of economic growth, it is good to bank on services sector but when keep the huge population of India - growth of manufacturing sector is vital.

During COVID-19 Pandemic - worst hit sector was the service sector. (Tourism was halted, schools, transport, Shopping, cinema - Everything stalled).



quote reduced growth in services

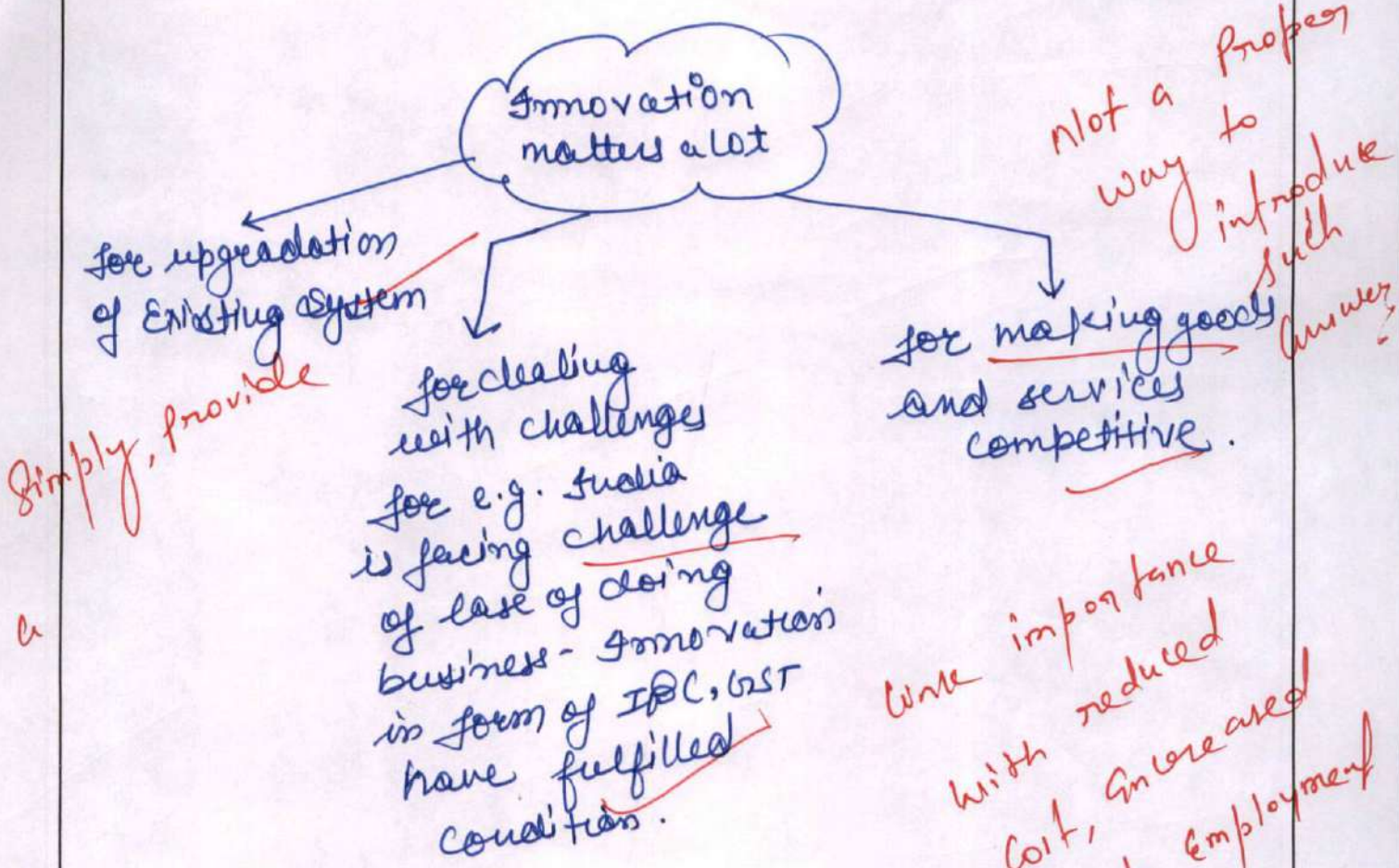
Service sector has been most important and dominant sector of our economy. So, Government should try to formalise it, social security measures for workers (big workers, platform workers) key to increase share in quarterly and quinary services (where India has low share.)

