

GENERAL STUDIES - PAPER III

Time Allowed: 3 hrs.

Max. Marks: 250

Q.	Marks	Instructions to Candidate
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Name Shrutakirti Somavanshi

Roll No. _____

Mobile No. _____

Date 15/09/17Signature Absrj1. Invigilator Signature Mukesh Kumar2. Invigilator Signature B. S. D.

REMARKS

GS SCORE
MOCK TEST SERIES 2017

- Q1. What are the objectives of buffer stock policy? Has the policy been effective in price control and uninterrupted supply of food grains to the people of the country? Discuss in context of Shanta Prasad panel's recommendations. (12.5 Marks)

Buffer stock policy has 2 major objectives, which are -

1. Maintain a certain amount of food grain for times of price rise and off season.
2. Buffer stock will help in situation of natural / anthropogenic calamities etc

ensure a
remunerative price
to producers
and
affordable
price for
consumer.

The buffer stock policy has produced mixed results in price control and uninterrupted supply because -

1. Policy itself is not faulty, rather than implementation and administration.
2. Process of selection of beneficiary and service delivery mechanism is faulty.

In India Food Corporation of India is responsible for stocking, and distributing buffer stock

Remarks

food grains. To better the working of FCI, Shanta Kumar Panel was organised. Main recommendations are—

1. Decentralise the food grain Collection and storage process → will help in reducing distribution / transportation expenditure.
2. Reduce the buffer stock capacity and maintain stock for one season only.
3. Build more cold chains and store / ware houses to reduce COVER and PLINTH (CAP) ratio to 15%. (currently more than 50%).
4. Geo spatial planning of food grain transportation (use of GPS aided devices).

3 1/2

Remarks

- Q2. Fisheries as a sunrise sector has immense potential to provide nutritional security and inclusive growth. Comment. (12.5 Marks)

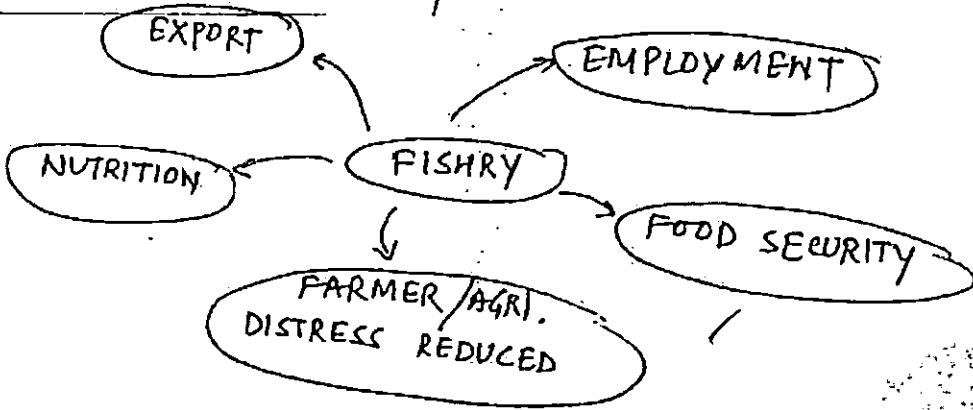
Fisheries as a sunrise sector is growing at a good speed in both inland and marine fisheries giving boost to Blue economy in turn.

Potential of fisheries -

1. Can reduce the gap in food security and food availability.
2. Fisheries is a cheap source for nutrition & healthy ingredients.
3. Large scale employment opportunities. ^{contribute} I.O.T.I. - G.P
4. Increase production in food processing industries (SAMPADA scheme). ^{5-30.1.} _{Agriculture & Allied}
5. Can help farmers in on-farm activity and DOUBLING INCOME.
6. Not very investment intensive, small credits can help in sizeable production.
7. Can help in creating COASTAL PROCESSING ZONE (B. Meenakumari Committee).

Remarks

6. However there are some challenges -
 Need for attitudinal change in farmers of North India to shift from conventional farming.
7. Low credit availability.
8. Depletion of marine resources.
9. DYNAMITE FISHING is dangerous for environment of marine ecology.
- Way out -
- Government can promote SHGs for collective efforts
 - Promotion of inland farming
 - Incentivize the process.



Remarks

- Q3. Farm loan waiver is more of a political tool to gain electoral mileage rather than resolving issues of farmers. Critically analyse. What steps to be taken toward improving conditions of farmers? (12.5 Marks)

Recent farm loan waiver done by Uttar Pradesh, Maharashtra, Punjab governments, has sparked the debate about its utility, feasibility and likely impact on banking sector.

