

INDIAN ECONOMY & INTERNAL SECURITY

Time Allowed: 3 hrs.

Max. Marks: 250

Q.	Marks	Instructions to Candidate
1.	4 1/2	<ul style="list-style-type: none"> There are 20 questions. All questions are compulsory. The number of marks carried by a question is indicated against it. Answers to questions no. 1 to 10 should be in 150 words, whereas answers to questions no. 11 to 20 should be in 250 words. Keep the word limit indicated in the questions in mind. Answers must be written within the space provided. Any page or portion of the page left blank in the Question-cum-Answer Booklet must be clearly struck off.
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18.	6	
19.	6.5	
20.	5	

1. Invigilator Signature



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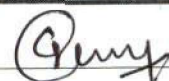
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Date _____

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$$\frac{760.5}{250}$$

REMARKS

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Section - A

- Q1. Foreign Direct Investment helps to increase the investment level and thereby income and employment in the recipient country. However, on the flip side, it can also reduce internal resilience of the domestic economy. Comment. (10 Marks)

Foreign direct Investment (FDI) is the investment done by the foreign national directly into a company or by establishing new company in the domestic economy. In the globalised era FDI's are major investment sources for any country.

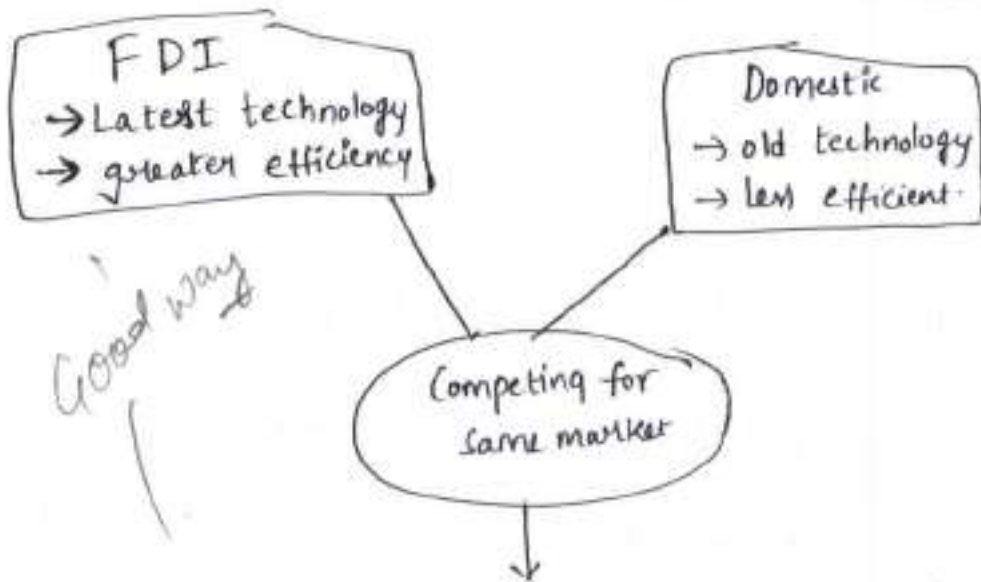
The benefits of FDI are

- (i) Increase the investment there by creating employment.
- (ii) Bring Foreign reserves to domestic economy.
- (iii) may bring latest technology.
- (iv) New ^{may bring} working culture and skill sets.

Add points
like long
term capital
inflow.

Though it is one of the tool for the growth of the country, it also has some innate issues such as

- (1) FDI's may affect the domestic industries which work on old technology.



Good way

Foreign Company may win over domestic company.

(2) May increase monopoly if permitted unregulatedly.

(3) As we saw recently the permitting on 100% FDI in online multi-brand retail in e-commerce market made domestic retail companies suffer.

(4) Because FDI investors have ~~very~~ huge work capital they can provide the services at discounted prices which the domestic companies cannot do.

(5) They invest in favourable locations, which increases inequality. So, the need of the hour is permitted

and encouraging the FDI where the domestic companies are not strong or we are dependent on imports.

4/2

Q2. When technological progress takes place, it calls for new type of skills to handle new technologies effectively. But when the rate of new skill formation lacks in keeping pace with new technologies, it results in surplus labour specialized in older skills. To what extent will this impinge upon Industry 4.0's success? Analyse. (10 Marks)

Industry 4.0 is the automation and new data analytical techniques which will connect physical, digital and biological processes. It's based on cyber-physical systems concept.

Good

According to world bank latest report automation can be a potential problem for around 69% of employees in India. Because when automation happens the less skilled man power will be replaced by the highly specialized skilled workforce.

India with largest ^{manual unskilled} workforce in the world have to face the wrath of automation if it not improve the skills of it's citizens. If skills are not improved the citizens with older skill sets will become idle without any work.

