



SPACE FOR TEACHER'S REMARKS

1. Understanding of questions:

The understanding of the questions is fine

2. Structure of answer:

Work a bit on the flow of ideas

3. Content of answer:

The content is good but you need to organise everything more systematically

4. Presentation:

5. Any other remarks:

Add some diagrams, flow-charts, etc..

Overall ² good attempt!

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write
pace

Answer the following questions in not more than 200 words each. Contents of the answers are more important than their length. All questions carry equal marks.

12.5 x 20 = 250

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Q1.

What do you understand by the term Growth Potential? What in your view is the Growth Potential of the Indian Railways? The methodological errors have long plagued the Indian Railways. Do you agree? Suggest Remedies.

Growth Potential can be defined as the prospective ability of an organization or company to increase its footprint, presence, & impact on all stakeholders.

Indian Railways Growth Potential

The 12th Five Year Plan has laid out a bright plan for growth in railways due to its immense potential in various respects.

① ECONOMIC POTENTIAL

② Freight Railways served over 50% of freight in 1980s but it has

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declined below 27% as per
economic survey.

↳ It can regain freight
market share from road & ship.

(b) Upgradation of infrastructure

↳ Due to lack of investments
railways can grow in infrastructure.
→ Coaches, tracks,
axel load etc.

↳ It needs over Rs. 2 lakh

crore in next 5 years to do

So.

Spill-over effect on other
industrial due to wide-reaching
impact of railways
→ Potential for Employment growth.

METHODOLOGICAL PROBLEMS

Railway budget used for populist
announcements.

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- ② Outdated accounting system.
- ③ Poor organizational structure →
Tariff authority, Development authority
need to be separated for more
autonomous decision making.
- ④ Lack of Human Resource Development -
All these deficiencies are reflected
in year after year losses in Railways.

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REMEDIES

As proposed by Bitch Debroy

Committee:

- ① New accounting system as per
international standards
- ② Create a Railway Regulatory Authority
to oversee all functions.
- ③ Separate non-strategic functions
such as railway schools, hospitals
etc.
- ④ Create a separate manufacturing
arm of railways

What can we do to reduce the footprint?

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Q2.

Should India doggedly pursue a permanent solution to the public stockholding of food despite having received enough guarantees in its favor? In light of this statement, discuss the strategy India should adopt at the WTO.

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India has been able to attain an indefinite hold on reduction of agricultural subsidies (public stockholding) in WTO meetings at Bali & then the Doha round.

However, these will be up for discussions again as:

- ① Developed countries are eager to get access to large Indian & other developing markets for their agricultural products.
- ② Developed countries want to protect own farmer interests in light of decreasing commodity prices.

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③ Tying agricultural prices to 1985 prices (as discussed in WTO) will give undue advantage to developed countries.
→ will ~~not~~ hurt food & income security of millions in India.
How India should strategise & hold dogged negotiations.

① India should put its farmers' interests first & form a strong coalition with like minded developing countries [LDCs].

② National food security mission & National food security Act are critical to ensuring India's food security & livelihood security.

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Q3.

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(3) Impending climate change is also a consideration in the overall negotiation.

→ will lead to reduced food production, hence stocking becomes important.

(4) Malnutrition, hunger & poverty are still grave problems, & India need food ^{policy} independence to fulfill SDGs.

Hence, India should strategize in ^{own} interests, ^{with other} regardless of pressures by ^{LDCs}.

Why some countries look at India's food security with a degree of fear?

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Q3.

"Everybody should be given a basic minimum income as an entitlement and not as compensation for work." - Explain the above statement in the light of newly proposed Universal Basic Income. Also bring out the different viewpoints and highlight the benefits and the hurdles in its implementation.

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Universal Basic Income (UBI)

refers to payment of a specific wage to citizens of a country to ensure their income security.

↳ It is given unconditionally to all citizens.

