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GENERAL STUDIES (TEST CODE : 1024)

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Medium Eng./Hindi	ENGLISH	Registration Number	28070
Center	RN	Date	11/09/2017

INDEX TABLE			INSTRUCTIONS
Q. No.	Maximum Marks	Marks Obtained	
1	12.5		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 than the authorized one. प्रश्नों के उत्तर उसी माध्यम में लिखे जाने चाहिए जिसका उल्लेख आपके प्रवेश पत्र में किया गया है और उस माध्यम का स्पष्ट उल्लेख प्रश्न-सह-उत्तर (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।
2	12.5		
3	12.5		
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16	12.5		
17	12.5		
18	12.5		
19	12.5		
20	12.5		
Total Marks Obtained:			
Remarks:			

75, 3rd Floor, Old Rajinder Nagar Market, Near Axis Bank, New Delhi – 110060

103, 1st Floor, B/1-2, Ansal Building, Behind UCO Bank, Dr. Mukherjee Nagar, Delhi – 110009

EVALUATION INDICATORS

1. Alignment Competence
2. Context Competence
3. Content Competence
4. Language Competence
5. Introduction Competence
6. Structure - Presentation Competence
7. Conclusion Competence

Overall Macro Comments / feedback / suggestions on Answer Booklet:

1.

2.

3.

4.

5.

6.

All the Best

Answer all the questions in NOT MORE THAN 200 WORDS each. Content of the answers is more important than its length. All questions carry equal marks.

12.5X20=250

1. The idea of Universal Basic income has gained appeal in recent months. Enumerating the challenges in its implementation, discuss whether it can be a potent tool to reduce leakages in the system and address inequality in the economy.

सार्वभौमिक बुनियादी आय के विचार ने हाल ही के महीनों में ध्यान आकर्षित किया है। इसके कार्यान्वयन में आने वाली चुनौतियों को सूचीबद्ध करते हुए चर्चा कीजिए कि क्या यह तंत्र (व्यवस्था) में विद्यमान कमियों को कम करने एवं अर्थव्यवस्था में असमानता को संबोधित करने का एक प्रभावी साधन बन सकती है।

Universal Basic Income (UBI) is a system of unconditional cash transfer to all the citizens of a country to provide a safety net against deprivation and destitution.

The 3 basic pillars of UBI are :

- (i) Universality - for all
- (ii) Unconditionality
- (iii) Agency - people empowered to control their lives

Challenges

1. Fiscal cost:

UBI for all citizens even at the level of poverty line expenditure would incur a

huge fiscal cost of around 12% of GDP.

2. Incentive to work :

Unconditional transfer may reduce the incentive to work and distort the market.

3. Poor financial inclusion :

The last mile challenge of beneficiaries having access to banking facilities is a major challenge.

4. Resource crunch :

Due to a very narrow tax base, the resources to implement UBI are missing. This would require increased debt of the government and would compromise fiscal prudence by violating FRBM Act.

How can UBI reduces leakages and inequality?

1. The Economic Survey 2016-17 has shown that the poorest districts in India also get the least amount of government spending. UBI can eliminate such disparity.

2. Despite additional grants, the backward states in India remain backward due to poor governance. Thus UBI can help to reduce inequality spatially.

3. Due to direct transfer to beneficiary's account, there are no intermediaries - hence no scope of diversion or leakage.

4. UBI gives agency to the poor and improves their bargaining power for wages. This reduces inequality.

Hence UBI can be a game-changer to reduce leakages and address inequality in the economy.

2. A peculiar combination of factors explain India's poor export performance in recent times. Comment. How can the Foreign Trade Policy (2015-20) help in improving India's share in global trade?

हाल के दिनों में कुछ खास कारणों का एक संयोजन वस्तुतः भारत के दयनीय निर्यात प्रदर्शन की व्याख्या करता है। टिप्पणी कीजिए। विदेश व्यापार नीति (2015-20) वैश्विक व्यापार में भारत की हिस्सेदारी में सुधार करने में किस प्रकार सहायता कर सकती है?

India's poor export performance in recent times is the result of a number of factors:

Internal Factors:

1. Poor infrastructure leading to an inefficient production and transport of good
2. Regulatory cholesterol like archaic laws - Industrial Disputes Act, Employee Provident Fund Act etc discourage factories to grow in size
3. Poor tax laws with retrospective taxation discourage foreign investment.
4. Poor logistics leading to delays and cost overruns
5. Lack of skilled workforce.