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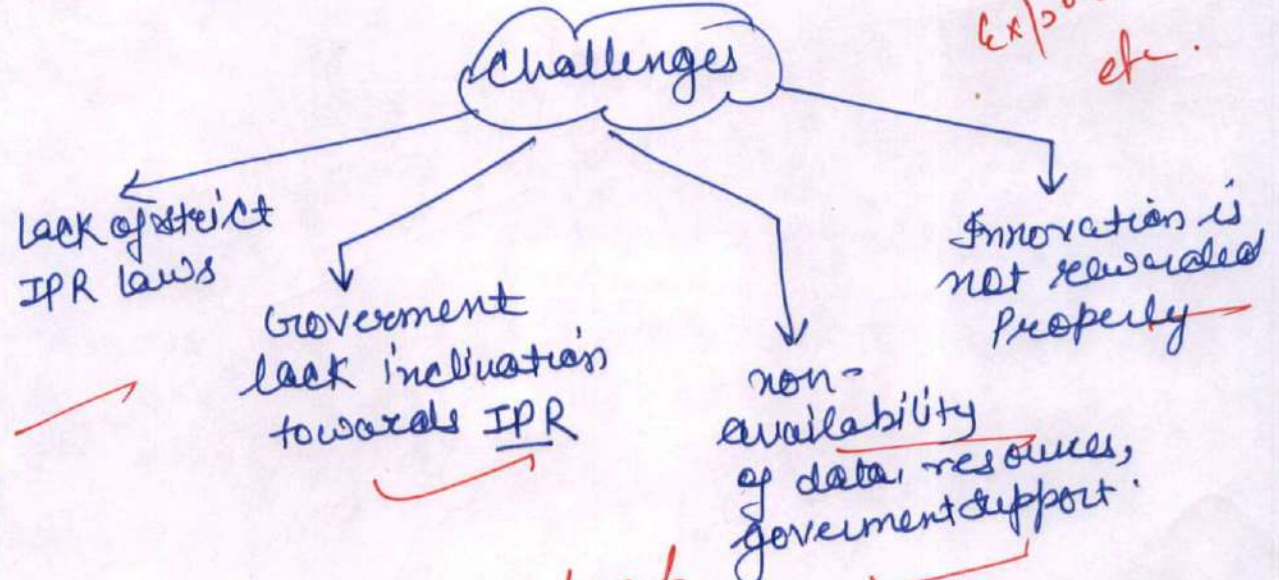
You also had to highlight few possible impact on services - Rise in ICT, work from home etc -

Q4. Why does innovation matter in the economic development of a nation? Examine the key parameters that govern the Indian innovation ecosystem.

(10 Marks) (150 Words)



With importance with reduced cost, increased export, employment etc.



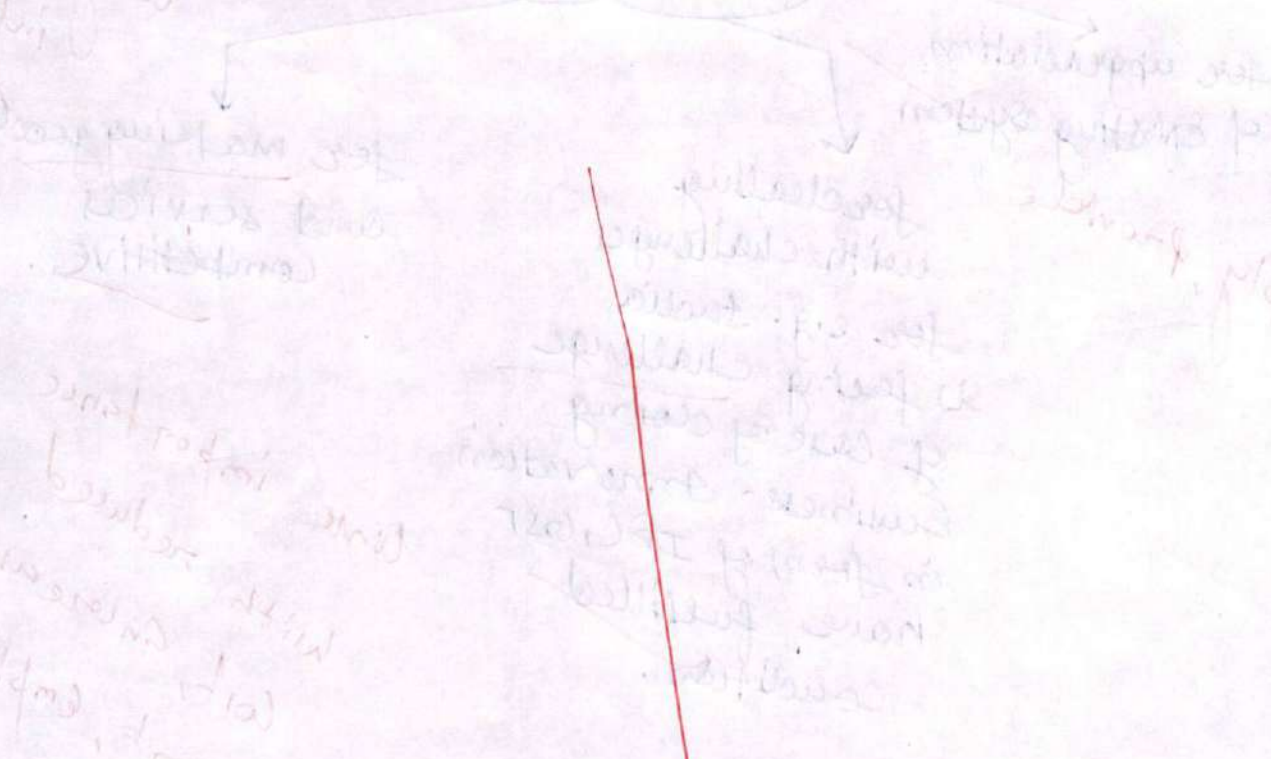
talk about Gen R&D expenditure, Education system etc as well.

