

ANSWER SHEET

Name of Candidate

Test Code

Subject

Registration No.

EVALUATION INDICATORS

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

INDEX TABLE

Q.No.	Page No.	Maximum Marks	Marks Obtained
1.			
2.			
3.			
4.			
5.			
6.			
7.			
8.			
9.			

Total Marks Obtained

Remarks :

Signature of Examiner

INSTRUCTIONS:

1. Do furnish the appropriate details in the answer sheet (viz. Name , Id Number and Test Code)
2. The Candidate should fill the index table, especially for him/her. -
3. In the left margin, she/he should write only question number and in the right margin, nothing should be written.
4. The page number should be coded by the candidate himself and the range of page number related to the answer of the question should be used to complete the index table.
5. All Parts of the questions should be written at one place.
6. No Supplementary sheet shall be provided by the management. So the candidate is advised to accommodate required information within the space provided.
7. The candidate need not write anything in his /her answer that derogates the dignity of an individual or an organization.
8. The candidate should respect the instructions, given be the invigilator.
9. The Examinee has to submit the answer sheet to the invigilator after completion of examination. However, he /she is allowed to take away the question paper.

Question No.
(प्रश्न संख्या)

3 a)

Disinflation vs Deflation - Disinflation is slowing in the rate of increase in general price level. Deflation refers to persistent fall in level of overall price index.

b) Geographical Indicators - is a name or sign used on certain products associated with certain geographical location or origin. Eg. Darjeeling Tea, Konchipuram Sarees.

c) Total Sanitation Campaign - is a comprehensive programme to ensure sanitation facilities in rural areas with broader goal to eradicate practise of open defecation.

d) JNNURM - launched in 2005 by central government to give focussed attention to planned development of identified cities and encourage reforms and bring efficiency in urban infrastructure and service delivery.

e) Global Corruption Perception Index - it is an index used to order countries based on degree of which corruption is perceived to exist among public officials and politicians.

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Question No.
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- f) Yadgil Formula - Central Assistance to states for their plans is based on Yadgil Formula.
- g) Financial Inclusion - is defined as the ease of access, availability and usage of formal financial system by all members of economy.
- h) Reverse Repo rate - is the rate at which RBI borrows money from banks. RBI uses this tool when it feels there is excess money floating in banking system.
- i) Abhijit Sen Committee - recommended that there is no conclusive evidence of future trading contributing to agricultural price rise. It asked strengthening of spot markets and self-regulatory exchanges.
- j) Green GDP - It is an adjustment to traditional GDP, deducting resource and environment costs incurred in economic activities.

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- k) Corporate Governance - is the set of processes, policies, laws and institutions affecting the way a company is administered.
- l) Depreciation - is the loss of value of a country's currency with respect to one or more reference foreign currencies, typically in floating exchange system, due to market forces.
- m) Green & Blue Box Subsidies - Green Box contains fixed payments to producers for environment programs decoupled from production levels. Blue Box are subsidies which can be increased without limit, so long payments are linked to production-limiting programs.
- n) WIPO - World Intellectual Property Organisation, is an agency of UN created to encourage creative activity and protect intellectual property throughout world.
- o) Doha Development Agenda - is trade negotiation of WTO with objective to lower trade barriers around world and increase global-trade.

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p> Subprime Mortgage crisis - is ongoing financial crisis triggered by dramatic rise in mortgage delinquencies and foreclosures in USA due to weak regulation and mortgages given to subprime borrowers.

q> Bharat Nirman - is a four-year programme launched in 2005 aimed at strengthening rural infrastructure - irrigation, water supply, housing, roads, telephony and electricity.

r> UID - will catalogue personal details of every Indian citizen on smart cards. It will be used for wide ranging purposes like voter ID, address proof.

s> NABARD - National Bank for Agriculture and Rural Development, established in 1982, is apex Development bank with mandate for facilitating credit flow for promotion and development of agriculture, SSF, handicrafts etc.

t> WEF - is Geneva based non-profit foundation which brings together top business leaders, political leaders, intellectuals to discuss most pressing issues faced by world.