Remarks Good effort could have been more organised

- Define Technical progress
Reason for new skill formation

In every year around 12 million workforce is joining to economy in India. Unless if we didn't utilize these potential human resources they become burden to the country. Because in order to improve the lives of unskilled labour government expenditure on social security benefits should be increased. Recent schemes of various government regarding unemployment allowances are the result of unskilled human resources.

Substantiated
announced
with
I-4
report
This
success
to
done

Industrial 4.0 requires the human resources who are specialised in latest technologies of Internet of things (IoT), Artificial intelligence (AI), machine learning etc. If government put resources on increases skill set of individual on increased proficiency in these courses. It can lead to generation of huge employment.

Recently world economic forum said that it will going to establish Industry 4.0 Centre in Maharashtra. It can be potential resource for India.

Remarks

4

Q3. A contraction in manufacturing output, especially in the sensitive capital and consumer goods segment, pulls down industrial growth. Examine their impact on Make in India programme. (10 Marks)

Harrod Domar model says that

$$\text{Economic Growth} = \frac{\text{Savings}}{\text{Capital-output ratio}}$$

Good

Capital - output ratio can be calculated using Incremental Capital output ratio (ICOR). ICOR is the amount of investment has to made in capital to increase ~~one percent~~ output unit. When the industry is using latest technology, professional management the ICOR will be less. where as if the utilisation of resources is less and use of old and inefficient technology means high ICOR.

You have not explain

Key given in

question however I copied Industrial growth

Indian industry is facing the problem of

- (1) Old and inefficient technology.
- (2) Unprofessional management
- (3) Large wastage of resources etc. which leads
- (4) Lack of credit

Less manufacturing output. ICOR for Indian industrial sector is very high which shows that

the economic growth of industrial sector is very less.

'Make in India' is government's auspicious project to boost manufacturing ecosystem in India without having proper technology, skilled labour, credit culture growth of make in India is not possible.

Impacts of Indian industrial growth of make in India are

(1) Due to weak credit culture investment may divert to other countries.

(2) In the era of rapid technology development efficient human resources are necessary. In India not skills his citizens, it is a problem for make in India.

(3) Research and development should be promoted.

35

Q4. Trends in the labour force participation rate and unemployment do not reflect social or economic mobility. What do you make out of this statement? Analyse with reference to the recent labour force participation rate data. (10 Marks)

India with labour force participation rate of around 52% have differences with respect to men and women. mens labour force participation rate is around 80% whereas female labour force participation rate is around 24%. According to Economic Survey Every Year (2018-19) around 12 million working force is going to the Indian economy.

Good way to start

Unemployment rates are very high in recent years. According to recently released National Sample Survey organisations report, the unemployment rate in India is around 6.4% which is highest in the last 46 years.

The ^{Female} Labour force participation rate in India is very low compared to other countries like China where it is around 60%. The main

Remarks Not mention about reasons of unemployment slow job creation & compare to new addition labour force.

reason for low female force participation rate was of India's social and cultural attitude towards women. And last year economic survey pointed out that as the family income increases the likelihood to send women for work decreases.

Factor to
social
&
economic
aspiration

As in any country if the working age population increases the labour force participation rate and employment rate will increase. But this is subjected to conditions such as the citizen should be ^{educated} skilled, healthy. The main problem with Indian workforce is lack of proper skills.

As result of all these
Finally, the Indian economy facing the challenge of "jobless growth". Where on one side the economy is growing because of consumption driven, IT industry and with automation on the other side unskilled, ~~unemployed~~ ^{unemployed} labour force is increasing.

Not mention about
Politicization of data

Remarks

11

Q5. The "paradox of economic growth" is where the economy grows but so does income inequality. Analyse the statement with reference to the latest report released by Oxfam. (10 Marks)

According to recently released report of Oxfam international, in India in 2018 the ^{top} 1% of high net worth individuals gained 73% of the share of the income. whereas 64% of the bottom net population gained 1% of the share in economy. This shows the height of inequalities present in India.

As we see the trajectory of any country as ~~income~~ economy growth of the country also increases inequalities in the society. This is because in the capitalist economy where the investor gains the profits and as his income goes on increase the widened between common people and him increases though the common people standard of incomes increases.

Remarks Not mention any reason of inequality.

