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GENERAL STUDIES (TEST CODE : 1234)

Name of Candidate	MUKUND		
Medium Eng./Hindi	ENGLISH	Registration Number	49120
Center	ORN	Date	13 Aug. 2019

INDEX TABLE

Q. No.	Maximum Marks	Marks Obtained
1	10	
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20	15	

Total Marks Obtained:

Remarks:

INSTRUCTIONS

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

EVALUATION INDICATORS

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

Overall Macro Comments / feedback / suggestions on Answer Booklet:

1.

2.

3.

4.

5.

6.

All the Best

1. Explaining the reasons behind India's lower female labour force participation rates (LFPR), list the steps that have been taken to augment it. What more needs to be done? **(150 Words) 10**

भारत की निम्न महिला श्रमबल भागीदारी दर (LFPR) के पीछे उत्तरदायी कारणों को स्पष्ट करते हुए, इसे बढ़ाने हेतु उठाए गए कदमों को सूचीबद्ध कीजिए। साथ ही, बताइए कि इस दिशा में और क्या किए जाने की आवश्यकता है?

According to NSSO's Periodic Labour Force Survey (PLFS), India has female labour Force participation rate (FLPR) at 24.4% only.

- Reasons behind lower FLFPR:

1) Females opting for higher education: as witnessed by higher GER in higher studies.

2) Marriage: puts break in career, as few families prefer unemployed women as bride.

3) Increase in income level of family: leads to pressure on women to quit jobs.

4) Patriarchal outlook: of society puts women at disadvantage vis-á-vis man.

5) Issue of glass ceiling: demoralises women for further pursue of career.

- Steps taken:

1) Incentives to companies: which employ more than 30% women in form of tax incentives etc.

2) PM MUDRA Yojana: to promote women entrepreneurship as more than 60% loan beneficiary are women.

3) Maternal Benefit (Amendment) Act: increased paid leave from 12 weeks to 26 weeks.

- Further steps to be taken:

1) Skill development: under PM Kaushal Vikas Yojana with special focus on women

2) Increase in health & education: to improve productivity.

Don't write anything this margin (इस भाग में कुछ ना लिखें)

2. Parliamentary scrutiny over public finance is an important aspect of governmental accountability. In this context, discuss the role, importance and challenges in establishing a Parliamentary Budget Office (PBO) for effective oversight of budgetary process. **(150 words) 10**

लोक वित्त की संसदीय संवीक्षा सरकारी जवाबदेही का एक महत्वपूर्ण पहलू है। इस संदर्भ में, बजटीय प्रक्रिया की प्रभावी निगरानी हेतु संसदीय बजट कार्यालय (पार्लियामेंट्री बजट ऑफिस: PBO) की भूमिका, महत्व और उसकी स्थापना में आने वाली चुनौतियों पर चर्चा कीजिए।

Indian parliamentary system rests on accountability to executive to legislature, notably in public finance.

- Present mechanism for scrutiny is ensured through different committees, like, Finance Committee, Public Account Committee (PAC), Estimate Committee, Cut Motions, Question Hour etc.

- However, the role of Parliamentary Budget Office (PBO) holds importance as aforementioned mechanism has proved inefficient in face of lack of time, overwhelming majority in Lok Sabha etc.

- Role of PBO:

1) To scrutinise budgetary process and nuances in detailed way.

2) To make sure that every demand and grants are responsibally granted.

- Importance of PBO:

1) Would help strengthen parliamentary oversight over executive

2) Strengthen or improve public spending in responsible way.

3) Less resort to guillotine for approval.

- Challanges:

1) Lack of political consensus: to establish PBO

2) Bureacratic-political inertia: for change in status-quo mode.

