Civil Services (Main) Examination, 2012

ECONOMICS
(Paper II)

Time Allowed : Three Hours | *Maximum Marks : 300*

QUESTION PAPER SPECIFIC INSTRUCTIONS

Please read each of the following instructions carefully before attempting questions :

There are **EIGHT** questions divided in **TWO SECTIONS**.

Candidate has to attempt **FIVE** questions in all.

Questions no. **1** and **5** are compulsory and out of the remaining, any **THREE** are to be attempted choosing at least **ONE** question from each Section.

The number of marks carried by a question/part is indicated against it.

SECTION 'A'

1. Attempt the following in not more than 150 words each: 12×5=60

(a) Discuss in detail the views of VKRV Rao on deficit financing.

(b) During the British rule, commercialisation of agriculture was forced on the farmers, while now it is the need of the hour. Discuss.

(c) What do you mean by the 'Hindu rate of growth'? Why has it been argued that poverty can not be eradicated under the Hindu rate of growth?

(d) Trace the growth of real per capita income in India in the pre-liberalisation period, keeping in view the interplay of increasing population and increasing real national income.

(e) Explain why in spite of economic planning income-distribution has turned more unequal through time.

2. Attempt the following in not more than 250 words each: 20×3=60

(a) 'Population is not just a denominator to deflate aggregates. It is determined by the level and pattern of economic development.' Comment.

(b) Distinguish between cooperative, contractual and corporate farming. Which of these is best suited for India and why?

(c) Delineate the trends in the growth and industrial composition of public sector in India during the pre-liberalisation period.

3. Attempt the following in not more than 250 words each: 20×3=60

(a) Compare the strategies of trickle down growth with inclusive growth. Why should the strategy of inclusive growth be preferred?

(b) How was the Jute industry affected after partition? What remedial measures were taken to arrest its decline?

(c) Discuss the various measures of poverty with policy implications for removal of poverty.

4. Attempt the following in not more than 300 words each: 30×2=60

(a) A number of production lines were reserved for the small scale sector in the pre-liberalisation period. Did such reservation achieve its objectives? Explain in detail.

(b) What are the factors which determine the size and composition of national income? In this respect contrast the scenarios between pre and post liberalisation periods.

English version compiled from published transcriptions and cross-checked across sources; not a facsimile of the official UPSC question paper.

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SECTION 'B'

5. Attempt the following in not more than 150 words each: 12×5=60

(a) Characterise the inflationary process in the last three years. What steps were taken by the RBI and the Government to control it?

(b) Explain why in spite of poverty alleviation schemes number of the poor has not fallen very much.

(c) Discuss the factors responsible for slow growth in agriculture in recent years. What steps ought to be taken for sustained growth in this sector?

(d) Can disinvestment in public sector units be a sustainable alternative for raising resources for government expenditure?

(e) Would a flexible exchange rate regime serve India better than a fixed exchange rate regime in the current international scenario?

6. Attempt the following in not more than 300 words each: 30×2=60

(a) Discuss the salient features of TRIPS and Indian position on (i) geographical indications and (ii) plant breeders' rights.

(b) Why is capital inflow through multinational corporations preferred over foreign debt?

7. Attempt the following in not more than 250 words each: 20×3=60

(a) Discuss the major recommendations of the Thirteenth Finance Commission with regard to augmentation of resources of local governments.

(b) Distinguish between fiscal federalism and political federalism. How has fiscal federalism been evolving in relation to special category States in particular and other States in general?

(c) How is GST different from VAT? What is the grand bargain suggested by the Thirteenth Finance Commission for implementation of GST?

8. Attempt the following in not more than 300 words each: 30×2=60

(a) Examine the new EXIM policy. Given the tough competition in international trade, what corrective measures would you suggest to make it more successful in boosting Indian exports?

(b) Explain the salient features of the Fiscal Responsibility Act. Explain to what extent has the Government of India been able to adhere to the provisions of this Act?

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