Civil Services (Main) Examination, 2013

ECONOMICS
(Paper II)

Time Allowed : Three Hours | *Maximum Marks : 250*

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.

Attempts of questions shall be counted in sequential order. Unless struck off, attempt of a question shall be counted even if attempted partly.

SECTION 'A'

1. Answer the following questions in about 150 words each: 10×5=50

(a) Write on 'Drain Theory' as developed by Dadabhai Naoraji. How does it explain sustained poverty during the British Rule in India?

(b) Mixed economy is an outcome of the compromise between laissez-faire capitalism and socialist state control of resources. Elaborate. Mention its salient features.

(c) State the basic features of Mahalanobis model.

(d) How is development looked upon by A. K. Sen in terms of freedom and poverty as unfreedoms? Point out his narration of five dimensions of poverty.

(e) What are the components of Land Reforms in India? Has it been completed? If not, then what are the obstacles?

2. (a) "An underdeveloped money and capital market has been a major cause of slow economic growth in India." In the light of this statement, give relative importance of financial sector vis-à-vis real sector in Indian economy. 25

(b) "A close connection between the finance on the one hand, and politics and administration on the other hand, and the influence of the latter on the former cannot be avoided. This is all the more true in India." Do you agree with this statement of C. N. Vakil? Is it relevant even today? 25

3. (a) The industrial development agenda framed by the Industrial Policy, 1956 transformed the Indian economy substantially from an agricultural to an industrial economy. Elucidate. State in brief sectoral composition of growth during the period before 1990. 25

(b) How are 'absolute' and 'relative' poverty measured? What modification in it has been suggested by Amartya Sen? What are the recent advances in the area of poverty measurement? Discuss. 25

4. (a) Transformation of rural sector is key to economic development as it sustains two-thirds of Indian population. How physical connectivity, electronic connectivity and knowledge connectivity may be helpful in this transformation? Explain the linkages. 25

(b) Inflation is not a purely monetary phenomenon in India and hence the scope of monetary policy of the RBI to contain it is limited. Discuss. 25

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. Answer the following questions in about 150 words each: 10×5=50

(a) Do you agree that focussed and target-oriented technological interventions under National Food Security Mission (NFSM) have made significant impact since its inception? Justify.

(b) "Partial capital account convertibility cannot serve the purpose of integrating Indian economy with global economy." Analyse critically.

(c) What are the key initiatives proposed in Foreign Trade Policy, 2009–2014 for market diversification and technological upgradation to give a boost to exports?

(d) Write on 'dichotomy of development' and 'urban-bias' in Indian economy.

(e) What is 'Crony Capitalism'? How it compromises economic and social justice issues? Explain.

6. (a) What is the present policy of disinvestment of the Government of India? What modifications can be introduced in order to make it fruit-bearing? 25

(b) What are the major objectives of the Direct Taxes Code Bill, 2010? Will it be effective in generating enhanced tax revenues? 25

7. (a) "Indian planning structure and system still remains largely in favour of a centralised nature of planning. The 73rd and 74th Constitutional Amendments have hardly brought about any change in reality in the nature of Indian planning process." Critically evaluate this statement. 25

(b) Accelerated growth of tertiary sector during the past two decades in Indian economy has posed multiple challenges. Discuss. 25

8. (a) "Speculators may do no harm as bubbles on a steady stream of enterprise, but the position is serious when enterprise becomes the bubble on whirlpool of speculation. When capital development of a country becomes a by-product of the activities of a casino, the job is likely to be undone." Explain in the context of global financial crisis and its impact on Indian economy. 25

(b) Account for the changes in the employment pattern in India after liberalization. What are your suggestions for employment security in the 'informal' sector of the economy? Discuss. 25

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