↳ For example, a recent referendum was held in Switzerland to provide minimum basic salary to all citizens but was voted down.

Viewpoints & Benefits

① Enables 'Rights-based' approach to securing minimum & assured livelihood / income source.

② Guarantees minimum standard life as citizens can spend entitlement

try to give ideological to
Some backing your arguments in such questions
highlight different ideological

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on education, health, food or other income generating activities.

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③ Ensures Redistribution of wealth in a welfare country like ours thereby leading to greater Equality.

④ Fulfills socialist principles of our constitution [preamble & Directive Principles of State Policy]

⑤ Provides women, & old age people, & disadvantaged groups with much needed support.

Counter-views

① Huge expenditure on an already burdened fiscal bill.

→ Indian government pay \$30 billion or Rs 3.5 lakh crore, an 10% of Budget on Subsidies already.
(too expensive)

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- ② It is a 'Joke' to citizens → might disincentivize some to depend on state support.

Hurdles

- ① Implementation is difficult due to massive size & scope.
- ② Potential leakages & corruption could defeat the purpose.
- ③ Could face fiscal hurdles like Universal Health Care.

Government can utilize the Aadhar seeding to plug leakages. The JAM trinity could be used to implement this. Finally, such UBI would also help fulfill "Sustainable Development Goals" (SDGs) for India.

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Q4.

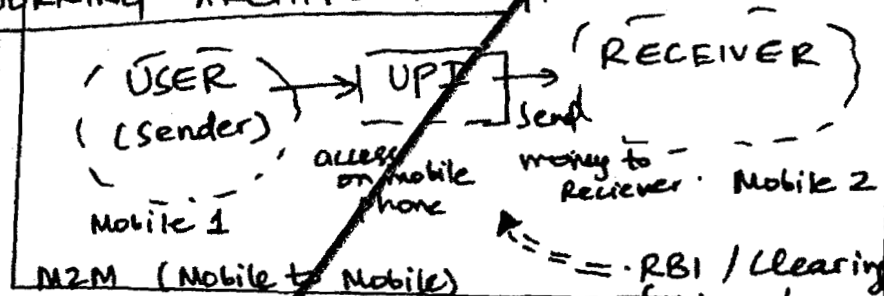
UPI can revolutionize the financial sector. Present a working architecture of the UPI? Highlight the various stakeholders involved in it? What are the issues regarding its successful implementation? Suggest measures to overcome such impediments?

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Universal Payment Interface (UPI) is an mobile application through which individuals can transfer payments to ^{each} others simply with UPI ID or mobile number in any bank account.

IMPACT: It will enable financial inclusion, affordable micro-payments by millions of working Indians, fight Black money, & create a cashless economy over long-term.

WORKING ARCHITECTURE:



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Stakeholders

- ① Government
- ② Citizens
 - Migrant workers
 - Bank users
 - Women (working class & home-makers)
 - Students
 - old-age persons
- ③ Business communities
- ④ Banks
- ⑤ Regulatory Institutions

ISSUES on Implementation

- ① Lack of awareness would lead to failure.
- ② Lack of e-literatecy & problem of DIGITAL DIVIDE would create less adoption.
- ③ Muted response by banks.
- ④ Competition from private services such as PAYTM & e-wallets.

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MEASURES

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- ① Government could use Community Service Centers [CSCs] in villages to facilitate awareness.
- ② Rope-in private players to offer cross-hybrid platforms for greater coverage.
- ③ Launch UPI in vernacular languages to minimize Digital divide.
- ④ offer UPI with bank accounts to increase acceptance.
- ⑤ Rope-in post-office network of 1.5 lakh post-offices to roll out UPI in villages.

How is it an improvement over NEFT?

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Q5.

Recently The Lok Sabha has passed a bill to amend the existing Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest (SARFAESI) Act, and the Debt Recovery Tribunal (DRT) Act. Examine the significance of these amendments.

