GS SCORE

Special Edition for Prelims 2017

Revise Economic Survey

with

"100 Terms"

For Civil Services Examination

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Objective

"Revise Economic Survey with 100 terms"

The Economic Survey is must for IAS Prelims Examination. Since it is very bulky in nature often candidates fail to extract crux of survey which is important for Preliminary Examination. Here is an attempt to fill the gap in shortest possible way.

As in the prelims, questions on Indian economy are generally related to the current events thus Economic Survey may provide a clear cut picture of the Indian Economy and latest trends associated with it.

This year Economic Survey (2016-17) is more in the form of analysis rather than factual whereas the last year Economic Survey (2015-16) consists of both; so for better utilization of information mainly for Prelims, we have come up with the ***"Revise Economic Survey with 100 terms"*** which consist of the important terminologies from both the years and may act as Quick Revision Tool for the aspirants in the last lap of preparation.

All the best !!!

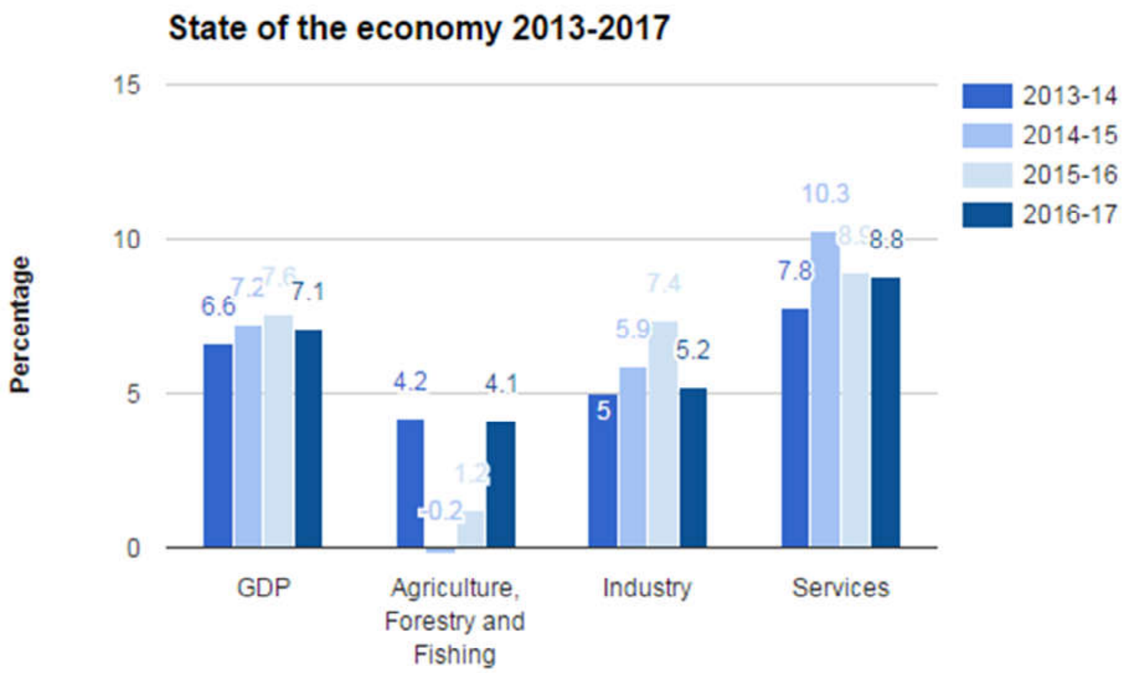
PREFACE

ECONOMIC SURVEY

ECONOMIC SURVEY 2016-17: DATA

Growth

- 2017/18 GDP growth seen between 6.75 and 7.5 per cent year on year.
- GDP growth rate at constant market prices for the current year 2016/17 is placed at 7.1 per cent.
- The federal statistics office's estimate of 7.1 per cent growth for 2016/17 likely to be revised downwards.
- Service sector is estimated to grow at 8.9 per cent in 2016/17.
- Industrial growth rate expected to moderate to 5.2 per cent in 2016/17 from 7.4 per cent in 2015/16.



Inflation

- The average Consumer Price Index (CPI) inflation rate declined to 4.9 percent in 2015/16 from 5.9 percent in 2014/15.
- CPI-based core inflation has remained sticky in the current fiscal year averaging around 5 percent.
- Oil prices, seen rising by one-sixth in 2017/18 over 2016/17 prices, could dampen India's economic growth.

Government debt

- Government debt to GDP ratio in 2016 seen at 68.5 per cent down from 69.1 per cent in 2015.

States' performance:

- There has been an improvement in the financial position of states over the last few years.

- The average Revenue Deficit has been eliminated, while the average Fiscal Deficit was curbed to less than 3 percent of GSDP.
- The average debt to GSDP ratio has also fallen.
- Centre's Fiscal Responsibility and Budget Management (FRBM) Act, mirrored by Fiscal Responsibility Legislations (FRL) adopted in the States.

NPAs:

- As per the Survey, gross NPAs has climbed to almost 12 per cent of gross advances for public sector banks at end-September 2016.
- At this level, India's NPA ratio is higher than any other major emerging market, with the exception of Russia.
- The consequent squeeze of banks has led them to slow credit growth to crucial sectors-especially to industry and Medium and Small Scale Enterprises (MSMEs)-to levels unseen over the past two decades. As this has occurred, growth in private and overall investment has turned negative.