Arguments in favor :-

1. Waivers are not just political vote gain tool because it actually reduces the burden of debt of farmers which is one of main reasons behind farmers suicide.
2. It gives a free start to farmers to start their business afresh or even if they want to leave the agriculture field, they can leave.
3. It reduces farmer's tendency to approach local moneylenders in situation of distress.
4. Saved income can be used for agriculture

Remarks

or any other investment, be it in agricultural equipments, better seeds etc. or some thing else.

Arguments in against -

1. Loan waivers are just political tool as most of the small and marginal farmers are not in the formal credit system.
 2. It creates a tendency to default on loan extended by banks and farmers who pay their debt off feel cheated.
 3. It creates an undesirable regime affecting banking sectors in longer run.
 4. Agriculture become an unviable business.
 5. Gain reaches to big farmers only because of corruption.
way out -
1. Creation of cooperative based agriculture
 2. Subsidies through DBT-Adhar
 3. Linking with food processing through cold chain → Mega food parks etc.
 4. Promotion of other farm based activities like organic farming, horticulture, sericulture, agro forestry etc.

Remarks



- Q4. In a globalized economy foreign investment and multilateral agreements are crucial in today's economic architecture. In this regard analyze the significance if BITs in FDI inflow in India. Also discuss the issues in model BIT adopted by India in 2016.
(12.5 Marks)

Bilateral Investment Treaty (BIT) is the primary level agreement done between countries to enhance the investment through FDIs and FIIs.

In Indian context Model BIT was created in 2003 which was replaced by new BIT in 2016.

Significance of BITs -

1. Transparency in negotiations
2. A basic standard for FDIs and FII inflow
3. National treatment and non-discrimination clause
4. Justice in case of any discrepancy
5. Increase the trust of investors
6. Image of country in global investment market.

Issues in MODEL BIT, 2016 -

Remarks

- Model BIT gives a broad idea about India's investment requirements and strategy in treatable, principles.
- FULL PROTECTION AND SECURITY (FPS)

Clause not only tries to increase investment but also tries to protect it.

- More clarity in approach as rare definitions are removed such as Most favoured nation, discriminations etc.
- White Industries and Cairne cases have alarmed India about possible lacunae in MODEL BIT, which is why New MODEL BIT has a NEGATIVE LIST of investment avenues and proposals other than some good features.

MODEL BIT, sought to provide Indian judiciary as a primary adjudicator status which might not be a good move as judiciary is already overburdened and might slow down arbitration and adjudication.

Remarks

- Q5. Discuss and analyze the potential impact of GST on inflation and tax collection efforts? Also briefly elaborate on the experience of other countries with GST? (12.5 Marks)

Goods and Services Tax, a destination based tax is likely to reduce tax complexities and increase tax revenue and investors' confidence in Indian economy.

Impact on inflation

1. In short run, inflation will not be affected and will remain same because of demand and supply calculations.
 2. In longer run, inflation will come down as trade barrier will be less, reduced cascading effect and pure market-based demand and supply.
 3. However, inflation in India is mainly because of Fuel and food price rise and fuel is still not under GST. so not much can be predicted at this stage.
- removal of
cascading
effect
reduces
inflation

Remarks

Impact on tax collection -

1. In short run, tax will be same or a little higher as forecasted by GST council.
2. In longer run, GST will increase tax collection, compliance and reduce tax evasion. Because, better implementation and simplified rules with lesser exemptions in IT based regime. This can also be caused by increased Tax Base.

GST experience of Other Countries -

1. China's experience was overall good. GST in China increased tax base and compliance. One reason can be better implementation done in China.
2. Germany and other EU countries benefitted as GST reduced distortion in prices and both producers and consumers were satisfied with the implementation.

Remarks

Australia, Japan, China - increase in inflation post-GST

Portugal, Thailand, Vietnam - reduction in inflation

- Q6. Savings and investment rate in India has not been picking-up despite consistent efforts by government? Discuss the major reason behind such a fall and suggest measure to contain its impact? (12.5 Marks)

Savings rate and investment rate has been on a downward trend from some time creating a possible situation of lower growth rate for future.

Savings rate is now ~~36%~~ ^{31%} from 36% from last decade and Gross fixed Capital formation (investment) is reduced to 20% from 31% from last year.

Major reasons behind this fall -

1. Income has not increased as compared to earners and inflation in economy.
2. Low rate of employment generation.
3. Most of the job is wage related rather than start ups, business or production centric.
4. Consumption pattern has also changed the saving pattern.

Remarks

increase
in
consumers
exp. due
to
rise in
inflation

5. Consumerism has caused hard earned money to be spent on unimportant products.
6. Low return of savings and investment.