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Amendments to SARFAESI Act
& DRT Act pave the way for
adoption of the Insolvency &
Bankruptcy Code of India.

Significance

① India face EXIT problem for
its business, as pointed out by Economic
Survey 2016. This leads to:

(a) Capital Trapped for investors
who are unable to move it to
more efficient firms from failed
firms.

(b) Workers lose out as they
are not provided timely retrenchment

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bonus when company closes.

③ Long 5-10 years process of exit discourages FDI.

④ Entrepreneurs unable to move to new ventures, hence human capital also wasted.

⑤ Litigations are expensive, long & all stakeholders → employees, management & investors lose out.

⑥ NPAs increase drastically as seen recently.

This problem has been dubbed as "Chakravorty problem" by Economic Survey 2016.

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Amendments in SARFAESI & DRT
will address this problem by:

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- ① Paving ^{way} for Insolvency code that provisions for:
- (a) Time bound resolution (180 days) of such insolvency proceedings.
 - (b) Protection for workers of upto 2 years for lost wages.
 - (c) Protection for creditors to dissolve firm in case of non-resolution.
 - (d) Creation of Institutional mechanism
↳ Insolvency Professions & Agencies certified to undertake these matters.

Hence, this will enhance

EASE OF DOING BUSINESS for Indian firms.

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Q6.

Apparel industry is labor intensive and India possesses a large labor pool while also enjoying historical advantage in this sector. Yet, India is ceding market share to exports from Bangladesh and Vietnam. How can India's productivity in textile sector be improved?

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Textile sector provides highest number of employment to workers in the manufacturing sector in India. [12th five year plan].

↳ Includes labour intensive cloth & yarn mills processing cotton.
↳ Also includes, design, distribution and printing services for textiles.

MARKET SHARE LOSS

①

Indian textile exports have lost out to Bangladesh & South East Asian countries due to various factors → (PRODUCTIVITY LOSS)

① Input prices have risen

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in India for cotton, dyes, labour etc. Do not write in this space

(b) Regional Trade Agreements have impacted India's ability to cope.
→ TTIP & TPP agreements will mean a death-nail for such exports.

(c) Restrictive labour laws have made harder for companies to compete. → laws such as Industrial disputes Act are problematic.

(d) Poor technology investment & lack of forward integration in design & fashion has impacted ability to compete.
→ other countries have invested massively in technology upgradation.

PRODUCTIVITY Improvement steps by India

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- ① National Textile Policy has been revamped to enhance competitiveness by :
- ① Investments in new technology through government grants.
 - ② Ease of labour policy to enable some space for manufacturers but also provide safety for workers.
 - ↳ Greater skill training
 - ↳ Managerial training to increase productivity.
 - ③ Focus on improving access to cheap inputs by strengthening value chain.

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Q7.

Pulses, India's most consumed protein-rich food group, have continued to pressure food inflation upwards even as the prices of most other items have cooled off. Examine the reasons for their high prices, impact on poor and measures needed to be taken to cool off their prices.

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The price of pulses has increased manifold across India despite food inflation touching down 4% recently.

↳ Price of arhar, moong, gram etc. has doubled in urban & rural centres alike.

REASONS for high prices

- ① Government Policy
 - ① MSPs have favoured cereals like rice & wheat due to which skewed production of cereals & lower production of pulses.
 - ② Lack of focus on investment in IRRIGATION as 80% pulses are

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grown in rain fed areas. [Economic Survey].

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① Pulses grown in poor soil
quality land due to lack of
Soil health education.

→ All this lack of supportive
government policy has led to
low productivity in pulse production.

② Demand - Supply Mismatch

→ Rise in population has created
a sudden rise in high protein
pulse demand, not matched by supply.

③ Monoculture & focus on water
incentive crops such as sugarcane
has driven out pulse production

④ Black marketing & Hoarding is rampant.