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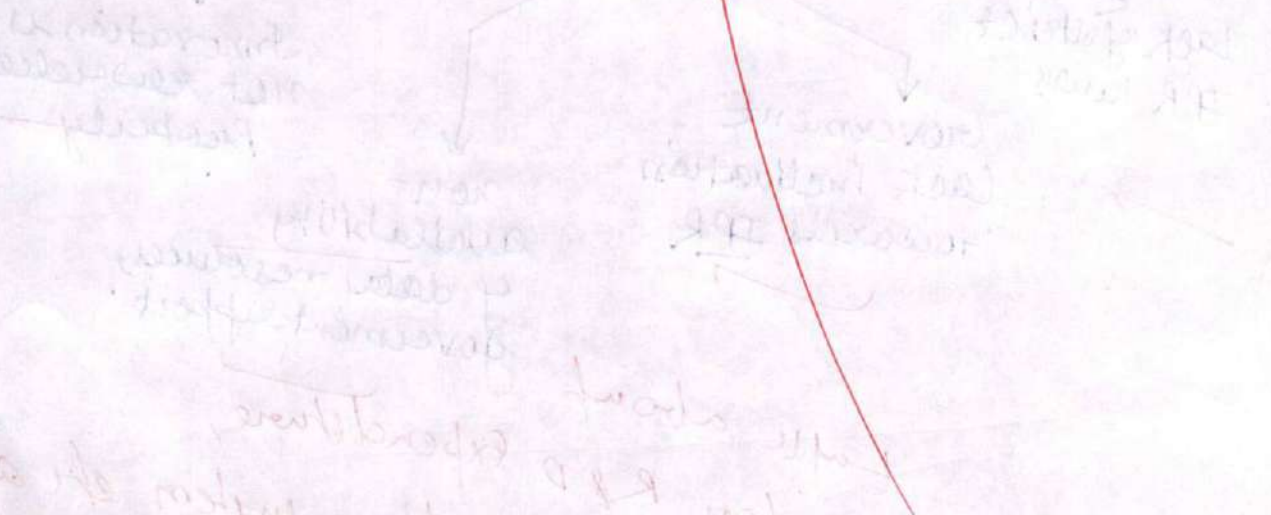
Remarks

Suggest the way forward as well,

International
Trade



Export



Remarks

Support the forward...

Q5. Access to clean and affordable energy is pivotal for India's sustainable development.' In this regard, discuss various initiatives taken by our government to promote renewable energy and challenges that still remain. (15 Marks) (250 Words)

Sustainable development is based on access to clean and affordable energy. ~~for~~ After the reports of IPCC and COP in Paris - a shift towards support to renewable energy has increased.