External factors:

1. Economic slowdown after the global Financial Crisis (GFC) of 2008.
2. Quantitative easing in advanced economies leading to currency wars.
3. Slowdown in China and Yuan devaluation is hurting Indian exporters.
4. Protectionist policies and deglobalization trends in advanced economies
5. Regional trade agreement with stringent norms for IPR, labour, environment etc leads to diversion of Indian exports

* A combination of all these factors is hurting India's exports.

Foreign Trade Policy (2015-20) - FTP

1. FTP aims to increase India's export share from 465 billion \$ to 900 billion \$ (37% of global trade) by 2020.
2. It focuses on strategies for specific export markets as well as for specific goods to increase our competitiveness.
3. It incentivises exports through schemes like - MEIS (Merchandise exports from India Schemes), SEIS (Service export from India Schemes), Export Promotion Capital Goods, etc.
4. It provides band-holding to new exporters through New Export Bondhu.
5. It gives preferential treatment to status holder.
Complementing FTP, GST with zero-rated exports and Trade Facilitation Agreement can transform our export scenario.

3. What are Advance Pricing Agreements and how are they related to Base Erosion and Profit Shifting (BEPS)? Discuss their relevance for India.

एडवांस प्राइसिंग अग्रीमेंट (अग्रिम मूल्य निर्धारण समझौते) क्या हैं और वे बेस इरोजन एंड प्रॉफिट शिफ्टिंग (BEPS) (आधार क्षरण और लाभ का स्थानांतरण) से किस प्रकार संबंधित हैं? भारत के लिए इनकी प्रासंगिकता पर चर्चा कीजिए।

~~Advance~~ Advance Pricing Agreements (APA) are a understanding between the Government and the Corporate regarding the Transfer Pricing issues to ensure Arms length fair market practices.

How transfer pricing can lead to BEPS?

Q. * When a company wants to transfer its shares from its Indian unit to an overseas unit, it can artificially reduce the price of shares so as to reduce its capital gains tax (CGT) liability.

- * An example of such transfer is the Vodafone case where it transferred its shares from its Indian Unit to its Mauritius unit at very low prices evading CGT in India.
- * This leads to tax avoidance and considerable loss to the exchequer.

How does APA resolve this?

- * In an APA, the government and the corporate reach an understanding regarding transfer price.
- * This ensures arms-length treatment and fair market price before the transaction is done.

* This also leads to minimum litigation and ease of doing business.

Indian Context:

* Indian has been suffering due to tax avoidance through loopholes in our laws.

* APA can ensure minimum tax avoidance in transfer pricing issues.

* It can complement General Anti-Avoidance Rules (GAAR) in reducing tax evasion.

* It can create an atmosphere of transparency and accountability, helping the business environment.

4. What is meant by public debt? Highlight the objectives of public debt management. Explain why it is considered prudent to disaggregate debt management from monetary policy and take it out of the realm of central bank.

सार्वजनिक ऋण से क्या तात्पर्य है? सार्वजनिक ऋण प्रबंधन के उद्देश्यों पर प्रकाश डालिए। व्याख्या कीजिए कि ऋण प्रबंधन को मौद्रिक नीति से पृथक करना एवं केन्द्रीय बैंक की परिधि से बाहर ले जाना विवेकपूर्ण क्यों माना जाता है।

Public debt is the liability of the government through loans raised internally and externally for to meet its budget targets.

Objectives of public debt management:

1. To ensure adequate resources for the Govt. through debt instrument.
2. To raise public debt through the most economical means available.
3. To ensure that the public debt are within manageable limits of the FRBM Act.

Conflict of Interest of RBI Reserve Bank of India (RBI) in Public Debt Management :

* RBI controls Monetary Policy of the economy and hence influences the interest rates in the market. It can use its powers to ensure that Govt. debt is raised at cheapest possible rates using monetary policy tools. This would distort the market.

* RBI is also the regulator of the banking sector. It can ensure easy purchase of Govt. securities by not increasing Statutory Liquidity Ratio (SLR) for banks. This would lead to financial repression and hurt bank's lending capacity.