Don't write anything this margin (इस भाग में कुछ ना लिखें)

3. Highlight the various challenges faced by MSMEs in accessing credit. Also, mention some of the recent steps taken by the government and RBI to address this issue. **(150 words) 10**

ऋण तक पहुँच स्थापित करने में MSMEs द्वारा सामना की जाने वाली विभिन्न चुनौतियों पर प्रकाश डालिए। साथ ही, इस समस्या का समाधान करने के लिए सरकार और RBI द्वारा हाल ही में उठाए गए कुछ कदमों का उल्लेख कीजिए।

MSMEs is one of the most important sector in economy as it contribute 30% to GDP, 45% to exports and employes around 11.1 million people (next to only agriculture), as per Economic Survey 2018-19.

- Challanges faced by MSMEs in accessing credit are:

1) Lack of long-term institutional credit: from banks, NBFCs etc

2) NBFCs crisis: due to IL&FS crisis, has deprived MSMEs of major source of credit.

3) The emerging new-established

MSMEs lack appropriate collateral, credit worthiness and thus face issue raising credit.

- Recent steps taken by government:
1) Loan in 59 minute : under a designated portal for MSMEs.
2) Infusing money in PSBs : to allow them to lend to MSMEs sector.
- Recent steps taken by RBI :
1) Changing Priority Sector Lending (PSL) norms : to permit more lending to MSMEs.
2) Issuing guidelines to NBFCs : to ensure better lending to MSMEs.

Moreover, government can further look into UK Sinha Committee report for further credit enhancement to MSMEs.

Don't write anything this margin (इस भाग में कुछ ना लिखें)

4. By rebalancing project risks between the public and private sectors, the HAM model has encouraged investments in the road infrastructure sector. Discuss. **(150 words) 10**

सार्वजनिक और निजी क्षेत्रकों के मध्य परियोजना जोखिमों को पुनर्संतुलित कर, HAM मॉडल ने सड़क अवसंरचना क्षेत्रक में निवेश को प्रोत्साहित किया है। चर्चा कीजिए।

The Public-private partnership (PPP) holds key to infrastructural development in India, as per NITI Aayog's Strategy for New India @ 75.

- The modes of PPP are:
1) BOT: Built, Operate and Transfer
2) EPC: Engineering, procurement and Construction

These two modes of PPP has their own limitations and thus by fusing best of BOT and EPC, Hybrid Annuity Model (HAM) was pursued by Ministry of Road Transport & Highways for investment in road infrastructure sector.

- The features of HAM model are:

1) Shared project risk: as both private sector and government is party, unlike BOT where private sector solely did everything.

2) Rebalanced finance risks: as 40% of project costs is paid to pvt. sector over five years, annualy.
Unlike EPC model, where government had to take 100% finance burden.

3) Incentive to private sector: as initial 40% cost is borne by Government and next 60% later on is raised combinedly or pvt. sector alone depending on progress of project.
Thus, HAM increased investment and hence desirable mode for PPP,

5. In view of the growing significance of FinTech innovations, discuss the potential and challenges of mainstreaming FinTech in Indian economy.

(150 words) 10

फिनटेक (FinTech) नवाचारों के बढ़ते महत्व को देखते हुए, भारतीय अर्थव्यवस्था में फिनटेक को मुख्यधारा में लाने की संभावनाओं और चुनौतियों पर चर्चा कीजिए।

Recently, IMF and World Bank together emphasised on the role of growing Financial Technology (FinTech) and further to adopt it by all countries.

reduces dependence on paper mode

FinTech offers new dimensions

quick, easy transaction

Significance of FinTech innovations

save time and money

helps in financial inclusion

Can end manual interaction and hence corruption, red-tapeism etc.

Don't write anything this margin (इस भाग में कुछ ना लिखें)

- Potential of FinTech mainstreaming:

1) With the increase in digital connectivity : India can readily adopt FinTech methods for quick, efficient financial transaction. e.g BHIM, UPI etc.

2) Impetus to Cashless or less-cash economy: can be gained through adopting FinTech innovations.

3) Financial inclusion: of leftover masses can be done readily.