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Poor

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① Lack of nutritious diet, & lack of affordable diet
↳ Already, malnutrition rates are as high as 47% (NFHS-3). Lack of pulses will only intensify this problem.

② effect on ability to work & livelihood insecurity.
→ women will be adversely affected as they already lack nutrition compared to men.

Steps to cool off prices

Short-term:

- ① Blanket ban on hoarding & crack down on such operations.
- ② MSPs to farmers & import subsidies to decrease prices.

Long-term:

- ① Invest in irrigation & land improvement → Programs such as Krishi Sinchai Yojana should be done on Mission mode.

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Q8.

Reforms that rely only on technical solutions may not give the desired effect. In the light of recent launch of the National Agricultural Market Scheme (eNAM), it is said that Karnataka's Rashtriya electronic Market Scheme (ReMS) is said to be a lesson for eNAM scheme to succeed. Examine.

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eNAM will enable farmers and consumers to come together ^{sell &} purchase agricultural commodities more efficiently.

It will lead to:

- ① less wastage
- ② lower prices for consumers
- ③ higher prices for producers/
farmers
- ④ quick payments for farmers
- ⑤ end of trader/middlemen
monopoly & cartels.
- ⑥ reduction of tax burden.

eNAM is not simply a technical solution. It uses e-governance to deliver superior governance

& market mechanisms for farmers

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by:

① Reducing farmers of social & economic dependence on money lenders & middlemen.

② Empowering farmers by making them direct stakeholder in their business.

↳ The Rashtriya Electronic Market Scheme of Karnataka did achieve these empowerment goals by:

① Capacity development & training of farmers.

② Ensuring that digital divide doesn't hamper farmers'

ability to sell online.

(c) Creating awareness among buyers & handholding them to participate.

(d) Using the platform to extend credit facilities, information regarding demand from buyers to help farmers plan better.

Hence, technology assisted by human element can lead to eNAM's success.

How can we replicate the success of RIMS pr. CH.

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Q9.

The union government is pushing for imposition of Aadhaar-based biometric authentication in the Public Distribution System. Discuss the progress made in PDS so far and the likely impact of compulsory Aadhaar-based biometric authentication of PDS reforms.

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India's PDS system is largest network of public service delivery through fair price shops in the world. Its importance is highlighted by the fact that it serves over 800 million urban & rural Indians every year.

Problems plaguing PDS

- ① URBAN bias in coverage
- ② leakages are rampant
- ③ poor quality of grain delivered
- ④ lack of timely delivery
- ⑤ poor targeting of BPL population

PROGRESS MADE

- ① opening of over 65000 centers

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In rural areas to address urban
bias.

- ② Use of geographical information
system [GIS] to plug leakages
caused by divergence of food

trucks.

- ③ Use of SMS notifications to
users / buyers directly to plug
delivery leakages.
↳ used successfully in

Tharabhand.

- ④ Grain inspections are more
regular & stricter.

- ⑤ Use of Targeted PDS program
& SECC for targeting has been
envisaged.

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Aadhar Compulsory on PDS receipt

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Merits :

- ① Leakages will be plugged due to biometric authentication.
- ② Government can quickly respond to regional problems in PDS through ^{consumption} data gathered.
- ③ Better Targeting of recipients of National Food Security Act.

Demerits :

- ① Privacy concerns due to breach of biometric data.
↳ Against Right of Privacy implied under Article 21 & declared so by Supreme Court.
- ② Misuse of public data by authorities; or leak of data in cyber attacks.

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Q10.

The government of India recently decided to build a high-speed rail (HSR) corridor between Mumbai and Ahmedabad at a very high cost with Japanese financial and technical assistance. Does India need projects such as this at such a high cost? Comment.

Do not write
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HSR corridor between Mumbai and Ahmedabad will put India on the map of advanced rail connectivity.

Despite its high cost, it offers both advantages & disadvantages in-lieu of multitudes of problems India faces:

ADVANTAGES

①

Economic :

① Connectivity will enhance trade, business & commerce between the two industrial centers.