Measures to contain -

1. Invest in heavy industries, infrastructure and manufacturing.
2. A liberal fiscal deficit target would ease government in spending in infrastructure and heavy industries.
3. Reduce the burden of subsidies through DBT would result in money savings.
4. Income increment on the lines of OECD countries would spur savings and investment.
5. more instruments and derivatives in financial market for savings.
6. High yielding saving certificates for long term investment.

WV
Remarks

- Q7. In recent there has been a clamor to amend the FRBM Act, which was passed in 2004. Why such demands have been raised? Assess the suitability of such demands and suggest a future course of action on the FRBM front. (12.5 Marks)

Fiscal responsibility and budget management Act, 2004 was first law in India to clearly spell out responsibilities of government regarding macroeconomic stability of country's economy. But that act had some lacunae -

1. Fiscal Deficit was to be reduced to 3% by 2008-09 but government didn't follow the guidelines.
2. Debt to GDP ratio was not clearly mentioned with incorporating state's GDP.
3. Non transparency which allowed deficit to be seriously understated.

Because FRBM, 2004 was ineffective in maintaining targets it was abandoned by the government in 2009 and fiscal deficit reached all time high of 8%.

Recently, government constituted a

to make
it more
responsive
to
India's
need.

to make
it
stricter

Remarks

Committee under N.K. Singh to recommend changes in FRBM act.

Future Course of action -

1. Need for gradual fiscal deficit target to below 3%.
2. Debt to GDP ratio should be around 60%. (40% centre + 20% states)
3. Need for a new fiscal council. This council should be autonomous and work transparently to help finance ministry in firefighting macroeconomic stability.
4. Flexibility and escape clause in case of extreme events like war, crisis or global slowdown.

Government should adhere to new FRBM act, so that fiscal deficit is in control and does not result in "crowding Out" of private investment.

Remarks

- Q8. El Salvador became the first country in the world to ban metal mining. Is such a move potentially beneficial in a large country like India? Critically analyze. (12.5 Marks)

El Salvador presented a good example in front of the world by banning the metal mining to reduce its ill effects on humans and environment.

In a country like India such moves are difficult to arrive at, yet here is an appraisal, critically -

Pros of banning -

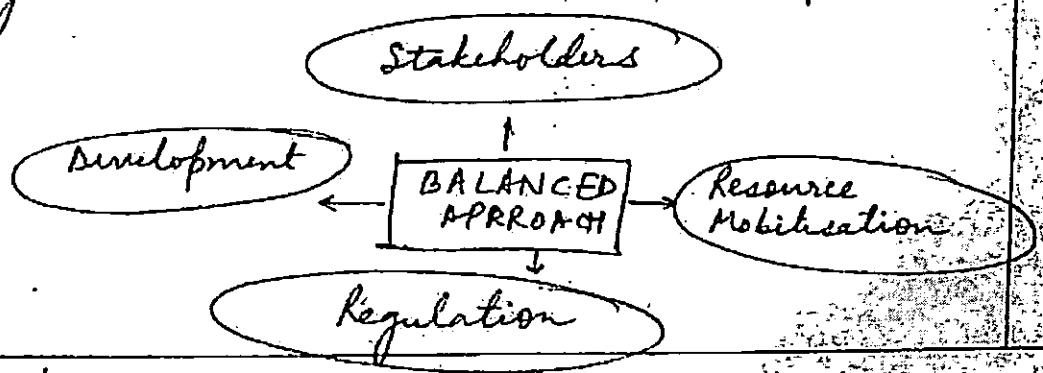
1. It will reduce ill effects and diseases borne by metal mining like Black foot disease, Minaimata disease.
2. It will positively help nature and environment as mining is a destructive process and hampers the surroundings.
3. It will reduce mining related displacement and alienation of affected people.

Remarks

Cons of mining -

1. It will increase burden on exchequer as metal imports will increase.
2. It will reduce employment avenues for people.
3. It might hamper the growth of industry and factories.

In such situations it is advisable to regulate the process rather than completely banning it. India is a developing country with scarce mineral resources, banning will aggravate this scarcity and would hamper our growth.