All these conflict of interests make it prudent to disaggregate debt management from monetary policy. ~~and~~ Also there is a need for an independent body to for Public debt management to ensure the interest of all the stakeholders in the economy. There is a proposal to create an Independent Public Debt Management Authority to achieve this end.

5. There is an urgent need for India to get infrastructure financing, however, the current investment model of PPPs is poorly designed and needs restructuring. Discuss the issues plaguing the success of PPPs with respect to stalled projects, risk management, governance & institutional capacity.

भारत को अवसंरचना वित्तपोषण प्राप्त करने की तत्काल आवश्यकता है, लेकिन सार्वजनिक निजी भागीदारी (PPPs) का वर्तमान निवेश मॉडल असंतोषजनक रूप से डिजाइन (अभिकल्पित) किया गया है और इसे पुनर्संरचित करने की आवश्यकता है। अवरुद्ध परियोजनाओं, जोखिम प्रबंधन, गवर्नेंस (शासन) एवं संस्थागत क्षमता के संबंध में PPPs की सफलता में बाधक बने मुद्दों पर चर्चा कीजिए।

India need heavy investment in the infrastructure sector to ensure sustained growth. The Government (Govt.) with its limited resources cannot meet the requirement. Hence there is a need for effective Public-Private Partnership (PPP) projects to meet the needs.

Issues plaguing PPP projects:

1. Overleveraging by private sector during the boom period which have stalled after the Global Financial Crisis (GFC)

2. Opportunistic but unrealistic bidding due to high competition.
3. Policy paralysis leading to delay in clearances and cost over-runs.
4. Poor design of the PPP contracts leading to disproportionate risk on private sector.
5. Reluctance to renegotiate PPP terms in the context of changed scenario.
6. Discretionary powers of Govt. officials leads to corruption. No institutionalized structure to manage PPPs.
7. Bargaining power of private sector reduces with time.
8. Lack of accountability for failures.

Way Forward

- * There is a need to revamp PPPs to make them ~~sucess~~ successful following the Kelkar committee recommendations
- * There should be an independent PPP
 - * Project Review Authority with apellate structure.
- * There should be smooth financing with zero-coupon bonds to limit liability in project phase
- * Corporate bond market should be strengthened
- * There should be equitable & risk sharing

6. What are the reasons behind a low tax base in India? Discuss the issues associated with it and the steps required to widen the tax base.

भारत में निम्नस्तरीय कर आधार के क्या कारण हैं? इससे संबद्ध मुद्दों एवं कर आधार को विस्तारित करने के लिए आवश्यक कदमों पर चर्चा कीजिए।

India's tax-to-GDP ratio is one of the lowest among emerging market economies at around 17%.

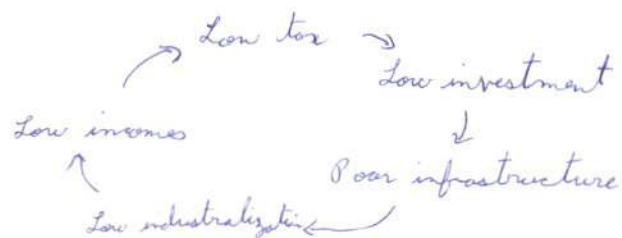
Why such a low tax base?

1. Huge inequality in our economy leading to only a small section above the taxation bracket.
2. A large section of the population & (around 50%) is dependent on agriculture and agricultural income is exempted from taxation.
3. Complicated tax laws leading to confusion and tax evasion using loopholes.

4. Poor governance leading to poor legitimacy which make people to become free-riders or exit the system.
5. Inadequate human resources in tax department
6. The tax rates have risen faster than the per capita income of the population
7. Cash dominated society which makes evasion easier

Issues associated with low tax base

1. Resource crunch for Govt to carry out redistribution and provide essential services.
2. Alienation of people from the Govt.
3. Vicious cycle



How to widen tax base?

1. No more or raise in tax slabs for some time.
2. Digitization of economy to improve compliance
3. Simplifying tax laws and process
4. Effective Govt. service delivery to gain legitimacy
5. Property tax should be tapped efficiently.
6. Idea of taxing agricultural income should be debated

Democracy is a contract in which taxation acts as an economic glue that binds the state and the citizens in a necessary two-way relationship. Hence raising the tax base is essential for the success of our democracy.

7. Even though the construction sector has significant multiplier effect on the economy, in recent years, it has been showing signs of stress. What are the causes for such a state of affairs? In this context, also highlight the steps taken by the government.