Trade

- The trend of negative export growth was reversed somewhat during 2016-17 (April-December), with exports growing at 0.7% to $198.8 bn. During 2016-17 (April-December) imports declined by 7.4% to $275.4 bn.
- Trade deficit declined to $ 76.5bn in 2016-17 (April-December) as compared to $ 100.1bn in the corresponding period of the previous year.
- The Current Account Deficit (CAD) narrowed in the first half (H1) of 2016-17 to 0.3% of GDP from 1.5% in H1 of 2015-16 and 1.1% in 2015-16 full year.
- Robust inflows of foreign direct investment and net positive inflow of foreign portfolio investment were sufficient to finance CAD leading to an accretion in foreign exchange reserves in H1 of 2016-17.
- In H1 of 2016-17, India's foreign exchange reserves increased by $15.5bn on BoP basis.
- During 2016-17 so far, the rupee has performed better than most of the other emerging market economies.

External Debt

- At end-September 2016, India's external debt stock stood at $ 484.3bn, recording a decline of $ 0.8bn over the level at end-March 2016.
- Most of the key external debt indicators showed an improvement in September 2016 vis-à-vis March 2016. The share of short-term debt in total external debt declined to 16.8% at end-September 2016 and foreign exchange reserves provided a cover of 76.8% to the total external debt stock.
- India's key debt indicators compare well with other indebted developing countries and India continues to be among the less vulnerable countries.

Agriculture

- Agriculture sector is estimated to grow at 4.1% in 2016-17 as opposed to 1.2% in 2015-16; the higher growth in agriculture sector is not surprising as the monsoon rains were much better in the current year than the previous two years.

- The total area coverage under Rabi crops as on 13.01.2017 for 2016-17 is 616.2 lakh hectares which is 5.9% higher than that in the corresponding week of last year.
- The area coverage under wheat as on 13.01.2017 for 2016-17 is 7.1 percent higher than that in the corresponding week of last year.
- The area coverage under gram as on 13.01.2017 for 2016-17 is 10.6 percent higher than that in the corresponding week of last year.

Industry

- Growth rate of the industrial sector is estimated to moderate to 5.2% in 2016-17 from 7.4% in 2015-16.During April-November 2016-17, a modest growth of 0.4% has been observed in the Index of Industrial Production (IIP).
- The eight core infrastructure supportive industries, viz. coal, crude oil, natural gas, refinery products, fertilizers, steel, cement and electricity registered a cumulative growth of 4.9% during April-November 2016-17 as compared to 2.5% during April-November 2015-16. The production of refinery products, fertilizers, steel, electricity and cement increased substantially, while the production of crude oil, natural gas fell during April-November 2016-17. Coal production attained lower growth during the same period.
- The performance of corporate sector (Reserve Bank of India, January 2017) highlighted that the growth of sales grew by 1.9% in Q2 of 2016-17 as compared to near stagnant growth of 0.1% in Q1 of 2016-17. Growth in net profit registered a remarkable growth of 16.0% in Q2 of 2016-17 as compared to 11.2% in Q1 of 2016-17.

Services

- Service sector is estimated to grow at 8.9% in 2016-17, almost the same as in 2015-16. It is the significant pick-up in public administration, defence and other services, boosted by the payouts of the Seventh Pay Commission that is estimated to push up the growth in services.

Demonetization

- The aim of the action was fourfold: to curb corruption, counterfeiting, the use of high denomination notes for terrorist activities, and especially the accumulation of "black money", generated by income that has not been declared to the tax authorities.
- *Impact on GDP as Demonetisation is potentially:*

a) An *aggregate demand shock*, because it reduces the supply of money and affects private wealth (especially of those holding unaccounted money and owning real estate);

b) An *aggregate supply shock* to the extent that cash is a necessary input for economic activity (for example, if agricultural producers require cash to pay labour);

c) An *uncertainty shock because* economic agents face imponderables related to the impact and duration of the liquidity shock as well as further policy responses.

Employment

- As per the Annual Employment and Unemployment Surveys (EUS) the Labour Force Participation Rate (LFPR) at the all India level based on usual principal status approach was estimated at 50.3 per cent. The All India LFPR of females is much lower than that for males.
- The North Eastern and Southern States, in general, display high female LFPR as compared to low levels in Northern States.

Health

- Life expectancy has doubled and infant mortality and crude death rates have reduced sharply.
- India's total fertility rate (TFR) has been steadily declining and was 2.3 (rural 2.5 & urban 1.8) during 2014.
- Infant Mortality Rate (IMR) has declined to 37 per 1000 live births in 2015 from 44 in 2011. The challenge lies in addressing the huge gap between IMR in rural (41 per 1000 live births) and urban (25 per 1000 live births) areas.
- The Maternal Mortality Ratio (MMR) declined from 301 maternal deaths per 100,000 live births during 2001-03 to 167 maternal deaths per 100,000 live births during 2011-13. There are wide regional disparities in MMR, with States like Assam, Uttar Pradesh, Rajasthan, Odisha, Madhya Pradesh and Bihar recording MMR well above the all India MMR of 167.
- The high levels of anemia prevalent among women in the age group 15-49 have a direct correlation with high levels of MMR. In Haryana and West Bengal more than 60 per cent of women suffer from anemia. Under the National Health Mission, Government of India has programmes to address the issue of anemia through health and nutrition education to promote dietary diversification, inclusion of iron foliate rich food as well as food items that promote iron absorption.