- Challanges:

1) Digital illiteracy: will hamper adoption of FinTech

2) Poor infrastructure - in terms of internet facilities, mobile phone penetration, etc.

3) Rural-urban divide - is wide-spread, need to end these.

6. With India striving to achieve its development objectives, examine how blue economy can help in pursuing the objectives of economic development and ecological sustainability. **(150 words) 10**

भारत द्वारा अपने विकास उद्देश्यों को प्राप्त करने के प्रयास में, परीक्षण कीजिए कि किस प्रकार नीली अर्थव्यवस्था आर्थिक विकास और पारिस्थितिकीय संधारणीयता के उद्देश्यों को प्राप्त करने में सहायता कर सकती है।

Blue economy : refers to the economical gains that can be made by using marine, sea or inland waterbodies resources.

- As per survey 2018-19, India aspires to become US $5 trillion economy by 2024, with average real growth rate of 8%.
Blue economy can aid in this effort in multiple ways.

- Blue economy & economic development:

1) Offers a huge source of sea-bed minerals : as available

through deep sea mining.

2) Fisheries sector: can gain huge from blue economy, as India continues to rely heavily on inland marine fisheries neglecting ocean, sea etc.

3) Hydrocarbon: as huge potential can be exploited from abundant fossil fuel in form of Combustible Carbon, lie at sea-bed.

- Blue economy & economic sustainability:

1) By integrating environmental-friendly methods: ensuring that economic method doesn't harm fragile marine ecosystem

2) Blue Sovereign Bonds - alike raised by Seychelles can be raised by India to restore damage eco-system in and around oceans.

7. Despite many advantages associated with Electric Vehicles, there are many technical and commercial challenges for mainstreaming them. Discuss.

(150 words) 10

इलेक्ट्रिक वाहनों से संबद्ध कई लाभों बावजूद, उन्हें मुख्यधारा में लाने के मार्ग में कई तकनीकी और व्यावसायिक चुनौतियाँ हैं। चर्चा कीजिए।

According to National Mission on Electric Mobility, Electric Vehicles offers multiple advantages vis-á-vis conventional vehicles.

Advantages of electric vehicles

- Help achieve NDC under Paris Agreement
- impetus to infrastructure creation
- electric vehicles will save huge forex through import reduction
- help counter environmental pollution as SO_x, NO_x decreases
- employment to millions of people in this sector
- lack of dependence on import of crude oil

- Technical challanges:

1) Lack of charging infrastructure: continues to remain a major hurdle in adopting EVs, as per NITI Aayog report.

2) Long charging time: upto 6-8 hours, disincentivises people to go for electric vehicles.

3) Lack of Lithium-ion battery: in India in large quantity makes us import-dependent.

- Commercial challanges:

1) High cost: of electric vehicles makes conventional vehicles better choice for middle class.

2) Lack of ample indigenous production: of these vehicles makes them scarce in market.

- Way forward:

1) providing incentive: for local manufacturing in India

2) Using Li-ion batteries: developed by ISRO

3) Implementing Y.S. Malik panel report for adoption of hybrid and electric vehicles.

8. A rapidly changing economic structure and demography require a comprehensive employment policy to address the multitude of challenges that might arise in future. Discuss in the context of India. **(150 words) 10**

तेजी से बदलती आर्थिक संरचना और जनसांख्यिकी को भविष्य में व्युत्पन्न हो सकने वाली अनेक चुनौतियों से निपटने के लिए एक व्यापक रोजगार नीति की आवश्यकता है। भारत के संदर्भ में चर्चा कीजिए।

As per Survey 2018-19, India has 65% population below 35 years of age, and 50% below 25 years. India will emerge as 'youngest country' in the world in early 2020s, with median age of 29yrs.