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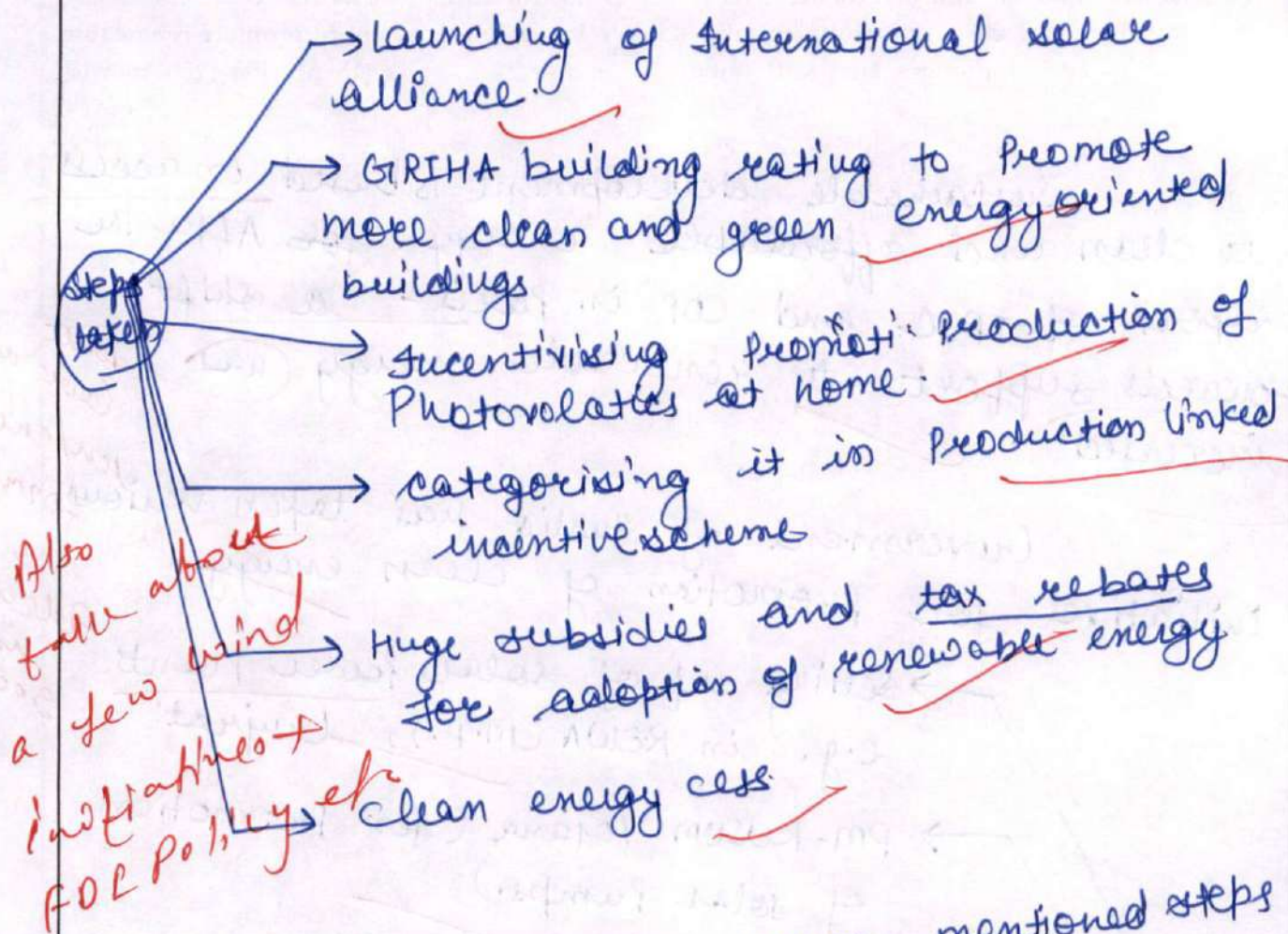
Government of India has taken various initiatives for promotion of clean energy.

Steps taken

- Setting up of solar power plants e.g. in REWA (M.P.), Gujrat
- PM-KUSUM Yojana (for promotion of solar pumps.)
- GOBAR DHAN scheme (for extracting bio-gas.)
- PM-UISWALA Yojana (promoting LPG use at home.)
- Demarcation of major hydro power plants as renewable energy sources.
- Roof-top solar power plants.
- SNDC - 40% from renewable energy (of total installed capacity) by 2030.

Remarks

Can mention
latent heat



Although from above mentioned steps it is clear that government is pushing based on this front but still challenges remains ahead.

① Technology related challenge
R&D is not promoted in this sector. the cost storage of the produced energy (like batteries - not available.)

② Non-availability of raw material → like lithium and other rare metals for

development of photovoltaic cells.

③ Non-Continuous supply

Renewable energy can't be supplied continuously due to day and night (sun presence), speed of wind fluctuation.

④ Targets not achieved

Australia has targeted 175 GW by 2022 but in 2021 (Jan) only installed capacity was 100 GW.

⑤ Government dual Policy

on one front promoting renewable energy and on other side promoting FDI in coal etc.

Adoption of technologies for clean energy is not a one shot activity. Australia has done for better (4th largest RE producer) and still pushing ahead. development of Green bond market (may reduce financial constraints.)

Conclusion by adding more suggestions

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