Other important facts

- New estimates based on railway passenger traffic data reveal annual work-related migration of about 9 million people, almost double what the 2011 Census suggests.
- India has 7 taxpayers for every 100 voters ranking us 13th amongst 18 of our democratic G-20 peers.
- China's credit rating was upgraded from A+ to AA– in December 2010 while India's has remained unchanged at BBB-. From 2009 to 2015, China's credit-to-GDP soared from about 142 percent to 205 percent and its growth decelerated. The contrast with India's indicators is striking, which have remained low in range of 70-80.

Credit rating agencies are whistleblowers. They have expertise in the art of monitoring, evaluation and forecast. They offer information to the investors for taking investment decisions. They help governments to devise policies to avoid imminent crises such as recession, current account deficit, fiscal deficit, other macroeconomic imbalances such as inflation or deflation.

BBB- indicates that an obligor has ADEQUATE capacity to meet its financial commitments. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity of the obligor to meet its financial commitments.

1. Types of Deficits	:	Different Types of Deficits are: • Budget deficit = total expenditure – total receipts • Revenue deficit = revenue expenditure – revenue receipts • Fiscal Deficit = total expenditure – total receipts except borrowings (it tells amount of borrowing required) • Primary Deficit = Fiscal deficit- interest payments • Effective revenue Deficit = Revenue Deficit - grants for the creation of capital assets • Monetized Fiscal Deficit = that part of the fiscal deficit covered by borrowing from the RBI.
2. Intermediate T-bills	:	T-bills are short term (up to one year) borrowing instruments of the Government of India which enable investors to park their short term surplus funds while reducing their market risk. They are auctioned by Reserve Bank of India at regular intervals and issued at a discount to face value.
3. Currency to GDP ratio	:	It is an indicator of the amount of cash used in the economy. India has the highest currency-GDP ratio among BRICS (Brazil, Russia, India, China, South Africa) nations.
4. Cash-Deposits ratio	:	It indicates how much of a bank core funds are being used for lending, the main banking activity. It can also be defined as Total of Cash in hand and Balances with RBI divided by Total deposits.
5. Trade to GDP ratio	:	Export plus import expressed as share of GDP. It is a marker of economic liberty of an economy. The trade to GDP ratio of India significantly improved post 1990's reform.
6. Retrospective tax	:	A tax levied for transactions in the past (which was either taxed at lower rate or was tax free owing to exemptions).e.g. Vodafone tax issue. A retrospective tax is considered to be regressive and anti market as it erodes government's credibility and adds to policy uncertainty.
7. Gross Fixed Capital Formation (GFCF)	:	It refers to the net increase in physical assets (investment minus disposals) within the measurement period. GFCF is called "gross" because the measure does not make any adjustments to deduct the consumption of fixed capital (depreciation of fixed assets) from the investment figures. It also does not include land purchases. It is a component of expenditure approach to calculating GDP.
8. Liquidity Adjustment Facility (LAF)	:	Liquidity Adjustment Facility (LAF) is the primary instrument of Reserve Bank of India for modulating liquidity and transmitting interest rate signals to the market. It refers to the difference between the two key rates viz. repo rate and reverse repo rate. Informally, Liquidity Adjustment Facility is also known as Liquidity Corridor.
9. Marginal Standing Facility (MSF)	:	It is a new Liquidity Adjustment Facility (LAF) window created by Reserve Bank of India in its credit policy of May 2011. MSF is the rate at which the banks are able to borrow overnight funds from RBI against the approved government securities (which can be a part of SLR).
10. Market Stabilisation Scheme (MSS) Bonds	:	These are special bonds floated on behalf of the government by the RBI for the specific purpose of mop ping up the excess liquidity in the system when regular government bonds prove inadequate. To impound the excess liquidity, bankers felt MSS bonds were a better option than a hike in CRR holdings.

11. Nominal Effective Exchange Rate	:	The Nominal Effective Exchange Rate (NEER) is an unadjusted weighted average rate at which one country's currency exchanges for a basket of multiple foreign currencies i.e. it is the value of basket of foreign currencies in terms of Indian rupee. If NEER value is high, then other country currency could buy more of Indian products, then exports would increase. In economics, the NEER is an indicator of a country's international competitiveness.
12. Real Effective Exchange Rate	:	The Real Effective Exchange Rate (REER) is the weighted average of a country's currency relative to an index or basket of other major currencies, adjusted for the effects of inflation.
13. Gross State Domestic Product (GSDP)	:	It is defined as a measure, in monetary terms, of the volume of all goods and services produced within the boundaries of the State during a given period of time, accounted without duplication.
14. Twin Balance sheet problem	:	It refers to the poor economic state of Public sector banks at one hand (huge Non Performing Assets) and Corporate houses on other (due to low profitability and shortage of loan). In case of India both these problems are interdependent as a majority share of NPA with the banks are from the corporates and DISCOMS. This has created a vicious cycle whereby banks avoid lending corporates and corporates fail to repay their debt owing to lack of capital and profitability. To address the challenges, Economic Survey recommends these four R's: Recognition, Recapitalization, Resolution, and Reform. • **Recognition:** Banks must value their assets as far as possible close to true value as the RBI has been emphasizing. • **Re-capitalization:** Once they do so, their capital position must be safeguarded via infusion of equity as the banks have been demanding. • **Resolution:** The underlying stressed assets in the corporate sector must be sold or rehabilitated as the government has been desiring. • **Reform:** Future incentives for the private sector and corporates must be set-right to avoid a repetition of the problem, as everyone has been clamouring.
15. Errors in welfare distribution	:	Indian state welfare spending suffers from considerable misallocation. This leads to: ***exclusion errors*** (the deserving poor not receiving benefits), ***inclusion errors*** (the non-poor receiving a large share of benefits) and ***leakages*** (with benefits being siphoned off due to corruption and inefficiency).
16. Exit issue	:	Exit issue denotes the obstacles faced by firms, wanting to wrap up their business. Exit issue in India is one of the prominent reasons for its poor ranking in ease of doing business. **The cost associated with exit are:** • **Fiscal Costs:** Inefficient firms often require government support in the form of explicit subsidies (for example bailouts) or implicit subsidies (tariffs, loans from state banks). • **Economic Costs:** Misallocation of scarce resources and factors of production in unproductive uses including overhang of stressed assets on corporate and bank balance sheets.