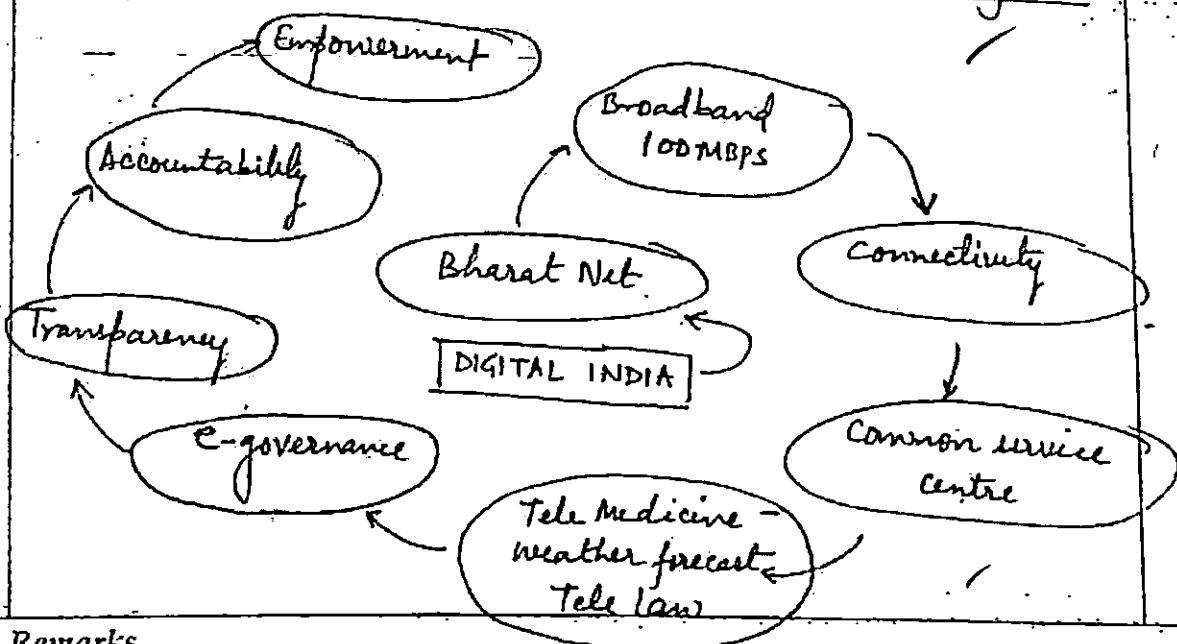


Remarks

- Q9. Why National Optical Fibre Network (NOFN) is critical for Digital India? Discuss the various challenges in its implementation. (12.5 Marks)

National Optical Fibre Network i.e. Bharat Net is crucial for digital India because —

1. Provides connectivity to all Gram Panchayats
2. WAN and LAN services for block and district administration
3. Ensure Good Governance through ^{break} _{rural-urban} _{digital divide} e-governance.
4. Various schemes need internet in every village, like MGNREGA, PM Awas Yojana etc.



Remarks

challenges in implementation -

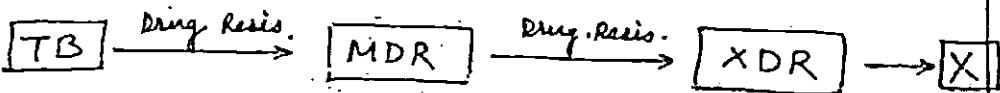
- Wood*
1. Need for large investment.
 2. Sub optimal Quality cables.
 3. Difficult terrain in some areas as North east, Rajasthan, J&K etc.
 4. Need for coöordination among various agencies of union and state governments for better planning and implementation.
 5. Need for new and sophisticated technology for speedy work.
 6. Different states are at different level of development, as Kerala more than 90% connected, and Bihar less than 30% connected.

6-12

Remarks

Q10. Drug resistant TB is emerging a serious threat in India. In this reference discuss what are various type of drug resistant TB and causes of its emergence. why India achieved only limited success in controlling TB? What are various steps taken in direction to control it? (12.5 Marks)

India is one of biggest homes of TB in the world with atleast 5 million patients. Despite National Programmes centred at TB, the situation has not changed a lot. In recent year, multi drug resistant TB patients have increased. Drug resistant TB is of two types, Multi drug resistant, MDR and XDR.



Reason for this -

1. The drug intake by patient is often irregular and incomplete giving rise to resistance in TB bacterium. fail to keep
2. Most of the bacteria today have crossed the first defence of first phase treatment of antibiotics. by patients.

Remarks

Indian scenario with TB has not achieved due success because -

1. Lack of healthcare in proper direction.
2. Late detection and carelessness on behalf of patients because of low awareness.
3. Spatial inequality as rural hospitals have not proper treatment facilities.
4. Healthcare and sanitation go hand in hand which was largely neglected till recent years.

Various steps taken -

1. DOTS program
2. National TB Program
3. Free medication for MDR and XDR patients.
4. Awareness campaign on TV, newspaper using celebrities.
5. Rashtriya Bal Swasthy Karyakram for early detection.

Remarks



Q11. What are rare earth elements? Discuss significance and challenges associated with them.
 (12.5 Marks)

Rare earth elements are precious elements found in earth's crust with only limited quantity and few places.