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- 6 a) Swiss Formula - is a mathematical formula designed to cut and harmonize tariff rates in international trade.
- b) World Economic Outlook - is a publication by International Monetary Fund (IMF) surveying recent economic developments and prospects for world economy.
- c) UNCTAD - United Nation Conference on Trade and Development, an organ of UN dealing with trade, investment and development issues.
- d) Keynesian Model - is a macro-economic model that private sector decisions sometimes lead to inefficient outcomes and therefore advocates public sector action to stabilize output of business cycle.
- e) Phillips Curve - is an inverse relation between unemployment and rate of inflation in an economy.
-
- f) Future Trading - is a system where people buy a commodity at a specified price with delivery set at a specified time in future.

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- g) Precision Farming - is an agricultural concept using new technologies like GPS, sensors etc to precisely evaluate optimum sowing density, estimate fertilizers and other input needs and to more accurately predict yield.
- h) Project Arrow - aims to transform the existing India Post infrastructure and revitalize the organisation & capitalizing on strengths.
- i) Certificate of Deposit - is a time-deposit offered to consumers by banks, and credit institutions. They are similar to bank accounts but has specific, fixed term.
- j) Gilt-edged market - refers to trade in gilt-edged securities, which are bonds issued by government.
- k) Paul Krugman - is an American economist and won Nobel Prize for Economics for his contribution to New Trade theory explaining patterns of international trade.
- l) NAOPS - is a central government scheme to provide Rs 200 per month pension to poor persons aged 65 or older.

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m)

IFC - is a member of World Bank group. It finances and advises private sector investment in developing countries as a way to reduce poverty and improve people's lives.

n)

NAMA - refers to all talks at WTO related to all products not covered by Agreement on Agriculture.

o)

Stagflation and Hyper Inflation - Stagflation refers to economic situation in which inflation and economic stagnation occur together.

Hyperinflation is which inflation that is very high and out of control, usually 50 to 100% a month.

q)

PPP - describes government service or private business venture which is funded and operated through a partnership of government and private sector companies.

r)

TPDS - is a distribution system in which households are demarcated on basis of income criterion into BPL and APL populations, with both groups treated differently.

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→ Venture Capital Firms - comprise of small teams with deep technology background or industry experience and provide capital to early stage, high growth potential companies.

→ SDR - are defined in terms of a basket of major currencies used in international trade and finance. It is the currency of IMF.

→ FIPB - Foreign Investment Promotion Board
FIIA - Foreign Investment Implementation Authority

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9 a)

Mercosur - is a common market formed by Latin American countries - Brazil, Argentina, Paraguay and Uruguay.

b)

Washington Consensus - is a popular term, synonymous with globalization, to describe set of economic policy recommendations to reform developing countries.

c)

Hedge Funds - is an investment fund open to limited range of investors. It often seek to hedge some of risks by using variety of methods like short-selling and derivatives.

d)

IDA - is part of World Bank group that helps world's poorest countries by providing long-term, interest-free loans.

e)

Absolute & Relative Poverty - Absolute Poverty quantifies number of people below poverty threshold which is independent of time and place. Relative poverty uses a relative threshold which depends on time and place.

f)

Twin Deficit - An economy has twin deficit if it has both current account deficit and fiscal deficit.

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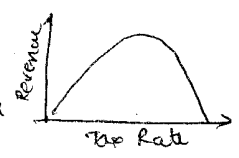
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- g) MFN status - is a status awarded by a nation to other in international trade. It means the receiving nation will not be treated worse than any other nation with MFN status.
- h) Countervailing Duty - are duties imposed under WTO rules to neutralize the negative effects of subsidies or duties by a foreign country that can hurt domestic producers.
- i) green light subsidies - are subsidies that may not be challenged in WTO dispute settlement mechanism or subject to countervailing duties under national law.
- j) Automatic route of FDI - under this investor doesnot require any prior approval by the government or RBI. they are only required to notify regional office within 30 days of remittances.
- k) J Curve Effect - it states that a country's trade deficit will worsen initially after the depreciation of its currency but eventually it will improve balance of payments.
- l) ITC - helps developing countries, particularly least developed countries, build trade-related skills and infrastructure necessary to implement and benefit from WTO agreements to boost trade.