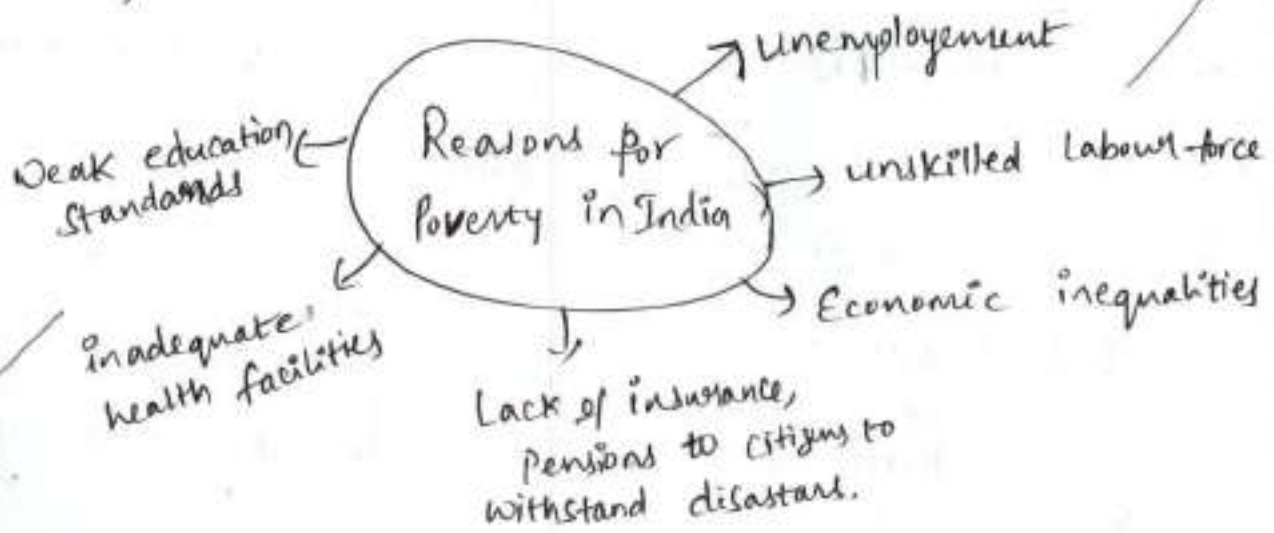
We consider Economy growth is synonymous with standard of life. But it is not true. As the economy grows the piece of cake shared by citizens is not equal. This increases the distance ~~between~~ ~~how~~ among the citizens.

The citizens with high economic power have new investment destinations, risk relocation techniques and new technologies. This new technology and efficiency cut the throat of old and traditional companies. This leads to unemployment, poverty and increases inequalities in economic, social and political arena.

3.5

Q6. Limited access to social security (especially health and pensions) and reduced state contributions in social sector are primary reasons behind high incidence and prevalence of poverty. Comment. (10 Marks)

India with around 22% of the ^{Population} Poverty ~~base~~ (According Tendulkar Committee) is of the highest number of individuals living below poverty line. Good

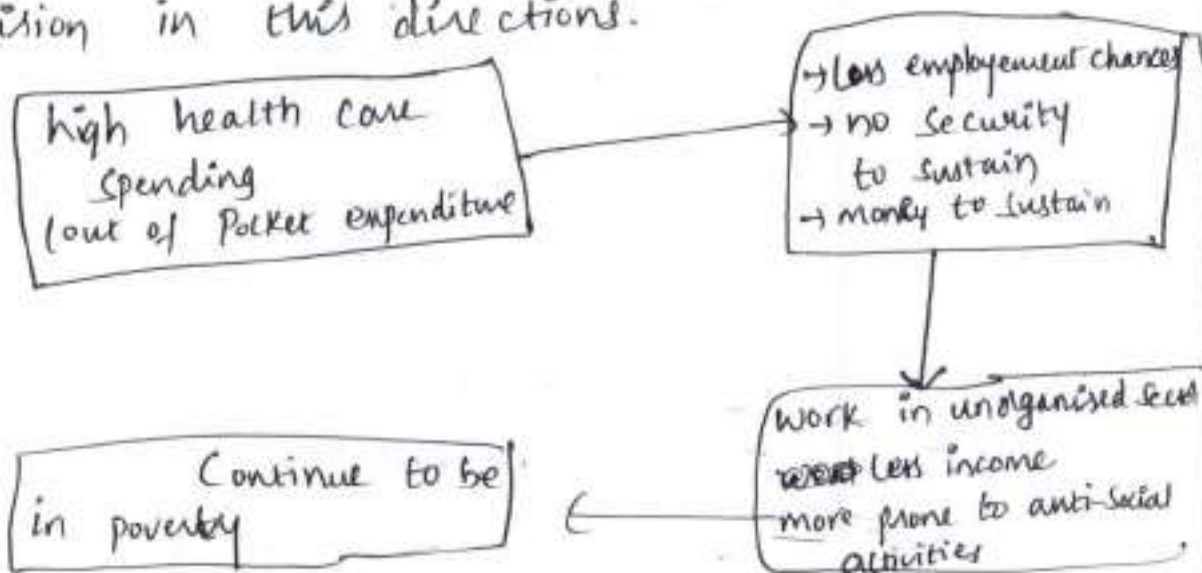


State should play active role in the upliftment of citizen to get out of poverty. One of the means to do that was by providing quality education, free ~~at least~~ affordable healthcare facilities, insurance facilities to farmers and pension facilities to old age etc.