	• **Political costs:** Government support to "sick" firms can give the impression that government favors large corporates, which politically limits its ability to undertake measures that will benefit the economy but might be seen as further benefitting businesses.
17. Money :	It is the commonly accepted medium of exchange. It also acts as convenient unit of account (of all goods and services) and a store of value for individuals (i.e wealth can be stored in terms of money for future use).
18. Fiat Money :	Currency notes and coins are called fiat money, which do not have intrinsic value (like gold or silver). These are also called legal tenders as they cannot be refused by any citizen of the country for settlement of any kind of transaction.
19. Money Supply/ Liquidity :	The notes, coins, Demand Deposits (saving/current) are considered as money.
20. Black Money :	Funds earned on the black market on which income and other taxes have not been paid or which is the proceeds of criminal activity such as bribery and corruption.
21. Soil rate :	Rate at which notes are considered to be too damaged to use and are returned to the Central Bank. Generally the higher denomination notes have a lower soil rate than the low denomination notes.
22. Indirect tax revenue :	A tax which is collected from the ultimate consumer of a particular Good/ Service. The tax burden lies on the final consumer and not the intermediary who transacts (e.g. sales tax, value added tax, excise duty). It is considered as a regressive tax, as it is charged at the same rate from both poor and rich (no equity).
23. Nominal GDP :	It refers to the Gross Domestic Product evaluated at current market price, whereas the real GDP evaluates GDP at prices of Base year (i.e a standard year).
24. GDP Deflator :	It is a measure of the level of prices of all new, domestically produced, final goods and services in an economy. It is calculated by dividing Nominal GDP/ Real GDP.
25. Negative interest rates policy :	Negative Interest Rate Policy means financial institutions like banks will be penalised for keeping money. This will encourage them to lend it for economic activity.
26. Helicopter drop/ helicopter money :	The idea of a helicopter money drop has been mooted by Milton Friedman and Ben Bernanke, among others. It means giving everyone direct money transfers. In theory, people would see this as a permanent one-off expansion of the amount of money in circulation and would then start to spend more freely, increasing broader economic activity and pushing inflation back up to the central bank's target.
27. Over-leveraged firms :	If a company is overleveraged, it has borrowed too much money and cannot make payments on the debt.
28. Stressed assets :	NPAs + Restructured loans + Written off assets
29. NPA :	A loan whose interest and/or installment of principal have remained 'overdue' (not paid) for a period of 90 days is considered as NPA.
30. Restructured asset or loan :	They are that assets which got an extended repayment period, reduced interest rate, converting a part of the loan into equity, providing additional financing, or some combination of these measures.

31. Written off assets	:	They are those loans/assets bank or lender doesn't count the money borrower owes to it. The financial statement of the bank will indicate that the written off loans are compensated through some other way. There is no meaning that the borrower is pardoned or got exempted from payment.
32. Asset Quality Review	:	Typically, Reserve Bank of India (RBI) inspectors check bank books every year as part of its annual financial inspection (AFI) process. In a routine AFI, a small sample of loans is inspected to check if asset classification was in line with the loan repayment and if banks have made provisions adequately. However, in the AQR, the sample size was much bigger and in fact, most of the large borrower accounts were inspected to check if classification was in line with prudential norms. The RBI believed that asset classification was not being done properly and that banks were resorting to ever-greening of accounts. Banks were postponing bad-loan classification and deferring the inevitable.
33. Ever-greening of Loan	:	Ever-greening refers to the practice of companies taking a fresh loan to pay up an old loan.
34. The 5/25 Refinancing of Infrastructure Scheme	:	This scheme offered a larger window for revival of stressed assets in the infrastructure sectors and eight core industry sectors. Under this scheme lenders were allowed to extend amortization periods to 25 years with interest rates adjusted every 5 years, so as to match the funding period with the long gestation and productive life of these projects.
35. Strategic Debt Restructuring (SDR)	:	The RBI came up with the SDR scheme to provide an opportunity to banks to convert debt of companies (whose stressed assets were restructured but which could not finally fulfill the conditions attached to such restructuring) to 51 percent equity and sell them to the highest bidders, subject to authorization by existing shareholders.
36. Sustainable Structuring of Stressed Assets (S4A)	:	Under this arrangement, an independent agency hired by the banks will decide on how much of the stressed debt of a company is 'sustainable'. The rest ('unsustainable') will be converted into equity and preference shares. Unlike the SDR arrangement, this involves no change in the ownership of the company.
37. Procyclical and Counter Cyclical fiscal Policies	:	A 'procyclical fiscal policy' can be summarised simply as governments choosing to increase public spending and reduce taxes during an economic boom, but reduce spending and increase taxes during a recession. A 'countercyclical' fiscal policy refers to the opposite approach: reducing spending and raising taxes during a boom period, and increasing spending/cutting taxes during a recession.
38. Fiscal activism	:	Fiscal policies of a government which believes in active participation in the national economy to affect its economic agenda and objectives.
39. Quantitative easing	:	Quantitative easing is an unconventional monetary policy in which a central bank purchases government securities or other securities from the market in order to lower interest rates and increase the money supply. Quantitative easing increases the money supply by flooding financial institutions with capital in an effort to promote increased lending and liquidity. Quantitative easing is considered when short-term interest rates are at or approaching zero, and does not involve the printing of new banknotes.
40. Labour Intensity	:	It is the number of jobs created per unit investment. Measured for different sectors. e.g. Apparel sector generates 80 time more jobs than Auto sector for similar investment

41. Female Labour Intensity : It is the number of female jobs created per unit capital investment. The more female labor intensive a sector is, the more is its potential for social transformation through women empowerment and financial inclusion.