यद्यपि निर्माण क्षेत्र का अर्थव्यवस्था पर महत्वपूर्ण गुणक प्रभाव होता है, लेकिन हाल के वर्षों में यह दबाव के लक्षण दर्शाता रहा है। इस प्रकार की स्थिति के लिए कौन-से कारण जिम्मेदार हैं? इस संदर्भ में, सरकार द्वारा उठाए गए कदमों पर भी प्रकाश डालिए।

Construction sector has many positive externalities for the economy :-

1. It leads to low-skilled employment creation in large numbers.
2. It leads to infrastructure development which is paramount for economic growth.
3. It leads to new avenues for development through the created assets.

Thus it has significant multiplier effect.

Why is it stressed?

1. Low investment in infrastructure
due to stalled PPP projects
2. Corporates are also not expanding
due to twin-balance sheet problem
and stressed finances
3. Private sector investment in fixed capital
formation is stagnating

Steps taken by the Govt:

1. The Govt. has stepped up its capital
expenditure to revive the construction
sector.
2. Projects like Smart City, Bharat Mala,
Setu Bharatam, Sagarmala etc give a
push to construction sector.

3. Housing for all can sustain the sector for a long time.
4. There is massive investment in road development (PMGSY) to boost construction.
5. Railways is also going through a lot of investment in electrification and doubling of tracks.
6. Freight corridors, industrial corridors etc. also provide boost to construction.

Hence at a time when private investment is slowing, the Govt is stepping up to ensure the construction sector comes back on track.

8. The worsening road safety situation in India is further complicated by an increasing population and proliferation of vehicles on the road. Discuss. Also, highlight the steps that are being taken by the government to address the issue of road safety and reduce the associated fatalities.

भारत में सड़क सुरक्षा की बिगड़ती स्थिति, बढ़ती जनसंख्या और सड़क पर वाहनों की संख्या में बढ़ोत्तरी के कारण और अधिक जटिल हो जाती है। चर्चा कीजिए। सरकार द्वारा सड़क सुरक्षा के मुद्दों से निपटने एवं इनसे संबद्ध मृत्यु की घटनाओं को कम करने हेतु उठाए जा रहे कदमों पर भी प्रकाश डालिए।

Road safety is a major challenge in India. Every year the number of victims of road accidents are increasing and the number is in lakhs

Why is road safety worsening?

1. Congestion in urban spaces have created additional dangers of road safety.
2. Rising population leads to increased number of vehicles. But this increase is not met by increased capacity of urban infrastructure

3. With more vehicles and people on the roads, the probability of accidents is bound to increase
4. Increased pressure on roads and corruption in road materials leads to poor quality of roads which increases dangers.
5. Poor awareness and general apathy towards traffic rules

Steps taken by Govt.:

1. Increasing the capacity through new roads, wider roads, minimum junctions - flyovers, underpass etc.
2. Motor Vehicle Act is amended with strict provision for penalties

3. Good samaritan rules to encourage people to help accident victims
4. Road Safety Bill tries to make roads safer with an independent body to oversee road safety.
5. Prohibiting sale of alcohol near national highways
6. Strict procedure to obtain driving license.
7. Enhancing public transport infrastructure to decongest road.

Though the signs are encouraging, a lot more need to be done to make our roads safer.

9. Briefly highlight the parameters used by the government to determine the extent of poverty in India. Examine the relationship of economic growth and poverty alleviation in the post-reforms era.

सरकार द्वारा भारत में निर्धनता की सीमा का निर्धारण करने हेतु उपयोग किए जाने वाले मानदंडों (पैरामीटर) पर संक्षेप में प्रकाश डालिए। आर्थिक सुधारों के बाद के युग में आर्थिक संवृद्धि और निर्धनता उन्मूलन के बीच संबंध का परीक्षण कीजिए।

Poverty is the inability to ensure the means for a sustainable livelihood which manifests in ~~poor~~ hunger, illiteracy and social discrimination.

Evolution of the Poverty line:

1. Blagden and Lakdawala committee.
- * They considered the calorie intake method to determine the poverty line.
- * They used uniform reference period and come up with different standards for rural (at 2400 calories) and urban (2100 calories).