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- m) Gresham's Law - states that circulating currency consisting of both good and bad money quickly becomes dominated by bad money. Bad money includes counterfeit notes & coins.
- n) Liquidity Adjustment Facility (LAF) - A tool used in monetary policy that allows banks to borrow money through repurchase agreements.
- o) Green Economics - means a direct focus on meeting human and environmental needs for sustainable development.
- p) Laffer Curve - is an economic concept used to illustrate that increase in tax rate not necessarily leads to increase in tax revenues.
- 
- q) Tax Heaven - countries which have certain taxes very low or not at all. Individuals and corporate entities find it attractive to move there.
- r) EEZ - is a zone over which a state has special rights for exploration and use of marine resources.
- s) High Powered Money - is term referring to highly liquid money and includes currency & vault cash.
- t) SSG - is a policy tool for low income countries in WTO by which countries can temporarily raise tariff levels in event of import surge.

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- viii) Improve sex-ratio to 135 by 2010-12
- ix) Ensure electricity connection ~~and~~ to all villages and broadband over lines households by 2009.
- x) Road to all villages that have population of 1000 and above by 2009.
- xi) Increase forest tree cover by 5%.
- xii) Achieve the World Health Organization standard air quality in major cities by 2011-12.
- xiii) Treat all urban wastewater by 2011-12 to clean river waters.
- xiv) Increase energy efficiency by 20 percent by 2016-17.

Thus the plan clearly set short as well as long term goals for the benefit of common man. Many broad level goals will lead to inclusive growth.

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- Coordinated macro-economic actions to revive global economy, stimulate growth and employment
- Reform & improve financial sector
- Reform international financial institutions - IMF, WB.

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- c) The Yashpal Committee was formed to advise on Renovation and Rejuvenation of Higher Education. It made following recommendations:
- i) It asked plethora of regulatory bodies like UGC, NCTE etc to be replaced with 7-member Commission for Higher Education and Research (CHER). It asked autonomy for it analogous to EC.
 - ii) The deemed university status should be abandoned and all deemed varsities be either converted full-fledged universities or scrapped.
 - iii) GRE like test must be evolved for university education and admission, held more than once a year.
 - iv) Prevent isolation of study of engineering and management in IITs and IIMs.

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- v) There should be no discrimination between Centre and state funded universities.
- vi) Raised doubts over the source of funding of private education providers. It asked all private universities must submit to a national accreditation system.
- vii) It welcomed foreign universities to come to India but subject to all rules & regulations that would apply to any university.

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4 b)

In the past two decades, India has been making sustained progress on a scale, size and pace that is unprecedented in its own history. In Xth Plan period (2002-07) it recorded growth of 7.7%, highest ever.

Infrastructure development will play a more crucial role in helping India sustain high growth rates and more evenly spread benefits of development. Physical infrastructure covering transportation, power and communication through its forward and backward linkages facilitates growth; social infrastructure including sanitation, water supply, education & health affects quality of life.

The general rottenness of India's infrastructure has been recognized as likeliest constraint on India's economy.

i) Transport - only about half of India's extensive road network is paved and about 20% is in good condition. More than 85% rural roads are in very bad condition. Thus average truck speed remains 30-40 km/hr. The result is delay, congestion, fuel wastage and pollution.

ii) Power - The performance of power sector

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in 9th and 10th FYP has been miserable with only 40-50% capacity addition targets could be met. Last year peak demand outstripped supply by almost 15%.

iii) Social Infrastructure - Our infrastructure is in under severe population pressure. Only one out of three people have access to sanitation facilities. The state of government schools is indeed sad plagued by lack of facilities. and nearly 21% of urban population lives in squatter settlements where access to basic services is extremely poor. City transport is crippled by congestion, accidents and vehicular pollution.

The link between development and infrastructure is a continuous process, and progress in development has to be preceded accompanied, and followed by progress in infrastructure, if we want to fulfill objective of self-accelerating process of development.

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5 a)

National Rural Health Mission (NRHM) is a government scheme to improve the capacity of health services and provide effective healthcare to rural population, especially the disadvantaged groups. NRHM covers entire country with special focus on 18 states where challenge is greatest.

The major objectives of NRHM are

- i) Decrease the infant mortality rate and maternal maternity rate
- ii) Provide access to public health services to every citizen
- iii) Prevent and control communicable and non-communicable diseases
- iv) Control population as well as ensure gender and demographic balance.
- v) Encourage healthy lifestyle and alternative systems of medicine through AYUSH.