42. Labour Force Participation Rate : It is the section of working population in the age group of 16-64 in the economy currently employed or seeking employment. People who are still undergoing studies, housewives and persons above the age of 64 are not reckoned in the labour force.

43. Neem Coated Urea : Indigenous manufactures/producers of urea are allowed to produce Neem Coated Urea (NCU) upto maximum of their total production of subsidized urea and to restrict the extra MRP to be charged by the companies selling Neem Coated Urea to the extent of 5% of the existing MRP of urea i.e. Rs. 5360/- per MT.

Benefits:

- Improvement in soil health;
- Reduction in costs with respect to plant protection chemicals;
- Reduction in pest and disease attack;
- An increase in yield of paddy, sugarcane, maize, soybean and tur/red gram to an extent of 5.79%, 17.5%, 7.14%, 7.4% and 16.88% respectively;
- Diversion of highly subsidized urea towards non-agricultural purposes negligible among farmers after the introduction of the mandatory policy of production and distribution of only Neem coated urea.

44. Competitive : It refers to a tendency among states to compete and outperform each other in attracting more economic investment in their state e.g. newly formed state of Telangana and Andhra Pradesh rank in the top of the "Ease of doing business" list.

45. Index of Industrial production : Index of Industrial Production (IIP) measures the quantum of changes in the industrial production in an economy and captures the general level of industrial activity in the country. It is a composite indicator expressed in terms of an index number which measures the short term changes in the volume of production of a basket of industrial products during a given period with respect to the base period.

46. Emission Intensity of GDP : Emission intensity is the volume of emissions per unit of GDP. Reducing emission intensity means that less pollution is being created per unit of GDP.

47. Green Energy Corridor : The Government in 2013 announced a National Green Corridor Program (NGCP) worth Rs. 43,000 Crore to enable the flow of renewable energy into the National Grid Network. Specifically, the green energy corridor is grid connected network for the transmission of renewable energy produced from various renewable energy projects.

48. Universal Basic Income : The characteristics of UBI are:

- ***Periodic:*** it is paid at regular intervals (for example every month), not as a one-off grant.
- ***Cash payment:*** Allowing those who receive it to decide what they spend it on. It is not, therefore, paid either in kind (such as food or services) or in vouchers dedicated to a specific use.

- *Individual:* It is paid on an individual basis-and not, for instance, to households.
- *Universal:* It is paid to all, without means test.
- *Unconditional:* It is paid without a requirement to work or to demonstrate willingness-to-work.

UBI may promote:

- **Social justice:** It promotes many of the basic values of a society which respects all individuals as free and equal. It promotes liberty because it is anti-paternalistic; it promotes equality by reducing poverty.
- **Economic benefits:** It promotes efficiency by reducing waste in government transfers.
- **Administrative benefits:** A UBI is also practically useful. The circumstances that keep individuals trapped in poverty are varied; the risks they face and the shocks they face also vary. The state is not in the best position to determine which risks should be mitigated and how priorities are to be set and UBI restores decision making with citizens. By taking the individual and not the household as the unit of beneficiary, UBI can also enhance agency, especially of women within households.

49. JAM trinity : An abbreviation for Jan Dhan Yojana, Aadhaar and Mobile number. The government is pinning its hopes on these three modes of identification to deliver direct benefits to India's poor. With Aadhaar helping in direct biometric identification of disadvantaged citizens and Jan Dhan bank accounts and mobile phones allowing direct transfers of funds into their accounts, it may be possible to cut out all the intermediaries.

50. JAM Preparedness Index : Economic Survey has formulated JAM-Preparedness Indices for Urban and Rural areas in each state. It uses Aadhaar penetration, basic bank account penetration and Banking Correspondents (BC) density as indicators for the indices.

51. BAPU-Preparedness Index : Under BAPU model, beneficiaries certify their identity through scanning their thumbprint on a POS machine while buying the subsidised product - say kerosene at the PDS shop. This reduces leakages considerably.

52. Life expectancy at birth (LE) : Indicates the number of years a newborn would live if prevailing patterns of mortality at the time of its birth were to stay the same throughout its life.

53. Infant mortality rate (IMR) : It is defined as the number of infants dying before reaching one year of age, per 1,000 live births in a given year.

54. Total fertility rate (TFR) : It is defined as the number of children that would be born to a woman if she were to live to the end of her childbearing years and bear children in accordance with age-specific fertility rates in a given year.

55. Convergence : Means that a state that starts off at low performance levels on an outcome of importance, say the level of income or consumption, should see faster growth on that outcome over time, improving its performance so that it catches up with states which had better starting points.

56. Goods and Services Tax (GST) : GST is a single tax on the supply of goods and services, right from the manufacturer to the consumer. Credits of input taxes paid at each stage will be available in the subsequent stage of value addition, which makes GST essentially a tax only on value addition at each stage. The final consumer will thus bear only the GST charged by the last dealer in the supply chain, with set-off benefits at all the previous stage.