Remarks

~~Group~~

According to NITI Aayog report Every year 7% of the population slipping into poverty because of high out of pocket expenditure on health. It is around 64%. The pensions and the people covered under insurance are very low in India. The government scheme of Pradhan Mantri Shram Yogi Mandhan is the correct decision in this direction.



Government should increase the expenditure on health. Recently released Ayushman Bharat is in the right direction. ✓

Good

(4)

Remarks

- Q7. Majority of the Indian states financial position appears to be somewhat stretched. Both the fiscal deficit and the debt to GDP ratio of the states look problematic. Analyse the stand taken by 15th Finance Commission and critically evaluate its potential operational effectiveness. (10 Marks)

Remarks

Remarks

Q8. According to Fugitive Economic Offenders Ordinance, 2018, a fugitive is defined as someone who has left India to avoid criminal prosecution or who is already overseas and refuses to return to face the law. Taking a cue from the statement, differentiate between a Fugitive Economic Offender and a non-wilful defaulter. Also analyse steps taken both at domestic and global level to eliminate such loopholes. (10 Marks)

Fugitive Economic offender

- (1) He defaulted and left to other country
- (2) may be wilfully defaulted
- (3) at the time should be ₹100 crore or more
- (4) Not facing the law that shows he is a criminal
- (5) It's a crime.

non-wilful defaulter

- (1) He may not need be in other country.
- (2) Because loss of business he is facing default ✓
- (3) No limit
- (4) Face ~~criminal~~ ^{Civil} proceedings if found guilty. Changed.
- (5) It's civil case.

Good

Steps taken by Government of India

- (1) Passed Fugitive economic offenders Act and give large powers to judiciary and authorities. ✓
- (2) SEBI has issued guidelines to curb wilful

Remarks

defaulters and also issued notices to Credit rating agencies for giving false ratings

(3) Insolvency and bankruptcy code was passed which make the exit of the companies easy without any hurdle.

(4) Supervision of RBI and other financial institutions, intelligence agencies were recently tightened to curb this menace.

International efforts

(1) Government signed MoU with various countries to expatriate with defaulter.

(2) There was a consensus among countries to trail these candidates with the consent of the affected country.

3.5

You have not mention about fugitive economic offenders and 2018 and if effect

Q9. Has Anti-India sentiments in Nepal and Bangladesh provided a fertile ground for non-state actors to wage a proxy war against India, utilizing these two land frontiers? How should India attempt to eliminate this peril? (10 Marks)

Non-state actors are the organisations and individuals which are not related to state agencies. They have their own command, structure, aims, principles and goals.

After economic blockade of India on Nepal in 2016, the Nepal's relations with India changed significantly. At the same time there was an increase in the presence of the role of China in this region. Bangladesh with its innate security challenges posed by terrorist organisations and the economic, political and security problems with India have greater danger to India.

These grounds can be utilised by the non-state actors such as terrorist organisations (like ISIS, Al-Qaida), extremist trafficking groups, drug smugglers, human traffickers etc.

Remarks

You have not mention about great Macheri conflict with Nepal.

The increase in the smuggling of drugs, arms, humans through Nepal and Bangladesh borders by terrorist organisations shows that India should pay enough attention in these borders.

India's strategy to counter these menace would be

(1) Increase the bilateral engagement with neighbour countries.

(2) Stressing to accept Comprehensive Convention against Terrorism should be persuaded.

(3) provide economic & security assistance to Nepal & Bangladesh.

(4) Engagement bilateral security drills.

(5) Strengthening our borders with new technologies like use comprehensive integrated border management system.

+ Brief conclusion is required using
 + no big brotherly attitude
 + Treaty of peace & Friendship

Remarks

4.5

Q10. It is estimated that about 15 to 18 million illegal Bangladeshi immigrants are in India, who are spread all over the North Eastern States. Critically examine the risk factor the situation brings with it. (10 Marks)

In 1971, Bangladesh got ~~independent~~ ^{separated from} Pakistan. In this time people were flood from Bangladesh to India. These people mostly settled ^{and spread} in the ^{entire} North-East India. They were more especially in Assam and Nagaland. Good

The major challenges with these migrants to India are

(1) Security Concern - As most of them illegally migrated and they don't have any feeling of nationalities. And Bangladesh also ^{one of} the hot bed of terrorist activities. Through these migrated population they may threat the security of the region.

(2) Political - The Assamese felt that the illegally migrated population may overthrow in ~~number~~ the domestic population. This will decrease the political

Remarks Not explain anything about spread in NE state
+ Long Boarder
+ shared legacies & commonalities.

hold of the ^{domestic} population. This increasing the resentment among the citizens.