↳ will boost State GDPs.

② Infrastructural investment will create millions of jobs & employment.

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- ① Spill-over effect on manufacturing industry as machines, coaches, engines, tracks etc. will be made domestically.
→ Boost employment as well
- ② Decongest & free-up capacity of Railways to serve more people.
- ③ Technological Transfer from Japan will help India develop Railways.
→ World experiences of HSR in Europe [Euro Rail], Japan & China have been extremely positive for their economies.
- ④ Inexpensive financing at 01% interest rate from Japan is attractive.

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DISADVANTAGES

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- ① Funds & resources of this scale could be invested in more dire health, ^{hunger} & poverty problems.
- ② Air fares on this route already cheap, hence not financially viable.
- ③ led to displacement of millions of farmers & tribals along the developmental route.

These concerns can be addressed by Rehabilitation, & better financial structure for the project. Overall the merits outweigh the demerits.

Every Re. 1. spent, ^{invested} on railways has

~~Re. 3.30~~ Re. 3.30 benefit on overall economy.

Hence, HSR could greatly boost GDP & industrial growth in India.

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Q11.

Relatively low-cost maternal and early life health and nutrition programs offer very high returns on investment. Despite this social and economic wisdom, why does India continue to have among the worst indicators for child and maternal health?

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India has a high IMR (infant mortality rate) of 42 per 1000 births and MMR (maternal mortality rate) of 78 per 1 lakh births.

↳ This has been rated as one of the worst in entire world, on par with sub-Saharan Africa as per WHO.

↳ India missed IMR & MMR goals in MDGs, & even lancet report indicated these as prime reasons for poor health outcomes in India.

Why bad outcomes?

① SANITATION → open defecation is

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prevalent among 500 million people.

→ WHO has indicated that early exposure to defecation fecal material leads to stunting, diarrhoea etc.

- (2) MOTHERS are routinely ignored for proper nutrition post & pre birth of babies.
↳ This affects mother & babies health.

- (3) INSTITUTIONAL DELIVERIES are low at only 78% (NFHS-3), which leads to mortality.

- (4) lack of IMMUNIZATION
(5) GIRL child suffers due to lack of post-birth BREAST feeding which has been rated as

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one of the top factors of early deaths by Lancet report.

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GOVERNMENT efforts

Steps to improve IMR, MMR, nutrition have been taken through programs such as:

- (a) Jnani Suraksha Karyakaram
- (b) Nation Rural Health Mission
- (c) Institutions such as ASHA workers, Anganwadi workers & ANMs.
- (d) Integrated Child Development Program (ICDS)

Auxiliary (Midwives)

Further integration with
Swachh Bharat Abhiyan, Defecation

Free India should bolster efforts to decrease such cases.

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Q12.

The Small Saving Schemes are neither so small nor are limited exclusively to the low income earners. In fact most of the tax incentives that is provided to them goes to the relatively well off. Highlight the major policy flaws associated with such schemes.

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Small saving schemes consist of investment programs offered by government to enable financial security & financial inclusion of small savers.

Example: Kisan Vikas Patra, Post saving schemes offered by Post office etc.

Economic Survey 2016 has indicated following policy flaws in these:

- ① Large & Affluent farmers corner benefits of these schemes.
→ 90% of such schemes used by just 10% of wealthiest farmers.

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② Small farmers unable to access these due to lack of awareness.

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→ only 23% farmers aware of small savings schemes

③ Interest burden of these schemes

becomes too high when market interest rates decline.

↳ Government ~~unable~~ to adjust the ~~rate~~ due to populist anger on such steps.

↳ loss of funds to the exchequer.

④ Such schemes are not demand driven and have low impact on addressing financial inclusion problems.

Solutions:

① Put a cap on use of schemes
on basis of farm income.
→ Limit to bottom 50%
farmers only.