Apart from major minerals like, coal copper, iron, aluminum, there are some rare earth elements like -

1. Yttrium (Y) vital to modern tech
2. Europium (Eu) due to their unique magnetic
3. Dysprosium (Dy) electrochemical properties.

These elements are found in very few countries. China is the biggest producer after United States. India does not have fair amount of rare earth elements.

Significance

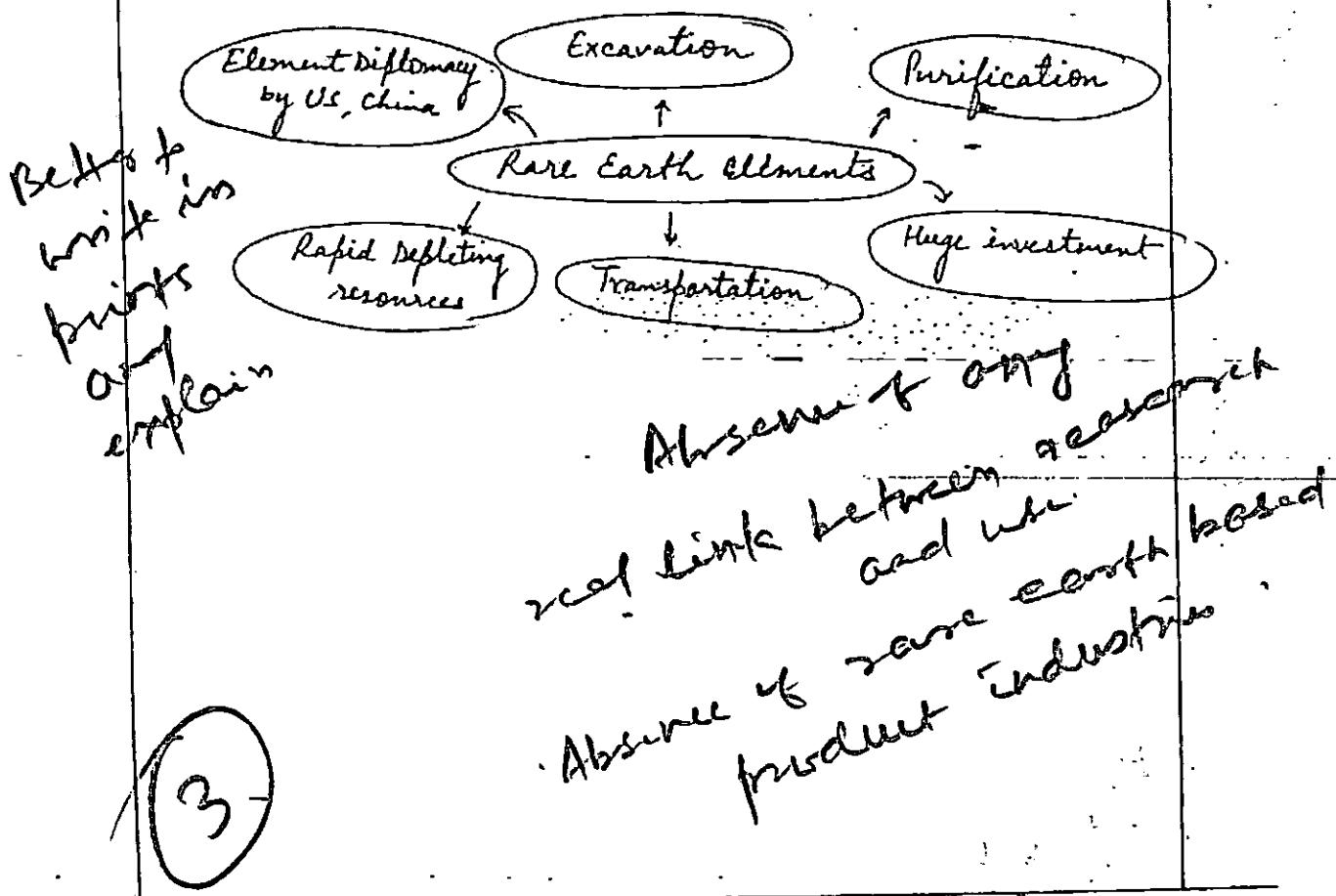
1. Most of modern day electrical and electronic equipments use these elements. modern tech.
2. Semiconductor chips also use some with reduced weight, cost and energy consumption.

Remarks

amount of these elements.