Advantages of huge young demography

- Labour-intensive sectors like apparel, footwears can gain
- abundant labour at a time when China, Japan is further ageing
- huge economic prospects via schemes like Make in India, Smart India etc.
- Skilled labour can be used in sectors like IoT, AI, Big Data analytics etc.
- services (sunshine) sectors like tourism, hotel management etc. can gain a lot

- Challanges in face of rising demography:

1) Demography divident turning to 'Demographic disaster': in case advantage is not reaped with proper employment planning.
2) Skill deficit: among emerging workforce renders them unsuitable for emerging jobs
3) Lack of labour-intensive sectors: leaves a large section of people job less.

- Way forward:

1) Generating 10 million jobs/year: is sine qua non for reaping benefits
2) Skill upgradation - via intensive Kaushal Vikas Yojana is needed
3) Promoting labour-intensive sectors along with services sector.

Don't write anything this margin (इस भाग में कुछ ना लिखें)

9. Examine the need for a comprehensive policy on e-commerce in view of its domestic expansion as well as safeguarding India's interests globally.

(150 words) 10

ई-कॉमर्स पर एक व्यापक नीति की आवश्यकता का इसके घरेलू विस्तार के साथ-साथ वैश्विक स्तर पर भारत के हितों की सुरक्षा को देखते हुए परीक्षण कीजिए।

E-Commerce or electronic commerce refers to the commerce activities carried on electronic platforms. e.g Amazon, Flipkart etc.

- As per reports of Ministry of Commerce & Industry, India's e-commerce market will double or nearly triple in next few years.

- Thus, comprehensive policy on e-commerce is needed as:

1) This sector is increasing expotentially: and hence proper policy guideline is needed.

2) To protect domestic e-commerce companies: which feels threatened in face of global giants like Amazon competing against them.

3) To protect interest of indigenous retailers: which is most impacted due to e-commerce

4) To curtail illegitimate practices. like selling own products on own platforms.

5) To promote data privacy: by enforcing data localisation rules of RBI.

- Way forward:

1) Enforcing draft e-commerce policy 2018 with necessary changes.

2) Making distinction between marketplace model and inventory model.

10. Discuss the need for deepening bond markets for Indian economy. Also, identify the reasons behind weak development of bond market in India.

(150 words) 10

भारतीय अर्थव्यवस्था के लिए बॉण्ड बाजारों को व्यापक बनाने की आवश्यकता पर चर्चा कीजिए। साथ ही, भारत में बॉण्ड बाजार के अल्प विकसित होने के कारणों की पहचान कीजिए।

Bond market, refers to the process of raising capital from/or by issuing bonds (debt instrument) in capital market.

- Need for deepening bond market for Indian economy are:

1) NPAs burden in money market: as PSBs continues to have NPAs to the tune of 12-13%.

2) Overburden on money market: has led to decrease in credit option for businesses.

3) Untapped potential of capital market: makes bond market

a viable alternative to be exploited.

- Reasons for weak development:

1) Lack of proper policy: SEBI established only in 1990s under SEBI Act to regulate bond market.

2) Nationalisation of banks: made economy over dependent on banks via PSL norms and other norms.

3) Lack of proper support: to capital market, unlike western economy like USA, UK etc.

- Way forward:

1) Impetus on capital market: to raise money via bonds

2) Allowing municipalities to raise money via bonds by giving sovereign gurantee.

11. In the context of IL&FS crisis, explain the risks that the economy faces due to laxity in the regulation of the Non Banking Financial Companies (NBFCs).

(250 words) 15

IL&FS संकट के संदर्भ में, गैर-बैंकिंग वित्तीय कंपनियों (NBFCs) के विनियमन में शिथिलता के कारण अर्थव्यवस्था के समक्ष आने वाले जोखिमों की व्याख्या कीजिए।

Non-Banking Financial Companies (NBFCs) refers to those Companies established under Companies Act, 1956 and performs activities like taking fixed deposits, sell and purchase of bonds etc.

Advantages of NBFCs

- provides enough flexibility with credit terms, repayment etc.
- provides credit to sectors like real estate, construction etc.
- helps in acting as pseudo-bank
- makes credit availability easy & quickly

- Reasons behind IL&FS crisis:

1) Weak regulation of NBFCs: by RBI as well as government.