② Make interest rate adjustable
to market changes.
→ Market float as practiced
by private banks.

③ ~~Consider~~ ~~supply~~
Suggest some innovative
measures to reduce
competition b/w
SSS & SChs.

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Q13.

According to a report by Global Financial Integrity (GFI), fraudulent misinvoicing of trade transactions was revealed to be the largest component of illicit financial flows (IFF) from developing countries. What do you understand by trade misinvoicing and how does it affect developing countries?

Do not write in this space

Trade misinvoicing refers to ~~mis~~ underinvoicing of amount in the bill of trade as compared to its actual amount.

For example: An Indian trader could bill an export shipment for \$1500, when it should be \$2500 as per agreed terms between the trader & foreign client.

This has been an increasing trend and accounts for over 20% - 30% trade amount in the world as per GFI.

try to draw a flow chart - block etc...

Problems created by this practice

- ① Underreporting of trade done by country → affects balance of trade figures.
- ② Black money transactions & money laundering done via this
- ③ loss of tax revenue for government.
- ④ Could lead to illicit trade.
- ⑤ Used to export primary articles such as gems, agricultural products etc → thereby affecting credit terms for farmers & primary producers.

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Way Forward

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- ① Automatic invoicing should be promoted.
- ② Strict regulatory framework by WTO & national governments needed.
- ③ Administrative mechanism at ports to check such practice.

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Q14.

The Indian port sector plays a vital role in sustaining growth in the country's trade and commerce. What are the problems faced by ports sector in India? What measures have been taken to address them?

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India has 12 major ports and over 200 minor ones across 7500 km. coastal line.

Ports account for over 90% trade by volume of all international trade, clearly underlining their vital role in economy.

PROBLEMS

① Cluster-based approach for port industrial townships not followed.
→ leading to ports that are not well-connected by roads & railways network.

② land acquisition problems for development of port townships.

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→ Townships are essential to boost activity at ports.

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- ③ Livelihoods of fishermen are directly affected by port development.
- ④ Lack of financing leading to slow development of ports.
- ⑤ Poor container capacity, lack of latest equipment causes delays in ship loading & unloading.
- ⑥ Indian ports have over 95% capacity utilization & longest waiting periods for vessels.
→ Inefficient administration.

MEASURES

- ① Ministry of shipping has allowed PPP development of ports →

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example Ennore port was developed

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& has been a successful venture.

Shipping conclave by government

to enhance investment in the
sector in developing multi-modal
infrastructure to support ports.

Addition of Shipping to
INFRASTRUCTURE STATUS by
Finance Ministry.

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Q15.

Global crude oil prices slumped about 65 per cent in the 21 months from July 2014 through March 2016. In this period, the pump prices of both petrol and diesel dropped only about 15 per cent in India. Discuss what is causing retail fuel prices from moving in lock-step with the international trend in oil and the effect of this policy on consumers.

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World crude prices have declined from \$127 per barrel to less than \$30 per barrel over 2014-2016 period.

However, petrol & diesel prices in India have declined only 15%. This is due to government policy.

① Taxes on fuel have been drastically increased, which have cut-off the decrease in oil crude.

↳ Hence, price of petrol & diesel hasn't decreased proportionally in India.

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- ② This has been done to fulfill government kitty so as to take benefit of this temporary correction in oil prices.
- ③ It helps government cover losses & raise funds for other uses.

Impact on consumer

- ① Full benefit of price decline not passed onto the poor → financial burden on poor continues.
- ② Car purchases have remained subdued despite decrease in oil prices.

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③ Food prices are directly linked to oil prices.
→ food inflation has eased to 4%, however many commodities still out of reach for common man.

④ Government also says this will ensure judicious use of petrol & diesel continues as India imports 70% of fuel needs.

⑤ Government not fulfilling the policy target of complete deregulation as it effectively uses taxes to guide prices of oil.

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Q16.