2. Tendulkar Committee :

- * It moved away from calorie consumption to monthly consumption of food and basic services.
- * Food included calories, proteins, vitamins, etc.
- * It used mixed reference period.
- * It is the official poverty line of India.

3. Rangarajan Committee :

- * It calculate poverty line for a household of 5 people
- * It used monthly consumption of food, basic services like health, education, transport etc.
- * It used mixed reference period

Relationship between economic growth and poverty alleviation:

1. In the post-reform era, there has been tremendous decrease in poverty level in India, though the govt did not specifically focus on poverty alleviation.
2. But the rate has stagnated in recent times.
3. There has been increasing inequality with the poor being left out. The promise of trickle down effect has been decried.
4. Economic growth automatically leads to poverty alleviation provide the growth is inclusive and equitable.

10. Explain why the government has adopted the HELP in place of the NELP that was existing for almost a decade. Also discuss how HELP has the potential to transform India's E&P activities with special emphasis on non-conventional sources of energy.

व्याख्या कीजिए कि सरकार ने लगभग एक दशक से विद्यमान NELP के स्थान पर HELP को क्यों अपनाया है? साथ ही, ऊर्जा के गैर-परम्परागत स्रोतों पर विशेष जोर देते हुए चर्चा कीजिए कि HELP में भारत की E&P (अन्वेषण एवं उत्पादन) गतिविधियों को रूपांतरित करने की क्षमता किस प्रकार विद्यमान है।

The Hydrocarbon Exploration Licence (HELP) Policy is an improvement over the previous schemes and it has the potential to be a game changer.

Comparison with NELP:

HELP	NELP
1. <u>Unified</u> licencing for all types of hydrocarbon-ease of doing business	<u>Differential</u> licencing
2. <u>Revenue sharing model</u> which is transparent and equitable	<u>Profit sharing model</u> which can lead to <u>gold-plating</u>

3. Open acreage policy where
interested parties can
initiate bidding process

No such freedom

4. Graded policy for ~~related~~
royalty incentivising
exploration in difficult
areas

No such policy

All these clearly show how HELP is
an improvement over NELP

How can HELP transform E&P activities?

1. Unified licensing help private stakeholders
to explore non-conventional source
of energy like shale gas, natural gas,
coal bed methane etc with a single
licence.

2. Royalty will be less for unconventional sources, which acts as an incentive
3. Revenue sharing model guarantees fixed returns on investment
4. Open acreage policy gives the explorer the freedom to choose the site for exploration

All these can potentially transform the E & P activities and nudge us towards non-conventional sources of energy

11. Successive governments have resorted to disinvestment of sick and loss-making PSUs. What, according to you, are the targets which the government seek to meet from this exercise? Also explain why the disinvestment targets have not been met in the past.

क्रमागत सरकारों ने बीमार और घाटे में चल रहे PSUs के विनिवेश का सहारा लिया है। आपके अनुसार, इस कार्यकरण से सरकार कौन-से लक्ष्य प्राप्त करना चाहती है? साथ ही, व्याख्या कीजिए कि विगत वर्षों में विनिवेश के लक्ष्यों को प्राप्त क्यों नहीं किया गया है।

Disinvestment is the process of liquidating some of the government's share in an undertaking to private sector.

Targets of disinvestment

1. To bring in professionalism in sick firms and revive them through introduction of private management.
2. To limit losses and prevent diversion of fiscal resources.
3. To raise capital for turnaround of the firms through sale of govt equity.

4. To meet unforeseen revenue shortfall
in emergency situations.

Why has disinvestment targets not been
met?

1. The sick firms may not seem to
be attractive investment for private
sector.
2. General slowdown in the economy
3. Twin-balance sheet problem with
stressed corporate finance
4. Corporates are not planning to
expand in these turbulent times

12. What is hydroponics? Discuss its relevance in light of limited land availability while ensuring food security.

हाइड्रोपोनिक्स (hydroponics) क्या है? सीमित भूमि उपलब्धता की दृष्टि से खाद्य सुरक्षा को सुनिश्चित करने हेतु इसकी प्रासंगिकता पर चर्चा कीजिए।

Hydroponics are cultivation of food crops in a liquid solution medium rather than soil. It is very popular in Japan and can be effective in India too. Generally they are carried out in a greenhouse with multiple racks of cropping.