(3) Due to presence of porous borders between India and Bangladesh the illegal activities such as human and animal trafficking, drug trafficking, arms smuggling posing a great challenge to the security of the region.

(4) Economic Concerns - The north-east region is the less industrially and economically developed area. ~~the~~ illegal migrants poses dent to the already scarce employment and economic opportunities.

⊗ There can be some benefits if we use the profits.

(i) By providing skill development, they can be employed. As we know after 1940s India may face the labour stress.

(ii) It can be a tool of soft power with Bangladesh.

No challenges are explain due to influx.
 Demographic issues
 Social tension
 and corrective measures

(4)

Remarks

Section - B

Q11. The diagnosis of worsening Non-Performing Assets (NPAs) reveals five different causes. Analyse these causes and suggest fiscal stimulus and reformatory measures to clean up the underlying reasons for drought in Credit mechanism. (15 Marks)

Non-performing Assets are one of the pressing problems of India economy. Latest data reveals that 10.8% of the banks loans were under NPAs until December 2018, and most of these NPAs are under public sector banks.

Reasons for Non-performing Assets

- (1) Discretionary / unscientific Credit culture.
- (2) Under performance of certain key industries.
- (3) Lack of proper oversighting mechanism.
(not done regular audits)
- (4) Wilful defaulters.
- (5) Laxant laws and loose recovery mechanism.

Also add dimensions like
 procyclical in nature
 impact of judicial decisions

Remarks

Unscientific lending problems are the prime reason for NPAs. Without estimating the credit risk of the loans, performance of the proposed project and economic strength ~~and~~ moral character of the individual poses stress to the economy.

most of the NPAs were in steel industry, Power industry etc. which were underperformed because of the structural reasons such as the competition from global markets, changing government policies, not got timely permission with respect to environment and land lease etc.

Along with structural reasons, lack of proper oversight mechanism and the wilful defaults posed great contribution to increase in NPAs.

Some of the measures to clean NPAs

- (1) Recently Former Raghuram Rajan suggested that MSMEs, MUDRA loans and small loans going to become the great contributors to NPAs.
- (2) So, proper supervision, guidance and technological advancements of these sectors can promote good recovery.
- (3) To reduce NPAs in NBFCs, recently government constituted Risk assessment officers, which is a good step in resolving NPAs.
- (4) "Credit registry" of the individuals can be utilised to disburse the loans.
- (5) ~~Budget 2018-19~~ gave supervisory powers to RBI should be increased.
- (6) NBFCs internal mechanism should be harmonised and subsidiaries should be overlooked properly (recent case of IL and FS is because of complex subsidiaries).
- (7) Stringent laws ~~to curb~~ ^{to curb} wilful defaulters. The Fugitive economic offenders Act, 2018 is the one such move.

Remarks

Not mentioned about Fiscal stimulus, Capital injection & Recapitalisation like 4 crucial "R's"

(6)

Q12. By diversifying the export basket, India's Foreign Trade Policy has tried to explore new markets and products, besides increasing India's share in its existing traditional domains. Analyse key features and operational effectiveness of Trade Policy 2015-2020.

(15 Marks)

Remarks

Remarks

Remarks

Q13. Discuss India's export and import trade basket in light of deglobalization threats. Explore areas where India can chart out a new growth strategy. (15 Marks)

Major Indian Exports

- (1) pharmaceuticals
- (2) IT products
- (3) Agricultural products
- (4) petroleum products and chemicals.
- (5) Textiles and leather products.

Major Indian Imports

- (1) ^{Crude} Oil &
- (2) gold
- (3) precious metals and stones.
- (4) Electronic items
- (5) Rare earth metals, uranium & lithium etc.

Deglobalization is the phenomena opposite globalization. Here, the integrated economy is going to become individualistic. Practices such as protectionist measures, imposing high taxes on imported goods etc. are the characteristics of deglobalization.

Recently the protectionist measures of USA posing great threat to Indian economy. As we know USA and European union are the

Greatest markets to the India. And also because of trade tensions between USA and China, India also facing the challenges such as China dumping its steels and iron products at cheap costs in Indian market.

India is the largest importer of oil in the world. Around 80% of the ^{Crude} Oil in India is imported. Because of USA's sanction on Iran our dependency on it decreased. We have to explore the new areas such as USA where it is costly affair.

Because of trade tensions between USA and China, India can be the substitute for the needs of these countries. Like Indian can increase its food products exports to USA and also our software products to China.

Also explain issues like
 - Exchange rate imbalance
 - trade deficit

Remarks

New growth Strategy

Strategy can be derived on the basis of our own strength and the weakness of the other player. We can improve exports in our traditional strengths of textile and apparel industry, IT products, agricultural products, and pharmaceuticals etc.