The government has decided to push for the creation of a new banking giant by merging the State Bank of India with its associate banks. Discuss the merits and demerits of this move. Also bring out the challenges involved in its successful implementation?

Do not write
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State Bank of India is largest bank in India, but does not count in top 10 banks in the world.

Due to large number of associate banks such as State Bank of Bikaner, Hyderabad etc, it is impacted in following ways:

- ① lending ability to large infrastructure projects is not there.
- ② Risk Management is not standardized
- ③ Local political influences on associate bank negatively impact profitability.

A new large SBI has following merits:

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- ① Ability to lend for large infrastructure projects of national importance. Do not write in this space
- ↳ India needs \$1 trillion over 2012-2017 plan period to develop infrastructure it needs.
- ↳ SBI merger could facilitate this.

- ② Ward-off political interference as management comes under one-umbrella & becomes autonomous.

- ③ Ability to raise funds internationally.

Demerits

- ① "Too big to fail" problem like Lehman Brothers in USA.
- ↳ A financial crisis could impact economy adversely.

- ② Ignoring local banking needs of small customers

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- ③ losing regional focus & creating problems of handling transparency in dealings.

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Challenges in Implementation

- ① A comprehensive capacity development for staff will be needed.

- ② Latest risk management tools complying to Basel norms.

- ③ Dealing with employee unions during merger of banks.

- ④ Serving customers with same diligence as before.

- ⑤ Protocol, policy & regulation must be very comprehensive.

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Q17.

What are the relative merits and demerits of GDP as a tool to measure the economic performance of a nation? Has it outgrown its utility? What alternatives measures can be used to measure well-being of a nation? Examine.

Do not write
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GDP (Gross domestic Product) measures total output of an economy in government expenditure, private consumption, investments & exports/imports.

This provides a holistic number in purely financial terms to measure economic performance.

MERITS

- ① Simple to calculate & easy to compare with other countries → accepted world wide.
- ② Gives an understandable & measurable outcome of economic activity.
- ③ Used to develop budgets, programs, plans & schemes by governments
- ④ Used by IMF & World Bank as well → international backing.

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DEMERITS

- ① Not comprehensive → misses the Human Development aspect as pointed by Dr. Amartya Sen.
- ② World Bank Report 2015 has highlighted need for a human behaviour approach to measure growth & not just economic approach.
- ③ leads to exclusion of large sections → disadvantaged & women as gender equality & equal opportunity not measured by GDP.
- ④ Not inclusive in nature, & inapplicable when comparing larger & small countries.

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Hence, it appears that GDP has outgrown its utility because today growth is not sufficient measure of economic success.

→ Even SDGs focus on poverty as a multidimensional issue, not just income issue.

Other alternatives

① A mix of various indexes such as:

(a) Human Development Index (HDI)
→ Education, health & gender equality + Income

(b) Happiness Index developed by World Bank.

(c) Inequality Index & Gender Index

Indexes could be used as well in addition to above measures.

(d) All the above could be used to develop an adjusted GDP for above factors.

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What is SPI?
Compare GNIH
SPI vs HDI

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Q18.

The US economy is driven by consumption and the Chinese economy is driven by production, the Indian economy is driven by trade and services. To which category do Indian start-ups belong to? Discuss their strengths and weaknesses.

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India has become home to over 12,000 start-ups, the third largest start-up ecosystem in the world.

Indian startups serve all three sections — consumption, production and trade & services.

CONSUMPTION

① Indian startups in new food services such as Zomato, Foodpanda etc. are boosting URBAN consumption.

② Retail startups like Flipkart & Snapdeal also focus on this.

→ However, this has an urban bias, & not rural focus.

PRODUCTION

① Many startups are delving in

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new defence technologies due to the push given by new defence procurement policy on indigenous design & manufacturing.

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- ② Indian startups are leading in production of 3-D printers & also software production.