Relevance

1. With limited land availability, hydroponics provide a viable alternative to ensure food security.

2. With vertical development, they can optimize space to provide good yield.
3. The productivity also increases as we can control precisely the amount of nutrients in the medium.
4. It can also lead to more nutritious food crops with uniform quality.
5. It is easier to manage and
6. It can lead to crop diversification much more easily as we can control the inputs.

All these can lead to food security even with our limited land resources

13. It is argued by many that there is an urgent need for states to reform land laws and, in particular, tenancy laws. What are the factors cited for the need of such reforms? Identify the impediments in the way of such reforms and highlight the benefits that would accrue from them.

कई लोगों द्वारा यह तर्क दिया जाता है कि राज्यों को भूमि कानूनों, विशेष रूप से काश्तकारी (tenancy) कानूनों में सुधार करने की तत्काल आवश्यकता है। इस प्रकार के सुधारों की आवश्यकता के लिए कौन-से कारकों को उद्धृत किया जाता है? ऐसे सुधारों के मार्ग में आने वाली बाधाओं की पहचान कीजिए एवं इनसे प्राप्त होने वाले लाभों पर प्रकाश डालिए।

Land reforms are sine qua non for ensuring sustainable agriculture and food security. Particularly tenancy reforms are the most important in the Indian context.

Why do we need tenancy reforms?

1. Tenancy is practiced all over India but its legal status varies from state to state

2. Tenants are the real cultivators of food crop but are not recognized as such by the government

3. Lack of legal recognition leads to poor access to institutional credit
4. Tenants are also a diverse group with some as superior tenant, others as tenants-at-will.
5. Share-croppers are not recognized as tenants despite doing similar function
6. Apart from institutional credit, fertilizers, subsidy and insurance also require land records, hence denied to tenants.

Impediments to tenancy reforms:

1. Land is a state subject. Hence different states have different laws.

2. Different types of tenants make it difficult to categorize them into a single group.
3. Most of the tenants are on oral-contract and cannot prove their status.

Benefits from tenancy reforms:

1. Institutional credit at low rates
2. Crop insurance and other subsidies.
3. Empowerment of tenants
4. Gender empowerment as a lot of tenants are women

14. Discuss the potential of horticulture sector in realizing the government's vision of doubling the farm income. Also, highlight the challenges which are needed to be addressed for realizing full potential of this sector.

कृषि आय को दोगुना करने की सरकार की परिकल्पना को साकार करने में बागवानी (हॉर्टिकल्चर) क्षेत्र की क्षमता पर चर्चा कीजिए। साथ ही, इस क्षेत्र की सम्पूर्ण क्षमता को वास्तविकता में परिणत करने के लिए उन चुनौतियों पर भी प्रकाश डालिए जिनसे निपटना आवश्यक है।

Horticulture includes cultivation of fruits, vegetable, flowers etc and can be a good source of income for our farmers

How can horticulture lead to better incomes?

1. Horticulture produces products with higher market values than food crop
2. It can be practiced simultaneously with food crops through agro-forestry.
3. It can be an input to food processing industry leading to better value.

4. By entering the supply chain of food processing, there is a better remuneration due to disintermediation and value addition.

5. Rising demand for fresh fruits and vegetables in health conscious urban societies

All these can potentially increase the farmer's income and realize the govt's target of doubling income

Challenges

1. Food processing industries need to be developed with linkages into rural areas.

2. Extension services needs to be provided for horticulture
3. There is a need to eliminate the APMCs for horticulture products
4. Contract farming should be allowed in all states.
5. Cold storage facilities are very important for perishables
6. Efficient supply chain management

15. Not only does the yield (measured in tonnes/ha.) of a crop but a number of other factors determine the choice of crops that a farmer cultivates. Elaborate with special focus on cropping pattern in India.

एक किसान द्वारा उपजाई जाने वाली फसलों के चयन को न केवल फसल की उपज (टन/हेक्टेयर में मापी गयी) अपितु कई अन्य कारक भी निर्धारित करते हैं। भारत में प्रचलित फसल प्रतिरूपों (पैटर्न) पर विशेष ध्यान केन्द्रित करते हुए विस्तारपूर्वक व्याख्या कीजिए।

Cropping pattern in India depends on a host of factors. Cropping pattern is the proportion of different crops cultivated in an area at a given time

Factors affecting cropping pattern

1. Yield - more the yield of a particular crop in the land, more it is preferred

2. Minimum Support Price (MSP)

~~the~~ Farmers prefer to grow crops with higher declared MSP.