(1) African Continent may be the unexplored market. we can promote our cheap pharma products, IT services etc. there -

(2) To curb our dependency on oil imports we can promote unconventional energy resources such as promoting e-vehicles, solar energy production, wind energy etc.

(3) With the increase in labour costs China's textile and garment industry is struggling. India can take this opportunity.

(4) Contract farming can be increased to promote export potential of Indian agriculture. Fisheries, milk and meat industry also potential area.

With these key areas India can play significantly in global arena to ^{increase} exports and to decrease imports.

Remarks Not explained few bilateral issue like RCEP negotiation, trade deficit with ASEAN countries.

(5/2)

Q14. The WTO and the Doha Development Agenda has remained a white elephant which India and other developing nations have been trying hard to move around. What do you make out of this statement? What options are available to India in shaping effectiveness of WTO? (15 Marks)

Remarks



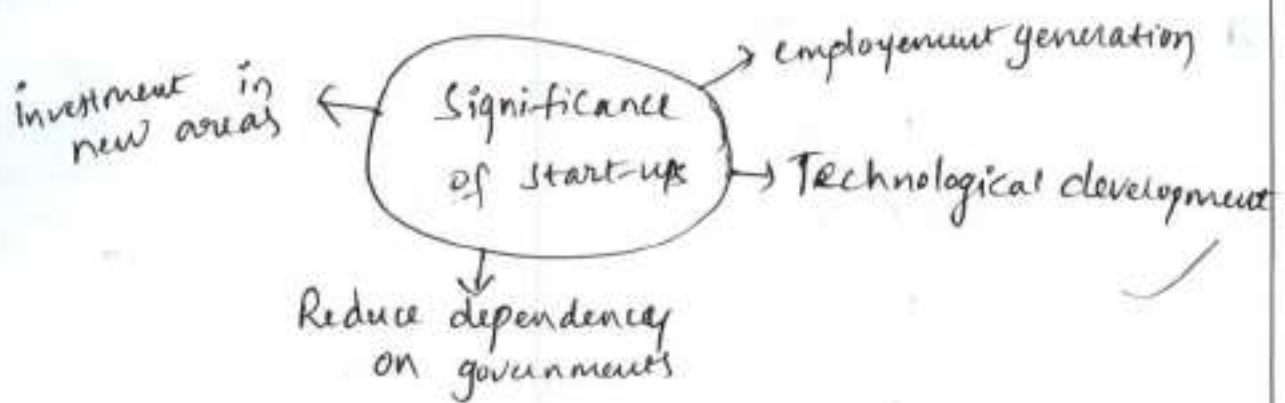
Remarks

Remarks

Q15. As start-ups turn out to be a major source of revenue and employment, governments from across the world have been going out of their way to facilitate the entrepreneurial dream. Discuss the role played by angel investors and government support in facilitating the Start-up growth story. (15 Marks)

~~Start-up~~
Start-up is the new buzz word in the present economic scenario. Job seekers to Job Creators is the new motto of the Indian government. India with 3rd largest global start-up arena has lot of benefits from it.

Nice way to start the question



Start-ups in new areas increase productivity, efficiency of the industry. Present day generation with lot of new technologies, internet, social media. Start-ups are making lot of money.

The present day global tech giant Facebook is once a start up. Indian company Flipkart also started as start-up.

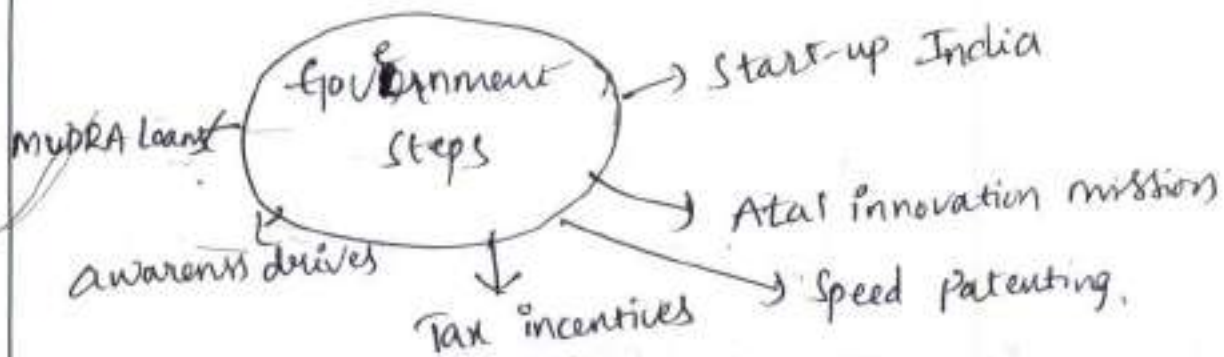
Remarks

But in recent time we have seen some problems with ^{and in} startups. Such as

- (1) Failure of startups due to lack of guidance and awareness about market.
- (2) Lack of credit for start-ups.
- (3) They have to wait until some time to attract investment. Until they show results, they won't get investments.