2) Credit-liability mismatch: as NBFCs granted credit for long term while they had to pay back to banks on short-terms

3) Poor Audit by rating agencies: as agencies kept giving high rating despite poor performance of balance sheet.

- Risks that economy faces due to lax regulation are:

1) Disruption to overall economy: as NBFCs crisis impact infrastructure development, credit culture etc.

2) negatively impact MSMEs: as this sector is largely dependent on NBFCs for credit.

3) Loss of investment - as FPIs is withdrawn in face of chance of emerging economic crisis

4) Dent on general economy image: as crisis reflects lacunae in management, rating culture, law enforcement etc.

- Way forward:

1) Strengthening oversight of RBI: over these sector to bring them under regulation.

2) Ending 'Issuer-pay model': for rating agencies to avoid conflict of interests.

3) Bringing new legislation - particularly to deal with this sector.

4) Promote better corporate governance on lines of Kotak Committee guidelines.

Don't write anything this margin (इस भाग में कुछ ना लिखें)

12. What do you understand by Universal Basic Income (UBI)? Discuss the advantages that it presents over the existing social protection schemes in India. Also, identify the criticism associated with the idea of UBI for a country like India. **(250 words) 15**

सार्वभौमिक मूलभूत आय (यूनिवर्सल बेसिक इनकम: UBI) से आप क्या समझते हैं? भारत में वर्तमान सामाजिक सुरक्षा योजनाओं की तुलना में इसके द्वारा प्रस्तुत किए जाने वाले लाभों की विवेचना कीजिए। साथ ही, भारत जैसे एक देश के लिए UBI के विचार से संबद्ध आलोचना की पहचान कीजिए।

Universal Basic Income (UBI): refers to the minimum guranteed income to be given to all citizens by state irrespective of any criteria based on sex, income, caste etc.

- Idea of UBI was propounded for the first time by Belgian economist Philippe Van Parjis.

- The Economic Survey 2016-17 proposed the idea of UBI for India. The advantage of UBI over the existing social protection schemes are:

1) will make minimum income guaranteed to all, thus promoting basic human need and associated human dignity.

2) Universal nature: of UBI makes it desirable as state shall promote equal upliftment of all irrespective of caste, religion, sex etc.

3) will end issue of exclusion: which emerges due to human error

4) will also end leakages: which is rampant in present social protection schemes.

5) Economically rational - as UBI will cost lesser than

6% of GDP, which is spent on existing social schemes.

- Criticism associated:

1) Against equity principle: as both rich & poor will get equal amount, irrespective of their need.

2) will promote tendency of lethargy: as basic income will disincentivize people to look for work.

3) Issue of women violence: as man may force women to give money to himself.

4) Probability of consumption on sin goods: like tobacco, liquor etc. may increase in face of assured income.

13. Critically examine the practice of resorting to farm loan waivers as a means to alleviate agricultural distress. **(250 words) 15**

कृषि संकट को कम करने के एक साधन के रूप में कृषि ऋण माफी का सहारा लेने की प्रथा का समालोचनात्मक परीक्षण कीजिए।

Farm loan waivers : It refers to the process of waiving off (writing off) all loans of farmers in order to ease burden due to agricultural distress.

- Advantages of farm loan waivers:

1) Ease burden on poor farmers: in case of failed agricultural production due to draught, flood etc.

2) Helps clean-up banks' balance-sheet: as all pending loans are paid from government exchequer.

3) Increases banks lending capacity: as banks gets

more credit in hand to be lent to other sectors.

4) Help reduce burgeoning NPAs: from economy.

- Disadvantages:

1) Hampers credit discipline: as even abled farmers wait for waiver rather than paying off dues.

2) Misuse of people's tax: as populist government allegedly use it for 'vote-bank' politics

3) Waiver is temporary relief: as farmers again fall victim to draught, flood in absence of proper infrastructure.