57. Free Trade Agreement : Such agreements involve cooperation between at least two countries to reduce trade barriers - import quotas and tariffs - and to increase trade of goods and services with each other.

58. The Trade Facilitation Agreement : It contains provisions for expediting the movement, release and clearance of goods, including goods in transit. It also sets out measures for effective cooperation between customs and other appropriate authorities on trade facilitation and customs compliance issues. It further contains provisions for technical assistance and capacity building in this area.

59. eBiz Portal : The eBiz platform of the Department of Industrial Policy and Promotion (DIPP) integrates several processes across (government) departments to make the process of incorporating a company simpler. One can apply for Permanent Account Number (PAN), Tax Deduction Account Number (TAN), EPFO (Employees' Provident Fund Organization) and ESIC (Employee's State Insurance Corporation) and incorporation of company through the eBiz portal.

60. Migrant : The Census definition of a migrant is as follows: "When a person is enumerated in census at a different place than his/her place of birth, she/he is considered a migrant".

61. Gravity model : It is an empirical observation which finds that the migrant/passenger flows between two geographies is directly proportional to the level of economic activity/population of these two geographies and inversely proportional to some measure of physical distance between the two geographies. Geographers were pioneers in using the gravity models for studying the migration and mobility patterns.

62. Cohort : It denotes a group of people sharing a common temporal demographic experience who are observed through time. For example, the birth cohort of 1900 is the people born in that year. There are also marriage cohorts, school class cohorts, and so forth.

63. Cohort Analysis : Observation of a cohort's demographic behavior through life or through many periods; for example, examining the fertility behavior of the cohort of people born between 1940 and 1945 through their entire childbearing years. Rates derived from such cohort analyses are cohort measures.

64. 'Special Category' State : The concept of a **'Special Category' state,** first introduced in 1969, sought to provide disadvantaged states (those, due to several factors, were unable to generate enough resources for development) with preferential treatment in the form of central assistance and tax breaks. The states of Assam, Nagaland Arunachal Pradesh, Himachal Pradesh, Manipur, Meghalaya, Mizoram, Sikkim, Tripura, Uttarakhand and Jammu & Kashmir were given special status. Major factors that determined the grant for special status have been: (i) hilly and difficult terrain; (ii) low population density/sizeable share of tribal population; (iii) strategic location along international borders; (iv) economic and infrastructural backwardness; and (v) non-viable state finances.

65. 'Redistributive Resource Transfers' (RRT) : It is defined as gross devolution to the state adjusted for the respective state's share in aggregate gross domestic product. This adjustment is made to ensure that only the portion of resources devolved to the states over and above their contribution to Gross Domestic Product is included as RRT.

66. India Infrastructure Index	:	Asia Index Pvt. Ltd, a joint venture between S&P Dow Jones Indices LLC and BSE Ltd, launched its S&P BSE India Infrastructure Index. This index comprises top 30 companies based on market capitalization from five sectors- energy, transportation, non-banking financial companies (NBFCs), telecommunications and utilities. All the 30 stocks in the index will be picked from the universe of S&P BSE 500 index. It will measure the performance of major listed infrastructure companies in India. The other infrastructure index in the country is the National Stock Exchange's CNX Infrastructure Index.
67. Public Disclosure Law	:	The enactment of Public Disclosure Law refers to making appropriate provisions in the state level municipal statute(s) and/or other state-level statutes to ensure that these disclosures are mandatory. The core objectives of Public Disclosure Law are: • To provide appropriate financial and operational information on various municipal services to citizens and other stakeholders. • To promote efficiency and consistency in the delivery of public goods and services by the municipality. • To enable comparison over time (of a particular ULB) and space (between ULBs) by disseminating information in a structured, regular and standardized manner.
68. Property Tax	:	Property tax is the annual amount paid by a land owner to the local government or the municipal corporation of his area. The property includes all tangible real estate property, his house, office building and the property he has rented to others. The collected amount is mainly used for public services like repairing roads, construction schools, buildings, sanitation.
69. Geographic Information Systems	:	Geographic Information Systems is a computer-based tool that analyzes, stores, manipulates and visualizes geographic information on a map. GIS can use any information that includes location. The location can be expressed in many different ways, such as latitude and longitude, address, or ZIP code. Many different types of information can be compared and contrasted using GIS.
70. Zipf's law	:	The law claims that the city with the largest population in any country is generally twice as large as the next-biggest; three times the size of the third biggest, and so on. In other words, the nth ranked city would be 1/nth the size of the largest city. This does not hold good for India. There are many reasons why the large cities are unusually small. One explanation might be that their infrastructure is overburdened. Another is that India is land scarce relative to most countries, discouraging migration particularly because distorted land markets render rents unaffordable.
71. Fiscal democracy	:	Fiscal democracy has not only formal prerequisites - equal voting rights, but also substantive prerequisites, which are policy choice and autonomy: Fiscal democracy is when voters have the power to change the government and the government has the power to change fiscal policies in light of voter preferences. Eugene Steuerle and his colleague, Tim Roeper, have developed a "fiscal democracy index" to document the fall in the fiscal freedom of our policymakers in recent years and into the future.
72. Demographic Dividend	:	Demographic dividend occurs when the proportion of working people in the total population is high because this indicates that more people have the potential to be productive and contribute to growth of the economy. During