3. Due to limited availability these elements have gained great importance.
4. Modern day research programs in Medical, nano technology and bio technology also use rare earth elements.

challenges -



Remarks

3

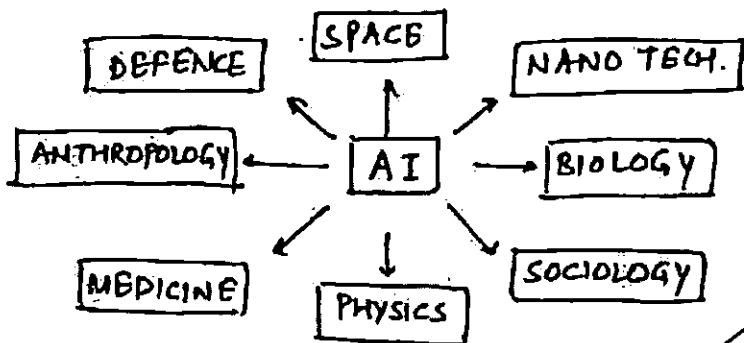
- Q12. Artificial Intelligence is faster evolving dimension of modern technologies. In this reference discuss its various applications? Also mention the downsides and risks of Artificial Intelligence (AI)? (12.5 Marks)

Artificial Intelligence is making machines or robots exhibit human intelligence. In today's world, AI has become a sought after research wing in many fields from medicine to military.

Various application -

1. Medical operations and diagnosis based on AI is being researched. IBM WATSON is a robot for this field in development.
2. Big Data analysis to understand large scale pattern of human history, sociology, art etc.
3. Solving complex calculation to help scientists in space and Quantum physics field.
4. Google's DEEPMIND AI program is aiming at incorporating human emotions so that real time interaction can be created through robots in various fields.

Remarks



Apart from various applications there are some risks involved in AI development -

1. Loss of large scale employment.
2. Fixing the ETHICAL behaviours is difficult.
3. use in defence can trigger MASS SCALE unethical production resulting in Bloodshed.
4. Robots of AI technology might surpass evolutionary process of humans as human evolution is controlled and slow.
5. Loss of human to human contact resulting in MONOTONOUS and MACHINISTIC relations.

(6 Yr)

Q13. This question contain 2 parts and both are compulsory.

- (a) What is phyto-mining. Compare its advantages and challenges compared to conventional mining.
- (b) What is bitcoin mining? Discuss how recent developments has made it an attractive profession? (12.5 Marks)

③ Bitcoin Mining -

Bitcoin is a virtual payment mode popular on internet. Invented by an Australian Programmer, Bit coin was earlier popular for secret payments. But now in recent years, it has become famous and there are programmers to MINE Bit coins for dollars. Bitcoin mining is a process to create Bit coins using long computer algorithms.

In recent years, it has become a full grown profession. People convert their cash and pay online. Since Bitcoin is not regulated by any law, people pay handsome amount for mining. These days tech savvy people even gift each other these Bit coins (\$).

Recent development

major block
to Euro
and
world order

as
Brexit

3
Remarks

GS SCORE
MOCK IELT SERIES 2017

Remarks

Q14. This question contain 2 parts and both are compulsory

- (a) Elaborate the achievements of India in space technology
- (b) Discuss, how ISRO, despite being a government body, is giving tough competition to best in world? (12.5 Marks)

(a) With sustained efforts and world class research programs, India is in the top echelons of space industry. Some major achievements are -

1. Development of indigenous Cryogenic Engine
2. Development of GPS like positioning system NAVIC (IRNSS)
3. PSLV launch vehicle has one the most staggering success rate i.e. more than 95%.
4. Chandrayan-1 to study outer space of Moon.
5. Mangalyaan-1 to study outer orbit of Mars. One of the lowest costing satellite.
6. GAGAN system to help flights fly safely.
7. Various ASTROSAT, EduSAT
8. In collaboration with NASA one of the biggest aperture satellite to click high quality images.

Remarks

(B) ISRO being a government body functions efficiently because of 4 reasons-

① Personnel Management is done by ISRO only without any interference from government.

② Recruitment is transparent and attracts talented youths.

③ Training is done at various international institutes during different stages of career.

④ Fund and Research money is provided by government on the recommendations of ISRO only.

Apart from these reasons, ISRO has a tendency to learn new thing very fast and start a project on it, as we can see recently ISRO launched a project on Sun Mission called Solar Orbiter-L. These qualities make ISRO one of the best in the world.

Remarks



Q15. Discuss how new Defence Procurement Policy is focusing on indigenization of technology and establishment of defence manufacturing ecosystem in India? Highlight with specific investment project. (12.5 Marks)

Defence Procurement Policy 2016 initiated a major change in military manufacturing, in India. The focus in this policy is to increase indigenization of defence equipment production resulting in lesser trade deficit and increased employment opportunities in country.

Some of measures are -

1. Addition of new category BUY (INDIAN Indigenously Designed Developed manufacturing), as a top priority in procurement.
2. In Buy and MAKE (INDIAN) category, minimum 40% content should be locally procured.
3. Offset clause to start at 30% investment is now pegged at 3000 crore from earlier 300 crore → significant increase.