Good point but have been more organized.

In order to overcome these challenges government provided funds of funds for start-ups under "start-up India" mission. Atal innovation mission is also in the right direction.



Government ~~set up~~ under SIDBI set up funds of fund to support "start-ups". The permissions required for starting business is decreased. Increased the

Remarks

Speed of allocating patents to the products designed by start-ups.

Angel investors are the investors who invest in start-ups in the capital attracting stage in hope that the company have future growth. These investors get shares in the company in return for their investments. Large Corporation houses are encouraging start-ups in this direction.

In the Budget 2019-20, Government of India exempted the Angel tax ^{for start-ups}. This reduces unnecessary checking of revenue officials on startups and made compulsory that the revenue official should accept the start-up data for tax calculations.

Not provided conclusion
 + Capacity building
 + Technological incubation
 and financial funding support
 Add while explaining conclusion.

5/2

Q16. Railway Budget was used as a political tool with decisions made on new trains, routes, and fare hikes were getting influenced because of political considerations. Has the merger of the Railway Budget with Union Budget halted these tendencies? Examine. (15 Marks)

Remarks

Remarks

Remarks

Q17. The tax-GDP ratio in the country is lowered by 2-3 percentage points for its level of per capita GDP. The reasons for the low tax ratio have to be found in the exemption to agricultural incomes, widespread tax preferences due to multiple objectives loaded into tax policy, tax abuse by multinationals and poor tax administration. Illustrate with examples. (15 Marks)

India with tax to GDP ratio of around 12% is one of the lowest in the world.

The tax to GDP ratio of OECD countries is around 34%.

The reasons for the low tax ratio is

(1) Exemption to Agricultural income.

Agriculture contributes of 17% to the

Indian economy and ^{around} 50% of the employment. If 17% of the GDP is untaxed means it's a loss to government at the same time various social security benefits to the farmers made government budget stressed.

(2) Tax Policy

India's tax policy is progressive. That means individuals who earn more have to pay more tax than individuals who earn less. Still the direct tax to

Good
But not define about tax-GDP ratio & GDP per capita

GDP ratio is very less compared to the other developing and developed countries.

(3) Tax abuse by MNCs

Due to favourable tax destination in different countries. Multinational Companies shift their profits from India soil to other tax heavens. which is a great loss to government.

Countries such as Mauritius, Singapore, Netherlands has very less tax. & Companies register in that countries and operates from here.

(4) Poor tax administration

Corruption, inefficiency, litigations are some of the pressing problems in tax administration of India. with recent online revolution these things are slowly reducing but still the laws of tax collection have lot of loop holes that is in Income tax Act, 1964 etc. So government should change these laws according to the need.

Suggested measures

- (1) Decrease tax rates and increase tax base as recommended by Raja Chellappa Committee. ✓
- (2) Agriculture is facing great challenges. Taxing it is not a wise idea. Rather improving the productivity of agriculture and increasing exports can have improvements in economy.
- (3) Tax administration should be fully automated. Interference with tax collector and tax payer should be reduced.
- (4) To curtail the problem of "base erosion and profit shifting", international consensus should be arrived. As recently we saw the discussion about this in G-20 countries summit. ✓
- (5) Tax Laws should be simplified, without any ambiguity, arbitrariness. ✓
- (6) There should be some alternate ^{Justice} ~~Court~~ mechanism to solve tax litigations. ✓

Good points with sufficient suggestive measures

Also add Incentivizing tax payers
 (Balance Regional development)

Remarks

6 1/2

Q18. The word 'media' is derived from the word medium, signifying mode or carrier. Media is intended to reach and address a large target group or audience. Comment to what extent the paid news and media biasedness has jeopardized the overall credibility framework. (15 Marks)

In democracy media is the 4th

✓ Pillar of democracy. It is the voice for
 ✓ voiceless.

Functions of media

- (1) Highlighting the problems faced by the citizens
- (2) Spreading the awareness about rights of individual
- (3) medium to connect between the rulers & ruled
- ✓ (4) Showing the weakness in governance
- (5) Information sharing about national and international happenings

But, recently we have seen the decreasing the standards of media. Instead of acting as a agent of social change media is working for the welfare of corporates, Propaganda tool of a political party and also shaping the minds of citizens.

Remarks

Yellow Journalism

Paid news are the news telecasted by media channels by taking money from the individuals. If it is done for the promotion of a product ~~is exact~~ good but if it done for promotion of a unethical politician it is a mockery on democracy.

According to election commission rules and the Representation of peoples Act paid news were not illegal but they are unethical. Because, According to Ash psyche Conformity test, if you show something as good suggested by larger society then the individual will belief that and follow that.