- Solutions:

1) Need to bring structural change: in Agri sector by promoting agri-entrepreneurship, market linkage etc.

2) ~~Ext~~ Extend irrigation coverage: as still around 55% farm-land are rainfall-dependent, thus vulnerable to drought.

3) Promoting agro-forestry as per policy of Agro-foresty-2014; promoting live-stock rearing as natural insurance.

Thus, as recommended by former RBI governor Raghuram Rajan, government should focus on long-term sustainable solution rather than resorting to piecemeal temporary relief. However, waiver should be given in case of genuine distress.

Don't write anything this margin (इस भाग में कुछ ना लिखें)

14. Highlight the factors responsible for rise in the number of start-ups in India in recent years. Analyzing the challenges in the existing start-up ecosystem, suggest some measures to resolve them. **(250 words) 15**

विगत वर्षों में भारत में स्टार्ट-अप की संख्या में वृद्धि के लिए उत्तरदायी कारकों पर प्रकाश डालिए। वर्तमान स्टार्ट-अप पारितंत्र की चुनौतियों का विश्लेषण करते हुए, उनका समाधान करने हेतु कुछ उपायों का सुझाव दीजिए।

India has third-largest number of Start-up in the world, as per NITI Aayog's Strategy for New India @ 75 report-2018.

- Factors responsible for rise in number of start-ups in recent years are:

1) Scheme like Start-Up India: focussed on promoting better ecosystem for entrepreneurship

2) Schemes like MUDRA Yojana: readily provided credit for start-Ups upto 10 lakhs loans.

3) Stand-Up India: Scheme promoted culture of start-up among women, SC/ST and other backward deprived classes.

4) Shift of focus from job-seeker to job-creator: built a requisite culture for start-ups.

5) Easing registration, verification norms by Ministry of Commerce and Industry further helped.

6) Further schemes like Make in India, Smart Cities also aided efforts to create start-ups.

- Challanges:

1) Issue of credit: from banks, NBFCs etc. remaines a major bottleneack in start-up growing.

2) Issue with Angel-investment: where tax officials decides 'fair share value' on their own, hampers start-up prospects of raising money from angel-investor.

3) Lack of policy stability: adds further burden as start-ups has to tweak accordingly.

- Measures:

1) Promoting culture of 'Ease of Doing Business': by easy registration, resolution etc.
2) Promote credit accessibility: by bringing change in Angel norms, as done recently.
3) Providing incentives for new start-ups
4) Promoting competitive culture: amongst states by ranking as done by NITI Aayog.

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15. Discuss the idea of participatory budgeting and its significance for India. Also, identify the challenges in mainstreaming participatory budgeting in India. **(250 words) 15**

पार्टिसिपेटरी बजटिंग के विचार और भारत के लिए इसके महत्व की विवेचना कीजिए। साथ ही, भारत में पार्टिसिपेटरी बजटिंग को मुख्यधारा में लाने के समक्ष आने वाली चुनौतियों की पहचान कीजिए।

Participatory Budgeting refers to the process of budgeting in which people in general, or affected section of society also get say in deciding budget requirements.

- Significance of participatory budgeting in India:

1) will help policy formulation - in better and efficient way.

2) step towards people empowerment: as people get say in budget which is ultimately

going to impact them most.

3) Help target-oriented spending: as people will remain central to allocation.

4) Promote transparency and accountability - in otherwise opaque process of budgeting.

- Challanges in mainstreaming participatory budgeting are:

1) lack of political will - to integrate different stakeholders

2) lack of awareness: among people about budgetary nuances, details.

-Way forward:

1) Integrating different stake-holders or people directly can help in achieving goal of participatory budgeting.

2) Bringing awareness: among people in general about budgetary procedures.