3. Past knowledge

Farmers prefer crops whose price was higher in the last cropping season

4. Livestock:

Farmers tend to cultivate fodder to feed their livestock

5. Soil fertility:

Soil healthcard helps farmers to know the best crop suited to their land.

6. Climate:

Farmers grow different crops in Kharif and rabi season due to climatic variation

7. Weather forecast:

Good monsoon forecast can make farmers grow water-intensive crops.

8. Access to HYV seeds

Better seed availability is a major factor.

9. Level of mechanization

This helps in deciding crops suitable for mechanization.

10. Terrain:-

Hill slopes offer advantages to certain crops

Hence all these factors play a crucial role in determining cropping pattern.

16. Discuss the significance of food processing industry in the economic development of the country and the challenges which need to be tackled for sustained growth of the industry. Also elaborate on the salient features of National Mission on Food Processing.

देश के आर्थिक विकास में खाद्य प्रसंस्करण उद्योग के महत्व के साथ-साथ उन चुनौतियों की भी चर्चा कीजिए जिनसे निपटना इस उद्योग के संधारणीय विकास हेतु आवश्यक है। राष्ट्रीय खाद्य प्रसंस्करण मिशन की प्रमुख विशेषताओं की विस्तारपूर्वक व्याख्या कीजिए।

Food processing ^(FPI) industry has tremendous potential in India. It can lead to better remuneration for farmers and better choice for customers.

Significance of FPI :

1. FPI can lead to disintermediation (bypassing APMC mandis) and hence better income for farmers.
2. Contract farming can improve capacity of farmers through better seeds and new technology.

3. FPI will lead to diversification of cropping pattern due to demand for different products.
4. Value addition and processing will minimize wastage of food and lead to efficient production.
5. FPI can provide diverse options to consumers at reasonable price.
6. FPI can ensure a balanced diet and lead to nutrition security.
7. FPI can ensure livelihood and employment for rural youth and lead to reverse migration.
8. FPI can lead to urban decongestion and balanced growth.

Hence FPI can freely turnaround the economy of India.

Challenges

1. States APMC acts needs to be changed.
2. Investment is required for FPI.
3. Ensuring quality standard like CODEX-HACCP etc
4. Capacity building of farmers through extension service.

National Mission on Food Processing

1. It encourages a decentralized approach with involvement of states
2. It tries to give a boost to FPI through tax concessions
3. It encourages states to streamline their APCM laws and allow contract farming
4. Modernization of technology

17. Financial support to farmers through various instruments has been a crucial aspect of agricultural policy of the government. Examine whether the proposal of moving towards direct transfer of benefits and universal crop insurance would alleviate the existing concerns in the current scenario.

विभिन्न साधनों के माध्यम से किसानों को वित्तीय सहायता प्रदान करना सरकार की कृषि नीति का एक महत्वपूर्ण पहलू रहा है। परीक्षण कीजिए कि क्या प्रत्यक्ष लाभ अंतरण और सार्वभौमिक फसल बीमा की ओर कदम बढ़ाने का प्रस्ताव वर्तमान परिदृश्य में विद्यमान चिंताओं को कम कर पाएगा?

Farmers in India have a long
history of exploitation and hence it is
necessary to provide them with financial
support to come out of poverty and
feel empowered

Existing mode of financial support

1. Interest Subvention Scheme - low interest
rate of loans if paid regularly.
2. Priority sector lending norms
3. Fertilizer subsidy
4. Electricity subsidy for irrigation
5. Periodic loan waivers

6. Minimum support price for variety
of crops

Direct Benefit Transfer (DBT) :-

1. Though there are a lot of support schemes for farmers, they are prone to leakages. This DBT should help.
2. DBT would give agency to the farmer to choose the crops, fertilizers and other inputs.
3. DBT will prevent farmers from getting into debt traps.

Universal Crop Insurance :

1. It will act as a safety net against calamities and post-harvest losses
2. It will ensure constant income for the farmer
3. It will prevent agrarian distress.

Hence PBT and Universal Crop Insurance can go a long way in alleviating farm distress.

18. Buffer stocking of food grains is seen as a vehicle to deliver strategic food and agricultural domestic support policies, however, there is a growing consensus that the programme has been not just costly but also imprudently wasteful. Critically evaluate.