Good point with example

If you promote Swachh Bharat Abhiyan through media that is good. Because citizens can be aware about cleanliness and their sanitation and health will improve but if you promote a False believe, fake news it's problem.

Fake news are also cause for internal security. As we saw in the lynching of North-East Indian in Bangalore is the case for it.

Biasesness of media towards a particular political belief is not wrong. But if you promote that belief even that is not ethical creates problem. The political leaders having media channels means it is for mostly ^{Fake} propaganda.

Biasness and paid news decreases the Credible information availability and reduces the diverse and ethical thoughts. Rather there will be only manipulations, propagandas and projections.

When citizens do not lack proper information, they will take wrong decision this inturn leads to their choice of leader. If ~~then~~ unethical leader wins and goes to legislation process it's a great threat to democracy.

Not provided
 corrective measure.
 Democratic way \leftarrow Discussion
 Persuasion
 Harsh penalty
 no government advertisement

Remarks

(6)

Q19. The World Wide Web and web 2.0 technologies have given rise to electronic media where even a common man can express views through blogs, website posts, Facebook and twitter like social media. Discuss the communication revolution that these structural frameworks have created. (15 Marks)

According to famous philosopher Hugo
 'No one can stop if an idea have the scope to
 develop'. Internet is present generation new idea
 It created communication revolution in the society.

Uses of world wide web

- (1) Common man can have access to information
 hithro he did not have.
- (2) He can share information, connect with international
 users and sell his product online.
- (3) Government today transferring the benefits of subsidies,
 pensions and other services directly to consumers
- (4) Internet improves the governance of the country.
- (5) It is to to strengthen Freedom of speech enshrined
 in our constitution. Any one can express his grievances,
 emotions and ideas through online platforms like
 blogs, twitter, Facebook etc.

Remarks Not explain anything about communication
revolution

Communication revolution made citizens so close that their each and every interaction is monitored online. Recently, ~~By~~ #MeToo revolution against sexual exploitation and #Talktoyour Neighbour Campaign to promote communal harmony are new ways of increasing awareness, communication and solving social ills.

Internet revolution also gave scope for the individual to show his creativity. In TikTok app where the individuals can make videos creatively and spread among the large userbase. He can earn money also through social websites blogging.

Internet is a revolution. It is creating a parallel economy. The recent news about Bitcoin, radio, algo-trading are tools making their way.

Good but not explained through historical development.
radio
Telnet
Telegraph.

Remarks

However, Communication revolution ⁱⁿ ~~in~~ ^{has} ~~has~~ ^{its} ~~its~~ own challenges, they are

- (1) Tool to spread Fake messages, False propaganda.
- (2) Terrorists may recruit online and they can spread their aims to attract weak minded individuals.
- (3) Hackings, Ransomware attacks (Wannacry etc.) are posing great threat.
- (4) Recently Cyber attack on Zomato - stolen almost millions of users data and recent attack of RAT (Remote access Trojan) from Pakistan created Panic.
- (5) Decreasing the socialization, increasing loneliness and peer group "Like Syndrome" etc.

Through the Web 2.0 revolution the world came to so close at the same time their are problems which have to be sorted out.

Connective measure is required to explain to forward

Building way forward understanding
 social issue
 low focus on TRP.

Remarks[†]

6/2

Q20. A liquidity trap occurs after a severe recession, where families and businesses are afraid to spend no matter how much credit is available. Is this the situation in India? Discuss. (15 Marks)

Liquidity trap is the situation where the availability of money increases in the economy but the investment will not increase parallelly.

Indian economy is consumption driven not expenditure or investment driven. In consumption based economy savings will be high. People tend to save the money and then invest only the things which they thought fetch good returns.

Western economies are investment driven like USA, UK, France etc. Therein the people invest in share market, bond and trade the money to multiply it.

Indian tradition society itself savings based. The present scenario is not only about

Remarks

liquidity trap but various other structural reasons present in the ~~the~~ Economy.

The reasons may be

- (1) Lack of Confidence of economic institutions
- (2) Corruption and red tapism
- (3) fall out of start-ups
- (4) Global trade tensions (Protectionist measures, Trade wars etc.)
- (5) Lack of awareness about investment destination
- (6) Traditional mind set. → investment in buying gold, and fixed assets.

Also explain Economic situation how leading by banks Inflation High risk.

As the growing economy ^{like} India should have circulation of economy. But as economy growing family expenditure also grows which leads to less surplus remained for the individual to invest.

But this not altogether correct because as we see recently the growth of bond market in India. ^{and} also people wanted to diversify their

Remarks RBI frequent rate cuts may lead to liquidity-situation trap

risks in various arenas. Their investment opportunities are restricted, so they are not investing. The investments in ~~pro~~ mutual funds, provident funds are also increasing.

Conclusion with policy measures

(3)

Remarks

(2)