SERVICES

- ① Start-ups such as PAYTM in financial services, peer-to-peer lending, education start-ups are serving such needs.

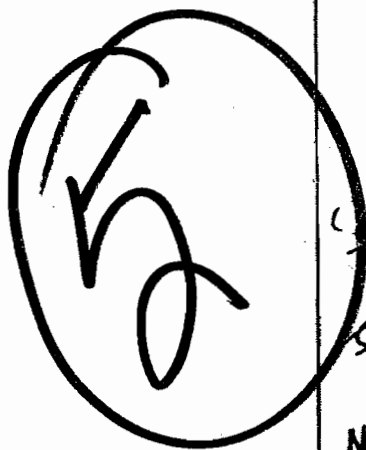
- ② KRISHI startup is focusing on weather & yield information to farmers.

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Startups in India Lead with edge...

Strengths	Weaknesses
<p>① led by extremely brilliant talent of engineers & management professionals.</p> <p>② ^{serve} huge market demand in India & abroad both.</p> <p>③ leading to employment creation.</p>	<p>① Ecosystem is weak as compared to USA & Israel due to early phase.</p> <p>② Financially 'bubble' created leading to poor decisions by management.</p> <p>③ Informalization of workforce.</p>

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Government has launched 'Start-up India' program to boost start-up environment, & also National Aspiration Fund to invest in new startups. This should enhance start-up nurturing & success in India.

Q19.

It is said that in India, there is an emphasis on increasing farm productivity, but this might not always align with greater profitability for farmers. In this regard, do you think government should also focus more on farmer welfare? Give your argument.

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Farmer welfare is directly related to farm productivity because:

- ① Greater farm productivity will increase farmer wages.
- ② Greater farm productivity will make food security & livelihood security as achievable dreams.
- ③ It will also free burden of farm subsidies, which can be allocated to farm investment.

The World Bank 2014 report has shown direct relationship between health, education & gender equity as farm productivity increases.

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→ A \$1 increase in productivity has a multiplier effect of \$3 on various welfare measures such as sanitation, health, education & nutritional security.

Government should therefore pursue farm productivity by:

① Farm & land improvement by enhancing soil quality & irrigation.

② Seed & fertilizer policy that promotes healthy use of inputs.

③ Greater insurance coverage for farmers.

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④ ~~Easy credit facilities.~~
Rationalized MSP structure.

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Q20.

What do you understand by climate smart agriculture? Illustrate with examples various techniques used in climate smart agriculture to combat climate change effects. Give innovative suggestion in this regard and critically evaluate such innovations.

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Climate smart agriculture
can be defined as sustainable
agricultural practices that adapt
to changing climate patterns.

Features of climate smart agriculture

- ① Crops not affected by erratic
monsoon / climate change.
- ② Higher yields despite harsher
climate → more productive yield.
- ③ Use of satellite technology for
efficient sowing, growing & harvest.
- ④ less labour intensive, more environ-
-mentally friendly.

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Examples of Techniques :

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- ① GIS (Geographical information systems) send timely updates to farmers about weather.
↳ Satellite imagery of fields & soil health to get higher yield.
- ② Use of drip irrigation & sprinklers for more effective & 'higher crop per drop'.
- ③ Use of ~~fortified~~ seeds for better nutrition per crop unit. More effective fertilizers eg: Neem Coated Urea for greater impact of fertilizer on crops.
- ④ Use of soil health cards to understand nutrition needs of soil.
→ Government has launched

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promoting

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Paramparagat Krishi Yojana for a
more sustainable & climate smart
agriculture practices.

Innovative Measures

- ① Use Internet-of-Things &
3-D printing technologies for
R&D in agriculture.
- ② Promote Youth Programs to
link with National Extension
Services, & Kisan Vikas Kendras.
- ③ Use Student Satellites as
launched by IIT-Bombay recently
for climate prediction services.
- ④ Develop third-generation mobile
apps for farmers.