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(इस भाग में कुछ ना लिखें)

16. Can the consolidation of banks help in stemming the existing problems in the banking sector? Discuss. **(250 words) 15**

क्या बैंकों का समेकन बैंकिंग क्षेत्रक में वर्तमान समस्याओं से निपटने में सहायता कर सकता है? चर्चा कीजिए।

Narsimhan Committee (1998) on banking reforms, recommended consolidation of banks at different levels. Recently, NITI Aayog in its 'New India@75' report batted for bank consolidation.

- existing problems in banking sector are:

1) Rising NPAs: as Public Sector Banks (PSBs) has NPA in range of 13-14% in March-2019 and ~~P~~ Psecheduled Commercial Bank has 10-11% of NPAs.

2) lack of adequate capital: with banks to lend to public en masse.

3) lack of adequate capital also makes bank unable to follow Basel-III norms of Capital to Risk Weighted Asset Ratio (CAR) of 7%.

4) High operational cost: due to large fragmentation prevalent in banking sector.

5) Absence of banking facilities: in rural areas

- Consolidation of banks can help in following ways:

1) NPA resolution: as two bank with lesser NPA can be merged to reduce overall NPAs.

2) Increase in capital: as merger will combinedly increase overall capital.

3) Increasing lending capabilities of banks as overall balance sheet will improve.

4) Efficient operational costs: as inter-operatability will increase leading to increasing efficiency.

5) Will make access easy and wide: As new branch can be opened by merging 2-3 nearby branches in more demanding region.

Hence, seeing the positive impact of merger of Bank of Baroda, Dena Bank etc., merger can be done on lines of Narsimhan Committee 2-3 banks at global level scale can be brought up, with 8-10 at middle level and rest at lower level.

17. There is a high cost of compliance as well as complexities associated with existing labour laws at centre and state levels. Discuss. What steps have recently been taken by the central government to address these challenges? **(250 words) 15**

केंद्र और राज्य स्तरों पर वर्तमान श्रम कानूनों के साथ अनुपालन की उच्च लागत के साथ-साथ जटिलताएँ भी जुड़ी हुई हैं। चर्चा कीजिए। इन चुनौतियों से निपटने के लिए केंद्र सरकार द्वारा हाल में क्या कदम उठाए गए हैं?

India has more than 100 labour laws under different acts of central as well as state government, through acts like Minimum Wage Act, 1948 ; Essential Commodities Act, 1955 ; Maternity (Benefit) Act etc.

- High cost of compliance as:

1) Companies has to file proper labour clearance report.

2) In case of any missing, has to get into court conflict, or fine charged etc.

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- High complexities exists:

1) as States and central law come into conflict

2) Numerous legal nuances makes it burdensome to implement those.

3) Irregularity in labour law promotes 'dwarfism' in economy (Eco. Survey 2018-19)

- Steps recently taken:

1) Labour Code Bill has been passed by Lok Sabha merging over 40 labour laws into 4.

2) SAMADHAN portal: by ministry of labour aims to resolve

labour dispute within 48 hrs.

3.) Easing labour related laws: by different ministries to improve 'Ease of Doing Business'.

- Way Forward:

1) Survey 2018-19 gives example of 'Rajasthan Model' where simplification of labour law improved EoDB culture.

2) Immediate passing labour/ Wage Code Bill by both houses.

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18. Why have Special Economic Zones (SEZs) in India not been able to achieve the desired objectives? In this context, suggest some measures to revive SEZs in India. **(250 words) 15**

भारत में विशेष आर्थिक क्षेत्र (SEZs) वांछित उद्देश्यों को प्राप्त करने में सक्षम क्यों नहीं हो पाए हैं? इस संदर्भ में, भारत में SEZs को पुनर्जीवित करने के लिए कुछ उपायों का सुझाव दीजिए।

SEZ, Special Economic Zones, refers to those designated areas which are particularly established to promote economic activities, without having to follow each and every domestic laws.

These were established under SEZ ~~Policy~~ Act, 2005.

- SEZs failed to achieve desired objectives as:

1) Complex labour & wage laws: continued to trouble business establishment in these regions.