The mission envisages achieving objective by strengthening Panchayati Raj Institutions and promoting access to healthcare through Accredited Female Health Activist (ASHA). It also plans to strengthen existing Primary Healthcare Centres, Community Health Centres

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and District Health Missions, in addition making maximum use of NGOs.

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c) National Rural Employment Guarantee Act (NREGA) aims at enhancing livelihood security of households in rural areas of country by providing at least 100 days of guaranteed wage employment to every household. It covered 200 districts in Ist phase and was extended to 330 districts in IInd phase.

The outcomes of NREGA can be summarized as

i) Increased employment opportunities in Rural areas thus enhancing livelihood security of rural households.

ii) Prevent migration of rural to urban

iii) Inclusive growth by reaching out to the poor and giving them access to way of dignified earning

iv) Increased women participation as 1/3 of employment opportunities are reserved.

v) Enhanced earnings of rural people and has increased minimum wages, thus giving them opportunity to use the additional income in fruitful manner

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iv) Central and State governments shall have the power to make rules for purposes of carrying out objectives of bill.

b) The recommendations of NRC included:

Higher Education

- To create many more universities.
- Change system of regulation by establishing independent regulating authority.
- Increase public spending and diversify sources of financing.
- Establish 50 national universities that can provide highest education of highest standard.
- Reform existing universities.
- Restructure undergraduate colleges.
- Ensure access for all deserving students by creating more opportunities and scholarships.

Primary Education

- Planning for school infrastructure and improve the facilities.
- To have an enabling and regulating mechanism for private schools.
- Develop database on school education.
- National evaluation body for monitoring.

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- Revamp school inspection
- Encourage english language teaching

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7 b)

LPG is abbreviated for Liberalization, Privatization and globalization. ~~India~~ Liberalization is loosening the control of government. Privatization means government tries to do less business and let private businessmen do that. Globalization means trade across borders more freely.

The adoption of LPG policy in 1991 by a minority government was a landmark event in the history of this country. The objective was to effect a structural transformation of the economy to make it globally competitive.

The important reform measures taken were:

- i) Dismantling of industrial licensing system
- ii) opening sectors reserved for public sector to private participation
- iii) Abolition of Monopolies and Restrictive Trade Policies (MRTP) Act which prevented diversification and expansion of industrial houses
- iv) Switch from fixed exchange rate to a more market-determined exchange rate to have suitable environment for liberalized trade
- v) Removal of quantitative restrictions on imports
- vi) Allowing FDI across wide spectrum of

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industries and severe restrictions on external commercial borrowings

vii) Wide range of reforms in financial sector including banking, capital and insurance sectors.

The reforms have yielded following significant benefits:

i) GDP growth accelerated from 5 percent in pre-reform era to 7 percent in post reform period

ii) Current account deficit has come down significantly to less than 1 percent

iii) Forex reserves are currently over 250 billion dollars from less than 1 billion dollars during 1990-91 balance of payment crisis

iv) Composition of debt is also favorable

v) External debt burden became favorable and looks sustainable

vi) Foreign capital inflows increased significantly.

vii) Share of exports and imports as ratio of GDP has increased from 1/5th in pre-reform to nearly 2/5th now. Composition of exports has changed significantly and with impressive growth rates.

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8 a)

Social Security Bill 2008 is to provide for the social security and welfare of unorganized sector workers and other matters connected therewith.

It is estimated that unorganized sector constitute more than 94 percent of total employment in country. The salient features of the Bill include:

i) Formulation of welfare schemes for different sections of unorganized sector workers on matter relating to

- life and disability cover
- health and maternity benefits
- old age protection
- any other benefits as decided

ii) Constitute National and state level Social Security Advisory Board, by central and state governments respectively, to recommend suitable welfare schemes

iii) Worker of unorganized sector is eligible for benefits if he is duly registered. Each worker shall be issued a identity card which shall be a smart card carrying identification and shall be portable.

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- vi) It has helped in creation of productive assets like renovation of water bodies, roads, drought proofing etc.
- vii) Decentralized planning, thus role of PRC have played primary role and plans prepared by gram Sabha.
- viii) Financial inclusion as many rural people got access to formal banking system.

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