		this period the labour force temporarily grows more rapidly than the population dependent on it, releasing resources for investment in economic development and family welfare and resulting in faster per capita income growth.
73. Monetary Policy Committee	:	MPC is to be a six-member panel that is expected to bring "value and transparency" to rate-setting decisions. It will feature three members from the RBI - the Governor, a Deputy Governor and another official - and three independent members to be selected by the Government.
74. USSD	:	Unstructured Supplementary Service Data (USSD), sometimes referred to as "Quick Codes" or "Feature codes", is a protocol used by GSM cellular telephones to communicate with the service provider's computers. USSD can be used for WAP browsing, prepaid callback service, mobile-money services, location-based content services, menu-based information services, and as part of configuring the phone on the network.
75. Unified Payment Interface	:	Unified Payments Interface (UPI) is an instant payment system developed by the National Payments Corporation of India (NPCI), an RBI regulated entity. UPI is built over the IMPS infrastructure and allows you to instantly transfer money between any two parties' bank accounts. UPI is providing additional benefits to IMPS in the following ways: • Provides for a P2P Pull functionality • Simplifies Merchant Payments • Single APP for money transfer • Single click two factor authentication
76. BHIM App	:	BHIM (Bharat Interface for Money) is a Mobile App developed by National Payments Corporation of India (NPCI), based on the Unified Payment Interface (UPI). This UPI app supports all Indian banks which use that platform, which is built over the Immediate Payment Service infrastructure and allows the user to instantly transfer money between the bank accounts of any two parties.
77. AADHAR enabled Payment system	:	AEPS is a bank led model which allows online interoperable financial inclusion transaction at PoS (MicroATM) through the Business correspondent of any bank using the Aadhaar authentication. The four Aadhaar enabled basic types of banking transactions are as follows: • Balance Enquiry • Cash Deposit • Cash widhrawl • Aadhaar to Aadhaar Funds Transfer
78. PoS terminal	:	A point-of-sale (POS) terminal is a computerised replacement for a cash register which can process credit and debit cards. A customer needs to enter a card PIN to complete the transaction using the PoS terminal.
79. Goods and Services Tax Network	:	It is a not-for-profit company that has the Centre, states and leading financial institutions as shareholders. GSTN is creating the IT infrastructure to migrate nearly 65 lakh entities registered with the excise or service tax departments and with VAT departments in the states onto one platform.

80. Public Sector Asset Rehabilitation Agency	:	PARA will be an independent entity that will identify the largest and most vexatious NPA accounts held by banks, and then buy these out from them. By consolidating problem accounts across banks, the PARA is expected to solve two problems. One, it can effect speedier settlements with borrowers by cutting out individual banks. Two, as a single large lender, it can drive a better bargain with borrowers and take more stringent enforcement action against them. PARA is expected to raise capital for its buyouts by issuing government securities, tapping the capital markets or receiving a capital infusion from the RBI.
81. Pradhan Mantri Garib Kalyan Yojana	:	It is an amnesty scheme launched by the Government of India. The scheme provides an opportunity to declare unaccounted wealth and black money in a confidential manner and avoid prosecution after paying a fine of 50% on the undisclosed income. An additional 25% of the undisclosed income is invested in the scheme which can be refunded after four years, without any interest. Not declaring undisclosed income under the PMGKY will attract a fine of 77.25% if the income is shown in tax returns. In case the income is not shown in tax returns, it will attract a further 10% penalty followed by prosecution.
82. Sweet Spot	:	The point at which an indicator or policy provides the optimal balance of costs and benefits is known as sweet spot. This term is often used to refer to situations where economic data, such as interest rates or employment numbers, are currently or expected to lead to the best overall economic situation.
83. Oceanic Niño Index	:	It is a measure of the departure from normal sea surface temperature in the east-central Pacific Ocean, is the standard means by which each La Niña episode is determined, gauged, and forecast. La Niña episodes are indicated by sea surface temperature decreases of more than 0.5°C (0.9°F) for at least five successive overlapping three-month seasons.
84. Minimum Alternative Tax	:	Minimum Alternate Tax (MAT) is a tax effectively introduced in India by the Finance Act of 1987 to facilitate the taxation of 'zero tax companies' i.e., those companies which show zero or negligible income to avoid tax. Under MAT, such companies are made liable to pay to the government, by deeming a certain percentage of their book profit as taxable income. MAT is an attempt to reduce tax avoidance.
85. Special Safeguard Mechanism	:	WTO's Special Safeguard Mechanism (SSM) is a protection measure allowed for developing countries to take contingency restrictions against agricultural imports that are causing injuries to domestic farmers. The contingency measure is imposition of tariff if the import surge causes welfare loss to the domestic poor farmers. The design and use of the SSM is an area of conflict under the WTO.
86. Marketism	:	It is a loose aggregation of beliefs that generally oppose government and favor private enterprise in the form of free-as-in-unregulated market principles. Key characteristics include: • Advocacy against government regulation of private business a) Which they often refer to as "small government". b) Commonly known as laissez-faire economics. c) Some forms advocate for the abolishment of government altogether.

- General reduction in the "size" and reach of government (minarchism).
- Where government is seen as having any legitimate role at all, its only legitimate functions are:
    a) Enforcement of property rights (propertarianism) and other "natural rights"
    b) Contract enforcement

87. Annual Status of Education Report : It is an annual survey that aims to provide reliable estimates of children's enrolment and basic learning levels for each district and state in India. ASER has been conducted every year since 2005 in all rural districts of India. It is the largest citizen-led survey in India. It is also the only annual source of information on children's learning outcomes available in India today. ASER is a household-based rather than school-based survey.