Remarks

4. Make in India is boosted through private partnership.

Some of these initiative are crucial to make Indian defence ecosystem indigenous and investment friendly.

Some of the projects in investment -

1. Reliance Defence is going to develop armored helicopters.
2. Hero Motocorp and Mahindra group are eyeing Pipavav ship yard to invest more than 2000 Crore.
3. India and France will develop Class 3 submarine at Mazgaon dockyard worth 500 million dollars.
4. Armored trucks, jets, helicopters and submarines are strategic products in which India is inviting FDI.

Remarks



Q16: The attrition has been plaguing the central paramilitary forces for a long time now, which was reflected in 450% increase in voluntary retirement from services in 2016-17. What are the reasons for this high level of attrition? What effective steps must be taken to tackle this situation? (12.5 Marks)

The attrition rate in central paramilitary forces has increased in recent years causing large number of vacancies and weakening of internal security. The reasons behind high attrition rate are -

1. No pay parity with Armed forces causing disaffection among jawans.
2. Poor service condition and sub optimal food and lodging facilities. Recently, a BSF jawan made a viral video on it.
3. Good remuneration in private firms ~~as well~~ as security supervisor.
4. Away home posting causing problems at home.
5. Frequent transfer.
6. Recent killings by Maoists, secessionists in north east has caused a feeling

Remarks

of disenchantment among jawans.

7. Lack of social respect.
8. No unanimous pension and perks policy like one rank one pension.

Some steps to reduce attrition -

1. Armed forces linked pay structure and pension policy.
2. Difficult posting allowance should be encouraging.
3. Better service condition, food and lodging facilities. Need for investment in basic services.
4. Effective governance needs to be addressed for status of martyrdom just like Armed forces should be given.
5. Appropriate facilities to children, wife and dependents so that jawan should not worry about them.
6. Regular peace postings in between difficult postings.

Remarks

Q17. It is said that security situation in Jammu and Kashmir has deteriorated, which is reflected in increased number of terrorists attacks and more locals joining militancy. What are the reasons behind such a trend? What effective policy measures are needed to improve the security situation in Jammu and Kashmir? (12.5 Marks)

Security situation in Jammu and Kashmir is grave indeed and terrorist attacks have created a situation of fear and insurgency among locals and tourists.

There are various reasons behind this -

1. Security forces are hunting with unpreceded scrutiny causing terrorists to attack more and more to stop them.
2. Secessionists are helping terror groups so that security forces do not hold ground in various areas.
3. Various locals are joining the militant groups because of two basic reasons
 - a. Disenchanted with state's inability to foster growth and provide real employment
 - b. Indoctrination by militant groups

Remarks

through religious, emotional, pecuniary support causing locals to join militancy.

4. Protests against AFSPA in J&K have also pressurized security forces to crack down on locals. (Stone pelting and pellet gun issue).

Measures to resolve it -

- ~~First~~
1. Repeal draconian clauses of AFSPA like detention without warrant and of no time limit, shoot at sight, no enquiry against security personnel.
 2. All party groups should be called to provide solution in time binding manner with ZERO TOLERANCE to cross border terrorism.
 3. chance to surrender to local youth.
 4. Skill development of locals and credit facilities for start ups.
 5. Improved education and employment
 6. Role model theory.

Remarks

(6)

Q18. China has said that ceding Tawang to China can help in early settlement of border dispute, with concessions for India in other sectors. In light of the above statement enunciate the problems faced in managing a disputed border. What should be India's response to Chinese offer? (12.5 Marks)

Repeated border clashes due to disputed border results in enmity in nations, underdevelopment of that area and compromises in diplomacy. India-China border is disputed in J&K and Arunachal Pradesh, which results in various problems.

Some of them are -

1. Repeated border clashes and skirmishes.
2. Loss of personnel manning the border.
3. A lot of money is wasted in security of disputed border.
4. Underdevelopment of adjacent areas.
(North East, J&K).
5. Fake currency, drug supply and human trafficking related issues.
6. A lot of time in diplomacy goes for settling disputes of border resulting in neglect of important issues.
7. Impediments in trade.

Remarks

India's response on Chinese offer should be well balanced and should maintain historical aspects.

Since Tawang is a part of Arunachal Pradesh and British - China joint agreements also accepted that, we can not cede it to China. Further, we can not let blackmail ourselves by China on this issue as it is related to Buddhist people of that area, who rely on India on this issue.

Wayout-

India and China can work out some sort of mechanism to jointly develop Tawang area while maintaining each other's territorial integrity.