खाद्यान्नों के सुरक्षित भंडारण (बफर स्टॉकिंग) को खाद्य एवं कृषि संबंधी रणनीतिक घरेलू समर्थन नीतियाँ प्रदान करने के साधन के रूप में देखा गया है, लेकिन इस संबंध में यह मतैक्य बनता जा रहा है कि यह कार्यक्रम न केवल महंगा बल्कि अविवेकपूर्ण रूप से अपव्ययी भी रहा है। आलोचनात्मक मूल्यांकन कीजिए।

Buffer stocking is the practice of maintaining a strategic reserve of food grains to prevent supply shocks.

How can they help?

1. Buffer stocks prevent price volatility of food crops by ensuring reliable market supply.
2. Buffer stock also helps farmers as they are assured of fixed price for their produce.
3. It removes import dependence and brings about self-sufficiency.

Why has it failed?

1. The procurement has been open ended leading to accumulation of excessive food crops.
2. Due to poor storage facilities, there has been a lot of wastage of food crops.
3. Due to poor logistics, there is delay in maintaining supplies.
4. Due to multiplicity of agents handling the process, there is significant diversion of food crops.

Hence this has been a costly and wasteful affair in reality.

Way forwards:

~~10~~ Shantakumar Thumar committee recommendations should be implemented:

1. DBT to farmers according to land holdings.
2. Automatic liquidation of excess grain
3. Buffer stock of 5 MMT and force to buy 5 MMT of foodgrains
4. Efficient logistics
5. Improving storage and transport capacity

19. Discuss the lacunae in implementation of Minimum Wages Act in ensuring the welfare of agricultural labour. Also, suggest some other measures to improve the situation of agricultural labourers in the country.

कृषि श्रमिकों के कल्याण को सुनिश्चित करने की दिशा में न्यूनतम मजदूरी अधिनियम के कार्यान्वयन में विद्यमान कमियों पर चर्चा कीजिए। साथ ही, देश में कृषि मजदूरों की स्थिति सुधारने हेतु कुछ अन्य उपायों का सुझाव दीजिए।

Minimum Wages Act stipulates the minimum income to be guaranteed to each worker according to his skill level. Agricultural labourers remain one of the most exploited community in India. Why Minimum Wages Act failed to protect agricultural labour?

1. Poor awareness of the act among the agricultural labour.
2. Lack of bargaining power due to excess supply of unskilled workers.
3. Minimum wage is not grounded in market reality.

4. A large section of agricultural labour are women who are ready to work for lower wages.
5. The large farmers are politically well connected and prevent any disruption.

How to improve the situation?

1. UBI can increase bargaining power of agricultural labour.
2. Increasing awareness about the rights of agricultural labour.
3. Organising the agricultural labour to collectively bargain for their rights.

4. Capacity building through health
and education facilities

20. In spite of having the world's largest livestock population in India, the potential of animal rearing remains underutilized. In this context, discuss the challenges faced by the meat and poultry sector and suggest measures for accelerated and sustained growth for this sector.

भारत में विश्व की सर्वाधिक पशुधन संख्या होने के बावजूद भी पशुपालन क्षमता का पूर्ण दोहन नहीं किया जा सका है। इस संदर्भ में मांस तथा कुक्कुट क्षेत्रक द्वारा सामना की जाने वाली चुनौतियों की चर्चा कीजिए एवं इस क्षेत्रक की त्वरित एवं संधारणीय वृद्धि के लिए उपाय सुझाइए।

India has the world's largest livestock population. But it has failed to optimally utilize this valuable resource

How have we failed?

1. Despite having the largest cattle population, we are the ~~the~~ leader in the leather industry
2. Indian milk does not have an international market
3. Meat export is also limited and not to potential

Challenges of meat and poultry sector

1. Low ~~dom~~ domestic demand as a significant portion of population is vegetarian
2. Epidemics like avian influenza, foot and mouth disease etc
3. Excessive use of antibiotics has led to resistance.
4. Poor hygiene standards leading to low export competitiveness.
5. Contract farming not very developed
6. Competition from MNCs like KFC, McDonalds etc

Way forward:

1. Promote contract farming.
2. Modernization of abattoirs
3. Stringent quality check
4. Hygienic handling of meat
5. Developing cold storage infrastructure
6. Efficient logistics