2) Lack of supporting infrastructure: in form of 24x7 power, water; road-connectivity etc.

3) Lack of continued support from government

- Measures to revive SEZs:

1) Adopting new policy: by updating former lacunae

2) Easing labour & wage code

19. Why has the contribution of manufacturing sector, as a percentage of the GDP, remained stagnant in the recent years? In this context, analyse the achievements of National Manufacturing Policy, 2011 with regards to its intended objectives. **(250 words) 15**

विगत वर्षों में GDP के प्रतिशत के रूप में विनिर्माण क्षेत्रक का योगदान स्थिर क्यों रहा है? इस संदर्भ में, अपने लक्षित उद्देश्यों के संबंध में राष्ट्रीय विनिर्माण नीति, 2011 की उपलब्धियों का विश्लेषण कीजिए।

According to Eco. Survey 2018-19, the contribution of manufacturing sector remaines around 16% to GDP, since a-quarter century.

- Reasons for stagnation:

1) Lack of incentives: to convert dwarfs into gaints, thus hindering growth potential.
2) lack of adequate policy support: to promote export-competitive goods manufacturing.

3) Lack of investment - in technological upgradation, Skill development etc.

4) Absence of labour-intensive sector as desired : in form of footwear, apparel, textile etc.

5) Tough competition from tax-free goods : of Bangladesh, Vietnam in manufacturing sector.

- Objectives of National Manufacturing policy, 2011 :

1) To create 10 million jobs/year in manufacturing sector over a decade.

2) To increase investment : in manufacturing sector.

Don't write anything this margin
(इस भाग में कुछ ना लिखें)

3) To promote labour-intensive sector.

- Achievements of Policy of 2011 has not been remarkable, as contribution to GDP remaines stagnant around 16% over these years.

The goal of job creation also remaines pending since years.

Delhi-Mumbai Industrial Corridor (DMIC) envisaged remaines incomplete.

Hence, there is a need to further propel manufacturing sector to increase its contribution to 25% by 2025.

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20. One of the goals that a developing economy aspires for is to bring down the Incremental Capital-Output Ratio (ICOR). In this context, what are the constraints that underlie the efficient conversion of savings rate to investments in the Indian economy? Also suggest some measures to improve this efficiency. **(250 words) 15**

एक विकासशील अर्थव्यवस्था जिन लक्ष्यों की आकांक्षा रखती है उनमें से एक वृद्धिशील पूंजी-उत्पादन अनुपात (इंक्रीमेंटल कैपिटल-आउटपुट रेश्यो: ICOR) में कमी लाना है। इस संदर्भ में, भारतीय अर्थव्यवस्था में बचत दर के निवेश में कुशल रूपांतरण के समक्ष आने वाली बाधाएँ क्या हैं? साथ ही, इसकी कुशलता में सुधार हेतु कुछ उपायों का भी सुझाव दीजिए।

Capital-Output Ratio : refers to the amount of capital required to produce a one unit of goods (or output).

$\boxed{\text{Lesser ICOR = Better economic productivity}}$

- Advantages of lesser ICOR:

1) Saves capital : as unit of good can be produced with lesser input.

2) Shows efficiency: of economy as more goods can be produced in lesser capital.

3) Saved capital can be used for other sectors like health, education etc.

— Constraints:

1) Lack of investment culture: among people in face of sure returns.

2) Lack of policy for investment promotion: as recently Eco. Survey 2018-19, recognised investment as pillar of economic growth, thus giving necessary impetus.

3) Absence of efficient technology: to reap maximum out of

given resources.

4) Absence of skilled manpower: also constraint in bringing down ICOR.

- Measures:

1) Skilling labour force: to match industrial requirement

2) Technological upgradation: to increase per unit yield

3) Increasing investment - will further aid to reduce ICOR.

Thus, reducing ICOR is much desired to bring down cost of production and to provide sustained growth rate to our economy.