Border disputes like DOKLAM only results in degradation of the ideology of PANCHSHEEL which every citizen of both countries cherish.

Remarks

672

- Q19. Identity theft and financial fraud are emerging as new challenging areas of cyber security. What do you understand by them? What is the preparedness of India in this regard? What new steps are needed to tackle these challenges? (12.5 Marks)

Identity theft is the situation when someone's identity is used to perform some transactions, activities in order to economic or personal gain.

Financial theft/fraud is using internet or breaking in someone's bank account or use debit/credit card to transfer money without person's consent for pecuniary gains.

India's preparedness

1. Computer Emergency Response team (CERT-IN) alerts institutions, server stations and cyber crime agencies of possible threat or actual event.
2. National Critical Infrastructure protection Centre (NCIIPC) has various layers of security protocol which is enabled according to depth and reach of threat.

Remarks

3. every financial institution has its own cyber security infrastructure and system of firewalls.
4. most of financial data is encrypted with sophisticated encryption keys.

Steps needed -

Despite various mechanisms, identity theft and financial fraud are common incidents. What is needed, is -

1. A dedicated cadre of ethical hackers to keep innovating the security architecture.
2. Specialised recruitment on the lines of developed country. FBI in US, has a separate agency for these crimes.
3. Awareness among masses to be vigil.
4. Digital India with "Secure India" is possible with indigenous R&D in this regard.

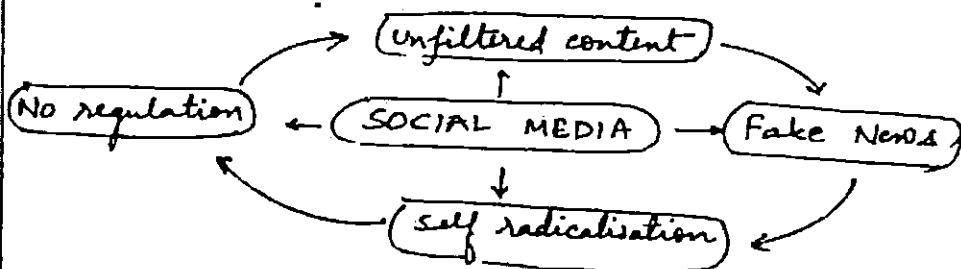
Remarks

5

- Q20. Self - radicalization through social media and internet has emerged as a new internal security threat in India. What are the reasons for it? What effective strategies must be adopted to tackle this challenge? (12.5 Marks)

Extremism and indoctrination through social media has raised concerns for security agencies and society; at large.

There are many websites online which show radical content and mislead the users.



- Recently, some people were caught fleeing to west Asia to help ISIS.
- Blue whale Game has taken many lives over the world.
- Fake news regarding communal clashes are regular affairs.

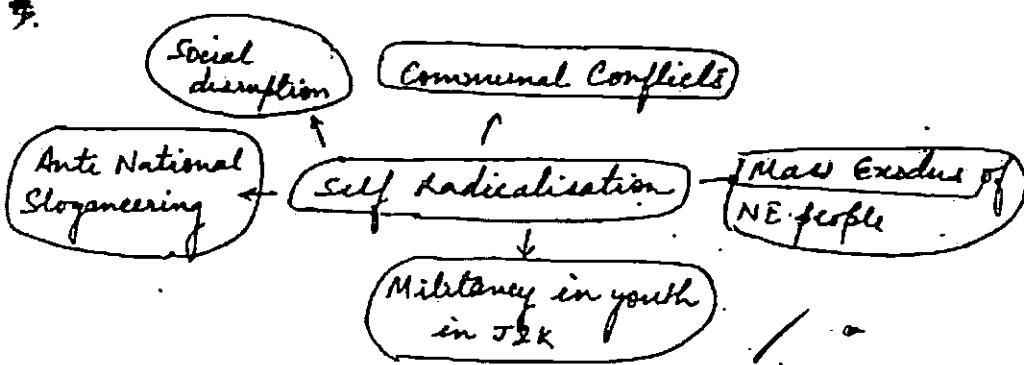
Reasons:

1. These social sites create perception about some situation and then influence user to do some ill-minded action.

Remarks

Bustaken
against
the
present
system

2. weak regulation over internet results in unfiltered content flow to every user.
3. inability to differentiate between right and wrong.



Measures to way out -

1. regulate internet with encryption
2. Awareness among youths in school, college.
3. Study through case studies.
4. Zero tolerance towards people who run these sites
5. cyber cells to 24x7 monitor such content
6. Persuasion and social influence
7. Rewarding ethical and adequate behaviour.
8. Role Model building.
9. Skill development and rehabilitation.

Remarks ...

(6)