

Sl. No. 0005231

A-KGU-O-HFD

**INDIAN ECONOMICS**

Time Allowed : Three Hours

Maximum Marks : 200

**INSTRUCTIONS**

*Please read each of the following instructions carefully before attempting questions.*

There are **THIRTEEN** questions divided under **THREE** Sections.

The **ONLY** question in Section—A is compulsory.

In Section—B, **SIX** out of **SEVEN** questions are to be attempted.

In Section—C, **FOUR** out of **FIVE** questions are to be attempted.

Candidates should attempt questions/parts as per the instructions given in the Sections.

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

All parts and sub-parts of a question are to be attempted together in the answer-book.

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

Any page or portion of the page left blank in the answer-book must be clearly struck off.

Candidates are required to write clear, legible and concise answers and to adhere to word limits wherever indicated. Failure to adhere to word limits may be penalized.

Answers must be written in **ENGLISH** only.

**Section—A**

1. Answer *all* of the following six parts in about 150 words each : 5×6=30
- (a) Manufacturing sector needs to be strengthened and developed but the role of the service sector cannot be ignored. Discuss. 5
- (b) State the major recommendations of the Fourteenth Finance Commission. 5
- (c) Antipoverty programmes need to be reoriented for assets creation rather than providing employment in rural areas. Comment. 5
- (d) Child labour continues to be a permanent problem in India. Suggest pragmatic ways to control it. 5
- (e) Do you think that Fiscal Responsibility and Budget Management Act, 2003 should be modified? Give reasons. 5
- (f) Bring out the importance of micro, small and medium enterprises in the context of the Indian economy. 5

**Section—B**

Answer any six out of the following seven questions in about 200 words each : 15×6=90

2. "In the changing economic environment, the goal of self-reliance is a myth." Do you agree? 15
3. Comment on the major federal fiscal problems between the Centre and States in India. 15
4. India's human development record continues to be gloomy. Can you suggest measures to improve it? 15
5. Skill development and increase in labour productivity will impact India's growth rate. In this context, would you suggest changes in India's education policy? 15
6. Financial inclusion is a must for healthy growth of the Indian economy. In this context, what measures would you suggest to promote household savings in India? 15
7. In the context of purchasing power parity, Indian rupee is undervalued in dollar terms. How far is it true? 15
8. Nonbanking financial institutions need to be effectively regulated and monitored in India. Can you suggest some measures in this direction? 15

**Section—C**

Answer any *four* out of the following five questions  
in about 300 words each : 20×4=80

9. "Second generation economic reforms should be accompanied with human capital formation for sustained development in India." Discuss. 20
10. Do you think that fiscal reforms should supplement financial sector reforms to achieve the objective of stabilization and employment generation in the Indian economy? Explain. 20
11. Subsidies are a source of inefficiency and corruption. They should be rationalized and ultimately phased out. Illustrate your answer in the Indian context. 20
12. Industrial development and agricultural development are the two sides of the same coin. What policy prescriptions would you advocate in the context of the Indian economy? 20
13. It is not the population but the poverty and unemployment are the two most chronic problems of the Indian economy. What policy measures would you suggest to solve these problems? 20

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