88. Gender Parity Index : It is a socio-economic index usually designed to measure the relative access to education of males and females. This index is released by UNESCO. In its simplest form, it is calculated as the quotient of the number of females by the number of males enrolled in a given stage of education (primary, secondary, etc.). It is used by international organizations, particularly in measuring the progress of developing countries.

89. Intended Nationally Determined Contributions : The INDCs create a constructive feedback loop between national and international decision-making on climate change.
INDCs are the primary means for governments to communicate internationally the steps they will take to address climate change in their own countries. INDCs reflect each country's ambition for reducing emissions, taking into account its domestic circumstances and capabilities. Some countries also address how they'll adapt to climate change impacts, and what support they need from, or will provide to, other countries to adopt low-carbon pathways and to build climate resilience.

India announced its Intended Nationally Determined Contributions (INDC) which including other efforts has set itself an ambitious target of reducing its emissions intensity of its GDP by 33-35 percent by 2030, compared to 2005 levels, and of achieving 40 percent cumulative electric installed capacity from non-fossil fuel-based energy resources by 2030.

90. De-canalisation : The urea sector is highly regulated which: creates a black market that burdens small farmers disproportionately; incentivises production inefficiency; and leads to over-use, depleting soil quality and damaging human health. Reforms to increase domestic availability via less restrictive imports ("decanalisation") and to provide benefits directly to farmers using JAM will address many of these problems. decanalising urea imports-which would increase the number of importers and allow greater freedom in import decision--would allow fertiliser supply to respond flexibly and quickly to changes in demand.

91. Employees' Provident Fund Organisation : EPFO assists the Central Board in administering a compulsory contributory Provident Fund Scheme, a Pension Scheme and an Insurance Scheme for the workforce engaged in the organized sector in India. It is also the nodal agency for implementing Bilateral Social Security Agreements with other countries on a reciprocal basis. The schemes cover Indian workers as well as International workers for countries with which bilateral agreements have been signed. As of now 17 Social Security Agreements are operational.

92. Udhyog AADHAR Memorandum Scheme	:	UAM is a one-page registration form which constitutes a self-declaration format under which the MSME will self-certify its existence, bank account details, promoter/owner's Aadhaar details and other minimum information required. It will provide Udyog Aadhaar Number (UAN).
93. ASPIRE	:	ASPIRE has been launched with an objective to set up a network of technology centers, incubation centres to accelerate entrepreneurship and also to promote start-ups for innovation and entrepreneurship in rural and agriculture based industry with a fund of Rs.210 crores.
94. UJALA	:	Unnat Jivan by Affordable LEDs and Appliances for All was launched to replace 77 crore incandescent bulbs in India with LEDs by 2019 leading to an expected reduction in installed load of 20,000 MW with an annual estimated savings of over 100 million kwh and an annual reduction of Rs.400 billion (US$6.2 billion) in electricity bills.
95. Current Account Deficit	:	Current account deficit is a measurement of a country's trade where the value of the goods and services it imports exceeds the value of the goods and services it exports. The current account also includes net income, such as interest and dividends, as well as transfers, such as foreign aid, though these components make up only a small percentage of the current account when compared to exports and imports.
96. Transatlantic Trade and Investment Partnership	:	The Transatlantic Trade and Investment Partnership (TTIP) is a proposed trade agreement between the European Union and the United States, with the aim of promoting trade and multilateral economic growth.
97. Agricultural Produce Market Committee	:	Agricultural Produce Market Committee (APMC) is a statutory market committee constituted by a State Government in respect of trade in certain notified agricultural or horticultural or livestock products, under the Agricultural Produce Market Committee Act issued by that state government. APMCs are intended to be responsible for: • Ensuring transparency in pricing system and transactions taking place in market area; • Providing market-led extension services to farmers; • Ensuring payment for agricultural produce sold by farmers on the same day; • Promoting agricultural processing including activities for value addition in agricultural produce; • Publicizing data on arrivals and rates of agricultural produce brought into the market area for sale; and • Setup and promote public private partnership in the management of agricultural markets
98. Macro-Economic Framework Statement	:	The Macro-economic Framework Statement is presented to Parliament under Section 3(5) of the Fiscal Responsibility and Budget Management Act, 2003 and the rules made thereunder. It contains an assessment of the growth prospects of the economy along with the statement of specific underlying assumptions. It also contains an assessment regarding the GDP growth rate, the domestic economy and the stability of the external sector of the economy, fiscal balance of the Central Government and the external sector balance of the economy.

99. Medium-Term Fiscal Policy Statement	:	The Medium-Term Fiscal Policy Statement is presented to Parliament under Section 3(2) of the Fiscal Responsibility and Budget Management Act, 2003. It sets out the three-year rolling targets for five specific fiscal indicators in relation to GDP at market prices, namely (i) Revenue Deficit, (ii) Fiscal Deficit, (iii) Effective Revenue Deficit (iv) Tax to GDP ratio and (v) Total outstanding Central Government Liabilities at the end of the year. The Statement includes the underlying assumptions, an assessment of the balance between revenue receipts and revenue expenditure and the use of capital receipts including market borrowings for the creation of productive assets.
100. Medium-Term Expenditure Framework Statement	:	The Medium-Term Expenditure Framework Statement is presented to the Parliament under Section 3 of the Fiscal Responsibility and Budget Management Act, 2003. It sets forth the three-year rolling target for certain expenditure indicators along with delineation of the underlying assumptions and risks. The objective of the MTEF is to provide a closer integration between the budget and the FRBM Statements. This Statement is presented separately in the session next to the session in which Budget is presented, i.e. normally in the Monsoon Session.